

TRONOX INCORPORATED

TORT CLAIMS TRUST DISTRIBUTION PROCEDURES

Capitalized terms not otherwise defined in these Tort Claims Trust Distribution Procedures (“**TDPs**”) shall have the meaning ascribed to such terms in the Plan or the Tort Claims Trust Agreement (“**Trust Agreement**”) executed pursuant to the Plan, as applicable.

The Plan, and the Trust Agreement pursuant to the Plan, establish a Tort Claims Trust (the “**Trust**”) and contemplate the establishment of the TDPs to set out the procedures and means to be implemented by the Tort Claims Trustee for the purpose of processing, liquidating, Allowing and paying Distributions on account of Tort Claims.

These TDPs are not intended to, nor shall they be deemed to, create additional substantive rights for any claimant.

**ARTICLE I
GENERAL**

1.1 Trust Res. The assets transferred or to be transferred to or received by the Trust consist of:

- (a) the Funded Tort Claims Trust Amount, being \$12.5 million in Cash;
- (b) the Trust’s share (not less than twelve percent (12%)) of the proceeds of the Anadarko Litigation pursuant to the Anadarko Litigation Trust Agreement, together with any other amounts provided therein; and
- (c) the Tort Claims Insurance Assets.

The Trust res (“**Res**”) shall consist of the foregoing Trust assets, together with any income or earnings realized or received in respect thereof.

1.2 Tort Claims Trust Distributable Amount. The Tort Claims Trust Distributable Amount (the “**Trust Distributable Amount**”) consists of the *Res* less payments made by the Trust on account of administrative expenses as provided in the Trust Agreement.

1.3 Inherent Uncertainty. The Trust Distributable Amount is presently unknown, and the Plan contemplates certain distributions to Holders of Allowed Tort Claims within each Category (as hereinafter defined) of Tort Claims on a substantially pro rata basis before all Claims are liquidated and before the Trust Distributable Amount is fully known. Accordingly, distributions on account of Allowed Tort Claims need to take into account (to the extent reasonably foreseeable and practicable at the time of each distribution) the uncertainty regarding the number and aggregate liquidated amount of Allowed Tort Claims and the amount allocable to each Category of Tort Claims.

1.4 Categories of Tort Claims. The Trust is established to provide for distributions to Holders of Tort Claims. Tort Claims include and consist of the following (each a “**Category,**” as designated):

- (a) **Category A:** Allowed Asbestos Claims, Allowed Unaccounted-for Tort Claims, and Allowed Future Tort Claims.
- (b) **Category B:** Allowed Indirect Environmental Claims.
- (c) **Category C:** Allowed Property Damage Claims.
- (d) **Category D:** Allowed Non-Asbestos Toxic Exposure Claims.

Holders of Tort Claims in each of the foregoing Categories A, B, C, and D will receive distribution(s) of the *Res* allocable to such Category pursuant to the Plan and these TDPs.

1.5 Determination of Category Sub-Funds. Pursuant to the Plan and the Trust Agreement, the *Res* shall be divided into the following five (5) separate funds (each, a “**Fund**”) in order to determine the pro rata amount distributable to each Holder of an Allowed Tort Claim within each Category:

(a) **Category A:** Holders of Allowed Tort Claims in Category A shall each receive their respective pro rata portion of Fund A. Fund A shall consist of a separate sub-account within the Trust equal to six and one-quarter percent (6.25%) of the *Res* (excluding from the *Res* the Excess Anadarko Fund; the Excess Anadarko Fund is defined in Section 1.5(e)).

(b) **Category B:** Holders of Allowed Tort Claims in Category B shall each receive their respective pro rata portion of Fund B. Fund B shall consist of a separate sub-account within the Trust equal to .15625 percent of the *Res* (excluding from the *Res* the Excess Anadarko Fund) for each whole million dollars of aggregate Allowed Indirect Environmental Claims (.0015625 times the number of whole millions of dollars of Allowed Category B Claims times the *Res* (excluding from the *Res* the Excess Anadarko Fund)), but in no event more than six and one-quarter percent (6.25%) of the *Res* (excluding from the *Res* the Excess Anadarko Fund) (such percentage, the “**Fund B Percentage**”).

(c) **Category C:** Holders of Allowed Tort Claims in Category C shall each receive their respective pro rata portion of Fund C. Fund C shall consist of a separate sub-account within the Trust equal to .125 percent of the *Res* (excluding from the *Res* the Excess Anadarko Fund) for each whole million dollars of aggregate Allowed Property Damage Claims (.00125 times the number of whole millions of dollars of Allowed Category C Claims times the *Res* (excluding from the *Res* the Excess Anadarko Fund)), but in no event more than six and one-quarter percent (6.25%) of the *Res* (excluding from the *Res* the Excess Anadarko Fund) (such percentage, the “**Fund C Percentage**”).

(d) **Category D:** Holders of Allowed Tort Claims in Category D shall each receive their respective pro rata portion of Fund D. Fund D shall consist of a separate sub-account within the Trust equal to the balance of the *Res* (excluding from the *Res* the Excess Anadarko Fund) not otherwise allocated to Funds A, B, and C pursuant to Sections 1.5(a)-(c)

above, but in any event not less than eighty-one and one-quarter percent (81.25%) of the *Res* (excluding from the *Res* the Excess Anadarko Fund). For the avoidance of doubt, portions of the *Res* not allocated to Fund B or Fund C in accordance Sections 1.5 (b) or (c) above shall be allocated solely to Fund D.

(e) **Outlying Claims:** The Holders of Category A Claims and Category D Claims who have an Outlying Claim with an Excess Award, shall receive on account of their Excess Award a pro rata portion of any Excess Anadarko Fund pursuant to Section 4.5. As used herein, the “**Excess Anadarko Fund**” shall mean and consist of five percent (5%) of the net proceeds, if any, of the Anadarko Litigation payable to the Trust pursuant to the Anadarko Litigation Trust Agreement in excess of One Hundred Twenty Million Dollars (\$120 Million). For purposes of determining the amount of Funds A, B, C, and D there shall be excluded from the *Res* the Excess Anadarko Fund.

ARTICLE II ALLOWANCE OF CLAIMS

2.1 General. All Tort Claims shall be processed, resolved, liquidated and, if Allowed, paid pursuant to these TDPs.

2.2 Claims Procedures.

(a) The Holder of a Tort Claim may assert a Claim against the Trust pursuant to these TDPs.

(b) Within ninety (90) days of the Effective Date, the Trust shall create a claim form to be completed by any Holder of a Tort Claim who desires to have a Tort Claim Allowed (“**Trust Claim Form**”) and the Trust Claim Form shall provide such information about the Holder and the Tort Claim as the Tort Claim Trustee reasonably deems necessary and appropriate to enable the Trust to determine the Category, validity, and amount, as appropriate, of the Tort Claim, provided, however, that with respect to personal injury claims as to which a timely Proof of Claim was filed, (i) the Trust Claim Form shall not require further proof of exposure, and (ii) the Trust Claim Form shall not require further proof of injury. For the avoidance of doubt, a timely filed Proof of Claim shall be accepted by the Trust as irrefutable and final proof of exposure to a Tronox toxic substance and irrefutable and final proof of the injury asserted in the proof of claim with respect to such exposure. Where illness/injury was not specified on a timely Proof of Claim Form or where the illness/injury sought to be compensated has changed, a sworn statement by the Holder of a Tort Claim or such Holder’s authorized representative shall be sufficient proof of injury. An official bankruptcy proof of claim completed and filed in the Tronox proceedings may be attached to the Trust Claim Form and be incorporated by reference as appropriate. For the avoidance of doubt, and without limiting the protection afforded by the Tort Claims Trust Agreement and/or these TDPs, the Tort Claims Trustee shall have the protection afforded by Section 5.6 of the Tort Claims Trust Agreement in relying on the information described in this Section 2.2(b).

(c) The Holder of a Tort Claim shall specify, in the Trust Claim Form, the Category in which his or her Claim falls. No Claim shall be considered, Allowed, or paid in more than one Category.

(d) Claims shall be reviewed, processed and liquidated in chronological order based on the date and time of the timely filing of an official bankruptcy proof of claim, or, as regards future Category A claims, on the date of filing of a Trust Claim Form with the Trust (such dates and times being referred to as the “**Filing Date**”). The Trust will afford priority among claims having the same Filing Date by lottery or other equitable means approved by the Trust Advisory Committee.

(e) Claims in Categories B, C, and D for which no official bankruptcy proof of claim was timely filed with the Bankruptcy Court by the Claims Bar Date shall be disallowed without further review or consideration.

(f) Pursuant to the Confirmation Order, all Claims shall be subject to these TDPs.

ARTICLE III LIQUIDATION AND ALLOWANCE (DISALLOWANCE)

3.1 Categories B and C.

(a) All Category B Claims have been or, prior to the expiration of the Claims Objection Bar Date will be, objected to by Tronox. All Category B Claims shall be liquidated in the Chapter 11 Cases for all purposes of these TDPs and Allowed in the amounts determined by Final Order, or, if settled, in the amounts set forth in a settlement agreement between the Holder of the Category B Claims and Tronox (and any other party thereto). For Category B Claims the Allowed Amount of the Claim shall be one-half (1/2) of the amount so determined or agreed to.

(b) All Category C claims will be referred to binding arbitration pursuant to Section 3.5 of these TDPs and shall be liquidated thereby for all purposes of these TDPs and Allowed in the amounts awarded in the arbitration, or, if settled, in the amounts set forth in a settlement agreement between the Holder of the Category C Claim and the Trust. For Category C Claims the Allowed Amount of the Claim shall be the full amount so determined or agreed to.

(c) As soon as practicable after determination of the Allowed Amounts of all Category B and Category C Claims, the Tort Claims Trustee shall determine the aggregate of the Allowed Amounts of all Category B Claims and the aggregate of the Allowed Amounts of all Category C Claims and, on the basis thereof, shall then determine the Fund B Percentage and the Fund C Percentage (Fund A being fixed at 6.25% of the *Res* (excluding the Excess Anadarko Fund) and Fund D being the entire balance of the *Res* (excluding the Excess Anadarko Fund)). Notice of such determinations shall be [●] and shall be final and binding for all purposes.

3.2 Categories A and D.

(a) Category A Asbestos Claims and Category D Claims. Upon a determination that a Trust Claim Form for a particular Category A Asbestos Claim or

Category D Claim is complete, which determination shall be made by the Tort Claims Trustee and provided to the Holder by written notice (a “**Determination Notice**”), the Holder of a Category A Asbestos Claim or Category D Claim shall have the option of accepting the Scheduled Value (as hereinafter defined) for such Claim (which amount shall be stated in the Determination Notice) or of proceeding with the dispute resolution procedures set forth in Section 3.3 below. A Holder’s election to proceed with the dispute resolution procedures set forth in Section 3.3 hereof shall be provided by written notice to the Trust and must be received by the Trust within thirty (30) days of the date of the Determination Notice (a “**Rejection Notice**”). If a Holder fails to timely provide a Rejection Notice to the Trust, the Holder shall be conclusively presumed to have accepted the Scheduled Value.

(b) Category A Future Tort Claims. Upon a determination that a Trust Claim Form for a particular Holder asserting a Category A Future Tort Claim is complete, the Tort Claims Trustee shall review the Trust Claim Form to determine whether the Holder’s Tort Claim qualifies as an Allowed Future Tort Claim. The Tort Claims Trustee shall inform the Holder of its determination through a Determination Notice. If the Tort Claims Trustee determines that a Holder’s Tort Claim does not qualify as an Allowed Future Tort Claim, the Holder may challenge the Trust’s determination through the dispute resolution procedures set forth in Section 3.3 below. If the Tort Claims Trustee determines that the Holder’s Tort Claim qualifies as an Allowed Future Tort Claim, the Holder of the Future Tort Claim shall have the option of accepting the Scheduled Value (as hereinafter defined) for such Tort Claim (which amount shall be stated in the Determination Notice) or of proceeding with the dispute resolution procedures set forth in Section 3.3 below. A Holder’s election to proceed with the dispute resolution procedures set forth in Section 3.3 hereof shall be provided by a Rejection Notice to the Trust and must be received by the Trust within thirty (30) days of the date of the Determination Notice. If a Holder fails to timely provide a Rejection Notice to the Trust, the Holder shall be conclusively presumed, (i) in the case of a Holder whose Tort Claim does not qualify as an Allowed Future Tort Claim, to have accepted the Trust’s determination that the Holder’s Tort Claim does not qualify as an Allowed Future Tort Claim, or (ii) in the case of a Holder whose Tort Claim qualifies as an Allowed Future Tort Claim, to have accepted the Scheduled Value. Notwithstanding anything to the contrary in Section 3.3 below, in no event shall a Future Tort Claim proceed through the individual review procedures set forth in Section 3.4 below.

(c) Category A Unaccounted-for Tort Claims. Upon a determination that a Trust Claim Form for a particular Category A Unaccounted-for Tort Claim is complete, the Tort Claims Trustee shall review the Claim pursuant to the individual review procedures set forth in Section 3.4 below.

(d) Schedule A attached hereto sets forth the Scheduled Values for those Category A Claims that are Allowed Asbestos Claims and for those Category A Future Tort Claims that would have qualified as Allowed Asbestos Claims if an official bankruptcy proof of claim had been filed with the Bankruptcy Court by the Claims Bar Date.

(e) Schedules B, C, D, and E attached hereto set forth the Scheduled Values for all Category D Claims and for those Category A Future Tort Claims that would have qualified as Allowed Non-Asbestos Toxic Exposure Claims if an official bankruptcy proof of claim had been filed with the Bankruptcy Court by the Claims Bar Date.

(f) A Holder accepting the Scheduled Value shall not be required to meet any further evidentiary requirements (beyond the matters required to be set forth in the Trust Claim Form) with regard to such Claim, and the Claim shall then be liquidated and Allowed in the amount of the Scheduled Value.

3.3 Dispute Resolution – Categories A and D.

(a) If a Holder of a Category A Claim or a Category D Claim timely provides a Rejection Notice in accordance with Section 3.2, the Claim shall be valued and liquidated in accordance with this Section 3.3.

(b) At any time during the dispute resolution process the Holder of a Claim and the Trust may agree to settle the Claim and thereby conclude the process.

(c) At the option of the Trust, to be exercised by written notice to the Holder of the Claim given within 90 days of the Trust's receipt of a Rejection Notice, the Claim shall (i) be evaluated in accordance with the Trust's Individual Review Process pursuant to Section 3.4, below, (ii) be referred to arbitration, as provided in Section 3.5, below, which arbitration may be binding or non-binding at the election of the Holder, or (iii) be liquidated in the tort system as provided in Section 3.6, below. In each such case, the determined value of the Claim may be greater or less than the Scheduled Value which shall have no evidentiary relevance.

3.4 Individual Review – Categories A and D.

(a) Claims referred for review under this Section 3.4 (“**Individual Review**”) shall be processed in chronological order based on their Filing Date.

(b) A Claim referred for Individual Review shall be reviewed for purposes of determining whether the Claim would be compensable in the tort system and, if so, the amount at which such Claim would be determined and liquidated in the tort system. In such regard, the Trust shall within six (6) months following the Effective Date adopt and publish procedures, subject to the approval of the Trust Advisory Committee, for processing Claims referred for Individual Review, which procedures may include evidentiary standards, mediation, third-party expert review, and any other non-binding dispute resolution mechanisms deemed appropriate by the Trust.

(c) Promptly after (and, in any event within sixty (60) days following) the conclusion of the Individual Review of a Claim (if the Claim has not previously been settled by agreement), the Trust shall make an offer of settlement at such amount and on such terms deemed appropriate by the Trust (an “**Individual Review Settlement Offer**”). The Holder shall have thirty (30) days within which to accept or reject the Individual Review Settlement Offer, provided that if the Holder has not timely acted with regard to such offer by written acceptance or rejection, it shall be deemed to have been rejected.

(d) In the event the Holder accepts the Individual Review Settlement Offer, the Claim shall be liquidated and Allowed in the amount and on the terms mutually agreed upon.

(e) In the event the Holder rejects or is deemed to reject the Individual Review Settlement Offer, the Holder shall have the option to elect to have the Claim resolved (i) by binding arbitration as provided for in Section 3.5 below, or (ii) in the tort system as provided for in Section 3.6 below. Such election shall be made in the notice rejecting the Individual Review Settlement Offer, provided that a Holder failing to provide such written notice of rejection under paragraph (c) above shall be conclusively deemed to have elected binding arbitration.

3.5 Arbitration – Categories A and D.

(a) Contemporaneous with the adoption of the procedures for Individual Review, the Trust shall adopt and publish procedures, subject to the approval of the Trust Advisory Committee, regarding non-binding and binding arbitration of disputed Claims. In such regard, the arbitrable issues shall include any aspect of liability or damages that could be at issue or applicable in the tort system, including the determination of applicable law, evidentiary standards, causation and damages, provided that offers of settlement or compromise shall not be offered or accepted as evidence of any matter.

(b) Election of binding arbitration shall require the consent (or deemed election) of both the Holder and the Trust.

(c) Punitive damages shall not be available or awarded in any arbitration.

(d) The award of the arbitrator shall contain a finding as to liability and the liquidated value of (damages attributable to) the Claim.

(e) An award in non-binding arbitration that is accepted by both the Holder and the Trust, and any award in binding arbitration shall be final and binding on the parties and the Claim shall, subject to the limitations provided for in these TDPs, be Allowed in the amount of such award.

(f) Non-binding and binding arbitration of disputed Claims shall take place only in Delaware.

3.6 Tort System Litigation – Categories A and D.

(a) If the Trust refers a Claim to the tort system, or if a non-binding arbitration award is rejected by the Holder or the Trust, or if the Holder so elects under Section 3.4(e), the Holder of such Claim shall have the right to pursue a lawsuit in the tort system against the Trust (a “**Lawsuit**”).

(b) Any Lawsuit may be commenced against the Trust only in Delaware.

(c) Any such Lawsuit shall be filed by the Holder only in his or her own right and name and not as a representative or member of a class. No suit may be consolidated, for any purpose, with any other Lawsuit and a Holder shall not seek such consolidation or class status.

(d) In any such Lawsuit all claims, counterclaims and defenses (including with respect to the Trust, all defenses which could have been or were asserted by Tronox) shall be available to the parties. Punitive damages shall not be available or awarded in any such Lawsuit.

(e) A Claim asserted in the tort system shall be liquidated and Allowed in the amount awarded by Final Order in such Lawsuit in the event the Holder is the prevailing party. If the Trust is the prevailing party the Claim shall be disallowed.

3.7 Allowed Amount. The amount at which a Tort Claim is liquidated and Allowed hereunder is sometimes referred to herein as the “**Allowed Amount.**”

ARTICLE IV PAYMENT OF CLAIMS

4.1 Category B Claims.

(a) As soon as practicable after the liquidation and Allowance (or disallowance) of all Category B Claims, the Trust’s determination of the aggregate amount of all Allowed Category B Claims as set forth in Section 3.1(b), and either (i) the Trust’s receipt of the funds described in Section 1.1(b) or (ii) at such earlier time as the Tort Claims Trustee in its sole discretion deems appropriate, the Trust shall determine, as provided in Section 1.5, the applicable Fund B Percentage, the amount of Fund B (to the extent then determinable and reduced to Cash, (the “**Fund B Cash**”)) and each Holder’s pro rata share of the Fund B Cash, and shall pay each Holder its pro rata share of the Fund B Cash. Payment shall be made to the Holder either directly or through the care of the Holder’s counsel.

(b) From time to time thereafter as Trust assets allocable hereunder to Fund B for Category B Claims are liquidated and reduced to Cash, the Trust shall make further supplemental Distributions with respect to Allowed Category B Claims in accordance with the foregoing procedures; provided, however, that no such supplemental Distribution need be made until the balance of the Fund B Cash available for supplemental Distribution shall exceed [●].

4.2 Category C Claims.

(a) As soon as practicable after the liquidation and Allowance (or disallowance) of all Category C Claims, the Trust’s determination of the aggregate amount of all Allowed Category C Claims as set forth in Section 3.1(b), and either (i) the Trust’s receipt of the funds described in Section 1.1(b) or (ii) at such earlier time as the Tort Claims Trustee in its sole discretion deems appropriate, the Trust shall determine, as provided in Section 1.5, the applicable Fund C Percentage, the amount of Fund C (to the extent then determinable and reduced to Cash, (the “**Fund C Cash**”)) and each Holder’s pro rata share of the Fund C Cash, and shall pay each Holder its pro rata share of the Fund C Cash. Payment shall be made to the Holder either directly or through the care of the Holder’s counsel.

(b) From time to time thereafter as Trust assets allocable hereunder to Fund C for Category C Claims are liquidated and reduced to Cash, the Trust shall make further supplemental Distributions with respect to Allowed Category C Claims in accordance with the

foregoing procedures; provided, however, that no such supplemental Distribution need be made until the balance of the Fund C Cash available for supplemental Distribution shall exceed [●].

4.3 Category A Claims.

(a) An objective of the Trust is to pay the Holder of each Allowed Category A Claim the same percentage of their respective Allowed Amount as each other Holder of an Allowed Category A Claim is paid (that is, to afford pro rata treatment to the Holders of all Allowed Category A Claims). Another objective of the Trust is to pay Holders of Allowed Category A Claims compensation on account of their injury as promptly as possible following the determination of the Allowed Amount thereof. In light of these competing objectives, it is not possible to fully implement or achieve both simultaneously. Accordingly, to balance as much as possible the consequences of these competing considerations, Holders of Allowed Class A Claims will be paid more promptly than a strict pro rata payment requirement would permit (because such a requirement would necessitate liquidation of all Category A Claims, present and future, and would require liquidation and reduction to Cash of all Trust assets, including contingent assets presently in litigation) by payment of only a portion of the amount ultimately anticipated to be paid on account of a Claim. Because this requires that the Trust make estimates of the number, type and amount of Claims asserted and to be asserted, of the ultimate aggregate amount of Claims that will be Allowed in the future and of the value that will be realized on unliquidated Trust assets, the portion of the Allowed Amount paid from time to time will likely vary so as to not overpay Claims Allowed early on in the process.

(b) Either (i) as soon as practicable after the Trust receives the funds described in Section 1.1(b) or (ii) at such earlier time as the Tort Claims Trustee in its sole discretion deems appropriate, the Trust shall commence making payments to Holders of Allowed Category A Claims on a first-Allowed-first-paid (“**FIFO**”) basis in a cumulative amount equal to [●] percent ([●]%) of the amount of the Allowed Claim (the “**Fund A Payment Percentage**”). Payment shall be made to the Holder either directly or through the care of the Holder’s counsel.

(c) The Fund A Payment Percentage and the related underlying assumptions, including those regarding the anticipated aggregate Allowed Amount of all Category A Claims, the nature and number of future Category A Claims and the Cash to be realized from Trust assets that are unliquidated, shall be reviewed not less frequently than [●] and the Fund A Payment Percentage shall be adjusted to take into account any changes warranting adjustment. To the extent the Fund A Payment Percentage is increased in the future, Holders of Allowed Category A Claims who previously have received a payment on account thereof shall be paid a supplemental payment in the amount of the difference between the original amount paid and the amount that would have been paid had the newly established Fund A Payment Percentage applied in determining the prior payment.

4.4 Category D Claims.

(a) An objective of the Trust is to pay the Holder of each Allowed Category D Claim the same percentage of their respective Allowed Amount as each other Holder of an Allowed Category D Claim is paid (that is, to afford pro rata treatment to the Holders of all Allowed Category D Claims). Another objective of the Trust is to pay Holders of Allowed

Category D Claims compensation on account of their injury as promptly as possible following the determination of the Allowed Amount thereof. In light of these competing objectives, it is not possible to fully implement or achieve both simultaneously. Accordingly, to balance as much as possible the consequences of these competing considerations, Holders of Allowed Class D Claims will be paid more promptly than a strict pro rata payment requirement would permit (because such a requirement would necessitate liquidation of all Category D Claims, present and future, and would require liquidation and reduction to Cash of all Trust assets, including contingent assets presently in litigation) by payment of only a portion of the amount reasonably ultimately anticipated to be paid on account of a Claim. Because this requires that the Trust make an estimate of the aggregate amount of Category D Claims the portion of the Allowed Amount paid from time to time may vary so as to not overpay Claims Allowed early on in the process.

(b) Either (i) as soon as practicable after the Trust receives the funds described in Section 1.1(b) or (ii) at such earlier time as the Tort Claims Trustee in its sole discretion deems appropriate, the Trust shall commence making payments to Holders of Allowed Category D Claims on a FIFO basis in a cumulative amount equal to [●] percent ([●]%) of the amount of the Allowed Claim (the “**Fund D Payment Percentage**”). Payment shall be made to the Holder either directly or through the care of the Holder’s counsel.

(c) The Fund D Payment Percentage and the related underlying assumptions, including those regarding the anticipated aggregate Allowed Amount of all Category D Claims, the nature and number of future Category D Claims and the Cash to be realized from Trust assets that are unliquidated in amount, shall be reviewed not less frequently than [●] and the Fund D Payment Percentage shall be adjusted to take into account any changes warranting adjustment. To the extent the Fund D Payment Percentage is increased in the future, Holders of Allowed Category D Claims who previously have received a payment on account thereof shall be paid a supplemental payment in the amount of the difference between the original amount paid and the amount that would have been paid had the newly established Fund D Payment Percentage applied in determining the prior payment.

4.5 Outlying Claims.

(a) In the event the Holder of a Category A or Category D Claim declines to accept or is deemed to reject the Settlement Offer at the Scheduled Amount and, thereafter, the Holder prevails in binding arbitration or litigation in the tort system and receives an award, or the Holder and the Trust agree to accept a non-binding arbitration award, in any case, in excess of the Scheduled Amount for such Claim (an “**Outlying Claim**”), the Allowed Amount of such Outlying Claim shall be bifurcated into (i) an amount equal to the Scheduled Amount for such Claim and (ii) the excess thereof over such Scheduled Amount (such excess being referred to herein as the “**Excess Award**”).

(b) As regards each Outlying Claim, the Holder shall be paid in accordance with this Section 4.5, anything herein or otherwise to the contrary notwithstanding. Such Holder shall be paid: (i) on account of the Scheduled Amount portion of the Allowed Amount of such Outlying Claim an amount equal to the appropriate Payment Percentage of such Scheduled Amount (and, from time to time, any supplemental payments in respect thereof as may be paid to

other Holders of Claims in such Category not constituting Outlying Claims); and (ii) on account of the Excess Amount an amount equal to such Holder's pro rata portion of the Excess Anadarko Fund, if any, but not in excess of the Excess Amount. Amounts payable in respect of the Excess Amounts, if any, shall be paid within one hundred twenty (120) days following the liquidation and Allowance (or disallowance) of all Category A and Category D Claims liquidated through binding arbitration or litigation in the tort system. Any deferred payment hereunder shall not bear interest nor shall the Holders otherwise receive compensation with regard to such deferral.

(c) In the event that there are funds remaining in the Excess Anadarko Fund after all Outlying Claims have been paid, the remaining funds shall be divided between Funds A and D in proportion to the aggregate value of the Allowed Tort Claims in Categories A and D. The funds shall then be distributed to the Holders of Allowed Tort Claims in each such Category according to the payment procedures set forth in Sections 4.3 and 4.4, as the case may be.

4.6 Releases. The Trustee shall have the discretion to determine the form and substance of the releases to be provided to the Trust and the Released Parties in order to maximize recovery for Holders against other tortfeasors without increasing the risk or amount of Claims for indemnification or contribution from the Trust with respect to the Claim. As a condition to making any payment to a Holder, the Trust shall obtain, for the benefit of the Trust and the Released Parties, a general release in accordance with the applicable state or other law. If allowed by state law, the endorsing of a check or draft for payment by or on behalf of a Holder may, in the discretion of the Trust, constitute such a release.

4.7 Healthcare Reimbursement Obligations.

(a) After the Effective Date, the Tort Claims Trustee shall verify which Holders of Allowed Asbestos Claims, Allowed Non-Asbestos Toxic Exposure Claims, Allowed Unaccounted-for Tort Claims, and Allowed Future Tort Claims are recipients of federal Medicare benefits (Part A and B) and / or Medicaid benefits (Medicaid benefits shall be verified in state of residence only, unless otherwise agreed) for which the Holder has a reimbursement obligation (a "**Healthcare Reimbursement Obligation**"). The Tort Claims Trustee shall not release the portion of a payment that might be encumbered by a Healthcare Reimbursement Obligation (the "**Healthcare Holdback Amount**") until proof of resolution and satisfaction of such Healthcare Reimbursement Obligation is provided to the Tort Claims Trustee in a form that the Tort Claims Trustee, in its sole discretion, deems acceptable. Upon receipt of such proof, the Trust shall pay the Healthcare Holdback Amount to such Holder either directly or through the care of his or her counsel, as provided in these TDPs.

(b) Anything herein to the contrary notwithstanding, although the Tort Claims Trustee shall fulfill its obligations to verify whether Healthcare Reimbursement Obligations may exist and shall fulfill its reporting obligations under the Medicare, Medicaid and SCHIP Extension Act of 2007, the resolution and reporting of Healthcare Reimbursement Obligations is the duty of each Holder and his or her counsel, and the Tort Claims Trustee shall not be liable to the Tort Claims Trust, to any Holder of a Tort Claim, or to any other person for any act or omission relating to matters covered in this Section 4.7, except for the Tort Claims Trustee's own breach of trust constituting fraud, bad faith, or willful misconduct.

4.8 Payment Deferral. Anything herein to the contrary notwithstanding, the Trustee, with the consent of the Trust Advisory Committee, may defer any payments contemplated hereby until a sufficient number of Claims in a Category have been liquidated and Allowed in order to provide reasonable assurance that the Claims in such Category will be afforded pro rata treatment; provided that deferral of payments to Claims in a Category shall, within such Category, be on a non-discriminatory basis. Any deferred payment hereunder shall not bear interest, nor shall the Holders otherwise receive compensation with regard to such deferral.

ARTICLE V CLAIMS MATERIALS

5.1 Claims Materials. The Trust shall prepare suitable claims materials (“**Claims Materials**”) for all Tort Claims, and shall provide such Claims Materials upon written request to any interested party. The Trust Claim Form to be submitted to the Trust shall require the Holder to assert all of the diseases for which the Claim qualifies at the time of filing, and if multiple diseases are selected, the Holder will only be compensated for the most severe compensable disease. The Trust Claim Form shall also include a certification by the Holder or his or her attorney sufficient to meet the requirements of Rule 11(b) of the Federal Rules of Civil Procedure. In developing its claim filing procedures, the Trust shall make reasonable efforts to afford Holders the opportunity to utilize currently available technology, including filing claims and supporting documentation over the internet and electronically by disk or CD-rom. The Trust Claim Form to be used by the Trust shall be developed by the Trust and submitted to the Trust Advisory Committee for approval; it may be changed by the Trust with the consent of the Trust Advisory Committee.

5.2 Content of Claims Materials. The Claims Materials shall include a copy of these TDPs, such instructions as the Trust shall approve, and the Trust Claim Form. The Holder shall provide the Trust with information regarding any recovery from other defendants and claims resolution organizations relating to Claim.

5.3 Withdrawal of Claims. A Holder may withdraw a Claim upon written notice to the Trust at any time prior to payment of the Claim, provided that any subsequently filed Claim shall be subject to the following Claim filing deadlines:

(a) For all Claims other than a Category A or D Claim for a new disease that is first diagnosed after the Effective Date, the subsequently filed Claim must meet either (i) for claims filed in the tort system against Tronox prior to the Petition Date, the statute of limitations in effect in the Claimant’s Jurisdiction (as defined below) at the time of the filing of the claim in the tort system; or (ii) for claims that were not filed against Tronox in the tort system prior to the Petition Date, the statute of limitations in effect in the Claimant’s Jurisdiction (as defined below) at the time of filing the subsequently filed Claim with the Trust. The running of the relevant statute of limitations shall be tolled as of the earliest of (x) the actual filing of the claim against Tronox in the tort system prior to the Petition Date, (y) the tolling of the claim against Tronox by an agreement entered into between the Holder or the Injured Party (as defined below) and Tronox prior to the Petition Date; or (z) the Petition Date. If the claim was not barred by the statute of limitations in effect in the Claimant’s Jurisdiction (as defined below) at the time of the tolling event, the statute of limitations shall resume on the Effective Date, and any withdrawn

and subsequently filed Claim shall be treated as timely filed if it is actually filed with the Trust within the remaining statute of limitations in effect in the Claimant's Jurisdiction (as defined below) at the time of filing the subsequently filed Claim with the Trust.

(b) For a Category A or D Claim for a new disease that is first diagnosed after the Effective Date, any subsequently filed Claim must be filed with the Trust no later than two (2) years following the date of diagnosis, unless the statute of limitations in the Claimant's Jurisdiction (as defined below) is longer than two (2) years, in which case the subsequently filed Claim must be filed with the Trust within the statute of limitations in effect in the Claimant's Jurisdiction (as defined below) at the time of filing the Claim with the Trust.

(c) For purposes of this Section 5.3, "Claimant's Jurisdiction" shall mean the jurisdiction in which the Claim was filed against Tronox in the tort system prior to the Petition Date. If the Claim was not filed against Tronox in the tort system prior to the Petition Date, the Holder may elect as the Claimant's Jurisdiction either (i) the jurisdiction in which the Injured Party resided at the time of diagnosis; (ii) the jurisdiction in which the Holder resides at the time the Claim is filed with the Trust; or (iii) a jurisdiction in which the Injured Party experienced exposure to the products or operations of any Tronox Debtor (or any Entity for whose products or operations any Tronox Debtor allegedly has legal responsibility) that gave rise to the Holder's Claim.

(d) For purposes of this Section 5.3, "Injured Party" shall mean the person who claims to have sustained injury or harm from the presence of or exposure to the products or operations of any Tronox Debtor (or any Entity for whose products or operations any Tronox Debtor allegedly has legal responsibility) and may be the Holder or a different person.

5.4 Filing Requirements and Fees. The Trustee shall have the discretion to determine, with the consent of the Trust Advisory Committee, whether a filing fee should be required for any Claims that do not accept the Scheduled Value. Any such requirement shall be applied, within any Category, on a non-discriminatory basis.

5.5 English Language. All claims, claims forms, submissions and evidence submitted to the Trust or in connection with any Claim or its liquidation shall be in the English language.

ARTICLE VI MISCELLANEOUS

6.1 Amendments. Except as otherwise provided herein, the Trustee may amend, modify, delete, or add to any provisions of these TDPs (including, without limitation, amendments to conform these TDPs to advances in scientific or medical knowledge or other changes in circumstances), provided the consent of the Trust Advisory Committee is first obtained, except that an adjustment to a Payment Percentage is also governed by Section 4.3 or 4.4 (as appropriate). Nothing herein is intended to preclude the Trust Advisory Committee from proposing to the Trustee, in writing, amendments to these TDPs.

6.2 Severability. Should any provision contained in these TDPs be determined to be void or unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of these TDPs. Should any provision contained

in these TDPs be determined to be in conflict with or contrary to Tronox's obligations to any insurance company providing insurance coverage in respect of Claims for personal injury based on exposure to a Tronox product, or to conduct that exposed the Holder to a Tronox product, for which Tronox has legal responsibility, or a product containing any toxic substance for which Tronox has legal responsibility, the Trust, with the consent of the Trust Advisory Committee, may amend these TDPs and/or the Trust Agreement to make the provisions of either or both documents consistent with the duties and obligations of Tronox to said insurance company.

6.3 Governing Law. Except for purposes of determining the liquidated value of any Claim, administration of these TDPs shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to principles of conflicts of laws.

6.4 Construction.

(a) Unless the context of these TDPs otherwise clearly requires, references to the plural include the singular, the singular includes the plural and the part includes the whole and "or" has the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereunder" and similar terms refer to the TDPs as a whole and not to any particular provision. The word "including" has the meaning "including, but not limited to." The section headings contained in these TDPs are for reference purposes only and shall not control or affect the construction of the TDPs or the interpretation thereof in any respect.

(b) All references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and these TDPs.

(c) All requirements for consents or approvals shall be deemed to require written consent or approval.

TRONOX INCORPORATED

TORT CLAIMS TRUST DISTRIBUTION PROCEDURES

SCHEDULE A

| <u>ASBESTOS VALUES</u> | |
|---|-------------------------------|
| <u>Disease</u> | <u>Scheduled Value</u> |
| Mesothelioma | \$250,000 |
| Lung Cancer plus evidence of an underlying Bilateral Asbestos Related Nonmalignant Disease | \$100,000 |
| Other Lung Cancer | \$1,000 |
| Other Cancer | \$25,000 |
| Severe Asbestosis | \$30,000 |
| Diagnosis of Bilateral Asbestos-Related Nonmalignant Disease plus (a) TLC less than 80%, or (b) FVC less than 80% and FEV1/FVC ratio greater than or equal to 65% | \$5,000 |
| Bilateral Asbestos-Related Nonmalignant Disease | \$1,500 |

TRONOX INCORPORATED

TORT CLAIMS TRUST DISTRIBUTION PROCEDURES

SCHEDULE B

| <u>CREOSOTE VALUES</u> | |
|-------------------------------|-------------------------------|
| <u>Disease</u> | <u>Scheduled Value</u> |
| Precancerous Skin Lesion | \$26,000 |
| Skin Cancer | \$120,000 |
| Lung Cancer | \$700,000 |
| Breast Cancer | \$475,000 |
| Other Cancer | \$600,000 |
| Asthma Adult | \$150,000 |
| Asthma Child | \$175,000 |
| Cardiovascular | \$250,000 |
| Respiratory | \$80,000 |
| Medical Monitoring/Unimpaired | \$5,000 |

TRONOX INCORPORATED

TORT CLAIMS TRUST DISTRIBUTION PROCEDURES

SCHEDULE C

| <u>BENZENE VALUES</u> | | |
|-----------------------------------|---|--|
| <u>Disease</u> | <u>Scheduled Value (Kerr McGee/Tronox)</u> | <u>Scheduled Value (Kerr McGee/Tronox - Not Primary Target)</u> |
| Acute Myelogenous Leukemia | \$600,000 | \$5,000 |
| Other Blood Disorder | \$25,000 | \$1,500 |
| Damage to Reproductive System | \$25,000 | \$500 |
| Damage to Immune System | \$10,000 | \$500 |
| Skin, Eye, Respiratory Irritation | \$2,500 | \$0 |
| Convulsions | \$10,000 | \$500 |
| Headache/Dizziness | \$1,500 | \$0 |
| Other | \$1,500 | \$0 |

TRONOX INCORPORATED

TORT CLAIMS TRUST DISTRIBUTION PROCEDURES

SCHEDULE D

| <u>SILICA VALUES</u> | |
|-----------------------------|-------------------------------|
| <u>Disease</u> | <u>Scheduled Value</u> |
| Acute Silicosis | \$2,000 |
| Chronic Silicosis | \$2,000 |
| Accelerated Silicosis | \$2,000 |
| Other Respiratory | \$1,000 |
| Medical Monitoring | \$500 |

TRONOX INCORPORATED

TORT CLAIMS TRUST DISTRIBUTION PROCEDURES

SCHEDULE E

| OTHER EXPOSURE VALUES (Non-Asbestos/Non-Creosote/Non-Benzene/Non-Silica) | |
|---|-------------------------------|
| <u>Disease</u> | <u>Scheduled Value</u> |
| Cancer | \$10,000 |
| Cardiovascular | \$2,500 |
| Respiratory | \$5,000 |
| Other | \$500 |