

## TORM plc Long-Term Incentive Program

In accordance with the TORM plc ("TORM") Remuneration Policy adopted by the General Meeting of TORM A/S on 25 August 2015, the Board of Directors has as part of a long-term incentive program decided to grant certain employees (the "Participants") Restricted Share Units ("RSU") in the form of restricted stock options. The initial long-term incentive program established by TORM A/S was replaced by a similar program issued by TORM plc following the Corporate Reorganization (cf. company announcement no. 18 dated 14 October 2016). The RSUs aim at incentivizing the Participants to seek to improve the performance of TORM and thereby the TORM share price for the mutual benefit of themselves and the shareholders of TORM.

The Board of Directors of TORM has granted the Participants a total of 866,617 RSUs and, subject to vesting, each RSU entitles the holder to acquire one TORM A share. The RSUs will vest over a three-year period, with one third of the grant amount vesting at each anniversary during the three-year period. For RSUs granted to approx. 20 Participants in 2017, the exercise price for each TORM A share is DKK 93.6. Vested RSUs may be exercised for a period of six months from each vesting date.

Holders of the RSUs will have no rights as a shareholder with respect to such RSUs until such time as the RSUs vest and are exercised and TORM A shares are issued. The RSU allocation includes certain adjustment and acceleration provisions, exercise conditions and other terms customary for restricted stock option programs of this nature. For TORM A/S employees, the RSUs are subject to Danish law.

The theoretical market value of the RSU allocation is calculated at USD 1.0m based on the Black-Scholes model. The key assumptions for the calculation of the market value are:

- The strike price is adjusted for TORM dividends
- The volatility of the TORM share was estimated at 45%
- The risk-free interest rate based upon expiry of the RSUs is based on Danish government bonds with maturity corresponding to the maturity of the individual RSUs (between -0.6% and -0.5%)
- A share price of DKK 63.5 per A share at the time of allocation
- The RSUs are on average exercised in the middle of the exercise window following each vesting date

The RSU allocation is expected to affect the P&L statement in the following manner:

| <i>In USDm<br/>(rounded)</i> | 2017 | 2018 | 2019 | Total |
|------------------------------|------|------|------|-------|
| Total                        | 0.5  | 0.3  | 0.2  | 1.0   |

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### ABOUT TORM

TORM is one of the world's leading carriers of refined oil products. The Company operates a fleet of approximately 80 modern vessels with a strong commitment to safety, environmental responsibility and customer service. TORM was founded in 1889. The Company conducts business worldwide. TORM's shares are listed on Nasdaq Copenhagen (ticker: TRMD A). For further information, please visit [www.torm.com](http://www.torm.com).

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#### **SAFE HARBOR STATEMENTS AS TO THE FUTURE**

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and statements other than statements of historical facts. The words “believe,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “plan,” “potential,” “may,” “should,” “expect,” “pending” and similar expressions generally identify forward-looking statements.

The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in our records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond our control, the Company cannot guarantee that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of the world economy and currencies, changes in charter hire rates and vessel values, changes in demand for “ton miles” of oil carried by oil tankers, the effect of changes in OPEC’s petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM’s operating expenses, including bunker prices, dry-docking and insurance costs, changes in the regulation of shipping operations, including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists.

In light of these risks and uncertainties, you should not place undue reliance on forward-looking statements contained in this release because they are statements about events that are not certain to occur as described or at all. These forward-looking statements are not guarantees of our future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements.

Except to the extent required by applicable law or regulation, the Company undertakes no obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.