

**TORM
FONDEN**

ANNUAL REPORT

2015

(TORMS UNDERSTØTTELSESFOND)
(THE TORM FOUNDATION)



THE TORM FOUNDATION AND THE RESULT FOR THE YEAR

The Foundation's profit before tax was DKK 1,376,965 compared to a profit of DKK 1,534,992 in 2014. The profit for the year is regarded as satisfactory.

In 2015, grants of an overall DKK 11,8 million were allocated to non-profit causes and TORM employees, compared to DKK 1,1 million in 2014. Donations and grants in 2015 are described below.

The Foundation had equity of DKK 52,535,525 as at 31 December 2015.

EXPECTATIONS FOR 2016

Due to the significant reduction in the Foundation's equity and dividend income will drop in the years ahead. For 2016 the Foundation's profit is expected to be just under DKK 1,4 million from bond yields and corporate bonds

AWARDING OF GRANTS IN THE YEAR AHEAD UP TO MID-2017

With less funds and income, the Foundation's framework for awarding grants in the period May 2016–May 2017 is expected to be in the region of DKK 2 million. However, as the Foundation still has funds available for distribution, it might be possible to award larger grants if particularly pertinent applications are received.

INCOME STATEMENT FOR THE PERIOD

1 JANUARY – 31 DECEMBER 2015

DKK	2015	2014
Dividend from investments	283,262	0
Interest on bank deposits	6,774	3,839
Bond Interest	1,595,403	2,184,685
Currency gains, realized, bonds, disposable wealth	655,162	546,714
Gifts	0	2000
	2,540,601	2.737.238
Board Fees	200,000	250,000
Administration fee	114,250	156,833
Fees and administration	47,621	37,240
Lawyers, auditors and consultancy	121,875	112,500
Other administration costs	639,890	645,673
Expenses	1,163,636	1,202,246
Profit before tax	1,376,965	1,534,992
Tax on funds and adjustment before deferred tax	-38,061	0
Net profit for the year	1,338,903	1,534,992
DISTRIBUTION OF PROFIT		
Proposed appropriation of profit:		
Provision for subsequent use, opening balance	52,608,295	52,186,642
Profit for the year	1,338,904	1,534,992
Available	53,947,199	53,721,634
Distributed as follows:		
Grants during the year	11,799,395	1,113,339
Provision for consolidation	334,000	0
Provision for future use, year end	41,813,804	52,608,295
Total allocated	53,947,199	53,721,634

BALANCE SHEET AS AT 31 DECEMBER 2015

ASSETS DKK	2015	2014
Bonds	7,149,910	7,925,836
Shares and equity-based investment associations	1,375,055	2,416,896
Rebill account with available assets	334.000	296,733
Cash at banks	750,942	
Non distributable assets	9,275,907	10,639,465
Bonds and bond-based units in investment funds	46,746,604	63,897,066
Equity units in investment funds	11,868,946	11,047,385
Other receivables	1,107,545	1,484,365
Rebill account with restricted assets	-334.000	
<u>Bank deposits</u>	3.336,375	179,878
Available assets	62,725,470	76,608,694
<u>Assets</u> LIABILITIES	72,335,374	87,248,159
Restricted capital	9,609,904	10,639,465
Provision for subsequent use	41,813,804	52,608,295
Exchange rate adjustment fund	<u>1,111,817</u>	<u>1,655,109</u>
Total available capital	42,925,621	54,267,530
Equity	52,535,528	64,906,995
Accrued expenses	179,763	234,251
Designated allocation	19,580,086	22,029,138
Accrued foundation income tax	0	77,775
Short-term debt	19,759,849	22,341,164
Liabilities and equity	72,335,374	87,248,159

GRANTS AND AWARDS

The purpose of the Foundation is to provide grants for:

- Present and past employees of TORM A/S.
- Foundations for seamen, and maritime causes.
- Other non-profit causes.

Purpose	Grants			
	2015	2014	2013	2012
Total Grants	11,799,395	2,613,340	25,113,207	35,804,470
Non-profit – including for maritime and related institutions	10,175,141	1,376,233	21,729,784	31,526,000
TORM Employees	98,254	103,103	1,196,406	1,843,662
TORM Employee Associations	1,526,000	1,134,000	2,167,017	2,435,058

GRANTS IN 2015

1. TORM EMPLOYEES:

Grants are awarded to TORM employees primarily in the form of grants to employee associations at TORM's offices and on its ships, which put on a number of activities for employees of TORM A/S.

Grants to employee associations amounted to DKK 1,526,000. Subsidies for activities in the individual associations in Copenhagen, Manila, Singapore, Mumbai and Houston – employee association, sports clubs, cultural associations, etc. – are agreed with the clubs or associations based on their wishes and needs in the associations and countries concerned.

GRANT TO TORM MARINERS

The objective for support is to further improve the seafarer onboard TORM ships. For 2015 and 2016 the Foundation granted funds to improve the individual welfare of the seafarers by providing them with equipment and a possibility to play music wirelessly in high definition from their smartphones, tablets or lap tops.

Purchase of the equipment and the installation will be completed first half of 2016.

2. GRANTS FOR DANISH SEAFARING AND MARITIME CAUSES

One of the main purposes of the Foundation has been grants for the development of seafaring and for creating opportunities in Denmark and internationally and other Danish maritime ventures such as sailing and training ships.

SUPPORT FOR DANISH COMPETITIVE SAILING

In providing support during the period 2013 to 2016, strong emphasis is placed on grass-roots development and youth work in competitive sailing, involving initiatives and activities that will help to attract and retain the interest of both girls and boys in competitive sailing. The focus is mainly on the following initiatives:

- Coaches and youth leaders – development and education
- Developing training concepts
- ATC (Age-related Training Concept) through supporting activities in the clubs
- Developing concepts for clubs and events
- Activity packs
- TORM Sailing Award and TORM Grand Prix sailing
- Developing talent

Developing talent includes developing the Danish national sailing team, and we can see the outcome of many years of support with new generations of talented sailors winning, such as in the World Championships as well as European and Danish Championships. In 2015, seven classes of boat secured a ticket to the **Olympic Games 2016** in Rio de Janeiro.

To strengthen the training and development of the **Olympic team** the TORM Foundation has given an additional grant in 2015 to the work of improving results in the Olympic Games to a number of projects, benefiting the athletes and bringing together experience and knowledge to provide sailing race training for the future. Such as personal training initiatives including physical training, coaching and focusing on the development and testing of equipment.

SUPPORT FOR SAILING TO THE DANISH SAILING ASSOCIATION 2017 TO 2020

Since 2004, the TORM Foundation has been providing grants for competitive sailing, which we regard as one of the building blocks of interest in the sea, and which helps to generate interest in seafaring whilst also encouraging interest in maritime sport and leisure. Even though the Foundation has less funds now, we find it important to continue this major project under the auspices of the Danish Sailing Association for working with young people and developing talent in the years ahead. It is therefore with great pleasure for the Foundation already in 2015 to be able to payout of a new grant for projects running from 2017 to 2020. The projects in focus over the next few years will include:

- Active concepts for local sailing
- Trainer capacity and sailing academy
- Tools to improve local sailing club sales and communication
- Support of volunteer leadership and management in sailing clubs
- Support for talent development

EXPERIMENTARIUM – “THE PORT”

The TORM Foundation supports together with other Danish Foundations the rebuilding of Experimentarium – Science Center – in Hellerup. The rebuilding will be completed by the end of 2016 with a lot of new features and activities. One of the new features is The Port with a ship, bridge, loading facilities, cranes etc. The TORM Foundation together with other Danish Maritime Foundations finances the new 250-m² feature.

KDY (THE ROYAL DANISH YACHTCLUB)

The TORM Foundation has for many year has been providing grants for the local sailing club KDY in Hellerup for competitive sailing and youth activities. The Foundation has paid a new grant for projects running from 2016 to 2018.

KDY's is celebrating its 150 years anniversary in 2016 and the Foundation has provided grant to the volunteers work in connection with the many international sailing events in 2016

TRAINING VESSEL "DANMARK"

The purpose with DANMARK is to have a proper training ship, where young people who want a career at sea can have their basic training on board. The Foundation has supported the education and maintenance for many years. DANMARK will be the official representation place for Denmark at the Olympic Games in Rio de Janeiro in August 2016. The Foundation has provided grant to help Brazilian cadets to participate in the education 2016 and sailing from Denmark to Brazil.

WORLD CAREERS CAMPAIGN (BLUE DENMARK) – 2016 TO 2018

One of the purposes of the Foundation has been grants for the development of seafaring occupations and for creating opportunities for mariners in Denmark. The Foundation has therefore continued the support and provided a grant to the World Careers Campaign 2016 to 2018. The campaign is engaged in creating and develop the framework for attracting young people to maritime occupations.

GRANTS FOR HUMANITARIAN CAUSES

Although the Foundation's grants mainly go towards maritime-related activities and projects, the Foundation also wants to be involved in creating a better world and opportunities for many millions of people in need. This is done by means of aid to humanitarian causes – not only in countries with links to TORM A/S – such as the Philippines and India – but also more widely. For this reason, the Foundation has also donated to and supported "**Danmarks Indsamlingen**" since 2006 and again in 2015. The fundraising benefits a large number of humanitarian organizations such as the Danish Refugee Council, Save the Children Denmark, the Danish Red Cross, etc.

SUPPORT FOR PROJECTS IN INDIA 140000

In providing grants, the TORM Foundation is also keen to support non-profit projects in regions where TORM has employees, to assist with educational causes and social projects in India and the Philippines (The TORM Philippines Education Foundation) where TORM has offices and

which many mariners hail from. In 2015 grants were given in India to a school project in Maharashtra and a street children project under the Aasaratrust Orphanage, Mumbai.

3. DEVELOPMENTS IN PROJECTS EXTENDING OVER A PERIOD OF SEVERAL YEARS, SUPPORTED BY THE TORM FOUNDATION

DANISH MARITIME DAYS

The TORM Foundation was involved in supporting the development of Danish Maritime Days, which took place for the second time in October 2015 and brought together more than 200 leading individuals from the world of international shipping. The Danish Maritime Days is preliminary a 3 years project, which the Foundation also will support in 2016.

THE MARITIME MUSEUM – GRANT FOR THE COMMUNICATION PROJECT 2014–2016

The new museum has become a strong platform for communicating maritime history, industry and culture, and has helped boost awareness of Denmark as a seafaring and trading nation. Since opening, the museum has enjoyed great success. The Foundation is providing support through a three-year project to develop communications and PR with a view to marketing the museum and continue to attract visitors.

TORM PHILIPPINE EDUCATION FOUNDATION (TPEF)

TORM Philippines Education Foundation (TPEF) was established in 2007 and the TORM foundation has granted support for TORM Philippines Education Foundation (TPEF) from since 2007. TPEF has three different focus areas:

- **Scholarship Grant Program** - 170 young people have been awarded a college scholarship since 2007. The 96 current scholars study at 61 universities located in various parts of the country.
- **Scholars' Development Program** - Development of TPEF scholars' knowledge, skills, positive attitude and values by providing learning opportunities.
- **Engagement in other Social Development Initiatives** - Projects aimed at promoting quality education and better quality of life among poor Filipino communities e.g. note books and other school materials.

BOARD AND ADMINISTRATION

THE BOARD OF THE TORM FOUNDATION



CHRISTOPHER H. BOEHRINGER
Chairman of TORM A/S
Member of the board since 2015
Chairman since 2015



JACOB MELDGAARD
CEO, TORM A/S
Member of the board since 2010



RASMUS HOFFMANN
Chief Engineer
Member of the board of TORM A/S
Member of the board since 2013



JYTTE HOLLENDER
General Manager, TORM A/S
Member of the board since 2012

ADMINISTRATION



JENS BJERGMOOSE
Managing Director

ACCOUNTANTS

PWC