

INSTRUCTION LETTER

Dear Prospective Claimant or Claimant Counsel,

The Tronox Incorporated Tort Claims Trust (the “**Trust**”) has been established under Chapter 11 of the Bankruptcy Code to resolve all “**Tort Claims**,” as defined in the First Amended Joint Plan of Reorganization of Tronox Incorporated *et al.* pursuant to Chapter 11 of the Bankruptcy Code (the “**Plan**”). The Trust is governed by the Plan and the Tronox Incorporated Tort Claims Trust Agreement (the “**Trust Agreement**”). The Trust is organized to provide fair, equitable, and substantially similar treatment to claimants in substantially similar situations.

The materials you need or may need to file a Tort Claim with the Trust, including the Trust Claim Form, the Trust Distribution Procedures (the “**TDPs**”), and the Tronox Tort Claims Trust Arbitration Procedures for Category C Claims (the “**Arbitration Procedures**”) are included in this package, along with a self-addressed stamped envelope for you to use to return the necessary materials to the Trust. You may also obtain copies of the Trust Claim Form, the TDPs, the Arbitration Procedures, this instruction letter (the “**Instruction Letter**”), and other related materials on the Trust’s website (www.tronoxtorttrust.com), which you may download at any time.

This Instruction Letter provides an overview of the claim-filing process and summarizes some of the significant issues that you may encounter in filing a Tort Claim. It is divided into several parts. Part I explains the funding and structure of the Trust. Part II explains how to file your Tort Claim. Part III explains when your Tort Claim will be processed. Part IV explains how your Tort Claim will be processed and paid. Part V explains where you should send your Trust Claim Form and the supporting documentation. Part VI tells you how you can contact the Trust for questions or assistance.

You must return the Trust Claim Form and all required supporting documentation within 28 days of the date marked on the Cover Letter. Materials will be considered “returned” on the date they are postmarked. If you do not return the required materials on time, the Trust will be unable to process or pay your Tort Claim, unless you can show good cause why you did not return the required materials within the time specified.

Capitalized terms not defined in this Instruction Letter are defined in the Plan and the TDPs. You will see that the TDPs use the term “**Holder**” to refer to a person who has a Tort Claim against Tronox. In place of the term Holder, this Instruction Letter, the Cover Letter, the Arbitration Procedures, and the Trust Claim Form will use the terms Injured Party and Claimant. The term “**Injured Party**” means the person who claims to have been injured by Tronox. The term “**Claimant**” (and the terms “**I**,” “**you**,” and “**your**”) means the person who is filing a Claim with the Tort Claims Trust on behalf of the Injured Party. The Claimant may be the Injured Party or the Injured Party’s Official Representative. The “**Official Representative**” is the/a person who under applicable state law or legal documentation has the authority to represent the Injured Party, the Injured Party’s estate, or the Injured Party’s heirs. *Nothing in this Instruction Letter, the Cover Letter, or the Trust Claim Form is intended to replace or modify the requirements of the Plan, the TDPs, or the Arbitration Procedures. All Claimants are encouraged to read thoroughly and understand the TDPs and the Arbitration Procedures before filing a Tort Claim.*

I. THE FUNDING AND STRUCTURE OF THE TRUST

The Trust is receiving the following assets from the following three sources: (1) \$12,500,000 from Tronox, which has already been transferred to the Trust; (2) approximately \$4,000,000 from certain insurance policies, which amount has already been transferred to the Trust, plus additional monies the Trust might receive in the future from other insurance policies that Tronox assigned to it; and (3) the Trust’s future share (not less than 12%) of the proceeds of the Anadarko Litigation, if any, pursuant to the Anadarko Litigation Trust Agreement, together with any other amounts provided therein.¹

Essentially, the Trust is funded in two phases. The first phase of funding consists of the funds that were transferred to the Trust at its creation, which are the \$12,500,000 from Tronox and the approximately \$4,000,000 from the insurance policies. The second wave of funding will consist primarily of the funds, if any, that the Trust receives from its share of the Anadarko Litigation proceeds and secondarily of whatever additional funds the Trust may recover on the

¹ The Anadarko Litigation is a lawsuit that Tronox brought against Anadarko Petroleum Corporation (“**Anadarko**”) and others. Anadarko is the company that purchased Kerr-McGee Corporation (“**Kerr-McGee**”). Essentially, the lawsuit alleges that before Anadarko bought Kerr-McGee, Kerr-McGee created Tronox for the purpose of freeing itself from significant liabilities it incurred as a result of its business operations, including environmental, tort, workers’ compensation and post-employment pension, medical, and other benefit liabilities. Tronox claims that by causing it to assume these liabilities, Kerr-McGee defrauded Tronox and its creditors (including individuals who have claims against Tronox and/or Kerr-McGee for property damage). Tronox is asking the court presiding over the Anadarko Litigation to enter a judgment against Anadarko and Kerr-McGee for hundreds of millions to billions of dollars. As mentioned above, the Trust will receive a share of any money recovered in the Anadarko Litigation, and that money will be used to pay individuals who have claims against the Trust that meet the Trust’s criteria for payment.

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few outstanding insurance policies it received from Tronox. The Trust cannot predict with certainty when (or whether) the Trust will receive money from the Anadarko Litigation. It is also unclear whether the Trust will recover additional monies on the insurance policies and, if so, how much.

As mentioned above, the Trust is designed to resolve Tort Claims, as that term is defined in the Plan. The Trust recognizes the following types of Tort Claims, which have been divided into four Categories:

- **Category A:** Asbestos Claims, Unaccounted-for Tort Claims, and Future Tort Claims;
- **Category B:** Indirect Environmental Claims;
- **Category C:** Property Damage Claims; and
- **Category D:** Non-Asbestos Toxic Exposure Claims.

The Plan divides the money that the Trust has received and might receive in the future into five funds (each of which is a “**Fund**”). The first four Funds, Funds A through D, correspond with the Categories above. The fifth Fund, the Excess Anadarko Fund, is separate from the first four Funds, and is described below.

Funds A through D are each funded with a percentage of the Trust’s assets. The specific percentages assigned to Funds A through D are as follows:

- Fund A consists of an amount equal to 6.25% of the Trust’s assets (excluding the Excess Anadarko Fund);
- Fund B consists of an amount equal to .15625% of the Trust’s assets for each whole million dollars of aggregate Allowed Indirect Environmental Claims, but not to exceed more than 6.25% of the Trust Assets (excluding the Excess Anadarko Fund);
- Fund C consists of an amount equal to .125% of the Trust’s assets for each whole million dollars of aggregate Allowed Property Damage Claims, but not to exceed more than 6.25% of the Trust Assets (excluding the Excess Anadarko Fund); and
- Fund D consists of an amount equal to the balance of the Trust’s assets not otherwise allocated to Funds A, B, and C, but not less than 81.25% of the Trust’s assets (excluding the Excess Anadarko Fund).

The Excess Anadarko Fund consists of an amount equal to 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 \$120 million. Hence, if the Trust does not recover more than \$120 million from the Anadarko Litigation, the Excess Anadarko Fund will not be created. If the Excess Anadarko Fund is created, it will be used to pay Excess Awards (as defined below) pursuant to Section 1.5(e) of the TDPs.

Tort Claims asserted against the Trust may be resolved through individual review, arbitration, litigation, settlement, or other adjudication, as set forth in the TDPs and explained in greater detail below. To accommodate this process, a percentage of the gross amount of each Fund (except the Excess Anadarko Fund) has been set aside, which amount constitutes that Fund's **"Reserve for Resolution."** Each Reserve for Resolution will be used to cover the costs associated with individual review, arbitration, litigation, settlement, or other adjudication of the Tort Claims asserted against the Fund from which that Reserve for Resolution was created. Any amount remaining in a Fund's Reserve for Resolution will be distributed on a pro-rata basis to claimants who have Allowed Tort Claims in that Fund's Category, subject to the terms of the TDPs.

II. HOW TO FILE A TORT CLAIM

To file a Tort Claim with the Trust, you must complete the Trust Claim Form and submit the Injured Party's Proof of Claim and any other documentation required by the Trust Claim Form. Please review the Trust Claim Form to determine the specific documentation you need to submit. Your claim will only be Allowed if a Proof of Claim was timely filed with the Bankruptcy Court by the Claims Bar Date.

III. WHEN YOUR TORT CLAIM WILL BE PROCESSED

Pursuant to Section 2.2(d) of the TDPs, Tort Claims shall be reviewed, processed, and liquidated in chronological order based on the date and time the Proofs of Claim were timely filed with the Bankruptcy Court (such date and time being referred to as the **"Filing Date"**). The order for processing Tort Claims with the same Filing Date shall be determined by a lottery.

IV. HOW YOUR TORT CLAIM WILL BE PROCESSED AND PAID

The Trust will review each Trust Claim Form to ensure that it is complete and that the Tort Claim it asserts meets the criteria set forth in the TDPs. The Trust will then determine whether your Tort Claim will be Allowed and, if so, the value of your Tort Claim. Below you will find a description of how these determinations are made for Category C Claims.

A. Calculation of the Allowed Amount

All Category C Claims will be referred to binding arbitration pursuant to Section 3.5 of the TDPs for liquidation. If you prevail in the arbitration or if you settle with the Trust, your

Tort Claim will be Allowed. If you lose in the arbitration, your Tort Claim will be disallowed. Allowed Category C Claims will be Allowed in the amounts awarded in the arbitration, or, if settled, in the amounts set forth in a settlement agreement between the person asserting the Category C Claim and the Trust. The Allowed Amount of the Tort Claim, which is the amount the Trust will recognize in determining the amount of your settlement, will be the full amount awarded in the arbitration or set forth in the settlement agreement.

B. Calculation of the Gross Settlement Amount

Once the Allowed Amount of your Tort Claim is established, the gross amount of your settlement (the “**Gross Settlement Amount**”) will be determined. Currently, the total amount of Tort Claims in Category C exceeds the total amount of money in Fund C. Unless the Trust obtains a sufficiently large recovery from the Anadarko Litigation, it will be unable to pay you the entire Allowed Amount of your Tort Claim. Instead, you will receive your pro rata, or proportional, share of the available funds. Your proportional share of the available funds will be your Gross Settlement Amount.

C. Calculation of the Final Settlement Amount

Attorney fees and appropriate expenses and costs will be deducted from your Gross Settlement Amount.

Expenses and costs include those specific to your individual case (“**Case-Specific Costs**”) as well as general costs common to all cases (“**Common-Benefit Expenses**”). Case-Specific Costs may include fees for records, postage, telephone charges, copying costs, and other such items related to your specific case. Common-Benefit Expenses are shared among all of the qualifying claimants on a pro-rata basis, which means that each claimant pays a portion of the Common-Benefit Expenses based on the percentage that the claimant is receiving of the total settlement. They include, but are not limited to, expert-witness fees, postage, certain administrative costs of the Trust, including some or all of the fees of the Trustee, and other such items that are common to all claimants or that were incurred for the common benefit of all claimants while advancing the case toward resolution.

The funds transferred to the Trust at its inception have been deposited in a special fund pending distribution to the claimants. The interest earned on this fund will be used to pay for administrative expenses related to the Trustee. This arrangement will reduce the direct cost to you.

The amounts mentioned above will be deducted from your Gross Settlement Amount by the Trust before it disburses your payment, by your attorney after the Trust disburses your payment, or both. Any expenses that the Trust deducts from your Gross Settlement Amount will be listed on the “**Disbursement Statement**” enclosed with your check. The Disbursement

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Statement will not reflect any amounts that your attorney may deduct for fees, costs, and expenses after the Trust has disbursed your payment. The amount remaining after the deductions made by the Trust will be your final settlement amount (the “**Final Settlement Amount**”). Your Final Settlement Amount may still be subject to deductions by your attorney.

D. Timing of Payment

The TDPs instruct the Trust to pay Category C Claims after the Trust receives its share of the funds from the Anadarko Litigation (if any) or at such earlier time as the Trustee determines in its sole discretion to be appropriate. At present, the Trust does not intend to pay Category C Claims until the Anadarko Litigation is resolved. To receive payment from the Trust, you will be required to execute the Release and Indemnity Agreement that the Trust will send to you.

V. WHERE TO SUBMIT CLAIM FORMS

You may send the Trust Claim Form and supporting documentation to the Trust at the following address:

Tronox Incorporated Tort Claims Trust
c/o Garretson Resolution Group, Inc.
PO Box 428947
Cincinnati, OH 45242

VI. QUESTIONS AND ASSISTANCE

If you have questions concerning the filing procedures or the Trust Claim Form, you may contact the Trust in a variety of ways. The Trust has established a help line and a website to report on the status of the Trust’s operations and to respond to questions. You can reach the help line at 1-800-753-2480 or at helpline@tronoxorttrust.com. The Trust’s website address is www.tronoxorttrust.com. The Trust also offers other information that can assist with filing a Tort Claim or answering questions at www.tronoxorttrust.com under the “Resources” tab. The information located there can be downloaded and reviewed at your convenience.

Sincerely,

Garretson Resolution Group, Inc., Trustee of the
Tronox Tort Claims Trust