

NOTE 3 - continued

Long-term employee benefit obligations

The obligation comprises an obligation under the incentive programs to deliver Restricted Share Units in TORM plc at a determinable price to the entity's key personnel. The RSUs granted entitle the holder to acquire one TORM A-share.

The program was established during the year and comprises the following number of shares in TORM plc:

Number of shares (1,000)	2019	2018	2017
Outstanding as of 1 January	2,719.1	2,611.2	1,999.8
Granted during the period	1,001.1	907.3	866.6
Exercised during the period	-529.4	-	-
Expired during the period	-785.3	-764.0	-233.9
Forfeited during the period	-177.2	-35.4	-21.3
Outstanding as of 31 December	2,228.3	2,719.1	2,611.2
Exercisable as of 31 December	-	255.3	255.3

In 2017, the Board agreed to grant a total of 866.6 RSUs to other management. The RSUs to other management were subject to a three-year vesting period, with one third of the grant amount vesting at each anniversary date beginning on 1 January, 2018. The exercise price of each vested RSU is following certain adjustments for dividends at DKK 93.6 and an exercise period of six months.

In 2018, the Board agreed to grant a total of 944,468 RSU's to other management. The vesting period of the program is three years for key employees and three years for the Executive Director. The exercise price is set to DKK 53.7. The exercise period is 12 months after the vesting date for key employees and 12 months after the vesting date for the Executive Director. The fair value of the options granted in 2018 was determined using the Black-Scholes model and is not material. The average remaining contractual life for the restricted shares as per 31 December 2018 is 1.1 years (2017: 1.3 years).

In 2019, the Board agreed to grant a total of 1,001,100 RSUs to other management. The vesting period of the program is three years for key employees. The exercise price is set to DKK 53.7. The exercise period is 12 months after the vesting date. The fair value of the options granted in 2019 was determined using the Black-Scholes model and is not material. The average remaining contractual life for the restricted shares as per 31 December 2019 is 1.5 years.

NOTE 4 - REMUNERATION TO AUDITORS APPOINTED AT THE PARENT COMPANY'S ANNUAL GENERAL MEETING

USDm	2019	2018	2017
Audit fees			
Fees payable to the Company's auditor for the audit of the			
Company's annual accounts	0.4	0.4	0.4
Audit of the Company's subsidiaries pursuant to legislation	0.2	0.2	0.2
Total audit fees	0.6	0.6	0.6
Non-audit fees			
Audit-related services	0.1	0.2	0.4
Tax services	0.0	-	-
Total non-audit fees	0.1	0.2	0.4
Total	0.7	0.8	1.0

Under SEC regulations, the remuneration of the auditor of USD 0.7m (2018: USD 0.8m, 2017: USD 1.0m) is required to be presented as follows: Audit USD 0.6m (2018: USD 0.6m, 2017: USD 0.6m) and other audit-related services USD 0.1m (2018: USD 0.2m, 2017: USD 0.4m).

Our Audit Committee pre-approves all audit, audit-related and non-audit services not prohibited by law to be performed by our independent auditors and associated fees prior to the engagement of the independent auditor with respect to such services.