

KEATING MUETHING & KLEKAMP PLL
Robert G. Sanker (admitted *pro hac vice*)
Jason V. Stitt, Esq. (admitted *pro hac vice*)
Bethany P. Recht (admitted *pro hac vice*)
One East Fourth Street, Suite 1400
Cincinnati, OH 45202
Telephone: (513) 579-6400
Facsimile: (513) 579-6457

Counsel for the Tronox Incorporated Tort Claims Trust

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
TRONOX INCORPORATED, <i>et al.</i> ,)	Case No. 09-10156 (MEW)
)	
Debtors.)	Jointly Administered
)	

**NOTICE OF FILING ANNUAL REPORT AND ACCOUNT OF THE
TRONOX INCORPORATED TORT CLAIMS TRUST
FOR THE YEAR ENDING DECEMBER 31, 2020**

Pursuant to Section 3.7(b)(i) of the Tronox Incorporated Tort Claims Trust Agreement (the “**Trust Agreement**”), the Trustee of the Tronox Incorporated Tort Claims Trust (the “**Trust**”) hereby gives notice of the filing of the Trust’s Annual Report and Account for the year ending December 31, 2020 (the “**Annual Report**”), a copy of which is attached hereto as Exhibit 1.

Consistent with Section 3.7(b) of the Trust Agreement, the Annual Report includes a statement of the assets and liabilities of the Tort Claims Trust as of the end of the year and the receipts and disbursements of the Tort Claims Trust for the calendar year 2020, a summary of the number and type of claims disposed of during 2020, a general description of the activities of the Tort Claims Trust, the amount of compensation paid to the Tort Claims Trustee in 2020, and

financial statements of the Tort Claims Trust audited by a firm of independent certified public accountants.

As required by Section 3.7(b)(i) of the Trust Agreement, a copy of the Annual Report is being served on Reorganized Tronox, the Delaware Trustee, and the Trust Advisory Committee. In addition, pursuant to Section 3.7(b)(i), this report is available for inspection in accordance with procedures established by the Bankruptcy Court, and shall also be filed with the Office of the United States Trustee for the Southern District of New York. Capitalized terms used herein and in the Annual Report and not otherwise defined shall have the meanings assigned to them in the Trust Agreement.

Dated: April 30, 2021

Respectfully submitted:

/s/ Bethany P. Recht

Robert G. Sanker (admitted *pro hac vice*)

Jason V. Stitt (admitted *pro hac vice*)

Bethany P. Recht (admitted *pro hac vice*)

KEATING MUETHING & KLEKAMP PLL

One East Fourth Street

Suite 1400

Cincinnati, Ohio 45202

Telephone: (513) 579-6400

Facsimile: (513) 579-6457

rsanker@kmklaw.com

jstitt@kmklaw.com

brecht@kmklaw.com

Attorneys for the Tronox Incorporated Tort Claims
Trust

EXHIBIT 1

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
TRONOX, INC., <i>et al.</i> ,)	Case No. 09-10156 (MEW)
)	
Debtors.)	Jointly Administered

**ANNUAL REPORT AND ACCOUNT OF THE
TRONOX INCORPORATED TORT CLAIMS TRUST
FOR THE YEAR ENDING DECEMBER 31, 2020**

I. INTRODUCTION

The Tronox Incorporated Tort Claims Trust (the “**Tort Claims Trust**” or “**Trust**”), created pursuant to the First Amended Joint Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code for Tronox, Inc., *et al.* (“**Plan of Reorganization**”), through its Trustee, The Garretson Resolution Group, Inc., d/b/a Epiq Mass Tort¹ (the “**Tort Claims Trustee**” or the “**Trustee**”) hereby files this Annual Report and Account of the Tort Claims Trust (the “**Annual Report**”) in accordance with Section 3.7(b) of the Tronox Incorporated Tort Claims Trust Agreement dated as of February 14, 2011 (the “**Trust Agreement**”).

This Annual Report summarizes the actions taken on behalf of the Tort Claims Trust during the period from January 1, 2020 to December 31, 2020 (the “**Reporting Period**”) and contains the following information: (1) the assets and liabilities of the Tort Claims Trust as of the end of the year and the receipts and disbursements of the Tort Claims Trust for the Reporting Period, (2) a summary of the number and types of claims disposed of during the Reporting Period, (3) a general description of the activities of the Tort Claims Trust, (4) the amount of compensation paid to the Trustee during the Reporting Period, and (5) financial statements of the

¹ Following an acquisition on December 21, 2018 by Epiq, The Garretson Resolution Group, Inc., operates under a d/b/a of Epiq Mass Tort.

Tort Claims Trust. Independent certified public accountants at BDO USA, LLP (“**BDO**”) audit the Trust’s financial statements and provide an opinion consistent with Section 3.7(b)(i) of the Trust Agreement.

II. BACKGROUND

On January 12, 2009 (the “**Petition Date**”), Tronox Incorporated and certain of its subsidiaries and affiliates (“**Tronox**”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”). On November 30, 2010, this Court entered an order confirming the Plan of Reorganization. On February 14, 2011, the Effective Date of the Plan occurred, and the Plan of Reorganization was substantially consummated. Pursuant to the Plan of Reorganization, the Trust was created to assume the liabilities of the Tronox Debtors arising from or relating to all Tort Claims (as that term is defined in the Plan of Reorganization) and to use the Tort Claims Trust Distributable Amount to pay holders of Allowed Tort Claims in accordance with the Plan of Reorganization, the Trust Agreement, and the Tort Claims Trust Distribution Procedures (“**TDP**”) and in a manner that is fair, reasonable, and equitable in light of the limited assets available to satisfy the Tort Claims.

1. Trustee

The Tort Claims Trustee is The Garretson Resolution Group, Inc., d/b/a Epiq Mass Tort. The Tort Claims Trustee administers the Trust, and acts solely in a fiduciary capacity and in accordance with the Trust Agreement.

2. Trust Advisory Committee

The Trust Advisory Committee (the “TAC”) is comprised of three members: Ms. Jill A. Moran, Mr. Matthew Slocum, and Mr. Anthony W. Merrill. The TAC represents the interests of all Holders of Tort Claims for the purpose of protecting the rights of such persons.

3. The Delaware Trustee

The Delaware Trustee’s sole and limited purpose is to fulfill the requirements of Section 3807 of Chapter 38 of title 12 of the Delaware Code. The Wilmington Trust Company serves as the Delaware Trustee.

4. Trust Distribution Procedures

The Tort Claims Trust processes Tort Claims pursuant to the Tronox Incorporated Tort Claims Trust Distribution Procedures.

III. ANNUAL REPORT AND ACCOUNT

Section 3.7(b)(i) of the Trust Agreement requires the Annual Report to include:

(1) the assets and liabilities of the Tort Claims Trust as of the end of the year and the receipts and disbursements of the Tort Claims Trust for the preceding year, (2) a summary of the number and type of claims disposed of during the preceding year, (3) a general description of the activities of the Tort Claims Trust, (4) the amount of compensation paid to the Tort Claims Trustee for the preceding year, and (5) financial statements of the Tort Claims Trust (including, without limitation, a balance sheet of the Tort Claims Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Tort Claims Trustee and accompanied by an opinion of such firm as to the fairness of the financial statements’ presentation of the cash and investments available for the payment of Tort Claims and as to the conformity of the financial statements with generally accepted accounting principles. The Tort Claims Trustee shall provide a copy of each annual report to Reorganized Tronox, the Delaware Trustee, and the TAC when such reports are filed with the Bankruptcy Court.

Accordingly, the Trustee reports the following:

5. Financial Information

Attached hereto as Exhibit A is a copy of the audited financial statements of the Trust for the Reporting Period, which BDO externally prepared. BDO is an accounting and business consulting firm with offices in multiple states. In addition to the audited financial statements, BDO provided its opinion regarding the fairness of the financial statements' presentation of the cash and investments available for the payment of Tort Claims and the conformity of the financial statements with generally accepted accounting principles.

6. Assets/Liabilities and Receipts/Disbursements

The assets and liabilities and receipts and disbursements of the Tort Claims Trust for the reporting period can be found in the Trust's audited financial statements attached hereto as Exhibit A.

7. Trustee Compensation

As required by Section 3.7(b)(i) of the Trust Agreement, the amount paid in fees to the Tort Claims Trustee is set forth in the audited financial statements, which are attached hereto as Exhibit A.

4. TAC Compensation

As required by Section 6.6 of the Trust Agreement, the compensation and expenses of the TAC can be found in the audited financial statements attached hereto as Exhibit A.

5. Claims Processing and Summary of Claims

Section 3.7(b)(1) of the Trust Agreement requires the Annual Report to include "a summary of the number and type of claims disposed of during the preceding year." Attached as Exhibit B is a summary of the claims processed and paid during the 2020 fiscal year.

6. Other Activities of the Tort Claims Trust

A. Category A Claims Related Matters

By June 2016, the Trust had received more than 15,000 Future Tort Claim submissions. On June 30, 2016, the Trust filed a motion with the Bankruptcy Court seeking instructions as to the proper interpretation of the Plan, Trust Agreement, and TDP for the allowance and disallowance of Future Tort Claims. On January 19, 2017, the Bankruptcy Court entered an Order providing instruction on these issues. That Order, *inter alia*, directed that the notice the Trustee delivers to each Future Tort Claimant regarding the Trustee's determination of his/her claim ("**Determination Notice**") must also provide notice that in addition to contesting the Trustee's claim determination via the alternative dispute resolution procedures spelled out in the TDP, they could move the Bankruptcy Court for a ruling that, based on grounds of due process or excusable neglect, their claims should not have been disallowed. The Trustee delivered 17,322 of these Determination Notices through August 30, 2017. As of December 31, 2017, more than 4,300 Future Tort Claimants filed motions with the Bankruptcy Court ("**FTC Motions**"). Subsequently, on April 25, 2018, the Trustee, through counsel, filed an omnibus objection with the Bankruptcy Court requesting that the Court deny all the FTC Motions. More than 10,000 additional Future Tort Claims have been submitted to the Trust since August 30, 2017.

On March 10, 2021, the Court issued its Decisions as to Pending Motions for Permission to File "Future Tort Claims" and Relief from the 2009 Bar Date ("**Decisions**"). The Decisions, together with the schedules attached thereto, exceed 2,100 pages. Because of the length of the Decisions and the number of motions that the Decisions addressed, the Court has deferred entry

of an Order disposing of the FTC Motions pending the Court's determination of the most efficient means to provide notice of the Court's Decisions to movants.

Once notice has been provided to movants, and the time frame for appeals has passed, the Trust will implement the Court's rulings and issue the next round of claims correspondence, including Determination Notices and Notices of Deficiency. After this next phase of claims adjudication has concluded, which will likely be in 2022 given the volume of claims, the Trust will be able to provide an updated forecast of the number of Future Tort Claims. As previously noted in the Trustee's 2019 Annual Report, until the final number of allowed number of Future Tort Claims has been determined, the Trustee cannot calculate the appropriate pro rata share that each Future Tort Claim is entitled to receive. The pro rata share for each Future Tort Claim is based upon the scheduled value of all allowed Category A Claims and the amount of funds available to be disbursed to Category A Claims. Based upon the number of Category A claims that have been received to date, the Trustee continues to project that claims in Category A, including Future Tort Claims, will receive less than one percent (1%) of the amount of their scheduled value. The Trustee and its team will continue to evaluate these circumstances.

B. Category D

Per the Trustee's prior determination that, under the TDP, it is possible to issue supplemental payments from Fund D to qualified Category D claimants, the Trust distributed more than \$2.4 million dollars in 2020 to Category D claimants whose payment complications were cleared. The Trustee expects to make further distributions of more than \$10 million dollars to qualified Category D claimants in 2021.

C. Claims Litigation

The Trustee was previously named as a defendant in two duplicative lawsuits that were pending before the Lowndes County, Mississippi Chancery Court. Both lawsuits were filed by Arelya Mitchell against the Trustee and various attorneys that represented the estate of Ms. Mitchell's mother, Martha Mitchell, in connection with the settlement of Martha Mitchell's Category D claim. The first lawsuit was dismissed by the court without requiring the Trustee to respond to the complaint. Ms. Mitchell failed to timely appeal dismissal of that initial lawsuit. The second lawsuit, in addition to the original parties from the first lawsuit, also named the Judge who dismissed her prior complaint based on the same allegations. Ms. Mitchell alleged numerous causes of action—albeit not explicitly against the Trustee—including misconduct, conspiracy and collusion to commit fraud, unethical conduct and ethical violations. Ms. Mitchell's claim against the Trustee related to the payment made by the Trustee to the Centers for Medicare & Medicaid Services to satisfy the Medicare reimbursement claims arising under 42 U.S.C. § 1395y(b)(2) against those claimant's settlement monies, as required under the TDP. The Trustee filed a motion to dismiss the second lawsuit based upon *res judicata*, lack of personal jurisdiction, and failure to state a claim for which relief can be granted and asserted the defenses of release and accord and satisfaction. The Trustee also filed oppositions to Ms. Mitchell's motions to compel and for sanctions against defendants in the lawsuit, and her motion to add claims against defendants. Following a hearing on all pending motions held on May 10, 2019, the Court entered an order on September 19, 2019 dismissing, with prejudice, Ms. Mitchell's complaint against the Trustee based on the application of *res judicata* and failure to state a claim. All other pending motions between Ms. Mitchell and the Trustee were denied as moot. On October 11, 2019, Ms. Mitchell filed an Addendum to Complaint, which the Court

deemed moot based on its September 23, 2019 orders. Ms. Mitchell failed to timely appeal dismissal of the second lawsuit.

On October 18, 2019, Ms. Mitchell filed yet another lawsuit together with a motion for preliminary injunction against the Trustee and others seeking the same relief as in her previous two complaints. On November 26, 2019, the Trustee filed a motion to dismiss Ms. Mitchell's most recent filings. Ms. Mitchell then filed an Addendum to Lawsuit dated December 12, 2019 to which the Trustee determined that no response was warranted. The Court has not yet ruled on the Trustee's motion to dismiss.

D. NAACP Motion to Reopen/Intervene

On November 2, 2020, the National Association for Advancement of Colored People ("NAACP") filed a Motion for an Order Re-Opening Chapter 11 Case and Adversary Proceeding to Permit the NAACP to File a Motion to Intervene as an Interested Party ("Motion"). The allegations in the Motion did not appear to be aimed at the Trust, and counsel for the NAACP, in fact, confirmed that the NAACP was not seeking relief as to the Trust. Nevertheless, on December 8, 2020, the Trust filed a brief Response to the Motion to make it clear that if the Motion can be construed to seek relief *vis-à-vis* the Trust, or if the relief sought may have the effect of increasing any administrative burden upon the Trust, then the Tort Claims Trustee objects to the Motion. After a hearing, the Court denied the NAACP's Motion by an Order entered on February 11, 2021.

IV. CONCLUSION

This summarizes the actions taken on behalf of the Tort Claims Trust for the year ending December 31, 2020. The Trustee will continue to make itself available to answer any questions the Court may have, and remains focused on activities that will further the purposes of the Trust.

Exhibit A

Tronox Incorporated Tort Claims Trust

Special-Purpose Financial Statements
As of and for the Years Ended December 31, 2020
and 2019

Tronox Incorporated Tort Claims Trust

Special-Purpose Financial Statements
As of and for the Years Ended December 31, 2020 and 2019

Tronox Incorporated Tort Claims Trust

Contents

Independent Auditor’s Report	3-5
Special-Purpose Financial Statements	
Special-Purpose Statements of Assets, Liabilities, and Net Assets Available for the Payment of Claims	7
Special-Purpose Statements of Changes in Net Assets Available for the Payment of Claims	8
Special-Purpose Statements of Cash Flows	9
Notes to the Special-Purpose Financial Statements	10-14
Supplementary Information	
Independent Auditor’s Report on Supplementary Information	16
Special-Purpose Schedules of Changes in Net Assets Available for the Payment of Claims by Fund	17-18



Tel: 513-592-2400
Fax: 513-592-2473
www.bdo.com

221 E. 4th Street, Suite 2600
Cincinnati, OH 45202

Independent Auditor's Report

To the Trustee
Tronox Incorporated Tort Claims Trust
Cincinnati, Ohio

Opinion

We have audited the special-purpose financial statements of Tronox Incorporated Tort Claims Trust (the "Trust") (a statutory trust created under the laws of the State of Delaware), which comprise the special-purpose statements of assets, liabilities and net assets available for the payment of claims as of December 31, 2020 and 2019, and the related special-purpose statements of changes in net assets available for the payment of claims and cash flows for the years then ended, and the related notes to the special-purpose financial statements.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the special-purpose statement of assets, liabilities, and net assets available for the payment of claims of the Trust as of December 31, 2020 and 2019, and the related special-purpose statements of changes in the net assets available for payment of claims and its cash flows for the years then ended, in accordance with the special-purpose accounting practices the Trust uses, as described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

We draw attention to Note 1 of the special-purpose financial statements, which describes the basis of accounting. As described in Note 1 to the special-purpose financial statements, the special-purpose financial statements are prepared by the Trust on the basis of the accounting practices prescribed by The Garretson Resolution Group, Inc., d/b/a Epiq Mass Tort (the "Trustee"), which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the special-purpose financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the accounting practices prescribed by the Trustee.



Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern within one year after the date that the special-purpose financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the special-purpose financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special-purpose financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the special-purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Other Matter - Restriction on Use

This report is intended solely for the information and use of the Trustee and management of the Trust and for filing with the United States Bankruptcy Court for the Southern District of New York, and is not intended to be and should not be used by anyone other than these specified parties.

BDO USA, LLP

April 29, 2021

Special-Purpose Financial Statements

Tronox Incorporated Tort Claims Trust

**Special-Purpose Statements of Assets, Liabilities, and Net Assets
Available for the Payment of Claims**

<i>December 31,</i>	2020	2019
Current Assets		
Cash and cash equivalents	\$ 70,258,165	\$ 73,114,253
Total Current Assets	70,258,165	73,114,253
Liabilities		
Current Liabilities		
Accounts payable	30,593	30,593
Accrued claimant disbursements	-	92,153
Total Current Liabilities	30,593	122,746
Net Assets Available for the Payment of Claims	\$ 70,227,572	\$ 72,991,507

*See accompanying independent auditor's report and notes
to the special-purpose financial statements.*

Tronox Incorporated Tort Claims Trust

**Special-Purpose Statements of Changes in Net Assets
 Available for the Payment of Claims**

<i>Years ended December 31,</i>	2020	2019
Additions		
Interest and dividends	\$ 232,671	\$ 1,282,260
Realized gains on investment securities	-	43,687
Unrealized gains on investment securities	-	49,140
Total Additions	232,671	1,375,087
Deductions		
Claimant disbursements	2,335,220	5,878,732
Trust management and processing fees	242,526	176,682
Administrative costs	40,856	110,550
Trust legal fees	53,993	4,811
Trust insurance premium	246,300	356,498
Trust Advisory Committee fees	16,860	38,496
Accounting fees	60,851	-
Total Deductions	2,996,606	6,565,769
Changes in net assets available for the payment of claims	(2,763,935)	(5,190,682)
Net assets available for the payment of claims		
Beginning of year	72,991,507	78,182,189
End of year	\$ 70,227,572	\$ 72,991,507

*See accompanying independent auditor's report and notes
to the special-purpose financial statements.*

Tronox Incorporated Tort Claims Trust

Special-Purpose Statements of Cash Flows

<i>Years ended December 31,</i>	2020	2019
Investing Activities		
Maturities of investment securities	\$ -	\$ 33,400,000
Purchases of investment securities	-	(13,669,259)
Proceeds from sale of investment securities	-	19,481,222
Net cash provided by investing activities	-	39,211,963
Operating Activities		
Changes in net assets available for the payment of claims	\$ (2,763,935)	\$ (5,190,682)
Adjustments to reconcile changes in net assets available for the payment of claims to net cash used in operating activities:		
Unrealized gains on investment securities	-	(49,140)
Realized gains on investment securities	-	(43,687)
Changes in operating assets and liabilities:		
Interest receivable	-	212,566
Accounts payable	(92,153)	(156,938)
Accrued claimant disbursements	-	(156,280)
Net cash used in operating activities	(2,856,088)	(5,384,161)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,856,088)	33,827,802
Cash and Cash Equivalents, beginning of year	73,114,253	39,286,451
Cash and Cash Equivalents, end of year	\$ 70,258,165	\$ 73,114,253

See accompanying independent auditor's report and notes to the special-purpose financial statements.

Tronox Incorporated Tort Claims Trust

Notes to the Special-Purpose Financial Statements

1. Summary of Significant Accounting Policies

Organization and Purpose

Tronox Incorporated Tort Claims Trust (the “Trust”) was established for the sole purpose of assuming the liabilities of the Tronox, Inc. debtors, their predecessors, and successors in interest, for all Tort Claims, and to use the Tort Claims Trust Distributable Amount to pay Holders of Allowed Tort Claims in accordance with the First Amended Joint Plan of Reorganization of Tronox Incorporated et al. pursuant to Chapter 11 of the Bankruptcy Code (the “Plan”), the Tort Claims Trust Agreement (the “Agreement”), and the Tort Claims Trust Distribution Procedures (the “TDPs”), and in a manner that is fair, reasonable, and equitable in light of the limited assets available to satisfy the Tort Claims. The Trust does not conduct any trade or business.

Basis of Accounting

The Trust’s special-purpose financial statements are prepared using special-purpose accounting methods adopted by The Garretson Resolution Group, Inc., d/b/a Epiq Mass Tort (the “Trustee”), which differ from accounting principles generally accepted in the United States of America (“GAAP”). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net assets available for the payment of claims and the related operating expenses of the Trust. Since the accompanying special-purpose financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

- Assets are recorded when they are received by the Trust and are available for the payment of claims.
- Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.
- Claims are expensed in the period in which the confirmed claim amount is settled. The settled claim amount is a claim amount that has been allowed by the Trust and accepted by the claimant, with an approved release and approved payment. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.
- Operating expenses are generally expensed as incurred. Payments for services to be received over an extended period in the future are expensed as paid because these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.
- Tort Claims Insurance Assets are not recorded until the funds are received from the insurance carriers. These recoveries come from various insurance settlements, which were obtained by the Trust and related entities and assigned to the Trust. The insurance policies cover, among other things, products and general liability claims. Under GAAP, Tort Claims Insurance Assets are recorded upon settlement and assurance of collectability.

Tronox Incorporated Tort Claims Trust

Notes to the Special-Purpose Financial Statements

Funds

In accordance with the Agreement, the Trustee created four separate funds as described in the Plan. The funds were created as follows:

Fund A is a fund established for the payment of Allowed Asbestos Claims, Allowed Future Tort Claims, and any Allowed Unaccounted-for Tort Claims, and shall consist of a separate sub-account within the Trust, as defined in the Agreement.

Fund B is a fund established for the payment of Allowed Indirect Environmental Claims, and shall consist of a separate sub-account within the Trust, as defined in the Agreement.

Fund C is a fund established for the payment of Allowed Property Damage Claims, and shall consist of a separate sub-account within the Trust, as defined in the Agreement.

Fund D is a fund established for payment of the Allowed Non-Asbestos Toxic Exposure Claims, and consists of the balance of assets not otherwise allocated to Funds A, B, and C, and shall consist of a separate sub-account within the Trust, as defined in the Agreement.

The final allocations for Funds B and C will depend upon the amount of Allowed Tort Claims asserted against each Fund, as specified in the TDPs. In addition, the final allocation for Fund D may increase and will be determined by the final allocations for Funds B and C, as set forth in the TDPs.

In accordance with the Agreement, the Trust was initially required to allocate the proceeds to the four trust funds, Funds A, B, C, and D (the "Funds"). Funds A, B, and C were initially allocated 6.25% each and Fund D was initially allocated 81.25%. As of July 31, 2014, Fund B and Fund D were reallocated to result in allocations of 2.97% and 84.53%, respectively. As of August 31, 2016, Fund C and Fund D were reallocated to result in allocations of 3.125% and 87.655%, respectively (see Fund Reallocation note below).

The Trust also maintains two additional funds, the General Administrative Expenses and Reserves Fund and Excess Anadarko Fund, for the purpose described below:

The General Administrative Expenses and Reserves Fund is a fund established for payment of the allowed general and administrative expenses associated with the Trust operations, and shall consist of a separate sub-account within the Trust.

In accordance with Section 1.5(e) of the TDPs, the Excess Anadarko Fund consists of five percent of the net proceeds of the Anadarko Litigation payable to the Trust pursuant to the Anadarko Litigation Trust Agreement in excess of \$120 million.

Funding income and investment-specific income are allocated first to the Excess Anadarko Fund and General Administrative Expenses and Reserves Fund, then the remainder pro rata across the Funds. Funding income and investment-specific income and expenses related to a particular fund are allocated solely to that fund.

The use of these funds, described above, is specified by the Agreement and a complete description of the funds must be derived from the Agreement.

Tronox Incorporated Tort Claims Trust

Notes to the Special-Purpose Financial Statements

This description of the Trust is not intended to be a legal interpretation of the benefits available to Holders of Allowed Tort Claims, nor is it a legal description of the obligations of any parties to the Plan. A complete description of the rights and benefits of any parties must be derived from the Plan and the Agreement.

Cash and Cash Equivalents

The Trust considers highly liquid investments, such as certificates of deposit, money market funds, and United States treasury bills and notes as cash equivalents.

Accrued Claimant Disbursements

Accrued claimant disbursements consist of claims settled before year end, but paid after year end.

Accounts Payable

Accounts payable consist of accruals and outstanding invoices associated with managing the Trust. At December 31, 2020 and 2019, payables consist of certain trust management and processing fees, including related party payables (Note 3), incurred by the Trust during the year and paid after year end.

Claimant Disbursements

Claimant disbursements include Medicare holdbacks, Medicaid holdbacks, attorney fees, case expenses, and net awards to Holders of Allowed Tort Claims. Claimant disbursements are recognized when confirmed claims are settled. For the years ending December 31, 2020 and 2019, \$2,335,220 and \$5,878,732 in claims were settled, respectively, and were included in the special-purpose statements of changes in net assets available for the payment of claims.

Concentrations of Credit Risk

Financial instruments that potentially subject the Trust to concentrations of credit risk consist principally of cash equivalents. The Trust places its cash equivalents in certificates of deposit, money market funds, and accounts which are in excess of federally insured limits or are not federally insured.

Tax Status

An election has been made for the Trust to be taxed as a Grantor Trust. In lieu of paying taxes at the trust level, Tronox, Inc. is taxed on the Trust's taxable income. As such, no provision or liability for federal or state income taxes has been recorded.

Uncertain tax positions are recognized in the special-purpose financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. As of December 31, 2020 and 2019, the Trust had no uncertain tax positions that qualify for either recognition or disclosure in the special-purpose financial statements. Additionally, the Trust had no interest and penalties related to income taxes.

Tronox Incorporated Tort Claims Trust

Notes to the Special-Purpose Financial Statements

Use of Estimates

The preparation of the special-purpose financial statements in conformity with the special-purpose accounting methods adopted by the Trustee, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the special-purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Events Occurring After the Reporting Date

The Trust has evaluated events and transactions that occurred between December 31, 2019 and April 29, 2021, which is the date that the special-purpose financial statements were initially available to be issued, for possible recognition or disclosure in the special-purpose financial statements.

2. Settlement Funds

In accordance with the Plan, the assets transferred or to be transferred to or received by the Trust consist of the Funded Tort Claims Trust Amount of \$12,500,000, which Tronox Worldwide, LLC contributed upon the establishment of the Trust; the Trust's share (not less than twelve percent (12.00%)) of the proceeds of the Anadarko Litigation (which was a related lawsuit that was settled in 2012 and finalized in 2015) pursuant to the Anadarko Litigation Trust Agreement, together with any other amounts provided therein; and the Tort Claims Insurance Assets, as defined by the Agreement. In accordance with the Trust's accounting policies, such Tort Claims Insurance Assets or claims against Tort Claims Insurance Assets (or sales thereof) are recorded as an addition to net assets available for the payment of claims when the funds are received from the insurance companies.

No funding income was received by the Trust during the years ended December 31, 2020 and 2019.

3. Related Party Transactions

The Trustee is affiliated with the Trust as the Tort Claims Trustee and performed certain transactions with the Trust during 2020 and 2019. For the years ended December 31, 2020 and 2019, the Trust recorded no related party accounts receivable or recorded related party accounts payable. For the years ended December 31, 2020 and 2019, the total amount of fees paid to the Trustee was \$280,352 and \$71,442, respectively, which were included as trust management and processing fees and administrative costs in the accompanying special-purpose statements of changes in net assets available for the payment of claims.

4. Liability for Claims

The ultimate number of claims to be filed and the liability for all such claims are uncertain at this time. The net assets available for the payment of claims at December 31, 2020 and 2019 represent funding available for all claims for which no fixed liability has yet been established. The net assets available for the payment of claims at December 31, 2020 and 2019 may or may not be sufficient to meet all future obligations of the Trust.

Tronox Incorporated Tort Claims Trust

Notes to the Special-Purpose Financial Statements

5. Trust Liability Insurance

The Trust purchased liability insurance for a premium of \$246,300 and \$356,498 in 2020 and 2019, respectively. The current policy term is September 2020 to September 2021. The previous policy term was February 2018 to February 2019 and extended to August 2020, accounting for an additional six months of total premium costs in 2019. The Trust's accounting policy is to expense in the current period any amounts that will not be available to pay future claims or expenses of the Trust. Accordingly, these amounts were recorded as a deduction in net assets available for payment of claims during the years ended 2020 and 2019, respectively.

6. COVID-19 and the Cares Act

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Trust's assets, liabilities, and future net assets available for payment of claims. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. The Trust did not experience a material impact associated with COVID-19 during fiscal 2020 and does not believe it will have a material impact on its net assets available for payment of claims for fiscal year 2021.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

The Trust did not utilize any of the provisions available under the CARES Act during fiscal 2020 and does not expect it to utilize such provisions in fiscal 2021.

Supplementary Information

Independent Auditor's Report on Supplementary Information

To the Trustee
Tronox Incorporated Tort Claims Trust
Cincinnati, Ohio

Our audits of the special-purpose financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. We have not audited the supplementary information and do not express an opinion on such information.

BDO USA, LLP

April 29, 2021

Tronox Incorporated Tort Claims Trust
Special-Purpose Schedules of Changes in Net Assets
Available for the Payment of Claims by Fund

Year ended December 31, 2020	Trust Fund A	Trust Fund B	Trust Fund C	Trust Fund D	General Administrative Expenses and Reserves	Excess Anadarko	Total
Additions							
Interest and dividends	\$ 83,974	\$ 4,748	\$ 14,120	\$ 51,962	\$ 12,755	\$ 65,112	\$ 232,671
Total Additions	83,974	4,748	14,120	51,962	12,755	65,112	232,671
Deductions							
Claimant disbursements	-	-	-	2,335,220	-	-	2,335,220
Trust management and processing fees	-	-	-	-	242,526	-	242,526
Administrative costs	-	-	-	148	40,708	-	40,856
Trust legal fees	34,870	-	-	-	19,123	-	53,993
Trust insurance premium	-	-	-	-	246,300	-	246,300
Trust Advisory Committee fees	-	-	-	-	16,860	-	16,860
Accounting Fees	-	-	-	-	60,851	-	60,851
Total Deductions	34,870	-	-	2,335,368	626,368	-	2,996,606
Increase or (Decrease) in net assets available for the payment of claims	49,104	4,748	14,120	(2,283,406)	(613,613)	65,112	(2,763,935)
Net assets available for the payment of claims							
Beginning of Year	20,705,258	310,921	4,473,296	20,260,306	3,141,814	24,099,912	72,991,507
End of Year	\$ 20,754,362	\$ 315,669	\$ 4,487,416	\$ 17,976,900	\$ 2,528,201	\$ 24,165,024	\$ 70,227,572

See accompanying independent auditor's report and notes to the supplementary information.

Tronox Incorporated Tort Claims Trust

Notes to the Supplementary Information

Year ended December 31, 2019	Trust Fund A	Trust Fund B	Trust Fund C	Trust Fund D	General Administrative Expenses and Reserves	Excess Anadarko	Total
Additions							
Interest and dividends	\$ 369,438	\$ 40,184	\$ 51,161	\$ 674,454	\$ 30,660	\$ 116,363	\$ 1,282,260
Realized gains on investment securities	2,583	1,227	1,291	36,229	654	1,703	43,687
Unrealized gains on investment securities	2,906	1,380	1,452	40,750	736	1,916	49,140
Total Additions	374,927	42,791	53,904	751,433	32,050	119,982	1,375,087
Deductions							
Claimant disbursements	-	-	-	5,878,732	-	-	5,878,732
Trust management and processing fees	34,329	-	-	737	141,616	-	176,682
Administrative costs	-	-	-	-	110,550	-	110,550
Trust legal fees	4,343	-	-	-	468	-	4,811
Trust insurance premium	-	-	-	-	356,498	-	356,498
Trust Advisory Committee fees	-	-	-	-	38,496	-	38,496
Total Deductions	38,672	-	-	5,879,469	647,628	-	6,565,769
Increase or (Decrease) in net assets available for the payment of claims	336,255	42,791	53,904	(5,128,036)	(615,578)	119,982	(5,190,682)
Net assets available for the payment of claims							
Beginning of Year	20,369,003	268,130	4,419,392	25,388,342	3,757,392	23,979,930	78,182,189
End of Year	\$ 20,705,258	\$ 310,921	\$ 4,473,296	\$ 20,260,306	\$ 3,141,814	\$ 24,099,912	\$ 72,991,507

See accompanying independent auditor's report and notes to the supplementary information.

Exhibit B

Claim Type	Total Number of Claims Through 12/31/2020	Total Number of Claims with Determinations Made Through 12/31/2020	Claims Determined in 2020	Claims Paid in 2020	Total Number of Allowed Claims Paid Through 12/31/2020	Percentage of Allowed Claims Paid Overall	Total Amount Distributed
Category A Asbestos:	880	880	0	0	0	0%	\$ -
Category A Future Tort Claims:	38707	19336	0	0	0	0%	\$ -
Category B:	23	23	0	0	17	73.91%	\$ 17,463,946.17
Category C:	6	6	0	0	6	100%	\$ 18,157,598.76
Category D:	6760	6760	0	\$2,428,546.32	6670	98.67%	\$ 494,532,229.15

KEATING MUETHING & KLEKAMP PLL
Robert G. Sanker (admitted *pro hac vice*)
Jason V. Stitt, Esq. (admitted *pro hac vice*)
Bethany P. Recht (admitted *pro hac vice*)
One East Fourth Street, Suite 1400
Cincinnati, OH 45202
Telephone: (513) 579-6400
Facsimile: (513) 579-6457

Counsel for the Tronox Incorporated Tort Claims Trust

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
TRONOX INCORPORATED, <i>et al.</i> ,)	Case No. 09-10156 (MEW)
)	
Debtors.)	Jointly Administered
)	

CERTIFICATE OF SERVICE

Bethany P. Recht, under penalty of perjury, hereby certifies the following:

1. I am an attorney with the law firm of Keating Muething & Klekamp PLL, counsel to the Tort Claims Trustee of the Tronox Incorporated Tort Claims Trust.

2. On April 30, 2021, pursuant to Section 3.7(b)(i) of the Tronox Incorporated Tort Claims Trust Agreement, I caused to be served the Annual Report of the Tronox Incorporated Tort Claims Trust and the Notice of Filing Annual Report and Account of the Tronox Incorporated Tort Claims Trust for the Year Ending December 31, 2020 [Docket No. 9500] via First Class U.S. Mail on the parties identified on the attached Service List.

I certify, under penalty of perjury, that the statements made herein are true and correct.

/s/ Bethany P. Recht
Bethany P. Recht (0088478)
Keating Muething & Klekamp PLL
One East Fourth Street, Suite 1400
Cincinnati, Ohio 45202
Telephone: (513) 579-6400
Facsimile: (513) 579-6457
brecht@kmklaw.com
Attorney for the Tronox Incorporated Tort Claims Trust

SERVICE LIST

Tronox Incorporated
3301 NW 150th Street
Oklahoma City, OK 73134

Anthony W. Merrill, Esquire
Polsinelli Shughart PC
Cityscape
One East Washington, Suite 1200
Phoenix, AZ 85004

Jill A. Moran, Esquire
The Powell Law Group, P.C.
789 Airport Rd.
Suite 106
Hazle Township, PA 18202

Matthew Slocum, Esquire
Slocum and Lang, P.C.
410 Spruce St.
Scranton, PA 18503

Wilmington Trust Company
Attention: Joe Feil
1100 North Market Street
Wilmington, DE 19890-1615

Office of the United States Trustee
U.S. Federal Office Building
201 Varick Street, Room 1006
New York, NY 10014

8379137.4