



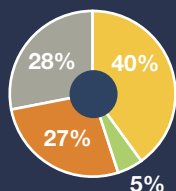
ronox Limited 2015 Annual Report and Corporate Responsibility Report

## Tronox Limited Financial and Operating Highlights

(Millions of U.S. dollars, except per share amount)	2015	2014	2013
Sales	2,112*	1,737	1,922
Net income (loss)	(307)*	(417)	(90)
Basic earnings per share	(2.75)	(3.74)	(1.11)
Diluted earnings per share	(2.75)	(3.74)	(1.11)
Dividend paid	1.00	1.00	1.00
Total assets	5,072	5,065	5,699
Class A common stock outstanding	64,521,851	63,968,616	62,349,618

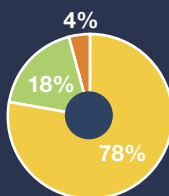
\*Includes the acquisition of FMC Corporation's Alkali Chemical business since April 1, 2015.

### 2015 TiO<sub>2</sub> Sales Volume Distribution by Geography



● North America ● LATAM ● APAC ● EMEA

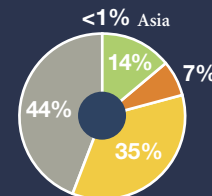
### 2015 TiO<sub>2</sub> Sales Volume Distribution by End Use



● Coatings ● Plastic ● Paper and Specialty

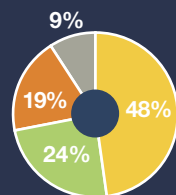
### 2015 Full-time Employees by Region

Figures have been rounded up to the nearest whole percent



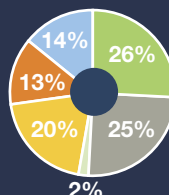
● Australia ● EMEA ● South Africa ● USA

### 2015 Alkali Sales Volume Distribution by Geography



● North America ● LATAM ● APAC ● EMEA

### 2015 Alkali Sales Volume Distribution by End-use



● Flat Glass ● Container Glass ● Other Glass ● Chemicals ● Detergents ● Other

### Tronox Total Full-Time Employees and Temporary Employees/Contractors

3,814  
613  
Total: 4,427

**Tronox at a Glance.** Tronox brightens peoples' lives. We operate two vertically integrated mining and inorganic chemical businesses. Tronox TiO<sub>2</sub> mines and processes titanium ore, zircon, and other minerals, and manufactures titanium dioxide pigments that add brightness and durability to paints, plastics, paper, and other everyday products. Tronox Alkali mines trona ore and manufactures natural soda ash, sodium bicarbonate, caustic soda, and other compounds which are used in the production of glass, detergents, baked goods, animal nutrition supplements, pharmaceuticals, and other essential products. We operate mines in Australia, South Africa, and the United States. Our chemical plants are based in Australia, the Netherlands, and the United States. We are a diverse global workforce of more than 4,400 who are committed to safe and sustainable business practices that bring value to our shareholders, customers, and business partners. Our two businesses serve more than 1,400 customers worldwide. For more information, visit [www.tronox.com](http://www.tronox.com)

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**Tronox Shareholders,**

**2015 was a year of challenge for Tronox. It was also a year of action,** as the company moved aggressively and decisively in the face of global market headwinds. On April 1, we closed on the acquisition of our Alkali business.

Throughout 2015, selling prices for TiO<sub>2</sub> pigments and some feedstock continued to decline to what we consider to be unsustainable levels. In response, and to position Tronox for long-term success and growth in the years ahead, the company took several significant steps to improve our overall financial performance. We initiated a broad program to reduce unnecessary spending and free up cash where we could.

**I am happy to report** that the company exceeded its full-year 2015 targets for cash generated by these measures, delivering \$90 million in cash from cost reductions (after the costs to achieve them) and \$98 million of cash through working capital reductions. We ended the year with \$229 million of cash and equivalents and \$530 million of total liquidity – a strong position in a weak market.

**As part of our program,** we curtailed production at pigment chemical plants and our slag smelters. These steps were taken to both save money and better match supply and demand. During the year, we also closed our sodium chlorate plant and worked down inventories, better reflecting demand and generating cash for the company.



**Tom Casey**  
Chairman and  
Chief Executive Officer

**Combined revenues** for the company exceeded \$2.1 billion, compared to revenue of more than \$1.7 billion in 2014. Our Alkali business delivered \$129 million in adjusted EBITDA over the nine months that they were part of Tronox, and our TiO<sub>2</sub> business brought in \$215 million of adjusted EBITDA for the year. Overall adjusted EBITDA for the company was \$272 million for the year.

**After acquiring** the Alkali Chemicals business, we now operate two separate but complementary vertically integrated businesses: Tronox Alkali and Tronox TiO<sub>2</sub>. In the three quarters that it was owned by Tronox, Alkali delivered free cash flow of \$127 million to the company. Domestic and international demand for the natural soda ash and other inorganic chemicals, such as sodium bicarbonate, manufactured by Tronox Alkali continues to grow. As a result, we are able to operate at full capacity and sell everything we produce, securing long-term revenue benefits for the company.

**In late 2015**, our new Fairbreeze mine in KwaZulu-Natal, South Africa, began production. Fairbreeze will produce high-quality ilmenite to feed our arc furnaces at Tronox KZN Sands. It will also produce rutile and zircon, valuable mining co-products that had not been available in KZN after the decommissioning of the Hillendale mine in 2013.

**Another of the year's achievements** was our emphasis on workplace safety, risk mitigation, and health awareness across all Tronox operations worldwide. This focus has brought tangible benefits to our employees and those that visit our facilities, and it remains unabated. We believe that everyone who works at Tronox should go home in the same condition in which they came to work.


**Our values** – Health & Safety; Responsibility; People; Teamwork; Customers; and, Results – continue to define us both as a company and as individuals. These principles are the foundation of our business, driving us to maintain the safest possible work environment and to actively participate in our communities as responsible corporate citizens.

**Companywide, we continued** to make progress in meeting environmental targets for energy consumption, water use, carbon emissions, waste, and land rehabilitation. Our sustainability goals reflect our commitment to environmental stewardship as well as the need to improve operating efficiencies, foster innovation, eliminate risks, and reinforce our focus on safe production.

**We have entered 2016** in a position of strength, with a strong balance sheet and clear channels for cash generation. On the TiO<sub>2</sub> side, we have taken the necessary and appropriate actions to align our operations with market demand, and we are well-poised to ramp up production as pricing and demand rise, which we anticipate happening modestly in 2016 and more profoundly in 2017 and beyond. As I previously noted, Tronox Alkali brings our company long-term cost advantages and sustained cash generation. As global GDP grows and the correlating demand for soda ash increases, we anticipate added sales volumes for this business. Essentially, Alkali will continue to sell as much product as it produces.

**On behalf of our more than 4,400 employees worldwide**, I want to thank you for your commitment to Tronox. We look forward to a safe and productive 2016 and your continued interest in our company.

Sincerely,

A handwritten signature in black ink that reads "Tom Casey". The signature is written in a cursive, flowing style.

Tom Casey, **Chairman and Chief Executive Officer**

Tronox Values

We are building a lasting foundation for growth around a set of six core values that define our approach to doing business. Our employees are committed to living, communicating, and reinforcing these values throughout the company.

Health & Safety

We work safely — all the time

Responsibility

We care for our environment and our communities

People

People are our most important resource

Teamwork

We will win — as a team

Customers

It really is all about the customer

Results

We measure, own, and deliver results

Tronox Limited



Tronox Alkali

Tronox TiO<sub>2</sub>

Tronox Limited Global Footprint

**\$129**  
million  
**EBITDA**  
**(adjusted)**  
(April 1-  
December 31)

**\$602**  
million  
**Revenue**  
(April 1-  
December 31)

**\$215**  
million  
**EBITDA**  
**(adjusted)**

**#1**  
**Best year**  
**ever**  
**first-pass**  
**quality**

**4.426**  
**Ktons of**  
**trona ore**  
**mined**  
(full year)

**2nd**  
**Best year**  
**on record:**  
**Production**

**2**  
**months**  
**ahead of**  
**schedule**  
Fairbreeze  
Mine

**\$1.51**  
**billion**  
**Revenue**

<b>Pigment Facilities</b>	<b>Capacity (MT)</b>
Hamilton	225,000
Botlek	90,000
Kwiwana	150,000
<b>Electrolytic Facilities</b>	<b>Capacity (MT)</b>
Henderson (EMD)	27,000
Henderson (Boron Products)	525
<b>Mineral Sands Facilities</b>	<b>Capacity (MT)</b>
<b>Cooljarloo / Chandala</b>	<b>Capacity (MT)</b>
Synthetic Rutile	220,000
Zircon	40,000
Rutile	15,000
Leucoxene	20,000
<b>Namakwa Sands</b>	<b>Capacity (MT)</b>
Titanium Slag	190,000
Zircon	125,000
Pig Iron	100,000
Rutile	31,000
<b>KZN Sands</b>	<b>Capacity (MT)</b>
Titanium Slag	220,000
Pig Iron / Scrap Iron	121,000
Zircon	55,000
Rutile	25,000
<b>Soda Ash Facilities</b>	<b>Capacity (MT)</b>
Green River	3,750,000



**T**ronox Limited acquired the Alkali Chemicals business from FMC Corporation in April 2015. Operating as Tronox Alkali, it is the world's largest vertically integrated producer of natural soda ash (sodium carbonate), accounting for approximately 25 percent of global natural soda ash production. Natural soda ash is made from mined and beneficiated trona ore. This method of mining and processing naturally occurring trona gives Tronox a structural cost advantage compared to producers of synthetic soda ash. As a result of this advantage, coupled with an evolving mix of high-value specialty product applications, Alkali brings to Tronox a history of consistently strong year-over-year operational and financial performance across economic cycles.

Tronox Alkali mines and produces soda ash in Green River, Wyoming, USA, the site of the world's largest natural reserve of trona ore. The Green River operations are the largest and lowest cost soda ash production facilities in the sector. Alkali has a proud record of sustainable and safe extraction of minerals and production of soda ash and other inorganic chemical compounds, and is a leading innovator in the marketplace. The company was the first to introduce longwall mining for trona ore, and it pioneered use of solution mining for trona on a commercial scale. Both methods are high-yield and low-cost extraction methods. The estimated current reserve life of mine in Green River exceeds 100 years.

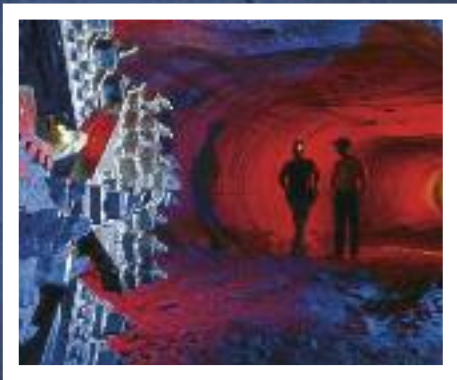
Soda ash demand generally correlates with overall industrial production and the economic strength of consumer markets. Globally, approximately 50 percent of soda ash demand is for glass, including windows and windshields, containers, light bulbs, tableware, mirrors, fiberglass, and screens for computers and smart phones. Specialty end uses are also growing for Alkali's products, including dairy and poultry feeds, and hemodialysis-grade sodium bicarbonate for the healthcare industry.



Two methods are used to extract dry trona: “room and pillar” mining and longwall mining. Room and pillar mining removes some of the ore, creating rooms, leaving some trona behind as pillars to support the mine’s tunnels. Longwall mining, pictured on these two pages, is done with a 750-foot (229 meters) long machine that removes 100 percent of the ore in its path.

Alkali delivered solid 2015 performance through its ability to innovate and collaborate with customers. As a result, Tronox Alkali achieved higher margins with less volatility than in prior years. Our soda ash business contributed \$127 million of cash to Tronox in 2015, which was a powerful benefit.

While the domestic demand remains robust, the U.S. natural soda ash industry is evolving into an export powerhouse. Tronox is in a strong position to capitalize on this shift. In 2015, natural soda ash was the USA’s largest inorganic chemical export, with global demand increasing year-over-year. In 2015, Latin America and Asia were among the company’s largest export markets, but demand in other international markets is rising rapidly, creating new growth opportunities for Tronox Alkali in the years ahead.



which spans roughly 54 square miles – almost 35,000 acres. Over decades of mining trona in Green River, some 2,500 miles (4,025 kilometers) of underground roadways and tunnel systems have been created, almost twice the amount of roads in the city of San Francisco, California.

Tronox Alkali operates eight inorganic chemical processing facilities across two sites in the Green River area. The Westvaco facility was established in 1948. It is the largest and one of the lowest-cost natural soda ash production plants in the world. The second site, the Granger facility, was acquired by the company in 1999.

Our primary trona bed is located 1,600 feet (490 meters) underground and the ore seam averages about 10 feet (3.05 meters) thick. Virtually every day of the year, Tronox Green River’s mine workers ride elevators down 170 stories into the mine,




**Tronox's finished titanium dioxide (TiO<sub>2</sub>) pigments are the foundation of products that improve peoples' lives around the world.** They are in the paint on homes, office buildings, and automobiles, and are widely used in the production of paper and plastics such as PVC piping. They are even in the casings for smart phones and computers.

Tronox TiO<sub>2</sub> is the world's largest vertically integrated producer of TiO<sub>2</sub> pigments. We continue to believe that the full integration in our TiO<sub>2</sub> business is a key differentiator and gives us unique advantages. It strengthens our margins and allows us to compete in a low-cost market because we have access to competitively priced high-quality feedstock at cost. Equally important, our customers recognize the value in the supply-and-demand stability and understand that we can provide greater long-term supply assurance than any of our competitors.

The company's mining and beneficiation operations consists of two product streams – titanium feedstock, which includes ilmenite, natural rutile, titanium slag, and synthetic rutile; and co-production products such as zircon and low-manganese pig iron, which are contained in the mineral sands extracted to capture natural titanium feedstock.

Tronox operates three separate mine and beneficiation facilities: KZN Sands and Namakwa Sands in South Africa, and our Northern Operations, near Perth in Western Australia. In South Africa, lower TiO<sub>2</sub> grade ilmenite is smelted through an arc furnace to produce slag. In Australia, higher-grade ilmenite is put through a reduction process in a kiln to produce synthetic rutile. These three operations supply 100 percent of the titanium feedstock used in our three TiO<sub>2</sub> pigment manufacturing plants: Kwinana in Western Australia, Australia, Botlek in the Netherlands, and Hamilton, Mississippi in the United States of America.

Tronox utilizes a proprietary chloride process to produce TiO<sub>2</sub> pigment. The chloride process produces pigment grades with a brighter appearance and greater opacity than those produced by the sulfate process alternative. Chloride produced pigments are generally preferred by manufacturers of high-grade coatings and plastics.



Pictured on these two pages, Tronox's Botlek facility is the only TiO<sub>2</sub> producer in the Netherlands. It is centrally located in Rotterdam, on the largest harbor in Europe. The plant receives titanium feedstock from Tronox mines in South Africa and Australia, which is then processed into TiO<sub>2</sub> pigment for export to Europe, the Middle East, Africa, the USA, and other global markets.


Innovation remains core to our TiO<sub>2</sub> business, with new pigment grades and formulas under development at our research and development center in Oklahoma, USA. The TiO<sub>2</sub> business also operates an electrolytic and specialty chemicals unit that provides products to the energy storage, automotive, and pharmaceutical industries.

To address the headwinds that faced the TiO<sub>2</sub> industry and other commodities in 2015, and to position the company for growth when conditions rebound, the company took action to scale production to lower market demand, while maintaining the ability to ramp up production safely and quickly. The company also enacted measures to improve efficiency and reduce capital costs and overhead. Through these measures and the inherent economic advantages of vertical integration, the company has been able to continue to make long-term investments in major capital projects such as the new Fairbreeze mine in South Africa; safety, maintenance, and skills training programs; and product innovation.



The Tronox Namakwa Sands operations on the West Coast of South Africa mines and beneficiates heavy minerals to produce titanium dioxide feedstock (chloride and sulphate grades), zircon, rutile, and high-purity iron products. The products are used as feedstock in a wide range of applications including pigments, metals, ceramics, and foundries.

Namakwa's operations are separated into Northern Operations, which includes mining, a concentration plant, and a mineral separation plant; and the smelter, which includes a smelting slag plant, iron plant, and receiving and dispatch. Titanium feedstock from Namakwa is processed into TiO<sub>2</sub> pigment at the company's three plants in the Netherlands, Australia, and the USA. Minerals from the facility are also sold and exported to third parties worldwide.



The new Tronox Fairbreeze mine in KwaZulu-Natal, on the east coast of South Africa, delivered its first lode of titanium-rich ore in late 2015. The planning for this mine started two decades ago. Construction on the 1,036-acre (419 hectare) site began in 2013 and will conclude in mid-2016.

Phase one of the US\$225 million construction project began production ahead of schedule and is expected to be under budget.

Fairbreeze will produce high-quality ilmenite to feed our smelters at Tronox KZN Sands in South Africa, as well as zircon, rutile, and other mining co-products. These co-products have not been available at the KZN site for the last several years.

The mine brings a significant positive impact to the economies of the surrounding communities. When fully operational, Fairbreeze will sustain more than 2,000 direct and indirect jobs. Tronox is also sponsoring skills training programs for residents of local traditional tribal areas, leading to employment with Tronox or job placement with other companies.

Fairbreeze replaced the Tronox Hillendale mine located in the same region, which was decommissioned in December 2013. Restored to its pre-mining condition, much of the land is utilized by local farmers for cash-producing crops.

Pictured on these two pages is one of two 138-foot (42-meter) diameter thickeners used to clarify process water for recycling. Water used in the hydraulic mining process carries earth, which undergoes a series of separation and concentration steps to extract the ore. The thickeners separate the clear reusable water from the remaining solids, which are returned for post-mining restoration.



Hydraulic mining is used at Fairbreeze. In this process, operators remotely control high-pressure water cannons targeted on the exposed ore body. As the wall collapses, the slurry flows to collection sumps and is then sent to the concentrator for separation.

The concentrator, or primary wet plant, pictured above, employs a magnetic separator and a series of spiral banks and cyclones to extract the heavy mineral concentrate – ilmenite, rutile, and zircon – from the mined earth.



## Sustainability


Tronox decommissioned its Hillendale mine in Gobandlovu, KwaZulu-Natal, South Africa in December 2013. Pictured on these two pages are the results of the two-year effort to rehabilitate the mine site to post mining agricultural use. In 2014 and 2015, the company utilized more than US\$6.3 million from its Rehabilitation Trust Funds to restore Hillendale. By year-end 2015, roughly 85 percent of all shaping of mined areas had been completed, and 80 percent of the area was vegetated and ready for agricultural use.



area of our trona mine. The BLM awards are presented annually to those solid minerals mining projects that have shown responsible and sustainable mineral resource development.

Tronox has taken a leadership position in operating its Green River, Wyoming, USA, facility to minimize potential impact on sage grouse and other sensitive species. The company developed a detailed conservation management strategy and is collaboratively working with other mine operators and local grazing and natural gas operators to reduce surface activities that impact sage grouse. Actions include minimizing disturbance, sage-grouse population monitoring, and reclamation and restoration of habitat.

Tronox received the U.S. Bureau of Land Management's (BLM) 2015 Hardrock Mineral Environmental Award at a ceremony in Washington, D.C. on November 9, 2015, for its Sage Grouse Initiative, which was developed in the Green River, Wyoming



Tronox invests in sustainable technologies and solutions around the world to improve its environmental contributions, promote a safe and healthy workplace, and support its local communities. In 2015, companywide, and across our supply chain, Tronox made progress in meeting its environmental targets for energy consumption, water use, carbon emissions, waste, and land rehabilitation.

The company strives to be a leader in sustainable business practices, environmental stewardship, and operational efficiency. Across the enterprise, Tronox maintains an active dialogue with stakeholders – investors, customers, business partners, government and non-government entities, community leaders, and employees – actively tailoring initiatives to address their concerns. Transparency and ethical business practices are the foundation of the company’s business strategy. All of Tronox’s stakeholders benefit from the collaborative relationships it has with local, state, provincial, and national legislative and regulatory authorities worldwide. These activities are undertaken with the understanding that financial performance *and* corporate responsibility are both essential drivers of our long-term business success.

For example, the company is reducing its energy consumption by investing in clean-power generation and demand-side management strategies. In addition to lowering overall energy costs, these initiatives reduce the organization’s global carbon footprint and reliance on fossil fuels. At locations such as Hamilton, Mississippi, USA, and KZN Sands in South Africa, we are investing in new waste reduction technologies to substantially lower the need for costly on-site disposal space. At other locations, including our mining operations in Green River, Wyoming, USA; Namakwa Sands, Western Cape, South Africa; and our Northern Operations in Western Australia, Australia, the company has increased the use of recycled and processed water to lower dependencies on local potable water supplies. This focus reduces the need for waste water containment ponds and mitigates contamination risks.

These sustainability efforts reach beyond the boundaries of our facilities into the surrounding communities, where our operations and corporate citizenship programs generate and distribute direct and indirect economic value. We help foster sustainability in the areas where we operate through the sponsorship of environmental and science-based education programs, partnerships with local aquaculture and agriculture cooperatives, and other locally based initiatives.

"Thank you Tronox for giving us this opportunity. It is a once-in-a-lifetime chance for me as a young man, to learn new skills, finish school, and have a job. There are not enough words to express my thanks," said skills training graduate Sipheshle Chili, age 21.





**T**ronox believes that our company can and should play a leadership role in improving the quality of life in the communities in which we operate. In 2015, Tronox invested roughly US\$ 1.5 million in programs to support local communities.

One example is the Skills Development Program Tronox established for its South African operations. The initiative hosted 170 men and women from the communities surrounding Namakwa Sands on the west coast of South Africa and KZN Sands on the country's east coast. At Tronox KZN, the company worked with the seven local tribal authorities – *Somopho, Ogagwini, Macambini, Nzuza, KwaDube, Madlebe* and *KwaMkhanazi* – to identify and select candidates for the program.

Courses offered included bricklaying, roofing, welding, construction, plumbing, cooking, and driving lessons and license testing. Tronox covered all expenses for these students, including transportation, personal protective equipment, contractor labor, medical examinations, and tuition.

At year-end, the students who had completed their course work were hired directly by Tronox or placed in apprenticeships with local businesses to receive an additional 12 months of practical training, with salaries paid by Tronox.

This program reflects Tronox's commitment to local communities and underscores our on-going support of education and our quest to empower our community members.

Other corporate citizenship activities in 2015 included investments in South Africa ranging from computer, math, and science education programs for local school children to local employment and small business development, and from infrastructure improvements in rural villages to health and wellness programs. In Australia, Tronox continued its partnership with the Western Australia Department of Parks and Wildlife and the Perth Zoo to protect and reintroduce threatened indigenous wildlife. In the USA and the Netherlands, the company's efforts included high school and university internships and student scholarships, the funding of construction projects at local schools, and youth-empowerment education programs focusing on environmental science, math, and engineering. In addition to our financial support, Tronox employees across the globe contributed thousands of volunteer hours in their local communities.



The Perth Zoo – Tronox STEAM (Science, Technology, Engineering, Art, and Mathematics) initiative reached more than 900 students in 2015, many from low socio-economic areas. The program provides a variety of educational experiences that incorporate STEAM, while inspiring conservation action, environmental awareness, and possible career paths within the mining and chemical industries.

“We thank Tronox for investing in innovation, education, and the Perth community. Through our valued and on-going partnership, Tronox is helping Perth Zoo to effect genuine change in wildlife conservation through both its sponsorship of the zoo and support of the Tronox STEAM Education Program,” said Amy House, the zoo's partnerships manager.



**Tronox in 2015 continued its focus on building a sustainable, safe, and responsible business everywhere we operate.** We remained committed to these efforts while facing the inherent challenges of a weak global market for our TiO<sub>2</sub> business.

Our economic sustainability was strengthened by our April 2015 acquisition of the Alkali Chemicals business from FMC Corporation. Tronox Alkali is the world's largest and lowest-cost producer of natural soda ash. The year-over-year stability of our new Alkali business serves as a counter-balance to our more cyclical TiO<sub>2</sub> business.

To strengthen our environmental sustainability, in 2015, we applied a keen focus on innovation, operational efficiency to reduce per-production-ton power and water consumption, as well as waste and carbon emissions.

To strengthen our social sustainability, we implemented a number of initiatives to promote diversity, generate economic value for the local communities in which we live and operate, and advance our risk avoidance and safety programs. In 2015, total recordable injury frequency rates were the lowest in history at both our TiO<sub>2</sub> and Alkali businesses.

Our two separate but complimentary vertically integrated businesses embrace and exemplify the Tronox values in every facet of their professional behaviors worldwide, creating value for all stakeholders.

## Performance Data

	GRI Performance Indicator	Unit	2013	2014	2015*
<b>Economic</b>					
Direct economic value generated	EC1	US\$ million	1,931	1,749	<b>2,119</b>
Economic value distributed	EC1	US\$ million	1,853	1,706	<b>2,259</b>
Community investment	EC1	US\$ million	2.2	1.9	<b>1.0</b>
Economic value retained	EC1	US\$ million	77	44	<b>-141</b>
Total production (metric tons produced)		mtp	1,623,066	1,648,251	<b>4,223,878</b>
<b>Environment</b>					
<b>Energy Consumption</b>					
	EN3				
Direct primary energy consumption		GJ/mtp	10.8	11.0	<b>8.2</b>
Indirect primary energy consumption		GJ/mtp	14.9	15.4	<b>5.4</b>
Total primary energy consumption		GJ/mtp	25.7	26.4	<b>13.5</b>
<b>Water Consumption</b>					
	EN8				
Surface water, including water from wetlands, rivers, lakes, and oceans		m3/mtp	21.3	18.3	<b>8.5</b>
Ground water		m3/mtp	14.6	15.3	<b>5.4</b>
Rainwater collected directly and stored by the reporting organization		m3/mtp	2.4	0.2	<b>0.4</b>
Waste water from another organization		m3/mtp	0.9	1.1	<b>0.3</b>
Municipal water supplies or other water utilities		m3/mtp	3.4	3.4	<b>1.3</b>
Total water consumption		m3/mtp	42.7	38.2	<b>15.9</b>
<b>Greenhouse Gas Emissions</b>					
	EN15/EN16				
Scope 1 GHG emissions		mtCO2eq/mtp	0.9	0.9	<b>0.9</b>
Scope 2 GHG emissions		mtCO2eq/mtp	1.4	1.4	<b>0.5</b>
Total GHG emissions		mtCO2eq/mtp	2.2	2.3	<b>1.4</b>
<b>Land use</b>					
	EN13/MM1				
Area protected		hectares	96,599	108,406	<b>108,142</b>
Area disturbed (including area actively mined)		hectares	4,497	4,449	<b>7,027</b>
Area in rehabilitation		hectares	2,193	2,012	<b>2,073</b>
Area restored		hectares	3,235	3,702	<b>4,536</b>
<b>Waste production</b>					
	EN23				
Hazardous waste		mt/mtp	0.15	0.10	<b>0.03</b>
Non-hazardous waste		mt/mtp	0.43	0.43	<b>0.15</b>
<b>Social</b>					
<b>Workforce</b> (all data, except for number of strikes and lock-outs, as of December 31)					
Total number of employees	G4-10		3,559	3,510	<b>3,814</b>
Male	G4-10		2,951	2,909	<b>3,678</b>
Female	G4-10		608	601	<b>767</b>
Percentage of employees covered by collective bargaining agreements	G4-11		47%	50%	<b>54%</b>
Total number of contractors			1,503	1,472	<b>613</b>
Number of strikes and lock-outs exceeding one week's duration	MM4		0	0	<b>0</b>
<b>Safety</b>					
	LA6				
Lost Time Injury Frequency Rate employees and contractors		LTIFR	0.30	0.24	<b>0.22</b>
Lost Time Injury Frequency Rate employees only		LTIFR	0.28	0.28	<b>0.14</b>
Disabling Injury Frequency Rate employees and contractors		DIFR	0.40	0.36	<b>0.42</b>
Disabling Injury Frequency Rate employees only		DIFR	0.43	0.39	<b>0.30</b>
Total Recordable Injury Frequency Rate employees and contractors		TRIFR	1.15	0.91	<b>0.78</b>
Total Recordable Injury Frequency Rate employees only		TRIFR	0.97	0.99	<b>0.62</b>
Fatalities employees			2	0	<b>0</b>
Fatalities contractors			0	1	<b>0</b>

\* Tronox acquired the Alkali Chemicals business of FMC Corporation on April 1, 2015. Performance data for 2015 consolidates the results of the Alkali business from April 1 through December 31, 2015.

mt = metric tons  
mtp = metric tons produced  
GJ = gigajoules  
m3 = cubic meters  
CO<sub>2,e</sub> = CO<sub>2</sub> equivalent  
GRI = Global Reporting Initiative

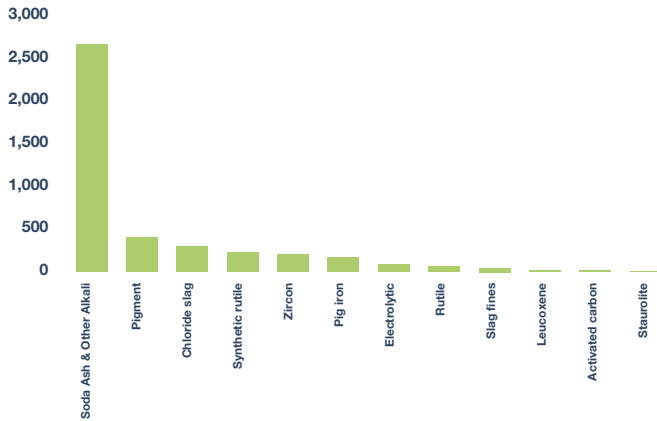
Lost time injury = An injury that prevents the individual from returning to work the next day  
Disabling injury = Either a lost time injury or a restricted work injury (when the individual can return to work but cannot perform his/her previously assigned duties)  
Recordable Injury = A disabling injury or a medical treatment case (when the individual requires more than basic first aid treatment but can return to work)

LTIFR = (# of lost time injuries / total hours worked) x 200,000  
DIFR = (# of disabling injuries / total hours worked) x 200,000  
TRIFR = (# of total recordable injuries / total hours worked) x 200,000

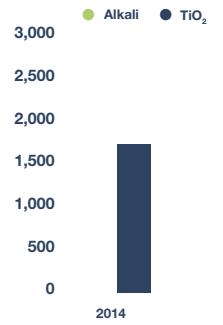
## Additional Responsibility Disclosures

### Economic

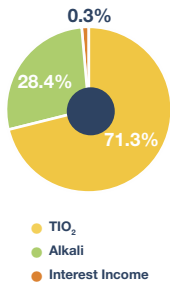
**2015 Production by Product Distribution**  
in thousands of metric tons



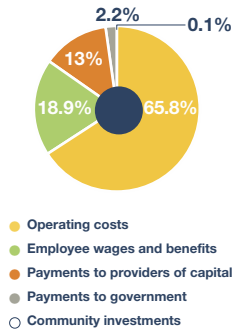
**2014 and 2015 Production by Business**  
in thousands of metric tons



**Components of Economic Value Generated 2015 EC1\***



**Components of Economic Value Distributed 2015 EC1\***



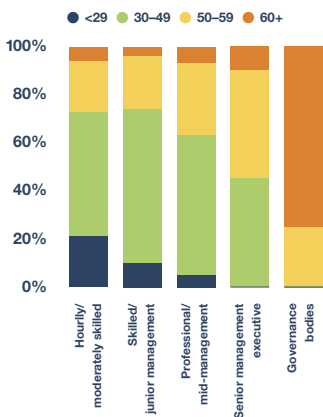
### Environment

#### Restored Habitats at our Mines

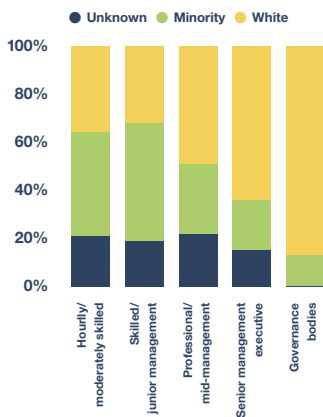
	KZN Sands		Namakwa Sands		Northern Operations		Total	
	2014	2015	2014	2015	2014	2015	2014	2015
Area actively mined at year end (hectares)	0	0	1,516	1,516	60	53	1,576	1,569
Total area restored during fiscal year (hectares)	104	56	246	73	117	107	467	236
Total expenditures on rehabilitation during fiscal year (US\$)	\$4,830,660	\$2,223,194	\$4,718,385	\$2,882,829	\$2,044,056	\$727,528	\$11,593,101	\$5,833,551

### Social

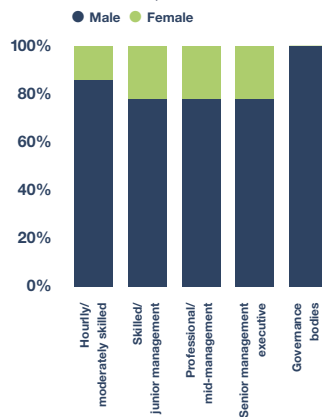
**Workforce Representation by Age LA12\*\***  
as of December 31, 2015



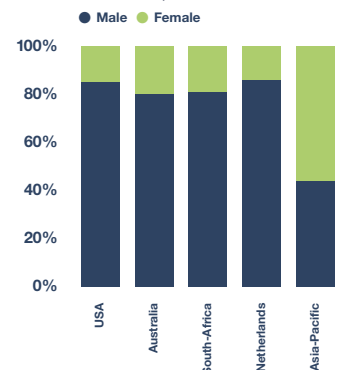
**Workforce Representation by Minorities LA12\*\***  
as of December 31, 2015



**Workforce Representation by Gender LA12\*\***  
as of December 31, 2015



**Employees by Region and Gender G4-10\*\***  
as of December 31, 2015



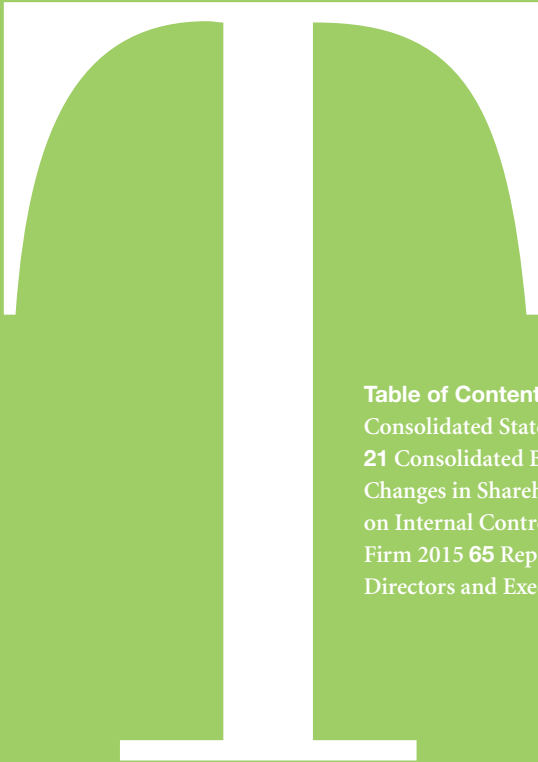
\*Tronox acquired the Alkali Chemicals business of FMC Corporation on April 1, 2015. Data for 2015 consolidates the results of the Alkali business from April 1 through December 31, 2015.

\*\*GRI Performance Indicator

**Tronox Financial Section**

Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

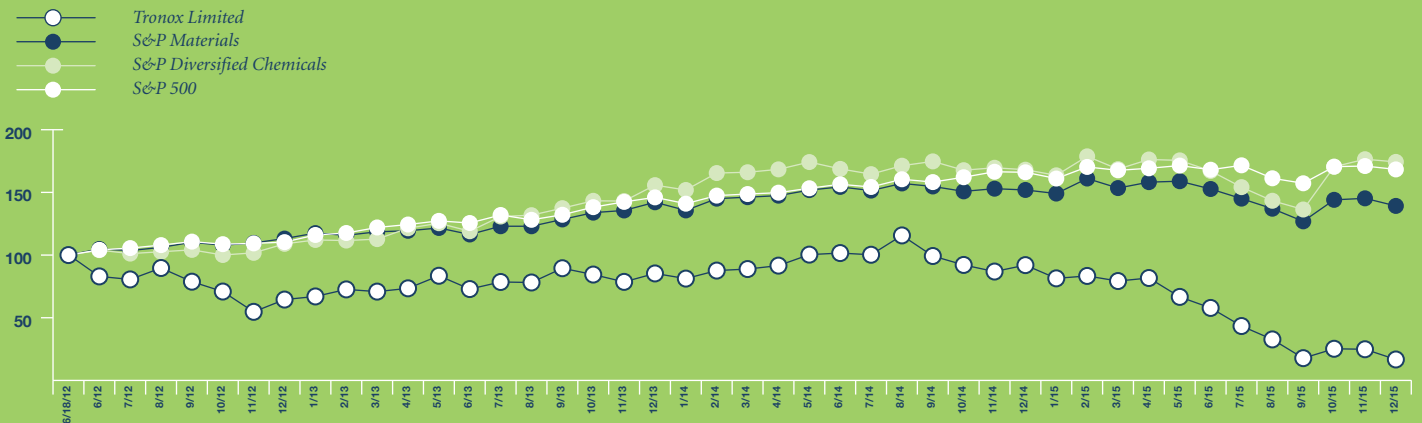


**Table of Contents**

Consolidated Statements of Operations **20** Consolidated Statements of Comprehensive Income (Loss) **21** Consolidated Balance Sheets **22** Consolidated Statements of Cash Flows **23** Consolidated Statements of Changes in Shareholders' Equity **24** Notes to Consolidated Financial Statements **26** Management's Report on Internal Controls Over Financial Reporting **64** Report of Independent Registered Public Accounting Firm 2015 **65** Report of Independent Registered Public Accounting Firm 2014 and 2013 **66** Board of Directors and Executive Management **67** Shareholder Information **68**

**Comparison of 42-Month Cumulative Total Return\***

Among Tronox Limited, the S&P 500 Index, the S&P Diversified Chemicals Index, and the S&P Materials Index



\* \$100 invested on 6/18/12 in stock or 5/31/12 in index, including reinvestment of dividends. Fiscal year ending December 31. Copyright © 2016 S&P, a division of McGraw Hill Financial. All rights reserved.

## Consolidated Statements of Operations

(Millions of U.S. dollars, except share and per share data)  
Year Ended December 31,

	2015	2014	2013
<b>Net sales</b>	<b>\$ 2,112</b>	\$ 1,737	\$ 1,922
Cost of goods sold	<b>1,992</b>	1,530	1,732
<b>Gross profit</b>	<b>120</b>	207	190
Selling, general and administrative expenses	<b>(217)</b>	(192)	(187)
Restructuring expense	<b>(21)</b>	(15)	—
<b>Income (loss) from operations</b>	<b>(118)</b>	—	3
Interest and debt expense, net	<b>(176)</b>	(133)	(130)
Net gain (loss) on liquidation of non-operating subsidiaries	<b>—</b>	(35)	24
Loss on extinguishment of debt	<b>—</b>	(8)	(4)
Other income, net	<b>28</b>	27	46
<b>Loss before income taxes</b>	<b>(266)</b>	(149)	(61)
Income tax provision	<b>(41)</b>	(268)	(29)
<b>Net loss</b>	<b>\$ (307)</b>	\$ (417)	\$ (90)
Income attributable to noncontrolling interest	<b>11</b>	10	36
<b>Net loss attributable to Tronox Limited</b>	<b>\$ (318)</b>	\$ (427)	\$ (126)
<b>Loss per share, basic and diluted</b>	<b>\$ (2.75)</b>	\$ (3.74)	\$ (1.11)
<b>Weighted average shares outstanding, basic and diluted (in thousands)</b>	<b>115,566</b>	114,281	113,416

See notes to consolidated financial statements.

## Consolidated Statements of Comprehensive Income (Loss)

(Millions of U.S. dollars) Year Ended December 31,	2015	2014	2013
<b>Net loss</b>	<b>\$ (307)</b>	\$ (417)	\$ (90)
Other comprehensive income (loss):			
Foreign currency translation adjustments	<b>(292)</b>	(95)	(289)
Pension and postretirement plans:			
Actuarial gains (losses), net of taxes of less than \$1 million in 2015, and 2014, and \$1 million in 2013	<b>12</b>	(83)	25
Amortization of unrecognized actuarial losses, net of taxes of less than \$1 million in 2015, 2014 and 2013	<b>3</b>	1	2
Prior service credit, net of taxes of, less than \$1 million in 2014 and \$1 million in 2013	<b>—</b>	(3)	3
Pension and postretirement benefit curtailments, net of taxes of \$4 million in 2014	<b>—</b>	37	—
<b>Other comprehensive loss</b>	<b>(277)</b>	(143)	(259)
<b>Total comprehensive loss</b>	<b>\$ (584)</b>	\$ (560)	\$ (349)
<b>Comprehensive income (loss) attributable to noncontrolling interest:</b>			
Net income	<b>11</b>	10	36
Foreign currency translation adjustments	<b>(77)</b>	(31)	(70)
Comprehensive loss attributable to noncontrolling interest	<b>(66)</b>	(21)	(34)
Comprehensive loss attributable to Tronox Limited	<b>\$ (518)</b>	\$ (539)	\$ (315)

See notes to consolidated financial statements.

## Consolidated Balance Sheets

(Millions of U.S. dollars, except share and per share data)  
December 31,

	2015	2014
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 229	\$ 1,276
Restricted cash	5	3
Accounts receivable, net of allowance for doubtful accounts	391	277
Inventories, net	630	770
Prepaid and other assets	46	42
Deferred tax assets	—	13
<b>Total current assets</b>	<b>1,301</b>	<b>2,381</b>
<b>Noncurrent Assets</b>		
Property, plant and equipment, net	1,843	1,227
Mineral leaseholds, net	1,604	1,058
Intangible assets, net	244	272
Inventories, net	12	57
Long-term deferred tax assets	—	9
Other long-term assets	68	61
<b>Total assets</b>	<b>\$ 5,072</b>	<b>\$ 5,065</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 159	\$ 160
Accrued liabilities	180	147
Short-term debt	150	—
Long-term debt due within one year	16	18
Income taxes payable	43	32
Deferred tax liabilities	—	9
<b>Total current liabilities</b>	<b>548</b>	<b>366</b>
<b>Noncurrent Liabilities</b>		
Long-term debt	2,955	2,375
Pension and postretirement healthcare benefits	141	172
Asset retirement obligations	77	85
Long-term deferred tax liabilities	143	204
Other long-term liabilities	98	75
<b>Total liabilities</b>	<b>3,962</b>	<b>3,277</b>
<b>Commitments and Contingencies Shareholders' Equity</b>		
Tronox Limited Class A ordinary shares, par value \$0.01 65,443,363 shares issued and 64,521,851 shares outstanding at December 31, 2015 and 65,152,145 shares issued and 63,968,616 shares outstanding at December 31, 2014	1	1
Tronox Limited Class B ordinary shares, par value \$0.01 — 51,154,280 shares issued and outstanding at December 31, 2015 and 2014	—	—
Capital in excess of par value	1,500	1,476
Retained earnings	93	529
Accumulated other comprehensive loss	(596)	(396)
<b>Total Tronox Limited shareholders' equity</b>	<b>998</b>	<b>1,610</b>
Noncontrolling interest	112	178
<b>Total equity</b>	<b>1,110</b>	<b>1,788</b>
<b>Total liabilities and equity</b>	<b>\$ 5,072</b>	<b>\$ 5,065</b>

See notes to consolidated financial statements.



## Consolidated Statements of Cash Flows

(Millions of U.S. dollars)  
Year Ended December 31,

2015 2014 2013

### Cash Flows from Operating Activities:

Net loss	\$ (307)	\$ (417)	\$ (90)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation, depletion and amortization	294	295	333
Deferred income taxes	—	237	33
Share-based compensation expense	22	20	18
Amortization of deferred debt issuance costs and discount on debt	11	10	9
Pension and postretirement healthcare benefit (income) expense	5	(3)	9
Net (gain) loss on liquidation of non-operating subsidiaries	—	35	(24)
Loss on extinguishment of debt	—	8	4
Amortization of fair value inventory step-up and unfavorable ore contracts liability	9	—	(32)
Other noncash items affecting net loss	—	3	(15)
Contributions to employee pension and postretirement plans	(17)	(18)	(6)
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	20	23	58
(Increase) decrease in inventories	157	(101)	75
(Increase) decrease in prepaid and other assets	18	9	(15)
Increase (decrease) in accounts payable and accrued liabilities	(12)	22	(16)
Increase (decrease) in taxes payable	20	20	(25)
Other, net	(4)	(2)	14
Cash provided by operating activities	216	141	330

### Cash Flows from Investing Activities:

Capital expenditures	(191)	(187)	(165)
Proceeds from the sale of assets	1	—	1
Acquisition of business	(1,650)	—	—
Cash used in investing activities	(1,840)	(187)	(164)

### Cash Flows from Financing Activities:

Repayments of debt	(18)	(20)	(189)
Proceeds from debt	750	—	945
Debt issuance costs	(15)	(2)	(29)
Dividends paid	(117)	(116)	(115)
Proceeds from the exercise of warrants and options	3	6	2
Cash provided by (used in) financing activities	603	(132)	614

Effects of exchange rate changes on cash and cash equivalents (26) (21) (18)

Net increase (decrease) in cash and cash equivalents (1,047) (199) 762

Cash and cash equivalents at beginning of period 1,276 1,475 713

Cash and cash equivalents at end of period \$ 229 \$ 1,276 \$ 1,475

### Supplemental cash flow information:

Interest paid	\$ 152	\$ 126	\$ 123
Income taxes paid	\$ 23	\$ 3	\$ 25

See notes to consolidated financial statements.

## Consolidated Statements of Changes in Shareholders' Equity

(Millions of U.S. dollars)	Tronox Limited Class A Ordinary Shares	Tronox Limited Class B Ordinary Shares
<b>Balance at January 1, 2013</b>	\$ 1	\$ —
Net income (loss)	—	—
Other comprehensive loss	—	—
Shares-based compensation	—	—
Class A and Class B share dividends	—	—
Warrants and options exercised	—	—
<b>Balance at December 31, 2013</b>	\$ 1	\$ —
Net income (loss)	—	—
Other comprehensive loss	—	—
Shares-based compensation	—	—
Class A and Class B share dividends	—	—
Warrants and options exercised	—	—
<b>Balance at December 31, 2014</b>	\$ 1	\$ —
Net income (loss)	—	—
Other comprehensive loss	—	—
Shares-based compensation	—	—
Class A and Class B share dividends	—	—
Warrants and options exercised	—	—
<b>Balance at December 31, 2015</b>	<b>\$ 1</b>	<b>\$ —</b>

See notes to consolidated financial statements.

Capital in Excess of par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Tronox Limited Shareholders' Equity	Non-controlling Interest	Total Equity
\$ 1,429	\$ 1,314	\$ (95)	\$ 2,649	\$ 233	\$ 2,882
—	(126)	—	(126)	36	(90)
—	—	(189)	(189)	(70)	(259)
17	—	—	17	—	17
—	(115)	—	(115)	—	(115)
2	—	—	2	—	2
\$ 1,448	\$ 1,073	\$ (284)	\$ 2,238	\$ 199	\$ 2,437
—	(427)	—	(427)	10	(417)
—	—	(112)	(112)	(31)	(143)
22	—	—	22	—	22
—	(117)	—	(117)	—	(117)
6	—	—	6	—	6
\$ 1,476	\$ 529	\$ (396)	\$ 1,610	\$ 178	\$ 1,788
—	(318)	—	(318)	11	(307)
—	—	(200)	(200)	(77)	(277)
21	—	—	21	—	21
—	(118)	—	(118)	—	(118)
3	—	—	3	—	3
<b>\$1,500</b>	<b>\$ 93</b>	<b>\$(596)</b>	<b>\$ 998</b>	<b>\$ 112</b>	<b>\$ 1,110</b>

## Notes to Consolidated Financial Statements

Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

### 1. The Company

Tronox Limited and its subsidiaries (collectively referred to as “Tronox,” “we,” “us,” or “our”) is a public limited company registered under the laws of the State of Western Australia. We are a global leader in the production and marketing of titanium bearing mineral sands and titanium dioxide (“TiO<sub>2</sub>”) pigment, and the world’s largest producer of natural soda ash. Titanium feedstock is primarily used to manufacture TiO<sub>2</sub>. Zircon, a hard, glossy mineral, is used for the manufacture of ceramics, refractories, TV screen glass, and a range of other industrial and chemical products. Pig iron is a metal material used in the steel and metal casting industries to create wrought iron, cast iron, and steel. Our TiO<sub>2</sub> products are critical components of everyday applications such as paint and other coatings, plastics, paper, and other uses and our related mineral sands product streams include titanium feedstock, zircon, and pig iron. Our soda ash products are used by customers in the glass, detergent, and chemicals manufacturing industries.

We have global operations in North America, Europe, South Africa, and the Asia-Pacific region. Within our TiO<sub>2</sub> segment, we operate three pigment production facilities at the following locations: Hamilton, Mississippi; Botlek, the Netherlands; and Kwinana, Western Australia, and we operate three separate mining operations: KwaZulu-Natal (“KZN”) Sands and Namakwa Sands both located in South Africa, and Cooljarloo located in Western Australia.

On April 1, 2015 (the “Alkali Transaction Date”), we completed the acquisition of 100% of the Alkali Chemicals business (“Alkali”) from FMC Corporation (“FMC”) for an aggregate purchase price of \$1.65 billion in cash (the “Alkali Transaction”). See Note 4 for additional information regarding the Alkali Transaction.

As a result of the Alkali Transaction, we produce natural soda ash from a mineral called trona, which we mine at two facilities we own near Green River, Wyoming. Our Wyoming facilities process the trona ore into chemically pure soda ash and specialty sodium products such as sodium bicarbonate (baking soda). We sell soda ash directly to customers in the United States, Canada and Europe and to the American Natural Soda Ash Corporation (“ANSAC”), a non-profit foreign sales association in which we and two other U.S. soda ash producers are members, for resale to customers elsewhere around the world. We use a portion of our soda ash at Green River to produce specialty sodium products such as sodium bicarbonate and sodium sesquicarbonate that have uses in food, animal feed, pharmaceutical, and medical applications.

In June 2012, Tronox Limited issued Class B ordinary shares (“Class B Shares”) to Exxaro Resources Limited (“Exxaro”) and one of its subsidiaries in consideration for 74% of Exxaro’s South African mineral sands business, and the existing business of Tronox Incorporated was combined with the mineral sands business in an integrated series of transactions whereby Tronox Limited became the parent company (the “Exxaro Transaction”). Exxaro has agreed not to acquire any voting shares of Tronox Limited if, following such acquisition, Exxaro will have a voting interest in Tronox Limited of 50% or more unless Exxaro brings any proposal to make such an acquisition to the Board of Directors of Tronox Limited on a confidential basis. In the event an

agreement regarding the proposal is not reached, Exxaro is permitted to make a takeover offer for all the shares of Tronox Limited not held by affiliates of Exxaro, subject to certain non-waivable conditions. At December 31, 2015, Exxaro held approximately 44% of the voting securities of Tronox Limited. See Note 24 for additional information regarding Exxaro transactions.

### Basis of Presentation

We are considered a domestic company in Australia and, as such, are required to report in Australia under International Financial Reporting Standards (“IFRS”). Additionally, as we are not considered a “foreign private issuer” in the United States (“U.S.”), we are required to comply with the reporting and other requirements imposed by the U.S. securities law on U.S. domestic issuers, which, among other things, requires reporting under accounting principles generally accepted in the United States of America (“U.S. GAAP”). The consolidated financial statements included in this Form 10-K are prepared in conformity with U.S. GAAP. We publish our consolidated financial statements, in both U.S. GAAP and IFRS, in U.S. dollars.

Exxaro has a 26% ownership interest in each of our Tronox KZN Sands (Pty) Ltd. and Tronox Mineral Sands (Pty) Ltd. subsidiaries in order to comply with the ownership requirements of the Black Economic Empowerment (“BEE”) legislation in South Africa. We account for such ownership interest as “Noncontrolling interest” in our consolidated financial statements. See Note 21.

Our consolidated financial statements include the accounts of all majority-owned subsidiary companies. All intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the manner and presentation in the current period. For the year ended December 31, 2013, we decreased cash flows from investing activities by \$7 million with a corresponding decrease in cash flows from operating activities to adjust for accrued capital expenditures. These adjustments are not considered material for the year ended December 31, 2013.

During the year ended December 31, 2014, we recorded out-of-period adjustments that should have been recorded during 2012 that decreased cost of goods sold by \$6 million, decreased loss before income taxes by \$6 million, decreased net loss by \$5 million and decreased loss per share by \$0.03. Also during the year ended December 31, 2014, we recorded out-of-period adjustments that should have been recorded during 2013 that increased cost of goods sold by \$6 million, increased selling, general and administrative expenses by \$1 million, increased loss before income taxes by \$7 million, increased net loss by \$5 million and increased loss per share by \$0.04. After evaluating the quantitative and qualitative aspects of the adjustments, we concluded the effect of these adjustments, individually and in the aggregate, was not material to our previously issued consolidated financial statements or to our 2014 consolidated financial statements.

During the year ended December 31, 2015, we recorded out-of-period adjustments that should have been recorded in 2012 through 2014 that decreased cost of goods sold by \$5 million, decreased loss before income taxes by \$5 million, decreased net loss by \$3 million,

and decreased loss per share by \$0.02. After evaluating the quantitative and qualitative aspects of the adjustments, we concluded the effect of these adjustments, individually and in the aggregate, was not material to our previously issued consolidated financial statements and is not material to our 2015 consolidated financial statements.

### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. It is at least reasonably possible that the effect on the financial statements of a change in estimate due to one or more future confirming events could have a material effect on the financial statements.

## **2. Significant Accounting Policies**

### **Foreign Currency**

The U.S. dollar is the functional currency for our operations, except for our South African operations, whose functional currency is the Rand, and our European operations, whose functional currency is the Euro. We determine the functional currency of each subsidiary based on a number of factors, including the predominant currency for revenues, expenditures and borrowings. Adjustments from the remeasurement of non-functional currency monetary assets and liabilities are recorded in "Other income (expense), net" in the Consolidated Statements of Operations. When the subsidiary's functional currency is not the U.S. dollar, translation adjustments resulting from translating the functional currency financial statements into U.S. dollar equivalents are recorded in "Accumulated other comprehensive loss" in the Consolidated Balance Sheets.

Gains and losses on intercompany foreign currency transactions that are not expected to be settled in the foreseeable future are reported in the same manner as translation adjustments.

### **Revenue Recognition**

Revenue is recognized when risk of loss and title to the product is transferred to the customer, pricing is fixed or determinable, and collection is reasonably assured. All amounts billed to a customer in a sales transaction related to shipping and handling represent revenues earned and are reported as net sales. Accruals are made for sales returns, rebates and other allowances, which are recorded in "Net sales" in the Consolidated Statements of Operations, and are based on our historical experience and current business conditions.

### **Cost of Goods Sold**

Cost of goods sold includes costs for purchasing, receiving, manufacturing, and distributing products, including raw materials, energy, labor, depreciation, depletion, shipping and handling, freight, warehousing, and other production costs.

### **Research and Development**

Research and development costs, included in "Selling, general and administrative expenses" in the Consolidated Statements of Operation comprising of salaries, building costs, utilities, administrative expenses, and allocations of corporate costs, were \$13 million, \$11 million, and \$10 million during 2015, 2014, and 2013, respectively, and were expensed as incurred.

### **Selling, General and Administrative Expenses**

Selling, general and administrative expenses include costs related to marketing, agent commissions, and legal and administrative functions such as corporate management, human resources, information technology, investor relations, accounting, treasury, and tax compliance.

### **Income Taxes**

We use the asset and liability method of accounting for income taxes. The estimation of the amounts of income taxes involves the interpretation of complex tax laws and regulations and how foreign taxes affect domestic taxes, as well as the analysis of the realizability of deferred tax assets, tax audit findings, and uncertain tax positions.

Deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided against a deferred tax asset when it is more likely than not that all or some portion of the deferred tax asset will not be realized. We periodically assess the likelihood that we will be able to recover our deferred tax assets, and reflect any changes in our estimates in the valuation allowance, with a corresponding adjustment to earnings or other comprehensive income (loss), as appropriate. All available positive and negative evidence is weighted to determine whether a valuation allowance should be recorded.

The amount of income taxes we pay is subject to ongoing audits by federal, state, and foreign tax authorities, which may result in proposed assessments. Our estimate for the potential outcome for any uncertain tax issue is highly judgmental. We assess our income tax positions, and record tax benefits for all years subject to examination based upon our evaluation of the facts, circumstances, and information available at the reporting date. For those tax positions for which it is more likely than not that a tax benefit will be sustained, we record the amount that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. Interest and penalties are accrued as part of tax expense, where applicable. If we do not believe that it is more likely than not that a tax benefit will be sustained, no tax benefit is recognized. See Note 7.

### **Earnings per Share**

Basic and diluted earnings per share are calculated using the two-class method. Under the two-class method, earnings used to determine basic earnings per share are reduced by an amount allocated to participating securities. Participating securities include restricted shares issued under

## Notes to Consolidated Financial Statements

Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

the Tronox Management Equity Incentive Plan (see Note 22) and the T-Bucks Employee Participation Plan (see Note 22), both of which contain non-forfeitable dividend rights. Our unexercised options, unexercised Series A and Series B Warrants (see Note 20), and unvested restricted share units do not contain non-forfeitable rights to dividends and, as such, are not considered in the calculation of basic earnings per share. Our unvested restricted shares do not have a contractual obligation to share in losses; therefore, when we record a net loss, none of the loss is allocated to participating securities. Consequently, in periods of net loss, the two class method does not have an effect on basic loss per share.

Diluted earnings per share is calculated by dividing net earnings allocable to ordinary shares by the weighted-average number of ordinary shares outstanding for the period, as adjusted for the potential dilutive effect of non-participating restricted share units, options, and Series A and Series B Warrants. The options and Series A and Series B Warrants are included in the calculation of diluted earnings per ordinary share utilizing the treasury stock method. See Note 8.

### Fair Value Measurement

We measure fair value on a recurring basis utilizing valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs, to the extent possible, and consider counterparty credit risk in our assessment of fair value. The fair value hierarchy is as follows:

**Level 1** – Quoted prices in active markets for identical assets and liabilities;

**Level 2** – Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data; and,

**Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. See Note 9.

### Cash and Cash Equivalents

We consider all investments with original maturities of three months or less to be cash equivalents. We maintain cash and cash equivalents in bank deposit and money market accounts that may exceed federally insured limits. The financial institutions where our cash and cash equivalents are held are generally highly rated and geographically dispersed, and we have a policy to limit the amount of credit exposure with any one institution. We have not experienced any losses in such accounts and believe we are not exposed to significant credit risk.

At December 31, 2015 and 2014, we had restricted cash in Australia related to outstanding performance bonds of \$5 million and \$3 million, respectively.

### Accounts Receivable, net of allowance for doubtful accounts

We perform credit evaluations of our customers, and take actions deemed appropriate to mitigate credit risk. Only in certain specific occasions do we require collateral in the form of bank or parental guarantees or guarantee payments. We maintain allowances for potential credit losses based on specific customer review and current financial conditions. See Note 10.

### Inventories, net

Pigment and Alkali inventories are stated at the lower of actual cost or market (“LOCM”), net of allowances for obsolete and slow-moving inventory. The cost of inventories is determined using the first-in, first-out method (“FIFO”). Carrying values include material costs, labor, and associated indirect manufacturing expenses. Costs for materials and supplies, excluding titanium ore, are determined by average cost to acquire. Mineral Sands inventories including titanium ore are stated at the lower of the weighted-average cost of production or market. Inventory costs include those costs directly attributable to products, including all manufacturing overhead but excluding distribution costs. Raw materials are carried at actual cost.

We review, annually and at the end of each quarter, the cost of our inventory in comparison to its net realizable value. We also periodically review our inventory for obsolescence (inventory that is no longer marketable for its intended use). In either case, we record any write-down equal to the difference between the cost of inventory and its estimated net realizable value based on assumptions about alternative uses, market conditions and other factors. Inventories expected to be sold or consumed within twelve months after the balance sheet date are classified as current assets and all other inventories are classified as non-current assets. See Note 11.

### Long Lived Assets

Property, plant and equipment, net is stated at cost less accumulated depreciation, and is depreciated over its estimated useful life using the straight-line method as follows:

---

Land improvements	10 — 20 years
Buildings	10 — 40 years
Machinery and equipment	3 — 25 years
Furniture and fixtures	10 years

---

Maintenance and repairs are expensed as incurred, except for costs of replacements or renewals that improve or extend the lives of existing properties, which are capitalized. Upon retirement or sale, the cost and related accumulated depreciation are removed from the respective account, and any resulting gain or loss is included in “Cost of goods sold” or “Selling, general, and administrative expenses” in the Consolidated Statements of Operations. See Note 12.

We capitalize interest costs on major projects that require an extended period of time to complete. See Note 16.

Mineral property acquisition costs are capitalized as tangible assets when management determines that probable future benefits consisting of a contribution to future cash inflows have been identified and adequate financial resources are available or are expected to be available as required to meet the terms of property acquisition and anticipated exploration and development expenditures. Mineral leaseholds are depleted over their useful lives as determined under the units of production method. Mineral property exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property through the commencement of production are capitalized. See Note 13.

Intangible assets are stated at cost less accumulated amortization, and are amortized on a straight-line basis over their estimated useful lives, which range from 3 to 20 years. See Note 14.

We evaluate the recoverability of the carrying value of long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Under such circumstances, we assess whether the projected undiscounted cash flows of our long-lived assets are sufficient to recover the carrying amount of the asset group being assessed. If the undiscounted projected cash flows are not sufficient, we calculate the impairment amount by discounting the projected cash flows using our weighted-average cost of capital. The amount of the impairment of long-lived assets is written off against earnings in the period in which the impairment is determined.

#### **Business Acquisitions**

Business acquisitions are accounted for using the acquisition method under Accounting Standards Codification (“ASC”) 805, *Business Combinations* (“ASC 805”), which requires recording assets acquired and liabilities assumed at fair value as of the acquisition date. Under the acquisition method of accounting, each tangible and separately identifiable intangible asset acquired and liabilities assumed is recorded based on their preliminary estimated fair values on the acquisition date. The initial valuations are derived from estimated fair value assessments and assumptions used by management. Acquisition related costs are expensed as incurred and are included in “Selling, general and administrative expenses in the Consolidated Statements of Operations. See Note 4.

#### **Long-term Debt**

Long-term debt is stated net of unamortized original issue premium or discount. Premiums or discounts are amortized using the effective interest method with amortization expense recorded in “Interest and debt expense, net” in the Consolidated Statements of Operations. Deferred debt issuance costs are recorded in “Other long-term assets” in the Consolidated Balance Sheets, and are amortized using the effective interest method with amortization expense recorded in “Interest and debt expense, net” in the Consolidated Statements of Operations. See Note 16.

#### **Asset Retirement Obligations**

Asset retirement obligations are recorded at their estimated fair value, and accretion expense is recognized over time as the discounted liability is accreted to its expected settlement value. Fair value is measured using expected future cash outflows discounted at our credit-adjusted risk-free interest rate, which are considered Level 3 inputs. We classify accretion expense related to asset retirement obligations as a production cost, which is included in “Cost of goods sold” in the Consolidated Statements of Operations. See Note 17.

#### **Derivative Instruments**

Derivative instruments are recorded in the Consolidated Balance Sheets at their fair values. Changes in the fair value of derivative instruments not designated for hedge accounting treatment are recorded in “Other income (expense), net” in the Consolidated Statements of Operations. See Note 18.

#### **Environmental Remediation and Other Contingencies**

We recognize a loss and record an undiscounted liability when litigation has commenced or a claim or assessment has been asserted, or, based on available information, commencement of litigation or assertion of a claim or assessment is probable, and the associated costs can be reasonably estimated. See Note 19.

#### **Self-Insurance**

We are self-insured for certain levels of general and vehicle liability, property, workers’ compensation and health care coverage. The cost of these self-insurance programs is accrued based upon estimated fully developed settlements for known and anticipated claims. Any resulting adjustments to previously recorded reserves are reflected in current operating results. We do not accrue for general or unspecific business risks.

#### **Share-based Compensation**

##### ***Equity Restricted Share and Restricted Share Unit Awards —***

The fair value of equity instruments is measured based on the share price on the grant date and is recognized over the vesting period. These awards contain service, market, and/or performance conditions. For awards containing only a service or a market condition, we have elected to recognize compensation costs using the straight-line method over the requisite service period for the entire award. For awards containing a market condition, the fair value of the award is measured using the Monte Carlo simulation under a lattice model approach. For awards containing a performance condition, the fair value is the grant date close price and compensation expense is not recognized until we conclude that it is probable that the performance condition will be met. We reassess the probability at least quarterly. See Note 22.

***Liability Restricted Share Awards —*** Restricted share awards classified as liability awards contain only a service condition, and have graded vesting provisions. Liability awards are re-measured to fair value at each reporting date. See Note 22.

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**Option Awards** — The Black-Scholes option pricing model is utilized to measure the fair value of options on the grant date. The options contain only service conditions, and have graded vesting provisions. We have elected to recognize compensation costs using the straight-line method over the requisite service period for the entire award. See Note 22.

### Recently Adopted Accounting Pronouncements

In November 2015, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2015-17, *Balance Sheet Classification of Deferred Taxes* (“ASU 2015-17”). ASU 2015-17 simplifies the presentation of deferred income taxes. The new guidance requires that all deferred tax liabilities and assets, along with any related valuation allowance, be classified as noncurrent on our consolidated financial position. We are required to adopt this standard in the first quarter of 2017. The guidance may be applied either prospectively, for all deferred tax assets and liabilities, or retrospectively. We have elected to adopt ASU 2015-17 for 2015, on a prospective basis, and our disclosure in Note 7 is presented accordingly.

### Recently Issued Accounting Pronouncements

In September 2015, the FASB issued ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments* (“ASU 2015-16”). ASU 2015-16 simplifies the accounting for measurement-period adjustments by eliminating the requirement to restate prior period financial statements for measurement period adjustments. The new guidance requires that the cumulative impact of a measurement period adjustment (including the impact on prior periods) be recognized in the reporting period in which the adjustment is identified. We are required to adopt this standard in the first quarter of 2016. We cannot determine the impact, if any, that ASU 2015-16 will have on our consolidated financial statements.

In August 2015, the FASB issued ASU 2015-15, *Interest – Imputation of Interest* (“ASU 2015-15”) and in April 2015, the FASB issued ASU 2015-03, *Interest— Imputation of Interest* (“ASU 2015-03”). ASU 2015-15 and ASU 2015 - 03 change and simplify the presentation of debt issuance costs ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-15 stated that it would also be acceptable to present debt issuance costs related a line of credit arrangement as a direct deduction from the carrying amount of debt. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. We are required to adopt these standards retrospectively in the first quarter of 2016. As of December 31, 2015, we had \$49 million of deferred debt issuance costs, which were recorded in “Other long-term assets” in the Consolidated Balance Sheets.

In July 2015, as part of its simplification initiative, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory* (“ASU 2015-11”). ASU 2015-11 simplifies the subsequent measurement of inventory by requiring entities to remeasure inventory at the lower of cost and net realizable value, which is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. This ASU does not apply to inventory measured using the Last-in, First-Out or the retail inventory method. We are required to adopt this standard in the first quarter of 2017. This standard is required to be applied prospectively with earlier application permitted as of the beginning of an interim or annual period. The adoption of ASU 2015-11 is not expected to have a material impact on our consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, *Consolidation: Amendments to the Consolidation Analysis* (“ASU 2015-02”). ASU 2015-02 changes the consolidation evaluation for entities that are required to evaluate whether they should consolidate certain legal entities. We are required to adopt this standard in the first quarter of 2016. The standard permits the use of a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption, or a reporting entity may also apply the amendments retrospectively. We have not yet determined the impact, if any, that ASU 2015-02 will have on our consolidated financial statements.

In May 2014, the FASB issued ASU 2014-9, *Revenue from Contracts with Customers* (“ASU 2014-9”), which states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance is effective for periods beginning after December 31, 2017, and may be applied either retrospectively or on a modified retrospective basis. We have not yet determined the impact, if any, that ASU 2014-9 will have on our consolidated financial statements.

### 3. Restructuring Expense

During 2014, we initiated a cost improvement initiative. The initiative resulted in a reduction in our workforce by approximately 135 employees and outside contractor positions. At December 31, 2014, the remaining liability was \$4 million. During 2015, we paid \$4 million of cash related to such restructuring.

In November 2015 we ceased production at our sodium chlorate plant in Hamilton, Mississippi resulting in a reduction in our workforce of approximately 50 employees. This action resulted in a charge, consisting primarily of employee severance costs, of \$4 million, which was recorded in “Restructuring expense” in the Consolidated Statements of Operations of which \$1 million was paid during 2015. We expect to pay the remaining \$3 million liability in 2016.



In line with our goal of aligning production output to market requirements, during the third quarter of 2015, we decided that the operation of our Cooljarloo North Mine in Western Australia would be suspended on December 31, 2015, resulting in a reduction in our workforce of approximately 30 employees. This action resulted in a charge, consisting primarily of employee severance costs, of \$3 million, which was recorded in “Restructuring expense” in the Consolidated Statements of Operations and paid during 2015.

In 2015, as part of our commitment to reduce operating costs and working capital, we have commenced a global restructuring of our TiO<sub>2</sub> segment which we expect to complete during the first half of 2016. A portion of this initiative involves a reduction in our global TiO<sub>2</sub> workforce by approximately 500 employees and outside contractor positions. The restructuring seeks to streamline the operations of our TiO<sub>2</sub> segment in order to create a more commercially and operationally efficient business segment. This action resulted in a charge of \$14 million, which was recorded in “Restructuring expense” in the Consolidated Statements of Operations of which \$2 million was paid during 2015. The charge consisted of employee severance costs and other associated costs. We expect to pay the remaining \$12 million in 2016.

A summary in the changes in the liability established for restructuring, which is included in “Accrued liabilities” in the Consolidated Balance Sheet, is as follows:

	Restructuring Liability	
Balance, January 1, 2014	\$—	
Severance and other related costs	15	
Cash payments	(10)	
Noncash expense	(1)	
Balance, December 31, 2014	\$ 4	
Severance and other related costs	21	
Cash payments	(10)	
<b>Balance, December 31, 2015</b>	<b>\$15</b>	

Restructuring expense by segment during 2015 and 2014 was as follows:

Year Ended December 31,	2015	2014
TiO <sub>2</sub> segment	\$ 20	\$ 12
Corporate	1	3
Total	\$ 21	\$ 15

#### 4. Acquisition of Alkali Chemicals Group

On April 1, 2015, we acquired Alkali because it diversifies our end markets and revenue base, and increases our participation in faster growing emerging market economies. We believe it also provides us greater opportunity to utilize a portion of our U.S. tax attributes in future periods. See Note 7 for a discussion of the tax impact of the Alkali Transaction. We accounted for the Alkali Transaction using the acquisition method under ASC 805 which requires recording assets acquired and liabilities assumed at fair value. Under the acquisition method of accounting, the assets acquired and liabilities assumed were recorded based on their preliminary estimated fair values on the Alkali Transaction Date. The results of the Alkali chemical business are included in the Alkali segment. The initial valuations were derived from estimated fair value assessments and assumptions used by management, and are preliminary. Further adjustments may result before the end of the measurement period, which ends no later than March 31, 2016.

We funded the Alkali Transaction through existing cash and new debt. See Note 16 for further details of the Alkali Transaction financing.

#### Purchase Price Allocation

	Valuation
<b>Consideration:</b>	
Purchase price	\$1,650
<b>Fair Value of Assets Acquired and Liabilities Assumed:</b>	
<b>Current Assets:</b>	
Accounts receivable	\$ 147
Inventories	48
Prepaid and other assets	32
<b>Total Current Assets</b>	227
Property, plant and equipment <sup>(1)</sup>	767
Mineral leaseholds <sup>(2)</sup>	739
Other long-term assets	3
<b>Total Assets</b>	<b>\$1,736</b>
<b>Current Liabilities:</b>	
Accounts payable	46
Accrued liabilities	28
<b>Total Current Liabilities</b>	74
<b>Noncurrent Liabilities:</b>	
Other	12
<b>Total Liabilities</b>	86
<b>Net Assets</b>	<b>\$1,650</b>

(1) The fair value of property, plant and equipment was determined using the cost approach, which estimates the replacement cost of each asset using current prices and labor costs, less estimates for physical, functional and technological obsolescence, based on the estimated useful life ranging from 5 to 38 years.

(2) The fair value of mineral rights was determined using the Discounted Cash Flow (“DCF”) method, which was based upon the present value of the estimated future cash flows for the expected life of the asset taking into account the relative risk of achieving those cash flows and the time value of money. A discount rate of 10.4% was used taking into account the risks associated with such assets.

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There are no contingent liabilities currently recorded in the fair value of net assets acquired as of the Alkali Transaction Date, and the fair value of net assets acquired includes accounts receivables with book value that approximates fair value.

### Condensed Combined Financial Information

The following condensed financial information presents the resulting operations of Alkali from the Alkali Transaction Date to December 31, 2015:

	For the period April 1, 2015 through December 31, 2015
Net sales	\$602
Income from operations	\$ 69
Net income	\$ 52

### Supplemental Pro forma financial information

The following unaudited pro forma information gives effect to the Alkali Transaction as if it had occurred on January 1, 2014. The unaudited pro forma financial information reflects certain adjustments related to the acquisition, such as (1) conforming the accounting policies of Alkali to those applied by Tronox, (2) recording certain incremental expenses resulting from purchase accounting adjustments, such as incremental depreciation expense in connection with fair value adjustments to property, plant and equipment, and depletion expense in connection with fair value adjustments to mineral leaseholds, (3) to record the effect on interest expense related to borrowings in connection with the Alkali Transaction and (4) to record the related tax effects. The unaudited pro forma financial information was adjusted to include the effect of certain non-recurring items as of January 1, 2014 such as the impact of transaction costs related to the Alkali Transaction of approximately \$29 million, inventory step-up amortization of \$9 million and \$8 million of interest expense incurred on the Bridge Facility (see Note 16). All of these non-recurring costs were excluded from the 2015 supplemental pro forma information. The unaudited pro forma financial information is for illustrative purposes only and should not be relied upon as being indicative of the historical results that would have been obtained if the Alkali Transaction had actually occurred on that date, nor the results of operations in the future.

In accordance with ASC 805, the supplemental pro forma results of operations for 2015 and 2014, as if the Alkali Transaction had occurred on January 1, 2014, are as follows:

Year Ended December 31,	2015	2014
Net sales	<b>\$2,307</b>	\$2,520
Income (loss) from operations	<b>\$ (67)</b>	\$ 67
Net loss	<b>\$ (260)</b>	\$ (405)
Loss per share, basic and diluted	<b>\$ (2.25)</b>	\$ (3.54)

### 5. Liquidation of Non-Operating Subsidiaries

During 2014, we completed the liquidation of a non-operating subsidiary, Tronox Pigments International GmbH, for which we recognized a noncash loss from the realization of cumulative translation adjustments of \$35 million, which was recorded in "Net gain (loss) on liquidation of non-operating subsidiaries" in the Consolidated Statements of Operations. During 2013, we completed the liquidation of two non-operating subsidiaries, Tronox (Luxembourg) Holdings S.a.r.l. and Tronox Luxembourg S.a.r.l., for which we recognized a net noncash gain from the realization of cumulative translation adjustments of \$24 million, which was recorded in "Net gain (loss) on liquidation of non-operating subsidiaries" in the Consolidated Statements of Operations.

### 6. Other Income (Expense), Net

Other income (expense), net is comprised of the following:

Year Ended December 31,	2015	2014	2013
Net realized and unrealized foreign currency gains	<b>\$ 21</b>	\$ 5	\$39
Interest income	<b>7</b>	13	8
Pension and postretirement benefit curtailment gains <sup>(1)</sup>	<b>—</b>	9	—
Other	<b>—</b>	—	(1)
Total	<b>\$ 28</b>	\$ 27	\$46

(1) During 2014, we recognized curtailment gains related to our U.S. postretirement healthcare plan and our Netherlands pension plan. See Note 23.

### 7. Income Taxes

Our operations are conducted through various subsidiaries in a number of countries throughout the world. We have provided for income taxes based upon the tax laws and rates in the countries in which operations are conducted and income is earned.

Income (loss) before income taxes is comprised of the following:

Year Ended December 31,	2015	2014	2013
Australia	<b>\$ (353)</b>	\$ (242)	\$ (185)
International	<b>87</b>	93	124
Loss before income taxes	<b>\$ (266)</b>	\$ (149)	\$ (61)

The income tax benefit (provision) is summarized below:

Year Ended December 31,	2015	2014	2013
Australian:			
Current	<b>\$ (17)</b>	\$ (15)	\$ (11)
Deferred	<b>—</b>	(183)	35
International:			
Current	<b>(24)</b>	(15)	(23)
Deferred	<b>—</b>	(55)	(30)
Income tax benefit (provision)	<b>\$ (41)</b>	\$ (268)	\$ (29)

The following table reconciles the applicable statutory income tax rates to our effective income tax rates for “Income tax benefit (provision)” as reflected in the Consolidated Statements of Operations.

Year Ended December 31,	2015	2014	2013
Statutory tax rate	30%	30%	30%
Increases (decreases) resulting from:			
Tax rate differences	39	78	191
Disallowable expenditures	(4)	(17)	(10)
Valuation allowances	(89)	(1,577)	(259)
Anadarko litigation settlement	—	1,341	—
State NOL limitations	—	(15)	—
State rate changes	17	—	—
Withholding taxes	(15)	(24)	(59)
Prior year accruals	3	(2)	22
Change in uncertain tax positions	—	—	6
Foreign exchange	—	1	17
Tax credits	1	2	8
Branch taxation	1	4	6
Other, net	2	(1)	—
Effective tax rate	(15)%	(180)%	(48)%

Due to the changes in our state apportionment factors, statutory rate changes in certain states in which we operate, and the acquisition of the Alkali entities, our overall effective state tax rate changed during 2015. This change resulted in an increase to our state deferred tax assets and is reflected within the State rate changes line above. The increased tax benefit is offset by a valuation allowance and results in no impact to the consolidated provision for income taxes for the year ended December 31, 2015.

The effective tax rate for each of 2015, 2014, and 2013 differs from the Australian statutory rate of 30%. Historically, the differences were primarily due to valuation allowances, income in foreign jurisdictions taxed at rates lower than 30%, and withholding tax accruals on interest income. Additionally, the effective tax rate for 2014 is impacted by \$58 million and \$255 million, respectively, due to increases to full valuation allowances in the Netherlands and Australia. During 2014, the Anadarko Litigation settlement of \$5.2 billion provided us with additional deferred tax assets of \$2.0 billion, which were offset by full valuation allowances in the United States of \$2.0 billion. As a result of an ownership change on June 15, 2012, our ability to use federal losses was not impacted; however, due to state apportionment impacts and carryforward periods, our state losses were limited. This limitation which was recorded in 2014 resulted in the loss of \$23 million of deferred tax assets but was fully offset by a reduction of the related valuation allowances.

The statutory tax rates on income earned in South Africa (28% for limited liability companies), the Netherlands (25% for corporations), and the United Kingdom (20.25% for corporations and limited liability companies and not applicable for certain limited liability partners) are lower than the Australian statutory rate of 30%. The statutory tax rate, applied against losses in the United States (35% for corporations), is higher than the Australian statutory rate of 30%. Also, we continue to maintain a full valuation allowance in Australia, the Netherlands, and the United States. Our current year tax expense is primarily related to withholding tax accruals.

As a result of the Alkali Transaction, we expect to offset a portion of our previously existing US tax attributes with income generated by the Alkali entities. This expectation, however, does not change our overall judgement regarding the utilization of existing deferred tax assets.

Net deferred tax assets (liabilities) at December 31, 2015 and 2014 were comprised of the following:

December 31,	2015	2014
Deferred tax assets:		
Net operating loss and other carryforwards	\$ 1,614	\$ 626
Property, plant and equipment	343	324
Reserves for environmental remediation and restoration	23	26
Obligations for pension and other employee benefits	86	87
Investments	25	28
Grantor trusts	1,231	2,118
Inventory	6	15
Interest	445	314
Other accrued liabilities	11	11
Unrealized foreign exchange losses	3	2
Other	15	14
Total deferred tax assets	3,802	3,565
Valuation allowance associated with deferred tax assets	(3,576)	(3,345)
Net deferred tax assets	226	220
Deferred tax liabilities:		
Property, plant and equipment	(222)	(266)
Intangibles	(96)	(103)
Inventory	(8)	(10)
Unrealized foreign exchange gains	(40)	(25)
Other	(3)	(7)
Total deferred tax liabilities	(369)	(411)
Net deferred tax asset (liability)	\$ (143)	\$ (191)
Balance sheet classifications:		
Deferred tax assets — current	\$ —	\$ 13
Deferred tax assets — long-term	—	9
Deferred tax liabilities — current	—	(9)
Deferred tax liabilities — long-term	(143)	(204)
Net deferred tax asset (liability)	\$ (143)	\$ (191)

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The net deferred tax assets (liabilities) reflected in the above table include deferred tax assets related to grantor trusts, which were established as Tronox Incorporated emerged from bankruptcy during 2011. The balances relate to the assets contributed to such grantor trusts by Tronox Incorporated. Additionally, as a result of the resolution of the Anadarko Litigation of \$5.2 billion during 2014, we recorded additional deferred tax assets of \$2.0 billion. This increase was fully offset by valuation allowances. During 2015, the U.S. net operating loss increased as the grantor trusts spent a portion of the funds received from the litigation.

In November 2015, the FASB issued Accounting Standards Update No. 2015-17 (ASU 2015-17), "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes." The standard requires that deferred tax assets and liabilities be classified as noncurrent on the balance sheet rather than being separated into current and noncurrent. ASU 2015-17 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is permitted and the standard may be applied either retrospectively or on a prospective basis to all deferred tax assets and liabilities. We early adopted ASU 2015-17 during the fourth quarter of 2015 on a prospective basis. Accordingly, we classified all deferred taxes as noncurrent at December 31, 2015, but did not adjust the balances presented at December 31, 2014. The adoption did not have a material effect on our consolidated financial statements.

During 2015 and 2014, the total changes to the valuation allowance were an increase of \$231 million and \$2.4 billion, respectively. The increase during 2015 was primarily related to valuation allowance offsets to the deferred tax benefits from current year book losses. The table below sets forth the changes, by jurisdiction:

December 31,	2015	2014
Australia	\$112	\$ 255
United States	114	2,058
The Netherlands	6	50
South Africa	(1)	—
Total increase in valuation allowances	\$231	\$2,363

At December 31, 2015, we maintain full valuation allowances related to the total net deferred tax assets in Australia, the United States, and the Netherlands, as we cannot objectively assert that these deferred tax assets are more likely than not to be realized. Future provisions for income taxes will include no tax benefits with respect to losses incurred and tax expense only to the extent of current state tax payments until the valuation allowances are eliminated. Additionally, we have valuation allowances against specific tax assets in South Africa.

These conclusions were reached by the application of ASC 740, Income Taxes, and require that all available positive and negative evidence be weighted to determine whether a valuation allowance should be recorded. The more significant evidential matter in Australia, the United States, and the Netherlands relates to recent book losses and the lack of sufficient projected taxable income. The more significant evidential matter for South Africa relates to assets that cannot be depleted or depreciated for tax purposes.

An ownership change occurred during 2012, as a result of the Exxaro Transaction. These ownership changes resulted in a limitation under IRC Sections 382 and 383 related to U.S. net operating losses. We do not expect that the application of these net limitations will have any material effect on our U.S. federal income tax liabilities; however, for 2014, we reduced our state net operating loss carryforwards and the related deferred tax benefits. The loss of these benefits is offset by a corresponding reduction in the valuation allowances.

The deferred tax assets generated by tax loss carryforwards in Australia, the United States, and the Netherlands have been fully offset by valuation allowances. The expiration of these carryforwards at December 31, 2015 is shown below. The Australian and South African tax loss carryforwards do not expire.

	Australia	U.S. Federal	U.S. State	Other	Tax Loss Carryforwards Total
2016	\$ —	\$ —	\$ 8	\$ —	\$ 8
2017	—	—	—	—	—
2018	—	—	21	—	21
2019	—	—	1	—	1
2020	—	—	20	—	20
Thereafter	—	3,534	3,527	189	7,250
No Expiration	499	—	—	16	515
Total tax loss carryforwards	\$499	\$3,534	\$3,577	\$205	\$7,815

At December 31, 2015, Tronox Limited had foreign subsidiaries with undistributed earnings. Although we would not be subject to income tax on these earnings, amounts totaling \$147 million could be subject to withholding tax if distributed. Tronox Incorporated had certain foreign subsidiaries with undistributed earnings totaling \$165 million. We have made no provision for deferred taxes for either Tronox Limited or Tronox Incorporated related to these undistributed earnings because they are considered to be indefinitely reinvested outside of the parents' taxing jurisdictions.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits for 2015 and 2014 is as follows:

Year Ended December 31,	2015	2014
Balance at January 1	\$ 1	\$ 1
Reductions for tax positions related to prior years	—	—
Balance at December 31	\$ 1	\$ 1

Included in the balance at December 31, 2015 and 2014, were tax positions of \$1 million and \$1 million, respectively, for which the ultimate deductibility is highly certain, but for which there is uncertainty about the timing of such deductibility. None of these net benefits, if recognized, would impact the effective income tax rate.

As a result of potential settlements, it is reasonably possible that our gross unrecognized tax benefits from timing differences may decrease within the next twelve months by \$1 million.

During 2015, 2014, and 2013, we did not recognize any gross interest or penalties in “Income tax benefit (provision)” in the Consolidated Statements of Operations related to unrecognized tax benefits. At December 31, 2015 and 2014, we had no remaining accruals for the gross payment of interest and penalties related to unrecognized tax benefits, and the noncurrent liability section of the Consolidated Balance Sheets reflected \$1 million and \$1 million, respectively, as the reserve for uncertain tax positions.

Our Australian returns are closed through 2011. However, under Australian tax laws, transfer pricing issues have no limitation period. Our U.S. returns are closed for years through 2011, with the exception of an amendment filed for the 2007 tax year. Our Netherlands returns are closed through 2012. In accordance with the Transaction Agreement, we are not liable for income taxes of the acquired companies with respect to periods prior to the Transaction Date.

We believe that we have made adequate provision for income taxes that may be payable with respect to years open for examination; however, the ultimate outcome is not presently known and, accordingly, additional provisions may be necessary and/or reclassifications of noncurrent tax liabilities to current may occur in the future.

#### Anadarko Litigation

On January 23, 2015, Anadarko Petroleum Corp. (“Anadarko”) paid \$5.2 billion, including approximately \$65 million of accrued interest, pursuant to the terms of a settlement agreement with Tronox Incorporated. We did not receive any portion of the settlement amount. Instead, 88% of the \$5.2 billion went to trusts and other governmental entities for the remediation of polluted sites by Kerr-McGee Corporation (“Kerr-McGee”). The remaining 12% was distributed to a tort trust to compensate individuals injured as a result of Kerr-McGee’s environmental failures.

We received a private letter ruling from the U.S. Internal Revenue Service confirming that the trusts that held the claims against Anadarko are grantor trusts of Tronox Incorporated solely for federal income tax purposes. As a result, we believe we are entitled to tax deductions equal to the amount spent by the trusts to remediate environmental matters and to compensate the injured individuals.

These deductions will accrue over the life of the trusts as the \$5.2 billion is spent. We believe that these expenditures and the accompanying tax deductions may continue for decades. At December 31, 2014, we had recorded deferred tax assets of \$2.0 billion related to the \$5.2 billion of expected future tax deductions from trust expenditures. These deferred tax assets were fully offset by valuation allowances. At December 31, 2015, approximately \$2.4 billion of the trust expenditures expected from the litigation proceeds have been incurred.

#### 8. Loss Per Share

The computation of basic and diluted loss per share for the periods indicated is as follows:

Year Ended December 31,	2015	2014	2013
<b>Numerator – Basic and Diluted:</b>			
Net loss	<b>\$(307)</b>	\$(417)	\$ (90)
Less: Net income attributable to noncontrolling interest	<b>11</b>	10	36
Undistributed net loss	<b>(318)</b>	(427)	(126)
Percentage allocated to ordinary shares <sup>(1)</sup>	<b>100%</b>	100%	100%
Net loss available to ordinary shares	<b>\$(318)</b>	\$(427)	\$(126)
<b>Denominator – Basic and Diluted:</b>			
Weighted-average ordinary shares (in thousands)	<b>115,566</b>	114,281	113,416
<b>Net loss per Ordinary Share <sup>(2)</sup>:</b>			
Basic and diluted net loss per ordinary share	<b>\$(2.75)</b>	\$(3.74)	\$(1.11)

(1) Our participating securities do not have a contractual obligation to share in losses; therefore, when we have a net loss, none of the loss is allocated to participating securities. Consequently, for 2015, 2014, and 2013, the two-class method did not have an effect on our net loss per ordinary share calculation, and as such, dividends paid during the year did not impact this calculation.

(2) Net loss per ordinary share amounts were calculated from exact, not rounded net loss and share information.

In computing diluted net loss per share under the two-class method, we considered potentially dilutive shares. Anti-dilutive shares not recognized in the diluted net loss per share calculation were as follows:

	December 31, 2015		December 31, 2014		December 31, 2013	
	Shares	Average Exercise Price	Shares	Average Exercise Price	Shares	Average Exercise Price
Options Series A	<b>2,189,967</b>	<b>\$21.15</b>	2,560,875	\$21.14	2,094,771	\$20.63
Warrants <sup>(1)</sup> Series B	<b>1,354,529</b>	<b>\$9.63</b>	1,273,917	\$11.04	1,850,814	\$11.52
Warrants <sup>(1)</sup> Restricted	<b>1,833,834</b>	<b>\$10.63</b>	1,715,986	\$12.19	2,409,404	\$12.71
share units	<b>1,494,027</b>	<b>\$23.04</b>	875,776	\$22.17	303,324	\$21.08

(1) Series A Warrants and Series B Warrants were converted into Class A Shares at December 31, 2015, 2014, and 2013 using a rate of 5.66, 5.29, and 5.18, respectively. See Note 20.

## Notes to Consolidated Financial Statements

Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

### 9. Fair Value Measurement

For financial instruments that are subsequently measured at fair value, the fair value measurement is grouped into levels. See Note 2.

At December 31, 2015 and 2014, the only financial instrument measured at fair value was the environmental rehabilitation trust, which amounted to \$12 million and \$17 million, respectively, and was categorized as Level 2. See Note 17.

The carrying amounts for cash and cash equivalents, accounts receivable, other current assets, accounts payable, short-term debt, and other current liabilities approximate their fair value because of the short-term nature of these instruments.

Our debt is recorded at historical amounts. At December 31, 2015 and 2014, the fair value of the Term Loan was \$1.3 billion and \$1.5 billion, respectively. At December 31, 2015 and 2014, the fair value of the Senior Notes due 2020 was \$520 million and \$903 million, respectively. At December 31, 2015, the fair value of the Senior Notes due 2022 was \$347 million. We determined the fair value of the Term Loan, the Senior Notes due 2020 and the Senior Notes due 2022 using quoted market prices. The fair value hierarchy for the Term Loan, the Senior Notes due 2020 and the Senior Notes due 2022 is a Level 1 input. Balances outstanding under our UBS Revolver are carried at contracted amounts, which approximate fair value based on the short term nature of the borrowing and the variable interest rate. The fair value hierarchy for our UBS Revolver is a Level 2 input.

### 10. Accounts Receivable, Net of Allowance for Doubtful Accounts

Accounts receivable, net of allowance for doubtful accounts, consisted of the following:

December 31,	2015	2014
Trade receivables	\$ 367	\$ 272
Other	25	6
Subtotal	392	278
Allowance for doubtful accounts	(1)	(1)
Accounts receivable, net of allowance for doubtful accounts	\$ 391	\$ 277

Bad debt expense was less than \$1 million, for each of the years ended 2015 and 2014 and \$1 million for the year ended 2013. Bad debt expense was recorded in "Selling, general and administrative expenses" in the Consolidated Statements of Operations.

### 11. Inventories, Net

Inventories, net consisted of the following:

December 31,	2015	2014
Raw materials	\$ 248	\$ 329
Work-in-process	43	77
Finished goods, net	245	303
Materials and supplies, net <sup>(1)</sup>	106	118
Total	642	827
Less: Inventories, net – non-current	(12)	(57)
Inventories, net - current	\$ 630	\$ 770

(1) Consists of processing chemicals, maintenance supplies, and spare parts, which will be consumed directly and indirectly in the production of our products.

Finished goods includes inventory on consignment of \$30 million and \$42 million at December 31, 2015 and 2014, respectively. At December 31, 2015 and 2014, inventory obsolescence reserves were \$18 million and \$14 million, respectively. During 2015 and 2014, we recognized a net LOCM charge of \$54 million and \$3 million, respectively, which was included in "Cost of goods sold" in the Consolidated Statements of Operations. During 2013, we recognized a net LOCM benefit of \$20 million which was included in "Cost of goods sold" in the Consolidated Statements of Operations. The net LOCM charge for 2015 included a \$41 million charge associated with the sale of ilmenite to a non-TiO<sub>2</sub> producer that we expect will generate approximately \$31 million in cash over the course of the next 13 months (subject to specified extensions) at a contractual price that is below the carrying cost assigned to such material as part of the Exxaro Transaction.

### 12. Property, Plant and Equipment

Property, plant and equipment, net of accumulated depreciation and amortization, consisted of the following:

December 31,	2015	2014
Land and land improvements	\$ 143	\$ 80
Buildings	189	187
Machinery and equipment	1,765	1,225
Construction-in-progress	261	149
Other	44	35
Total	2,402	1,676
Less accumulated depreciation and amortization	(559)	(449)
Property, plant and equipment, net <sup>(1)</sup>	\$ 1,843	\$ 1,227

(1) Substantially all of these assets are pledged as collateral for our debt. See Note 16.

Depreciation expense related to property, plant and equipment during 2015, 2014, and 2013 was \$187 million, \$158 million, and \$191 million, respectively, of which \$183 million, \$155 million, and \$187 million, respectively, was recorded in "Cost of goods sold" in the Consolidated Statements of Operations and \$4 million, \$3 million, and \$4 million, respectively, was recorded in "Selling, general and administrative expenses" in the Consolidated Statements of Operations.

### 13. Mineral Leaseholds

Mineral leaseholds, net of accumulated depletion, consisted of the following:

December 31,	2015	2014
Mineral leaseholds	\$1,948	\$ 1,336
Less accumulated depletion	(344)	(278)
Mineral leaseholds, net	\$1,604	\$ 1,058

Depletion expense related to mineral leaseholds during 2015, 2014, and 2013 was \$81 million, \$110 million, and \$115 million, respectively, and was recorded in “Cost of goods sold” in the Consolidated Statements of Operations.

### 14. Intangible Assets

Intangible assets, net of accumulated amortization, consisted of the following:

	December 31, 2015			December 31, 2014		
	Gross Cost	Accumulated Amortization	Net Carrying Amount	Gross Cost	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$294	\$(98)	\$196	\$294	\$(79)	\$215
TiO <sub>2</sub> technology	32	(8)	24	32	(6)	26
Internal-use software	37	(13)	24	39	(10)	29
Other	9	(9)	—	9	(7)	2
Intangible assets, net	\$372	\$(128)	\$244	\$374	\$(102)	\$272

Amortization expense related to intangible assets was \$26 million during 2015 and \$27 million each during 2014 and 2013, of which \$25 million was recorded during 2015 and \$26 million each during 2014 and 2013 in “Selling general and administrative expenses” in the Consolidated Statements of Operations. During 2015, 2014 and 2013, \$1 million each of amortization expense was recorded in “Cost of goods sold” in the Consolidated Statement of Operations. Estimated future amortization expense related to intangible assets is \$25 million for 2016, \$25 million for 2017, \$25 million for 2018, \$25 million for 2019, \$25 million for 2020, and \$119 million thereafter.

### 15. Accrued Liabilities

Accrued liabilities consisted of the following:

December 31,	2015	2014
Employee-related costs and benefits	\$ 69	\$ 58
Restructuring costs	15	4
Interest	35	22
Sales rebates	28	19
Taxes other than income taxes	11	37
Other	22	7
Accrued liabilities	\$180	\$147

### 16. Debt

Short-term debt consisted of the following:

December 31,	2015	2014
UBS Revolver	\$150	\$—
Short-term debt <sup>(1)</sup>	\$150	\$—

(1) Average effective interest rate of 3.5% during 2015.

#### UBS Revolver

We have a global senior secured asset-based syndicated revolving credit facility with UBS AG (“UBS”) with a maturity date of June 18, 2017 (the “UBS Revolver”). Through March 31, 2015, the UBS Revolver provided us with a committed source of capital with a principal borrowing amount of up to \$300 million, subject to a borrowing base. Balances due under the UBS Revolver are carried at contracted amounts, which approximate fair value based on the short term nature of the borrowing and the variable interest rate.

On April 1, 2015, in connection with the Alkali Transaction, we entered into an amended and restated asset-based revolving syndicated facility agreement with UBS, which provides for up to \$500 million of revolving credit lines, with a \$85 million sublimit for letters of credit with a new maturity that is the earlier of the date which is five (5) years after the closing date and the date which is 3 months prior to the maturity of the Term Loan Agreement; provided that in no event shall the Revolving Maturity be earlier than June 18, 2017. Availability of revolving credit loans and letters of credit are subject to a borrowing base. Borrowings bear interest at our option, at either a base rate or an adjusted London Interbank Offered Rate (“LIBOR”) as the greatest of (a) the Administrative Agent’s prime rate, (b) the Federal funds effective rate plus 0.50% and (c) the adjusted LIBOR for a one-month period plus 1.00%. The applicable margin ranges from 0.50% to 1.00% for borrowings at the base rate and from 1.50% to 2.00% for borrowings at the adjusted LIBOR, in each case, based on the average daily borrowing availability.

## Notes to Consolidated Financial Statements

### Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

On April 1, 2015, we borrowed \$150 million against the UBS Revolver, which was outstanding at December 31, 2015. At December 31, 2014, there were no outstanding borrowings on the UBS Revolver. We had no drawdowns or repayments on the UBS Revolver during 2014. During 2015, we incurred \$2 million of deferred debt issuance costs related to the UBS Revolver, which were capitalized and included in "Other long-term assets" in the Consolidated Balance Sheet at December 31, 2015. At December 31, 2015 and 2014, our amount available to borrow was \$217 million and \$276 million, respectively.

#### ABSA Revolving Credit Facility

We have a R1.3 billion (approximately \$84 million at December 31, 2015) revolving credit facility with ABSA Bank Limited ("ABSA") acting through its ABSA Capital Division with a maturity date of June 14, 2017 (the "ABSA Revolver"). The ABSA Revolver bears interest at (i) the base rate (defined as one month JIBAR, which is the mid-market rate for deposits in South African Rand for a period equal to the relevant period which appears on the Reuters Screen SAFEY Page alongside the caption YLD) as of 11h00 Johannesburg time on the first day of the applicable period, plus (ii) the Margin, which is 3.9%.

During 2015 and 2014, we had no drawdowns or repayments on the ABSA Revolver. During 2013, we had no drawdowns and a repayment of \$30 million. The weighted average interest rate was 8.5% during 2013. At December 31, 2015 and 2014, there were no outstanding borrowings on the ABSA Revolver.

Long-term debt, net of an unamortized discount, consisted of the following:

	Original Principal	Annual Interest Rate	Maturity Date	December 31, 2015	December 31, 2014
Term Loan, net of unamortized discount <sup>(1)</sup>	\$1,500	Variable	3/19/2020	<b>\$1,454</b>	\$1,468
Senior Notes due 2020	\$ 900	6.375%	8/15/2020	<b>900</b>	900
Senior Notes due 2022	\$ 600	7.50%	3/15/2022	<b>600</b>	—
Co-generation Unit Financing Arrangement	\$ 16	6.50%	2/1/2016	<b>1</b>	3
Lease financing				<b>16</b>	22
Total borrowings				<b>2,971</b>	2,393
Less: Long-term debt due within one year				<b>(16)</b>	(18)
Long-term debt				<b>\$2,955</b>	\$2,375

(1) Average effective interest rate of 4.7% and 4.6% during 2015 and 2014, respectively.

At December 31, 2015, the scheduled maturities of our long-term debt were as follows:

	Total Borrowings
2016	\$ 16
2017	16
2018	16
2019	16
2020	2,301
Thereafter	612
Total	2,977
Remaining accretion associated with the Term Loan	(6)
Total borrowings	\$2,971

#### Term Loan

On March 19, 2013, we, along with our wholly owned subsidiary, Tronox Pigments (Netherlands) B.V., and certain of our subsidiaries named as guarantors, entered into a Second Amended and Restated Credit and Guaranty Agreement (the "Second Agreement") with Goldman Sachs Bank USA, as administrative agent and collateral agent, and Goldman Sachs Bank USA, UBS Securities LLC, Credit Suisse Securities (USA) LLC and RBC Capital Markets, as joint lead arrangers, joint bookrunners and co-syndication agents. Pursuant to the Second Agreement, we obtained a \$1.5 billion senior secured term loan (the "Term Loan"). The Term Loan was issued net of an original issue discount. At December 31, 2015 and 2014, the unamortized discount was \$6 million and \$7 million, respectively. We made principal repayments during 2015 and 2014 of \$15 million and \$17 million, respectively.

On April 23, 2014, we, along with our wholly owned subsidiary, Tronox Pigments (Netherlands) B.V., and certain of our subsidiaries named as guarantors, entered into a Third Amendment to the Credit and Guaranty Agreement (the "Third Agreement") with the lender parties thereto and Goldman Sachs Bank USA, as administrative agent, which amends the Second Agreement. The Third Agreement provides for the re-pricing of the Term Loan by replacing the existing definition of "Applicable Margin" with a grid pricing matrix dependent upon our public corporate family rating as determined by Moody's and Standard & Poor's (with the interest rate under the Third Agreement remaining subject to Eurodollar Rate and Base Rate floors, as defined in the Third Agreement). Pursuant to the Third Agreement, based upon our current public corporate family rating by Moody's and Standard & Poor's, the current interest rate per annum is 350 basis points plus LIBOR (subject to a LIBOR floor of 1% per annum) compared to 350 basis points plus LIBOR (subject to a LIBOR floor of 1% per annum) in the Second Agreement. The Third Agreement also amended certain provisions of



the Second Agreement to permit us and certain of our subsidiaries to obtain new cash flow revolving credit facilities in place of our existing asset based revolving credit facility. The maturity date under the Second Agreement and all other material terms of the Second Agreement remain the same under the Third Agreement.

The Third Agreement resulted in a modification for certain lenders and an extinguishment for other lenders. Accordingly, we recognized an \$8 million charge during 2014 for the early extinguishment of debt resulting from the write-off of deferred debt issuance costs and discount on debt associated with the Second Agreement. We also paid \$2 million of new debt issuance costs related to the Third Agreement during 2014, which were recorded in "Other long-term assets" in the Consolidated Balance Sheets.

#### **Senior Notes due 2020**

On August 20, 2012, our wholly owned subsidiary, Tronox Finance LLC ("Tronox Finance"), completed a private placement offering of \$900 million aggregate principal amount of senior notes at par value (the "Senior Notes due 2020"). The Senior Notes due 2020 bear interest semiannually at a rate equal to 6.375%, and are fully and unconditionally guaranteed on a senior, unsecured basis by us and certain of our subsidiaries. The Senior Notes due 2020 were initially offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act.

On September 17, 2013, Tronox Finance issued \$900 million in aggregate principal amount of registered 6.375% Senior Notes due 2020 in exchange for its then existing \$900 million in aggregate principal amount of its 6.375% Senior Notes due 2020. The Senior Notes due 2020 are guaranteed by Tronox and certain of its subsidiaries. See Note 26.

#### **Senior Notes due 2022**

On March 6, 2015, Evolution Escrow Issuer LLC ("Evolution"), a special purpose limited liability company organized under the laws of Delaware, was formed. Evolution was wholly owned by Stichting Evolution Escrow, a Dutch foundation not affiliated with the Company.

On March 19, 2015, Evolution closed an offering of \$600 million aggregate principal amount of its 7.50% Senior Notes due 2022 (the "Senior Notes due 2022"). The Senior Notes due 2022 were offered and sold by Evolution in reliance on an exemption pursuant to Rule 144A and Regulation S under the Securities Act. The Senior Notes due 2022 were issued under an Indenture, dated as of March 19, 2015 (the "Indenture"), between Evolution and Wilmington Trust, National Association (the "Trustee").

On April 1, 2015, in connection with the Alkali Transaction, Evolution merged with and into Tronox Finance, Tronox Finance assumed the obligations of Evolution under the Indenture and the Senior Notes due 2022, and the proceeds from the offering were released to us to partially pay the purchase price for the Alkali Transaction. We and certain of our subsidiaries entered into a supplemental indenture (the "First Supplemental Indenture"), by and among us, Tronox Finance, the guarantors party thereto, and the Trustee, pursuant to which we and such subsidiaries became guarantors of the Senior Notes due 2022 under the Indenture. The Senior Notes due 2022 have not been registered under the Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Debt issuance costs related to the Senior Notes due 2022 of \$13 million were capitalized and included in "Other long-term assets" in the Consolidated Balance Sheets at December 31, 2015.

The Indenture and the Senior Notes due 2022 provide, among other things, that the Senior Notes due 2022 are senior unsecured obligations of Tronox Finance. Interest is payable on March 15 and September 15 of each year beginning on September 15, 2015 until their maturity date of March 15, 2022. The terms of the Indenture, among other things, limit, in certain circumstances, the ability of us to: incur certain additional indebtedness and issue preferred stock; make certain dividends, distributions, investments and other restricted payments; sell certain assets; incur liens; agree to any restrictions on the ability of certain subsidiaries to make payments to the Company; consolidate or merge with or into, or sell substantially all of our assets to, another person; enter into transactions with affiliates; and enter into new lines of business.

As of December 31, 2015 we had \$217 million available under the \$500 million UBS Revolver, \$84 million available under the ABSA Revolver and \$229 million in cash and cash equivalents. In the next twelve months, we expect that our operations and available borrowings under our revolving credit agreements will provide sufficient cash to fund our operating expenses, capital expenditures, interest payments, debt repayments, and dividends.

#### **Lease Financing**

We have capital lease obligations in South Africa, which are payable through 2031 at a weighted average interest rate of approximately 14%. At December 31, 2015 and 2014, such obligations had a net book value of assets recorded under capital leases aggregating \$14 million and \$20 million, respectively. During 2015, 2014, and 2013 we made principal payments of less than \$1 million for all periods.

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Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

At December 31, 2015, future minimum lease payments, including interest, were as follows:

	Principal Repayments	Interest	Total Payments
2016	\$ 1	\$ 2	\$ 3
2017	1	2	3
2018	1	2	3
2019	1	2	3
2020	1	2	3
Thereafter	11	12	23
<b>Total</b>	<b>16</b>	<b>22</b>	<b>38</b>

### Bridge Facility

In connection with the Alkali Transaction, we entered into a \$600 million senior unsecured bridge facility (the "Bridge Facility"). The Bridge Facility was not utilized and terminated with the completion of the Alkali Transaction. During 2015, we incurred \$8 million of financing fees related to the Bridge Facility, which were included in "Interest and debt expense, net" in the Consolidated Statements of Operations.

### Debt Covenants

At December 31, 2015, we had financial covenants in the UBS Revolver, the ABSA Revolver and the Term Loan; however, only the ABSA Revolver had a financial maintenance covenant that applies to local operations and only when the ABSA Revolver is drawn upon. The Term Loan and the UBS Revolver are subject to an intercreditor agreement pursuant to which the lenders' respective rights and interests in the security are set forth. We were in compliance with all our financial covenants as of and for the year ended December 31, 2015.

### Interest and Debt Expense, Net

Interest and debt expense, net consisted of the following:

Year Ended December 31,	2015	2014	2013
Interest on debt	\$160	\$124	\$122
Amortization of deferred debt issuance costs and discounts on debt	11	10	9
Bridge Facility	8	—	—
Other	3	2	4
Capitalized interest	(6)	(3)	(5)
<b>Total interest and debt expense, net</b>	<b>\$176</b>	<b>\$133</b>	<b>\$130</b>

In connection with obtaining debt, we incurred debt issuance costs, which are being amortized through the respective maturity dates using the effective interest method. At December 31, 2015 and 2014, we had \$49 million and \$44 million, respectively, of deferred debt issuance costs, which were recorded in "Other long-term assets" in the Consolidated Balance Sheets.

### 17. Asset Retirement Obligations

Asset retirement obligations consist primarily of rehabilitation and restoration costs, landfill capping costs, decommissioning costs, and closure and post-closure costs. Activity related to asset retirement obligations was as follows:

Year Ended December 31,	2015	2014
Beginning balance	\$ 90	\$96
Additions	3	5
Accretion expense	5	4
Remeasurement/translation	(12)	(9)
Changes in estimates, including cost and timing of cash flows	(3)	—
Settlements/payments	(2)	(6)
<b>Ending balance</b>	<b>\$ 81</b>	<b>\$90</b>
Current portion included in "Accrued liabilities"	\$ 4	\$ 5
Noncurrent portion included in "Asset retirement obligations"	\$ 77	\$85

We used the following assumptions in determining asset retirement obligations at December 31, 2015: inflation rates between 2.5% - 5.5% per year; credit adjusted risk-free interest rates between 3.2% - 16.7%; the life of mines between 21 - 35 years and the useful life of assets of between 1-24 years.

### Environmental Rehabilitation Trust

In accordance with applicable regulations, we have established an environmental rehabilitation trust for the prospecting and mining operations in South Africa, which receives, holds, and invests funds for the rehabilitation or management of asset retirement obligations. The trustees of the fund are appointed by us, and consist of sufficiently qualified employees capable of fulfilling their fiduciary duties. At December 31, 2015 and 2014, the environmental rehabilitation trust assets were \$12 million and \$17 million, respectively, which were recorded in "Other long-term assets" in the Consolidated Balance Sheets.

### 18. Derivative Instruments

We manufacture and market our products in a number of countries throughout the world and, as a result, are exposed to changes in foreign currency exchange rates, particularly in South Africa, Australia, and the Netherlands. Costs in South Africa and Australia are primarily incurred in local currencies, while the majority of revenues are in U.S. dollars. In Europe, the majority of revenues and costs are in the local currency. This leaves us exposed to movements in the South African Rand and the Australian dollar versus the U.S. dollar.

In order to manage this risk, we enter into currency forward contracts to buy and sell foreign currencies as “economic hedges” for these foreign currency transactions. Our currency forward contracts were not designated for hedge accounting treatment under ASC 815, *Derivatives and Hedging*. As such, changes in the fair value were recorded in “Other income (expense), net” in the Consolidated Statements of Operations. During 2015, 2014, and 2013, we recorded a net gain of less than \$1 million, a net loss of \$1 million and a net gain of \$2 million, respectively. At December 31, 2015 and 2014, we did not have any forward contracts in place.

### 19. Commitments and Contingencies

**Leases**—We lease office space, storage, and equipment under non-cancelable lease agreements, which expire on various dates through 2023. Total rental expense related to operating leases recorded in “Cost of goods sold” in the Consolidated Statements of Operations was \$38 million, \$24 million and \$40 million during 2015, 2014 and 2013, respectively. Total rental expense related to operating leases recorded in “Selling, general and administrative expense” in the Consolidated Statements of Operations, was \$3 million during 2015 and \$2 million each during 2014 and 2013.

At December 31, 2015, minimum rental commitments under non-cancelable operating leases were as follows:

	Operating
2016	\$ 39
2017	23
2018	14
2019	14
2020	13
Thereafter	77
Total	\$180

**Purchase Commitments**—At December 31, 2015, purchase commitments were \$128 million for 2016, \$98 million for 2017, \$89 million for 2018, \$61 million for 2019, \$50 million for 2020, and \$291 million thereafter.

**Letters of Credit**—At December 31, 2015, we had outstanding letters of credit, bank guarantees, and performance bonds of \$65 million, of which \$41 million were letters of credit issued under the UBS Revolver, \$16 million were bank guarantees issued by ABSA, \$4 million each were bank guarantees issued by Standard Bank and performance bonds issued by Westpac Banking Corporation.

**Other Matters**—From time to time, we may be party to a number of legal and administrative proceedings involving legal, environmental, and/or other matters in various courts or agencies. These proceedings, individually and in the aggregate, may have a material adverse effect on us. These proceedings may be associated with facilities currently or previously owned, operated or used by us and/or our predecessors, some of which may include claims for personal injuries, property damages, cleanup costs, and other environmental matters. Current and former operations may also involve management of regulated materials that are subject to various environmental laws and regulations including the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act or state equivalents. Similar environmental laws and regulations and other requirements exist in foreign countries in which we operate. Currently, we are not party to any pending legal or administrative proceedings that may have a material adverse effect, either individually or in the aggregate, on our business, financial condition or results of operations.

### 20. Shareholders' Equity

The changes in outstanding Class A ordinary shares (“Class A Shares”) and Class B Shares for 2015 were as follows:

#### Class A Shares:

Balance at January 1, 2014	62,349,618
Shares issued for share-based compensation	467,823
Shares issued upon warrants exercised	836,518
Shares issued upon options exercised	314,657
Balance at December 31, 2014	63,968,616
Shares issued for share-based compensation	403,213
Shares issued upon warrants exercised	8,549
Shares issued upon options exercised	141,473

**Balance at December 31, 2015** **64,521,851**

#### Class B Shares:

Balance at December 31, 2015 and 2014	51,154,280
---------------------------------------	------------

#### Warrants

We have outstanding Series A Warrants (the “Series A Warrants”) and Series B Warrants (the “Series B Warrants,” and together with the Series A Warrants, the “Warrants”). At December 31, 2015, holders of the Warrants were entitled to purchase 5.66 Class A Shares and receive \$12.50 in cash at an exercise price of \$54.50 for each Series A Warrant and \$60.15 for each Series B Warrant. The Warrants have a seven-year term from the date initially is Business Combinations sued and will expire on February 14, 2018. A holder may exercise the Warrants by paying the applicable exercise price in cash or exercising on a cashless basis. The Warrants are freely transferable by the holder. At December 31, 2015 and 2014, there were 239,316 and 240,816 Series A Warrants outstanding, respectively, and 323,999 and 324,383 Series B Warrants outstanding, respectively.

## Notes to Consolidated Financial Statements

Tronox Limited

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### Dividends

During 2015 and 2014, we declared and paid quarterly dividends to holders of our Class A Shares and Class B Shares as follows:

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Dividend per share	\$0.25	\$0.25	\$0.25	\$0.25
Total dividend	\$ 29	\$ 30	\$ 30	\$ 29
Record date (close of business)	March 9	May 18	August 19	November 16
	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Dividend per share	\$0.25	\$0.25	\$0.25	\$0.25
Total dividend	\$ 29	\$ 29	\$ 29	\$ 30
Record date (close of business)	March 10	May 19	August 18	November 17

### Accumulated Other Comprehensive Loss Attributable to Tronox Limited

The tables below present changes in accumulated other comprehensive loss by component for 2015, 2014 and 2013.

	Cumulative Translation Adjustment	Pension Liability Adjustment	Total
Balance, January 1, 2013	\$ 4	\$ (99)	\$ (95)
Other comprehensive income (loss)	(195)	28	(167)
Amounts reclassified from accumulated other comprehensive loss	(24)	2	(22)
Balance, December 31, 2013	\$(215)	\$ (69)	\$(284)
Other comprehensive loss	(99)	(46)	(145)
Amounts reclassified from accumulated other comprehensive loss	35	(2)	33
Balance, December 31, 2014	\$(279)	\$(117)	\$(396)
Other comprehensive income (loss)	(215)	12	(203)
Amounts reclassified from accumulated other comprehensive loss	—	3	3
<b>Balance, December 31, 2015</b>	<b>\$(494)</b>	<b>\$(102)</b>	<b>\$(596)</b>

### 21. Noncontrolling Interest

Exxaro has a 26% ownership interest in each of our Tronox KZN Sands (Pty) Ltd. and Tronox Mineral Sands (Pty) Ltd. subsidiaries in order to comply with the ownership requirements of the Black Economic Empowerment (“BEE”) legislation in South Africa. Exxaro is entitled to exchange this interest for approximately 3.2% in additional Class B Shares under certain circumstances. Exxaro also has a 26% ownership interest in certain of our other non-operating subsidiaries. We account for such ownership interest as “Noncontrolling interest” in the consolidated financial statements.

Noncontrolling interest activity was as follows:

Balance at January 1, 2013	\$ 233
Net income attributable to noncontrolling interest	36
Effect of exchange rate changes	(70)
Balance at December 31, 2013	199
Net income attributable to noncontrolling interest	10
Effect of exchange rate changes	(31)
Balance at December 31, 2014	\$ 178
Net income attributable to noncontrolling interest	11
Effect of exchange rate changes	(77)
<b>Balance at December 31, 2015</b>	<b>\$112</b>

### 22. Share-based Compensation

Compensation expense consisted of the following:

Year Ended December 31,	2015	2014	2013
Restricted shares and restricted share units	\$15	\$13	\$10
Options	5	7	5
T-Bucks Employee Participation Plan	2	2	2
Long-term incentive plan	—	(2)	1
Total share-based compensation expense	\$22	\$20	\$18

### Tronox Limited Management Equity Incentive Plan

On June 15, 2012, we adopted the Tronox Limited Management Equity Incentive Plan (the “MEIP”), which permits the grant of awards that are comprised of incentive options, nonqualified options, share appreciation rights, restricted shares, restricted share units, performance awards, and other share-based awards, cash payments, and other forms as the compensation committee of the Board of Directors (the “Board”) in its discretion deems appropriate, including any combination of the above. Subject to further adjustment, the maximum number of shares which may be the subject of awards (inclusive of incentive options) is 12,781,225 Class A Shares.

## Restricted Shares

During 2015, we granted restricted shares which vest ratably over a three-year period. These awards are classified as equity awards, and are accounted for using the fair value established at the grant date.

The following table presents a summary of activity for 2015:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding, January 1, 2015	635,295	\$ 22.82
Granted	66,108	22.60
Vested	(197,545)	22.07
Forfeited	(130,580)	26.14
Outstanding, December 31, 2015	373,278	\$ 22.02
Expected to vest, December 31, 2015	372,713	\$ 22.02

At December 31, 2015, there was \$1 million of unrecognized compensation expense related to nonvested restricted shares, adjusted for estimated forfeitures, which is expected to be recognized over a weighted-average period of 1.3 years. The weighted-average grant-date fair value of restricted shares granted during 2015, 2014 and 2013 was \$22.60 per share, \$22.17 per share, and \$21.18 per share, respectively. The total fair value of restricted shares that vested during 2015, 2014 and 2013 was \$4 million, \$8 million, and \$2 million, respectively.

## Restricted Share Units ("RSUs")

During 2015, we granted RSUs which have time and/or performance conditions. Both the time-based awards and the performance-based awards are classified as equity awards. The time-based awards vest ratably over a three-year period, and are valued at the weighted average grant date fair value. The performance-based awards cliff vest at the end of the three years. Included in the performance-based awards are RSUs for which vesting is determined by a Total Stockholder Return ("TSR") calculation over the applicable measurement period. The TSR metric is considered a market condition for which we use a Monte Carlo simulation to determine the grant date fair value.

The following table presents a summary of activity for 2015:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding, January 1, 2015	875,776	\$ 22.17
Granted	948,487	23.47
Vested	(265,172)	21.69
Forfeited	(65,064)	22.96
Outstanding, December 31, 2015	1,494,027	\$ 23.04
Expected to vest, December 31, 2015	1,460,857	\$ 23.03

At December 31, 2015, there was \$17 million of unrecognized compensation expense related to nonvested RSUs, adjusted for estimated forfeitures, which is expected to be recognized over a weighted-average period of 1.7 years. The weighted-average grant-date fair value of restricted share units granted during 2015, 2014 and 2013 was \$23.47 per share, \$22.37 per share, and \$21.06 per share, respectively. The total fair value of RSUs that vested during 2015, 2014 and 2013 was \$6 million, \$3 million and less than \$1 million, respectively.

## Options

During the 2015, we granted options to purchase Class A Shares, which vest ratably over a three-year period and have a ten-year term.

The following table presents a summary of activity for 2015:

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (years)	Intrinsic Value
Outstanding, January 1, 2015	2,560,875	\$21.14	7.88	\$ 8
Granted	2,380	22.69		
Exercised	(141,473)	19.37		
Forfeited	(231,815)	22.13		
Expired	—	—		
Outstanding, December 31, 2015	2,189,967	\$21.15	7.39	\$—
Expected to vest, December 31, 2015	906,337	\$20.78	7.71	\$—
Exercisable, December 31, 2015	1,275,676	\$21.41	7.16	\$—

The aggregate intrinsic values in the table represent the total pre-tax intrinsic value (the difference between our share price at the indicated dates and the options' exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their in-the-money options at the end of the year. The amount will change based on the fair market value of our stock. Total intrinsic value of options exercised during 2015, 2014 and 2013 was less than \$1 million, \$2 million, and less than \$1 million, respectively. We issue new shares upon the exercise of options. During 2015 and 2014, we received \$3 million and \$6 million, respectively, in cash for the exercise of stock options.

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At December 31, 2015, unrecognized compensation expense related to options, adjusted for estimated forfeitures, was \$3 million, which is expected to be recognized over a weighted-average period of 1 year.

During 2015 and 2014, we granted 2,380 and 915,988 options, respectively, with a weighted average grant date fair value of \$7.04 and \$8.19, respectively.

Fair value is determined on the grant date using the Black-Scholes option-pricing model and is recognized in earnings on a straight-line basis over the employee service period of three years, which is the vesting period. The assumptions used in the Black-Scholes option-pricing model on the grant date were as follows:

	January 5, 2015
Number of options granted	2,380
Fair market value and exercise price	\$22.69
Risk-free interest rate	1.83%
Expected dividend yield	4.41%
Expected volatility	48%
Maturity (years)	10
Expected term (years)	6
Per-unit fair value of options granted	\$ 7.04

The fair value is based on the closing price of our Class A Shares on the grant date. The risk-free interest rate is based on U.S. Treasury Strips available with a maturity period consistent with the expected life assumption. The expected volatility assumption is based on historical price movements of our peer group.

### T-Bucks Employee Participation Plan (“T-Bucks EPP”)

During 2012, we established the T-Bucks EPP for the benefit of certain qualifying employees of our South African subsidiaries. We funded the T-Bucks Trust (the “Trust”) with R124 million (approximately \$15 million), which was used to acquire Class A Shares. Additional contributions may be made in the future at the discretion of the Board. The T-Bucks EPP is classified as an equity-settled shared-based payment plan, whereby participants were awarded share units in the Trust, which entitles them to receive Class A Shares upon completion of the vesting period on May 31, 2017. Participants are entitled to receive dividends on the shares during the vesting period. Forfeited shares are retained by the Trust, and are allocated to future participants. Compensation costs are recognized over the vesting period using the straight-line method. During 2012, the Trust purchased 548,234 Class A Shares at \$25.79 per share, which was the fair value on the date of purchase. The balance at both December 31, 2015 and 2014 was 548,234 shares.

### Long-Term Incentive Plan

We have a long-term incentive plan (the “LTIP”) for the benefit of certain qualifying employees of Tronox subsidiaries in South Africa and Australia. The LTIP is classified as a cash settled compensation plan, and is re-measured to fair value at each reporting date. At December 31, 2015 and 2014, the LTIP plan liability was less than \$1 million and \$1 million, respectively.

### 23. Pension and Other Postretirement Healthcare Benefits

We sponsor two noncontributory defined benefit retirement plans, the qualified retirement plan and Alkali qualified retirement plan in the United States, a defined benefit retirement plan in the Netherlands, a collective defined contribution plan in the Netherlands, and a South Africa postretirement healthcare plan.

#### U.S. Plans

**Qualified Retirement Plan** — We sponsor a noncontributory qualified defined benefit plan (funded) (the “U.S. Qualified Plan”) in accordance with the Employee Retirement Income Security Act of 1974 (“ERISA”) and the Internal Revenue Code. We made contributions into funds managed by a third-party, and those funds are held exclusively for the benefit of the plan participants. Benefits under the U.S. Qualified Plan were generally calculated based on years of service and final average pay. The U.S. Qualified Plan was frozen and closed to new participants on June 1, 2009.

**Postretirement Healthcare Plan** — We sponsored an unfunded U.S. postretirement healthcare plan. Effective January 1, 2015, we eliminated the pre-65 retiree medical programs. Participants who retired prior to January 1, 2015 received a one-time subsidy aggregating to less than \$1 million towards medical cost through a health reimbursement arrangement (“HRA”) that we established for them. Benefits under this plan for participants who have not retired by January 1, 2015 were eliminated. As a result of this action, we recorded a curtailment gain of \$6 million, which was included in “Other income (expense), net” in the Consolidated Statements of Operations during 2014, and reduced the projected benefit obligation by \$16 million. Additionally, this action resulted in a settlement gain of \$3 million, which was recorded in “Accumulated other comprehensive income” in the Consolidated Balance Sheets during 2014.

**Tronox Alkali Qualified Retirement Plan** — As part of the Alkali Transaction, we established the Tronox Alkali Corporation Union Retirement Plan (the “Alkali Qualified Plan”) to cover eligible employees of Tronox Alkali Corporation effective April 1, 2015. The plan is open to union employees of Alkali. The Alkali Qualified Plan is the same as the FMC Corporation Employees’ Retirement Program Part II Union Hourly Employees’ Retirement Plan provided to eligible participants for services prior to the Alkali Transaction Date. These two plans are aggregated to form the full pension for eligible participants. Under the Tronox Alkali Qualified Plan, each eligible employee will automatically become a participant upon completion of one year of credited services. Retirement benefits under this plan are calculated based on the total years of service of an eligible participant, multiplied by a specified benefit rate in effect at the termination of the plan participant’s years of service. FMC will be responsible for the portion of this total benefit accrued to eligible participants for all the years of service up to March 31, 2015, and we will be responsible for the portion of the total benefit accrued to participants from April 1, 2015 up to the date of termination of a participant’s years of service.

## Foreign Plans

**Netherlands Plan** — On January 1, 2007, we established the TDF-Botlek Pension Fund Foundation (the “Netherlands Plan”) to provide defined pension benefits to qualifying employees of Tronox Pigments (Holland) B.V. and its related companies. During the fourth quarter of 2014, in response to the tax and pension legislation changes in the Netherlands, our benefit committee approved to end future benefit accruals under the Netherlands Plan and replaced it with a multiemployer plan effective January 1, 2015. As a result of this decision, effective from January 1, 2015, benefit contributions commenced under the multiemployer plan while the Netherlands Plan became effectively “frozen”. This action ended future benefit accrual for participants under the current plan, resulting in a curtailment gain of \$3 million, which was recognized in “Other income (expense), net” in the Consolidated Statements of Operations during 2014. Such amounts had previously been recognized as unamortized prior service costs in “Accumulated other comprehensive loss” in the Consolidated Balance Sheets. The changes also resulted in a reduction of the projected benefit obligation by \$27 million, which was recognized in “Accumulated other comprehensive income” in the Consolidated Balance Sheets at December 31, 2014.

**Netherlands Collective Contribution Plan** — Effective January 1, 2015, we ceased offering benefits under the Netherlands Plan to qualifying employees and established a multiemployer plan, the collective contribution plan (“CDC plan”). Under the CDC plan, employees earn benefits based on their pensionable salaries each year

determined using a career average benefit formula. The collective bargaining agreement between us and the participants require us to contribute 20.6% of the participants’ pensionable salaries into a pooled fund administered by the industrywide Pension Fund for Graphical Industry (“PGB”). The pensionable salary is the annual income of employees subject to a cap, which is adjusted each year to reflect the current requirements of the Netherlands’ Wages and Salaries Tax Act of 1964. Our obligation under this new plan is limited to the fixed percentage contribution we make each year. That is, investment risks, mortality risks and other actuarial risks typically associated with a defined benefit plan are borne by the employees. Additionally, the employees are entitled to any returns generated from the investment activities of the fund.

The following table outlines the details of our participation in the CDC plan for the year ended December 31, 2015. The CDC disclosures provided herein are based on the fund’s 2014 annual report, which is the most recently available public information. On the basis of the total plan assets and accumulated benefit obligation information in the plan’s annual report, the zone status was green as of December 31, 2014. A green zone status indicates that the plan was at least 80 percent funded. The “FIP/RP Status Pending/Implemented” column indicates whether a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. As of December 31, 2015, we are not aware of any financial improvement or rehabilitation plan being implemented or pending. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status			Tronox Contributions			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2015	2014	FIP/RP Pending/Implemented	2015	2014	2013		
PGB	NA	NA	Green	No	\$4	NA	NA	No	12/31/2019

On the basis of the information available in the plan’s 2014 annual report, our contribution does not constitute more than 5 percent of the total contribution to the plan by all participants. During 2015, the fund did not impose any surcharge on us.

**South Africa Postretirement Healthcare Plan** — As part of the Transaction, we established a post-employment healthcare plan, which provides medical and dental benefits to certain Namakwa Sands

employees, retired employees and their registered dependents (the “South African Plan”). The South African Plan provides benefits as follows: (i) members employed before March 1, 1994 receive 100% post-retirement and death-in-service benefits; (ii) members employed on or after March 1, 1994 but before January 1, 2002 receive 2% per year of completed service subject to a maximum of 50% post-retirement and death-in-service benefits; and, (iii) members employed on or after January 1, 2002 receive no post-retirement and death-in-service benefits.

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**Benefit Obligations and Funded Status** — The following provides a reconciliation of beginning and ending benefit obligations, beginning and ending plan assets, funded status, and balance sheet classification of our pension and postretirement healthcare plans as of and for the years ended December 31, 2015 and 2014. The benefit obligations and plan assets associated with our principal benefit plans are measured on December 31.

Year Ended December 31,	Retirement Plans		Postretirement Healthcare Plans	
	2015	2014	2015	2014
<b>Change in benefit obligations:</b>				
Benefit obligation, beginning of year	\$ 581	\$ 524	\$ 8	\$ 23
Service cost	4	4	—	1
Interest cost	19	21	1	1
Net actuarial (gains) losses	(42)	113	—	1
Foreign currency rate changes	(16)	(19)	(2)	(1)
Contributions by plan participants	—	1	—	—
Curtailment	—	(27)	—	(13)
Settlement	—	—	—	(3)
Plan amendments	—	—	—	—
Benefits paid	(31)	(33)	—	(1)
Administrative expenses	(4)	(3)	—	—
Benefit obligation, end of year	511	581	7	8
<b>Change in plan assets:</b>				
Fair value of plan assets, beginning of year	417	398	—	—
Actual return on plan assets	(8)	53	—	—
Employer contributions <sup>(1)</sup>	17	17	—	1
Participant contributions	—	1	—	—
Foreign currency rate changes	(14)	(16)	—	—
Benefits paid <sup>(1)</sup>	(31)	(33)	—	(1)
Administrative expenses	(4)	(3)	—	—
Fair value of plan assets, end of year	377	417	—	—
Net over (under) funded status of plans	\$(134)	\$(164)	\$(7)	\$(8)
<b>Classification of amounts recognized in the Consolidated Balance Sheets:</b>				
Accrued liabilities	\$ —	\$ —	\$ —	\$ —
Pension and postretirement healthcare benefits	(134)	(164)	(7)	(8)
Total liabilities	(134)	(164)	(7)	(8)
Accumulated other comprehensive (income) loss	104	117	(2)	(2)
Total	\$(30)	\$(47)	\$(9)	\$(10)

(1) We expect 2016 contributions to be \$15 million and \$5 million for the qualified retirement plan and Alkali qualified retirement plan, respectively.

At December 31, 2015, our qualified retirement plan was in an underfunded status of \$116 million. As a result, we have a projected minimum funding requirement of \$18 million for 2015, which will be payable in 2016.

	December 31, 2015			December 31, 2014		
	Qualified Plan	Alkali Qualified Plan	The Netherlands Plan	Qualified Plan	Alkali Qualified Plan	The Netherlands Plan
Accumulated benefit obligation	\$ 370	\$ 5	\$ 135	\$ 429	\$ —	\$ 152
Projected benefit obligation	(370)	(5)	(135)	(429)	—	(152)
Fair value of plan assets	254	2	121	280	—	137
Funded status – underfunded	\$(116)	\$(3)	\$(14)	\$(149)	\$ —	\$(15)

**Expected Benefit Payments** — The following table shows the expected cash benefit payments for the next five years and in the aggregate for the years 2021 through 2025:

	2016	2017	2018	2019	2020	2021-2015
Retirement Plans <sup>(1)</sup>	\$30	\$30	\$30	\$30	\$31	\$153
Postretirement Healthcare Plan	\$—	\$—	\$—	\$—	\$—	\$2

(1) Includes benefit payments expected to be paid from the U.S. qualified retirement plans of \$28 million in 2016, \$28 million in 2017, \$27 million in 2018, \$27 million in 2019, \$28 million in 2020, and \$134 million in the aggregate for the period 2021 through 2025.

**Retirement and Postretirement Healthcare Expense** — The table below presents the components of net periodic cost (income) associated with the U.S. and foreign plans recognized in the Consolidated Statements of Operations for 2015, 2014, and 2013:

Year Ended December 31,	Retirement Plans			Healthcare Plans		
	2015	2014	2013	2015	2014	2013
Net periodic cost:						
Service cost	\$ 4	\$ 4	\$ 5	\$ —	\$ 1	\$ 1
Interest cost	19	21	20	1	1	1
Expected return on plan assets	(22)	(23)	(20)	—	—	—
Net amortization of actuarial loss	3	1	2	—	1	—
Curtailment gains	—	(3)	—	—	(6)	—
Total net periodic cost (income)	\$ 4	\$ —	\$ 7	\$ 1	\$(3)	\$ 2

Pretax amounts that are expected to be reclassified from “Accumulated other comprehensive loss” in the Consolidated Balance Sheets to retirement expense during 2016 related to unrecognized actuarial gains are \$2 million for the U.S. retirement plans and unrecognized settlement gain of \$3 million for the U.S. postretirement healthcare plan.



**Assumptions** — The following weighted average assumptions were used to determine net periodic cost:

	2015			2014			2013		
	Qualified Plan	Alkali Qualified Plan	Netherlands Plan	Qualified Plan	Alkali Qualified Plan	Netherlands Plan	Qualified Plan	Alkali Qualified Plan	Netherlands Plan
Discount rate	3.75%	4.15%	2.25%	4.50%	—	3.50%	3.75%	—	3.50%
Expected return on plan assets	5.95%	4.46%	4.75%	6.50%	—	4.75%	5.30%	—	4.75%
Rate of compensation increases	—	—	—	—	—	3.25%	—	—	3.50%

The following weighted average assumptions were used in estimating the actuarial present value of the plans' benefit obligations:

	2015			2014			2013		
	Qualified Plan	Alkali Qualified Plan	Netherlands Plan	Qualified Plan	Alkali Qualified Plan	Netherlands Plan	Qualified Plan	Alkali Qualified Plan	Netherlands Plan
Discount rate	4.75%	5.00%	2.25%	3.75%	—	2.25%	4.50%	—	3.50%
Rate of compensation increases	—	—	—	—	—	—	—	—	3.25%

During 2014, the Society of Actuaries issued an updated mortality table and improvement scale that indicated significant mortality improvement over the prior table. We concluded that the updated table represented our best estimate of mortality. This change in assumption resulted in an increase in our projected benefit obligation of \$36 million as compared to December 31, 2013. In 2015, the mortality improvement scale that had been used in the 2014 mortality table was updated by the Society of Actuaries to reflect actual experience in mortality rates. We updated our mortality assumption accordingly resulting in a decrease of \$8 million to our projected benefit obligation as compared to December 31, 2014.

The following weighted-average assumptions were used in determining the actuarial present value of the South African Postretirement Healthcare Plan:

	2015	2014	2013
Discount rate	10.94%	9.16%	10.14%

**Expected Return on Plan Assets** — In forming the assumption of the U.S. long-term rate of return on plan assets, we took into account the expected earnings on funds already invested, earnings on contributions expected to be received in the current year, and earnings on reinvested returns. The long-term rate of return estimation methodology for U.S. plans is based on a capital asset pricing model using historical data and a forecasted earnings model. An expected return on plan assets analysis is performed which incorporates the current portfolio allocation, historical asset-class returns, and an assessment of expected future performance using asset-class risk factors. Our assumption of the long-term rate of return for the Netherlands plan was developed considering the portfolio mix and country-specific economic data that includes the rates of return on local government and corporate bonds.

**Discount Rate** — The discount rates selected for estimation of the actuarial present value of the benefit obligations the qualified plan were 4.75% and 3.75% as of December 31, 2015 and 2014, respectively. The 2015 and 2014 rates were selected based on the results of a cash flow matching analysis, which projected the expected cash flows of the plans using a yield curves model developed from a universe of Aa-graded U.S. currency corporate bonds (obtained from Bloomberg) with at least \$50 million outstanding. Bonds with features that imply unreliable pricing, a less than certain cash flow, or other indicators of optionality are filtered out of the universe. The remaining universe is categorized into maturity groups, and within each of the maturity groups yields are ranked into percentiles.

The discount rates selected for estimating the actuarial present value of the benefit obligation of Alkali plan was 5.0% as of December 31, 2015 which was selected based on the results of a cash flow matching analysis, which projected the expected cash flows of the plan using Aon Hewitt AA Above Median yield curve developed from a U.S. currency corporate bonds with at least \$250 million outstanding.

The discount rates selected for estimating the actuarial present value of the benefit obligation of the Netherlands plan was 2.25% both as of December 31, 2015 and 2014, which is based on long-term Euro corporate bond index rates that correlate with anticipated cash flows associated with future benefit payments.

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**Plan Assets** — Asset categories and associated asset allocations for our funded retirement plans at December 31, 2015 and 2014:

December 31,	2015		2014	
	Actual	Target	Actual	Target
<b>Qualified Plan:</b>				
Equity securities	37%	38%	37%	38%
Debt securities	61	62	62	62
Cash and cash equivalents	2	—	1	—
<b>Total</b>	<b>100%</b>	<b>100%</b>	100%	100%
<b>Alkali Qualified Plan:</b>				
Debt securities	100%	100%	—	—
<b>Total</b>	<b>100%</b>	<b>100%</b>	—	—
<b>Netherlands:</b>				
Equity securities	24%	25%	35%	35%
Debt securities	64	62	63	62
Real estate	11	10	—	—
Cash and cash equivalents	1	3	2	3
<b>Total</b>	<b>100%</b>	<b>100%</b>	100%	100%

The U.S. Qualified Retirement Plan is administered by a board-appointed committee that has fiduciary responsibility for the plan's management. The committee maintains an investment policy stating the guidelines for the performance and allocation of plan assets, performance review procedures and updating of the policy. At least annually, the U.S. plan's asset allocation guidelines are reviewed in light of evolving risk and return expectations.

Substantially all of the plan's assets are invested with nine equity fund managers, three fixed-income fund managers and one money-market fund manager. To control risk, equity fund managers are prohibited from entering into the following transactions, (i) investing in commodities, including all futures contracts, (ii) purchasing letter stock, (iii) short selling, and (iv) option trading. In addition, equity fund managers are prohibited from purchasing on margin and are prohibited from purchasing Tronox securities. Equity managers are monitored to ensure investments are in line with their style and are generally permitted to invest in U.S. common stock, U.S. preferred stock, U.S. securities convertible into common stock, common stock of foreign companies listed on major U.S. exchanges, common stock of foreign companies listed on foreign exchanges, covered call writing, and cash and cash equivalents.

Fixed-income fund managers are prohibited from investing in (i) direct real estate mortgages or commingled real estate funds, (ii) private placements above certain portfolio thresholds, (iii) tax exempt debt of state and local governments above certain portfolio thresholds, (iv) fixed income derivatives that would cause leverage, (v) guaranteed investment contracts, and (vi) Tronox securities. They are permitted to invest in debt securities issued by the U.S. government, its agencies or instrumentalities, commercial paper rated A3/P3, FDIC insured certificates of deposit or bankers' acceptances and corporate debt obligations. Each fund manager's portfolio has an average credit rating of A or better.

The Alkali plan is administered by a board-appointed committee that has fiduciary responsibility for the plan's management. The committee is responsible for the oversight and management of the plan's investments. The committee maintains an investment policy that provides guidelines for selection and retention of investment managers or funds, allocation of plan assets and performance review procedures and updating of the policy. At least annually, the Alkali plan's asset allocation guidelines are reviewed in light of evolving risk and return expectations.

The objective of the committee's investment policy is to manage the plan assets in such a way that will allow for the on-going payment of the Company's obligation to the beneficiaries. To meet this objective, the committee has structured a portfolio that will provide liquidity to meet the plan benefit payments and expense payable from the plan under ERISA and manage the plan asset in a liability framework. To provide adequate liquidity and control risk, the investment policy sets our broad investment guidelines that permit investment managers and funds to invest in liability-hedging assets to control the plan's surplus volatility. This includes investment in high-quality, investment grade bonds with durations that approximate the durations of the liabilities.

Fixed income portfolio managers are permitted to use fixed income derivative contracts to achieve general portfolio objectives in accordance with the risk management and internal control procedures agreed between the manager and the committee's advisor. The overall performance of the liability-hedging assets will be determined primarily by how they track the investable custom liability-hedging mandate they are designed to hedge. Cash equivalents can be held to meet the benefits obligations of the plan and to pay fees. The plan's cash equivalents investments could be invested in a diversified mix of high-quality, short-term debt securities, including commercial paper, bankers' acceptance, certificates of deposits and US government obligations.

Investment in return seeking assets is prohibited.

The Netherlands plan is administered by a pension committee representing the employer, the employees, and the pensioners. The pension committee has six members, whereby three members are elected by the employer, two members are elected by the employees and one member is elected by the pensioners, and each member has one vote. The pension committee meets at least quarterly to discuss regulatory changes, asset performance, and asset allocation. The plan assets are managed by one Dutch fund manager against a mandate set at least annually by the pension committee. The plan assets are evaluated annually by a multinational benefits consultant against state defined actuarial tests to determine funding requirements.

The fair values of pension investments as of December 31, 2015 are summarized below:

U.S. Qualified Pension				
Fair Value Measurement at December 31, 2015, Using:				
Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Total
Asset category:				
Commingled				
Equity Funds	\$ —	\$ 93 <sup>(1)</sup>	\$ —	\$ 93
Debt securities				
Commingled Fixed				
Income Funds	—	155 <sup>(2)</sup>	—	155
Cash & cash equivalents				
Commingled Cash				
Equivalents Fund	—	6 <sup>(3)</sup>	—	6
Total at fair value	\$ —	\$ 254	\$ —	\$254

(1) For commingled equity funds owned by the funds, fair value is based on observable inputs of comparable market transactions, which are Level 2 inputs.

(2) For commingled fixed income funds, fair value is based on observable inputs of comparable market transactions, which are Level 2 inputs.

(3) For commingled cash equivalents funds, fair value is based on observable inputs of comparable market transactions, which are Level 2 inputs.

Alkali Pension				
Fair Value Measurement at December 31, 2015, Using:				
Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Total
Asset category:				
Debt securities				
US Fixed Income Funds	\$1 <sup>(1)</sup>	\$ —	\$ —	\$ 1
Commingled Fixed				
Income Funds	—	1 <sup>(2)</sup>	—	1
Total at fair value	\$ 1	\$ 1	\$ —	\$2

(1) For US fixed income funds owned by the funds, fair value is based on observable quoted prices on active exchanges, which are Level 1.

(2) For commingled fixed income funds, fair value is based on observable inputs of comparable market transactions, which are Level 2 inputs.

Netherlands Pension				
Fair Value Measurement at December 31, 2015, Using:				
Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Total
Asset category:				
Equity securities —				
Non-U.S.				
Pooled Funds	\$ —	\$29 <sup>(1)</sup>	\$ —	\$ 29
Debt securities —				
Non-U.S.				
Pooled Funds	—	77 <sup>(2)</sup>	—	77
Real Estate				
Pooled Funds	—	13 <sup>(3)</sup>	—	13
Cash equivalents	—	2 <sup>(4)</sup>	—	2
Total at fair value	\$ —	\$ 121	\$ —	\$121

(1) For equity securities in the form of fund units that are redeemable at the measurement date, the unit value is deemed a Level 2 input.

(2) For pooled fund debt securities, the fair value is based on observable inputs, but do not solely rely on quoted market prices, and are therefore deemed Level 2 inputs.

(3) For real estate pooled funds, the fair value is based on observable inputs, but do not solely rely on quoted market prices, and are therefore deemed Level 2 inputs.

(4) For cash equivalents, the fair value is based on observable inputs but do not solely rely on quoted market prices and are therefore deemed level 2 inputs.

The fair values of pension investments as of December 31, 2014 are summarized below:

U.S. Pension				
Fair Value Measurement at December 31, 2014, Using:				
Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Total
Asset category:				
Commingled				
Equity Funds	\$ —	\$104 <sup>(1)</sup>	\$ —	\$104
Debt securities				
Commingled Fixed				
Income Funds	—	172 <sup>(2)</sup>	—	172
Cash & cash equivalents				
Commingled Cash				
Equivalents Fund	—	4 <sup>(3)</sup>	—	4
Total at fair value	\$ —	\$ 280	\$ —	\$280

(1) For commingled equity funds owned by the funds, fair value is based on observable inputs of comparable market transactions, which are Level 2 inputs.

(2) For commingled fixed income funds, fair value is based on observable inputs of comparable market transactions, which are Level 2 inputs.

(3) For commingled cash equivalents funds, fair value is based on observable inputs of comparable market transactions, which are Level 2 inputs.

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Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

	Netherlands Pension			Total
	Fair Value Measurement at December 31, 2015, Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Asset category:				
Equity securities —				
Non-U.S.				
Pooled Funds	\$—	\$36 <sup>(1)</sup>	\$—	\$ 36
Debt securities —				
Non-U.S.				
Pooled Funds	—	86 <sup>(2)</sup>	—	86
Real Estate				
Pooled Funds	—	15 <sup>(3)</sup>	—	15
Total at fair value	\$—	\$137	\$—	\$137

(1) For equity securities in the form of fund units that are redeemable at the measurement date, the unit value is deemed a Level 2 input.

(2) For pooled fund debt securities, the fair value is based on observable inputs, but do not solely rely on quoted market prices, and therefore are deemed Level 2 inputs.

(3) For real estate pooled funds, the fair value is based on observable inputs, but do not solely rely on quoted market prices, and therefore are deemed Level 2 inputs.

### Defined Contribution Plans

#### U.S. Savings Investment Plan

In 2006, we established the U.S. Savings Investment Plan (the “SIP”), a qualified defined contribution plan under section 401(k) of the Internal Revenue Code. Under the SIP, our regular full-time and part-time employees contribute a portion of their earnings, and we match these contributions up to a predefined threshold. During 2015, 2014 and 2013, our matching contribution was 100% of the first 6% of employee contributions. The Board has approved an additional company discretionary contribution of 6% of pay for 2015, 2014 and 2013. The discretionary contribution is subject to approval each year by the Board. Our matching contribution to the SIP vests immediately; however, our discretionary contribution is subject to vesting conditions that must be satisfied over a three year vesting period. Contributions under SIP, including our match, are invested in accordance with the investment options elected by plan participants. Compensation expense associated with our matching contribution to the SIP was \$5 million, \$4 million, and \$3 million during 2015, 2014, and 2013, respectively, which was included in “Selling, general and administrative expenses” in the Consolidated Statements of Operations. Compensation expense associated with our discretionary contribution was \$5 million, \$4 million, and \$4 million during 2015, 2014, and 2013, respectively, which was included in “Selling, general and administrative expenses” in the Consolidated Statements of Operations.

#### U.S. Savings Restoration Plan

In 2006, we established the U.S. Savings Restoration Plan (the “SRP”), a nonqualified defined contribution plan, for employees whose eligible compensation is expected to exceed the IRS compensation limits for qualified plans. Under the SRP, participants can contribute up to 20% of their annual compensation and incentive. Our matching contribution under the SRP is the same as the SIP. Our matching contribution under this plan vests immediately to plan participants. Contributions under the SRP, including our match, are invested in accordance with the investment options elected by plan participants. Compensation expense associated with our matching contribution to the SRP was \$1 million, \$1 million, and less than \$1 million during 2015, 2014, and 2013, respectively, which was included in “Selling, general and administrative expenses” in the Consolidated Statements of Operations.

### 24. Related Party Transactions

#### Exxaro

We have service level agreements with Exxaro for services including research and development, as well as information technology services, which expired during 2014. Such service level agreements amounted to \$2 million, \$3 million, and \$5 million of expense during 2015, 2014, and 2013, respectively, which was included in “Selling general and administrative expense” in the Consolidated Statements of Operations. Additionally, we have a professional service agreement with Exxaro related to the Fairbreeze construction project. During 2015, 2014, and 2013, we paid \$3 million each to Exxaro, which was capitalized in “Property, plant and equipment, net” on our Consolidated Balance Sheets. At December 31, 2015 and 2014, we had \$1 million of related party payables, which were recorded in “Accounts payable” on our Consolidated Balance Sheets.

#### Agreements and Transactions with Affiliates

We hold a membership in ANSAC, which is responsible for promoting exports of US-produced soda ash. Under the ANSAC membership agreement, Alkali’s exports of soda ash to all markets except Canada, European community, European Free Trade Association and the South African Customs Union are exclusively through ANSAC. Certain sales and marketing costs incurred by ANSAC are charged directly to us. Selling, general and administrative expenses in the Consolidated Statements of Operations include amounts charged to us by ANSAC principally consisting of salaries, benefits, office supplies, professional fees, travel, rent and certain other costs, amounted to \$3 million for 2015. These transactions do not necessarily represent arm’s length transactions and may not represent all costs if Alkali operated on a stand-alone basis. During 2015, we recorded net sales to ANSAC of \$210 million which was included in “Net sales” in the Consolidated Statements of Operations. At December 31, 2015, we had \$47 million of related party receivable from ANSAC and \$2 million of related party payables to ANSAC, which were recorded in “Accounts receivable” and “Accounts payable”, respectively, on our Consolidated Balance Sheets. Additionally, at December 31, 2015, we had a \$1 million payable to

ANSAC for freight costs incurred on our behalf, which was included in “Accounts payable” in the Consolidated Balance Sheet.

In connection with the Alkali Transaction, we acquired FMC’s one-third ownership interest in a joint venture, Natronx Technologies LLC “Natronx”. Natronx manufactures and markets sodium-based, dry sorbents for air pollution control in electric utility and industrial boiler operations. Pursuant to an agreement with Natronx, we purchase ground trona from a third-party vendor as an agent on its behalf (the “Supply Agreement”). We also provide certain administrative services such as accounting, technology and customer services to Natronx under a service level agreement (the “SLA”). We are reimbursed by Natronx for the related costs incurred under the Supply Agreement and the SLA. At December 31, 2015, we had \$1 million of receivables related to these agreements, which were recorded in “Accounts receivable, net of allowance for doubtful accounts” on the Consolidated Balance Sheets.

## 25. Segment Information

The reportable segments presented below represent our operating segments for which separate financial information is available and which is utilized on a regular basis by our Chief Executive Officer, who is our chief operating decision maker (“CODM”), to assess performance and to allocate resources.

Prior to the Alkali Transaction, we had two operating and reportable segments, Mineral Sands and Pigment, based on the way the management team was organized and our CODM monitored performance, aligned strategies, and allocated resources. As a result of the increased interdependency between the Mineral Sands and Pigment businesses and related organizational changes, our CODM determined that it was better to review the Mineral Sands and Pigment businesses, along with our electrolytic business, as a combined one, TiO<sub>2</sub>, and to assess performance and allocate resources at that level. Following the Alkali Transaction, we restructured our organization to reflect two business segments, TiO<sub>2</sub> and Alkali. The change in reportable segments for financial reporting purposes that occurred in the second quarter of 2015 has been retrospectively applied.

Our TiO<sub>2</sub> operating segment includes the following:

- exploration, mining, and beneficiation of mineral sands deposits;
- production of titanium feedstock (including chloride slag, slag fines, and rutile), pig iron, and zircon;
- production and marketing of TiO<sub>2</sub>; and
- electrolytic manganese dioxide manufacturing and marketing.

Our Alkali operating segment includes the mining of trona ore for the production from trona of natural soda ash and its derivatives: sodium bicarbonate, sodium sesquicarbonate and caustic soda (collectively referred to as “alkali-products”).

Segment performance is evaluated based on segment operating income (loss), which represents the results of segment operations before unallocated costs, such as general corporate expenses not identified to a specific segment, interest expense, other income (expense), and income tax expense or benefit.

Net sales and income (loss) from operations by segment were as follows:

Year Ended December 31,	2015	2014	2013
TiO <sub>2</sub> segment	\$ 1,510	\$ 1,737	\$ 1,922
Alkali segment	602	—	—
<b>Net sales</b>	<b>\$2,112</b>	\$ 1,737	\$ 1,922
TiO <sub>2</sub> segment	\$ (123)	\$ 78	\$ 70
Alkali segment	69	—	—
Corporate	(64)	(78)	(67)
<b>Income (loss) from operations</b>	<b>(118)</b>	—	3
Interest and debt expense, net	(176)	(133)	(130)
Net gain (loss) on liquidation of non-operating subsidiaries	—	(35)	24
Loss on extinguishment of debt	—	(8)	(4)
Other income, net	28	27	46
<b>Loss before income taxes</b>	<b>(266)</b>	(149)	(61)
Income tax provision	(41)	(268)	(29)
<b>Net loss</b>	<b>\$ (307)</b>	\$ (417)	\$ (90)

Net sales to external customers, by geographic region, based on country of production, were as follows:

Year Ended December 31,	2015	2014	2013
U.S. operations	\$ 1,223	\$ 749	\$ 793
International operations:			
Australia	380	426	424
South Africa	313	329	481
The Netherlands	196	233	224
<b>Total net sales</b>	<b>\$2,112</b>	\$ 1,737	\$ 1,922

Net sales from external customers for each similar product were as follows:

Year Ended December 31,	2015	2014	2013
Pigment	\$ 976	\$ 1,179	\$ 1,169
Alkali	602	—	—
Titanium feedstock and co-products	426	445	625
Electrolytic	108	113	128
<b>Total net sales</b>	<b>\$2,112</b>	\$ 1,737	\$ 1,922

During 2015, our ten largest third-party TiO<sub>2</sub> customers and our ten largest Alkali customers represented approximately 29% and 18%, respectively, of our consolidated net sales. ANSAC accounted for 10% of our consolidated net sales. See Note 24 for further details.

## Notes to Consolidated Financial Statements

Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

Depreciation, amortization and depletion by segment were as follows:

Year Ended December 31,	2015	2014	2013
TiO <sub>2</sub> segment	\$246	\$289	\$327
Alkali segment	42	—	—
Corporate	6	6	6
Total depreciation, amortization and depletion	\$294	\$295	\$333

Capital expenditures by segment were as follows:

Year Ended December 31,	2015	2014	2013
TiO <sub>2</sub> segment	\$164	\$184	\$159
Alkali segment	26	—	—
Corporate	1	3	6
Total capital expenditures	\$191	\$187	\$165

Total assets by segment were as follows:

December 31,	2015	2014
TiO <sub>2</sub> segment	\$3,055	\$3,821
Alkali segment	1,690	—
Corporate	327	1,244
Total	\$5,072	\$5,065

Property, plant and equipment, net and mineral leaseholds, net, by geographic region, were as follows:

December 31,	2015	2014
U.S. operations	\$1,687	\$ 211
International operations:		
South Africa	747	941
Australia	968	1,083
The Netherlands	45	50
Total	\$3,447	\$2,285

### 26. Guarantor Condensed Consolidating Financial Statements

The obligations of Tronox Finance, our wholly-owned subsidiary, under the Senior Notes due 2020 are fully and unconditionally (subject to certain customary circumstances providing for the release of a guarantor subsidiary) guaranteed on a senior unsecured basis, jointly and severally, by Tronox Limited (referred to for purposes of this note only as the “Parent Company”) and each of its current and future restricted subsidiaries, other than excluded subsidiaries, that guarantee any indebtedness of the Parent Company or its restricted subsidiaries (collectively, the “Guarantor Subsidiaries”). The Subsidiary Issuer,

Tronox Finance, and each of the Guarantor Subsidiaries are 100% owned, directly or indirectly, by the Parent Company. Our subsidiaries that do not guarantee the Senior Notes due 2020 are referred to as the “Non-Guarantor Subsidiaries.” The guarantor condensed consolidating financial statements presented below presents the statements of operations, statements of comprehensive income (loss), balance sheets and statements of cash flow data for: (i) the Parent Company, the Guarantor Subsidiaries, the Non-Guarantor Subsidiaries, and the subsidiary issuer, on a consolidated basis (which is derived from Tronox historical reported financial information); (ii) the Parent Company, alone (accounting for our Guarantor Subsidiaries, the Non-Guarantor Subsidiaries, and Tronox Finance on an equity basis under which the investments are recorded by each entity owning a portion of another entity at cost, adjusted for the applicable share of the subsidiary’s cumulative results of operations, capital contributions and distributions, and other equity changes); (iii) the Guarantor Subsidiaries alone; (iv) the Non-Guarantor Subsidiaries alone; and (v) the subsidiary issuer, Tronox Finance.

The guarantor condensed consolidating financial statements are presented on a legal entity basis, not on a business segment basis. The indentures governing the Senior Notes due 2020 provide for a Guarantor Subsidiary to be automatically and unconditionally released and discharged from its guarantee obligations in certain customary circumstances, including:

- Sale or other disposition of such Guarantor Subsidiary’s capital stock or all or substantially all of its assets and all of the indenture obligations (other than contingent obligations) of such Subsidiary Guarantor in respect of all other indebtedness of the Subsidiary Guarantors terminate upon the consummation of such transaction;
- Designation of such Guarantor Subsidiary as an “unrestricted subsidiary” under the indenture;
- In the case of certain Guarantor Subsidiaries that incur or guarantee indebtedness under certain credit facilities, upon the release or discharge of such Guarantor Subsidiary’s guarantee or incurrence of indebtedness that resulted in the creation of such guarantee, except a discharge or release as a result of payment under such guarantee;
- Legal defeasance, covenant defeasance, or satisfaction and discharge of the indenture obligations;
- Payment in full of the aggregate principal amount of all outstanding Senior Notes due 2020 and all other obligations under the indenture; or
- Release or discharge of the Guarantor Subsidiary’s guarantee of certain other indebtedness.

## Guarantor Condensed Consolidating Statements of Operations

Year Ended December 31, 2015

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Net sales</b>	<b>\$ 2,112</b>	\$ (178)	\$ —	\$ —	\$ 1,636	\$ 654
Cost of goods sold	<b>1,992</b>	(165)	—	—	1,527	630
<b>Gross profit</b>	<b>120</b>	(13)	—	—	109	24
Selling, general and administrative expenses	<b>(217)</b>	3	(1)	(23)	(155)	(41)
Restructuring expenses	<b>(21)</b>	—	—	—	(15)	(6)
<b>Income (loss) from operations</b>	<b>(118)</b>	(10)	(1)	(23)	(61)	(23)
Interest and debt expense, net	<b>(176)</b>	—	(103)	—	(7)	(66)
Intercompany interest income (expense)	<b>—</b>	—	—	518	(568)	50
Other income (expense), net	<b>28</b>	(1)	—	4	(2)	27
Equity in earnings of subsidiary	<b>—</b>	672	—	(616)	(56)	—
<b>Income (loss) before income taxes</b>	<b>(266)</b>	661	(104)	(117)	(694)	(12)
Income tax benefit (provision)	<b>(41)</b>	—	31	(201)	133	(4)
<b>Net income (loss)</b>	<b>(307)</b>	661	(73)	(318)	(561)	(16)
Net income attributable to noncontrolling interest	<b>11</b>	11	—	—	—	—
<b>Net income (loss) attributable to Tronox Limited</b>	<b>\$ (318)</b>	\$ 650	\$ (73)	\$ (318)	\$ (561)	\$ (16)

## Guarantor Condensed Consolidating Statements of Comprehensive Income (Loss)

Year Ended December 31, 2015

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Net income (loss)</b>	<b>\$ (307)</b>	\$ 661	\$ (73)	\$ (318)	\$ (561)	\$ (16)
<b>Other comprehensive income (loss):</b>						
Foreign currency translation adjustments	<b>(292)</b>	508	—	(215)	(293)	(292)
Pension and postretirement plans	<b>15</b>	(14)	—	15	18	(4)
Other comprehensive income (loss)	<b>(277)</b>	494	—	(200)	(275)	(296)
<b>Total comprehensive income (loss)</b>	<b>(584)</b>	1,155	(73)	(518)	(836)	(312)
<b>Comprehensive income (loss) attributable to noncontrolling interest:</b>						
Net income	<b>11</b>	11	—	—	—	—
Foreign currency translation adjustments	<b>(77)</b>	(77)	—	—	—	—
Comprehensive income (loss) attributable to noncontrolling interest	<b>(66)</b>	(66)	—	—	—	—
<b>Comprehensive income (loss) attributable to Tronox Limited</b>	<b>\$ (518)</b>	\$ 1,221	\$ (73)	\$ (518)	\$ (836)	\$ (312)

## Notes to Consolidated Financial Statements

Tronox Limited

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### Guarantor Condensed Consolidating Balance Sheets

As of December 31, 2015

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Assets</b>						
Cash and cash equivalents	\$ 229	\$ —	\$ —	\$ 1	\$ 165	\$ 63
Restricted cash	5	—	—	—	5	—
Accounts receivable	391	—	—	—	303	88
Inventories, net	630	(24)	—	—	439	215
Other current assets	46	(4,345)	657	1,473	1,149	1,112
Investment in subsidiaries	—	2,596	—	(3,274)	678	—
Property, plant and equipment, net	1,843	—	—	—	1,388	455
Mineral leaseholds, net	1,604	—	—	—	1,266	338
Intercompany loans receivable	—	(7,106)	692	5,936	72	406
Other long-term assets	324	—	32	—	258	34
<b>Total assets</b>	<b>\$5,072</b>	<b>\$ (8,879)</b>	<b>\$ 1,381</b>	<b>\$ 4,136</b>	<b>\$ 5,723</b>	<b>\$ 2,711</b>
<b>Liabilities and Equity</b>						
Short-term debt	\$ 150	\$ —	\$ —	\$ —	\$ 150	\$ —
Other current liabilities	398	(4,345)	45	2,443	2,081	174
Long-term debt	2,955	—	1,498	—	—	1,457
Intercompany loans payable	—	(7,106)	9	694	6,334	69
Other long-term liabilities	459	—	—	1	267	191
<b>Total liabilities</b>	<b>3,962</b>	<b>(11,451)</b>	<b>1,552</b>	<b>3,138</b>	<b>8,832</b>	<b>1,891</b>
<b>Total equity</b>	<b>1,110</b>	<b>2,572</b>	<b>(171)</b>	<b>998</b>	<b>(3,109)</b>	<b>820</b>
<b>Total liabilities and equity</b>	<b>\$5,072</b>	<b>\$ (8,879)</b>	<b>\$ 1,381</b>	<b>\$ 4,136</b>	<b>\$ 5,723</b>	<b>\$ 2,711</b>



## Guarantor Condensed Consolidating Statements of Cash Flows

Year Ended December 31, 2015

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Cash Flows from Operating Activities:</b>						
Net income (loss)	\$ (307)	\$ 661	\$ (73)	\$ (318)	\$ (561)	\$ (16)
Depreciation, depletion and amortization	294	—	—	—	232	62
Other	229	(662)	596	352	542	(599)
Cash provided by (used in) operating activities	216	(1)	523	34	213	(553)
<b>Cash Flows from Investing Activities:</b>						
Capital expenditures	(191)	—	—	—	(68)	(123)
Proceeds on sale of assets	1	—	—	—	1	—
Acquisition of business	(1,650)	—	—	—	(1,650)	—
Investment in subsidiaries	—	1,526	—	(1,526)	—	—
Return of capital from subsidiaries	—	(24)	—	24	—	—
Collections of intercompany loans	—	(725)	79	26	43	577
Intercompany loans	—	1,386	(589)	(3)	(237)	(557)
Cash provided by (used in) investing activities	(1,840)	2,163	(510)	(1,479)	(1,911)	(103)
<b>Cash Flows from Financing Activities:</b>						
Repayments of debt	(18)	—	—	—	(2)	(16)
Repayments of intercompany loans	—	725	—	(103)	(602)	(20)
Proceeds from debt	750	—	—	—	150	600
Proceeds from intercompany loans	—	(1,386)	—	1,380	3	3
Contribution from parent	—	(1,526)	—	—	1,526	—
Return of capital to parent	—	24	—	—	(24)	—
Partnership distribution to parent	—	1	—	—	(1)	—
Debt issuance costs	(15)	—	(13)	—	(2)	—
Dividends paid	(117)	—	—	(117)	—	—
Proceeds from the exercise of warrants and options	3	—	—	3	—	—
Cash provided by (used in) financing activities	603	(2,162)	(13)	1,163	1,048	567
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(26)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(26)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,047)</b>	<b>—</b>	<b>—</b>	<b>(282)</b>	<b>(650)</b>	<b>(115)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>\$ 1,276</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 283</b>	<b>\$ 815</b>	<b>\$ 178</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 229</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ 165</b>	<b>\$ 63</b>

We revised each of our guarantor condensed consolidating financial statements as of December 31, 2014 and 2013 and for the two years then ended as follows:

- Certain amounts within the guarantor condensed consolidating statements of comprehensive income (loss) were revised to primarily reflect the proportionate share of cumulative translation adjustments between the Parent Company and Eliminations column.
- Certain financial statement line items have been expanded and reclassifications were made to enhance transparency.

These revisions, which we determined are not material to our prior year condensed financial statements or consolidated financial statements based on quantitative and qualitative considerations, did not affect our consolidated financial position, consolidated results of operations or consolidated cash flows.

## Notes to Consolidated Financial Statements

Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

### Revised Guarantor Condensed Consolidating Statements of Operations

Year Ended December 31, 2014

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Net sales</b>	\$ 1,737	\$ (211)	\$ —	\$ —	\$ 1,224	\$ 724
Cost of goods sold	1,530	(238)	—	—	1,113	655
<b>Gross profit</b>	207	27	—	—	111	69
Selling, general and administrative expenses	(192)	3	—	(13)	(140)	(42)
Restructuring expenses	(15)	—	—	—	(6)	(9)
<b>Income (loss) from operations</b>	—	30	—	(13)	(35)	18
Interest and debt expense, net	(133)	—	(59)	—	(4)	(70)
Intercompany interest income (expense)	—	—	—	546	(578)	32
Net loss on liquidation of non-operating subsidiaries	(35)	—	—	—	(33)	(2)
Loss on extinguishment of debt	(8)	—	—	—	(2)	(6)
Other income (expense), net	27	53	—	1	(15)	(12)
Equity in earnings of subsidiary	—	759	—	(706)	(53)	—
<b>Income (loss) before income taxes</b>	(149)	842	(59)	(172)	(720)	(40)
Income tax benefit (provision)	(268)	—	18	(255)	20	(51)
<b>Net income (loss)</b>	(417)	842	(41)	(427)	(700)	(91)
Net income attributable to noncontrolling interest	10	10	—	—	—	—
<b>Net income (loss) attributable to Tronox Limited</b>	\$ (427)	\$ 832	\$ (41)	\$ (427)	\$ (700)	\$ (91)

### As Previously Filed Guarantor Condensed Consolidating Statements of Operations

Year Ended December 31, 2014

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Net sales</b>	\$ 1,737	\$ (211)	\$ —	\$ —	\$ 1,224	\$ 724
Cost of goods sold	(1,530)	238	—	—	(1,113)	(655)
<b>Gross profit</b>	207	27	—	—	111	69
Selling, general and administrative expenses	(192)	3	—	(13)	(140)	(42)
Restructuring expenses	(15)	—	—	—	(6)	(9)
<b>Income (loss) from operations</b>	—	30	—	(13)	(35)	18
Interest and debt expense, net	(133)	—	(59)	—	(4)	(70)
Intercompany interest income (expense)	—	—	—	546	(578)	32
Net loss on liquidation of non-operating subsidiaries	(35)	—	—	—	(33)	(2)
Loss on extinguishment of debt	(8)	—	—	—	(2)	(6)
Other income (expense), net	27	53	—	1	(15)	(12)
Equity in earnings of subsidiary	—	759	—	(706)	(53)	—
<b>Income (loss) before income taxes</b>	(149)	842	(59)	(172)	(720)	(40)
Income tax benefit (provision)	(268)	—	18	(255)	20	(51)
<b>Net income (loss)</b>	(417)	842	(41)	(427)	(700)	(91)
Net income attributable to noncontrolling interest	10	10	—	—	—	—
<b>Net income (loss) attributable to Tronox Limited</b>	\$ (427)	\$ 832	\$ (41)	\$ (427)	\$ (700)	\$ (91)

### Revised Guarantor Condensed Consolidating Statements of Comprehensive Income (Loss)

Year Ended December 31, 2014

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Net income (loss)</b>	\$ (417)	\$ 842	\$ (41)	\$ (427)	\$ (700)	\$ (91)
<b>Other comprehensive income (loss):</b>						
Foreign currency translation adjustments	(95)	186	—	(64)	(85)	(132)
Pension and postretirement plans	(48)	50	—	(48)	(47)	(3)
Other comprehensive income (loss)	(143)	236	—	(112)	(132)	(135)
<b>Total comprehensive income, (loss)</b>	(560)	1,078	(41)	(539)	(832)	(226)
<b>Comprehensive income (loss) attributable to noncontrolling interest:</b>						
Net income	10	10	—	—	—	—
Foreign currency translation adjustments	(31)	(31)	—	—	—	—
Comprehensive income (loss) attributable to noncontrolling interest	(21)	(21)	—	—	—	—
<b>Comprehensive income (loss) attributable to Tronox Limited</b>	\$ (539)	\$ 1,099	\$ (41)	\$ (539)	\$ (832)	\$ (226)

### As Previously Filed Guarantor Condensed Consolidating Statements of Comprehensive Income (Loss)

Year Ended December 31, 2014

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Net income (loss)</b>	\$ (417)	\$ 842	\$ (41)	\$ (427)	\$ (700)	\$ (91)
<b>Other comprehensive income (loss):</b>						
Foreign currency translation adjustments	(95)	217	—	(95)	(85)	(132)
Pension and postretirement plans	(48)	50	—	(48)	(47)	(3)
Other comprehensive income (loss)	(143)	267	—	(143)	(132)	(135)
<b>Total comprehensive income (loss)</b>	(560)	1,109	(41)	(570)	(832)	(226)
<b>Comprehensive income (loss) attributable to noncontrolling interest:</b>						
Net income	10	10	—	—	—	—
Foreign currency translation adjustments	(31)	—	—	(31)	—	—
Comprehensive income (loss) attributable to noncontrolling interest	(21)	10	—	(31)	—	—
<b>Comprehensive income (loss) attributable to Tronox Limited</b>	\$ (539)	\$ 1,099	\$ (41)	\$ (539)	\$ (832)	\$ (226)

## Notes to Consolidated Financial Statements

Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

### Revised Guarantor Condensed Consolidating Balance Sheets

As of December 31, 2014

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Assets</b>						
Cash and cash equivalents	\$ 1,276	\$ —	\$ —	\$ 283	\$ 815	\$ 178
Restricted cash	3	—	—	—	3	—
Accounts receivable	277	—	—	—	188	89
Inventories, net	770	(13)	—	—	448	335
Other current assets	55	(2,857)	35	973	719	1,185
Investment in subsidiaries	—	2,934	—	(3,961)	1,027	—
Property, plant and equipment, net	1,227	—	—	—	696	531
Mineral leaseholds, net	1,058	—	—	—	599	459
Intercompany loans receivable	—	(7,130)	773	5,937	92	328
Other long-term assets	399	(1)	23	—	331	46
<b>Total assets</b>	<b>\$ 5,065</b>	<b>\$ (7,067)</b>	<b>\$ 831</b>	<b>\$ 3,232</b>	<b>\$ 4,918</b>	<b>\$ 3,151</b>
<b>Liabilities and Equity</b>						
Total current liabilities	\$ 366	\$ (2,857)	\$ 22	\$ 846	\$ 2,152	\$ 203
Long-term debt	2,375	—	898	—	—	1,477
Intercompany loans payable	—	(7,130)	9	774	6,257	90
Other long-term liabilities	536	(1)	—	2	284	251
<b>Total liabilities</b>	<b>3,277</b>	<b>(9,988)</b>	<b>929</b>	<b>1,622</b>	<b>8,693</b>	<b>2,021</b>
<b>Total equity</b>	<b>1,788</b>	<b>2,921</b>	<b>(98)</b>	<b>1,610</b>	<b>(3,775)</b>	<b>1,130</b>
<b>Total liabilities and equity</b>	<b>\$ 5,065</b>	<b>\$ (7,067)</b>	<b>\$ 831</b>	<b>\$ 3,232</b>	<b>\$ 4,918</b>	<b>\$ 3,151</b>

### As Previous Filed Guarantor Condensed Consolidating Balance Sheets

As of December 31, 2014

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Assets</b>						
Cash and cash equivalents	\$ 1,279	\$ —	\$ —	\$ 283	\$ 818	\$ 178
Inventories, net	770	(13)	—	—	448	335
Other current assets	332	(2,857)	35	973	907	1,274
Investment in subsidiaries	—	2,934	—	(3,961)	1,027	—
Property, plant and equipment, net	1,227	—	—	—	696	531
Mineral leaseholds, net	1,058	—	—	—	599	459
Intercompany loans receivable	—	(7,130)	773	5,937	92	328
Other long-term assets	399	—	23	(1)	331	46
<b>Total assets</b>	<b>\$ 5,065</b>	<b>\$ (7,066)</b>	<b>\$ 831</b>	<b>\$ 3,231</b>	<b>\$ 4,918</b>	<b>\$ 3,151</b>
<b>Liabilities and Equity</b>						
Total current liabilities	\$ 366	\$ (2,857)	\$ 22	\$ 846	\$ 2,152	\$ 203
Long-term debt	2,375	—	898	—	—	1,477
Intercompany loans payable	—	(7,130)	9	774	6,257	90
Other long-term liabilities	536	—	—	1	284	251
<b>Total liabilities</b>	<b>3,277</b>	<b>(9,987)</b>	<b>929</b>	<b>1,621</b>	<b>8,693</b>	<b>2,021</b>
<b>Total equity</b>	<b>1,788</b>	<b>2,921</b>	<b>(98)</b>	<b>1,610</b>	<b>(3,775)</b>	<b>1,130</b>
<b>Total liabilities and equity</b>	<b>\$ 5,065</b>	<b>\$ (7,066)</b>	<b>\$ 831</b>	<b>\$ 3,231</b>	<b>\$ 4,918</b>	<b>\$ 3,151</b>

## Revised Guarantor Condensed Consolidating Statements of Cash Flows

Year Ended December 31, 2014

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Cash Flows from Operating Activities:</b>						
Net income (loss)	\$ (417)	\$ 842	\$(41)	\$(427)	\$( 700)	\$ (91)
Depreciation, depletion and amortization	295	—	—	—	217	78
Other	263	(842)	(10)	692	286	137
Cash provided by (used in) operating activities	141	—	(51)	265	(197)	124
<b>Cash Flows from Investing Activities:</b>						
Capital expenditures	(187)	—	—	—	(76)	(111)
Collections of intercompany loans	—	(51)	51	—	—	—
Cash provided by (used in) investing activities	(187)	(51)	51	—	(76)	(111)
<b>Cash Flows from Financing Activities:</b>						
Repayments of debt	(20)	—	—	—	(3)	(17)
Repayments of intercompany loans	—	51	—	(51)	—	—
Debt issuance costs	(2)	—	—	—	—	(2)
Dividends paid	(116)	—	—	(116)	—	—
Proceeds from the exercise of warrants and options	6	—	—	6	—	—
Cash provided by (used in) financing activities	(132)	51	—	(161)	(3)	(19)
<b>Effects of exchange rate changes on cash and cash equivalents</b>						
	(21)	—	—	—	—	(21)
<b>Net increase (decrease) in cash and cash equivalents</b>						
	(199)	—	—	104	(276)	(27)
<b>Cash and cash equivalents at beginning of period</b>						
	\$1,475	\$ —	\$ —	\$ 179	\$1,091	\$ 205
<b>Cash and cash equivalents at end of period</b>						
	\$1,276	\$ —	\$ —	\$ 283	\$ 815	\$ 178

## As Previously Filed Guarantor Condensed Consolidating Statements of Cash Flows

Year Ended December 31, 2014

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Cash Flows from Operating Activities:</b>						
Net income (loss)	\$ (417)	\$ 842	\$(41)	\$(427)	\$( 700)	\$ (91)
Depreciation, depletion and amortization	295	—	—	—	217	78
Other	263	(842)	(10)	692	286	137
Cash provided by (used in) operating activities	141	—	(51)	265	(197)	124
<b>Cash Flows from Investing Activities:</b>						
Capital expenditures	(187)	—	—	—	(76)	(111)
Collections of intercompany debt	—	(51)	51	—	—	—
Cash provided by (used in) investing activities	(187)	(51)	51	—	(76)	(111)
<b>Cash Flows from Financing Activities:</b>						
Repayments of debt	(20)	—	—	—	(3)	(17)
Repayments of intercompany debt	—	51	—	(51)	—	—
Debt issuance costs	(2)	—	—	—	—	(2)
Dividends paid	(116)	—	—	(116)	—	—
Proceeds from the exercise of warrants and options	6	—	—	6	—	—
Cash provided by (used in) financing activities	(132)	51	—	(161)	(3)	(19)
<b>Effects of exchange rate changes on cash and cash equivalents</b>						
	(21)	—	—	—	—	(21)
<b>Net increase (decrease) in cash and cash equivalents</b>						
	(199)	—	—	104	(276)	(27)
<b>Cash and cash equivalents at beginning of period</b>						
	\$1,478	\$ —	\$ —	\$ 179	\$1,094	\$ 205
<b>Cash and cash equivalents at end of period</b>						
	\$1,279	\$ —	\$ —	\$ 283	\$ 818	\$ 178

## Notes to Consolidated Financial Statements

Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

### Guarantor Condensed Consolidating Statements of Operations

Year Ended December 31, 2013

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Net sales</b>	\$1,922	\$ (275)	\$ —	\$ —	\$ 1,298	\$ 899
Cost of goods sold	1,732	(282)	—	—	1,242	772
<b>Gross profit</b>	190	7	—	—	56	127
Selling, general and administrative expenses	(187)	4	—	(34)	(113)	(44)
<b>Income (loss) from operations</b>	3	11	—	(34)	(57)	83
Interest and debt expense, net	(130)	—	(59)	—	(6)	(65)
Intercompany interest income (expense)	—	—	—	546	(579)	(33)
Net gain (loss) on liquidation of non-operating subsidiaries	24	—	—	—	(23)	47
Loss on extinguishment of debt	(4)	—	—	—	(3)	(1)
Other income (expense), net	46	1	—	1	12	32
Equity in earnings of subsidiary	—	348	—	(473)	125	—
<b>Income (loss) before income taxes</b>	(61)	360	(59)	40	(531)	129
Income tax benefit (provision)	(29)	—	18	(166)	150	(31)
<b>Net income (loss)</b>	(90)	360	(41)	(126)	(381)	98
Net income attributable to noncontrolling interest	36	36	—	—	—	—
<b>Net income (loss) attributable to Tronox Limited</b>	\$ (126)	\$ 324	\$ (41)	\$ (126)	\$ (381)	\$ 98

### Revised Guarantor Condensed Consolidating Statements of Comprehensive Income (Loss)

Year Ended December 31, 2013

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Net income (loss)</b>	\$ (90)	\$360	\$ (41)	\$ (126)	\$ (381)	\$ 98
<b>Other comprehensive income (loss):</b>						
Foreign currency translation adjustments	(289)	504	—	(219)	(264)	(310)
Pension and postretirement plans	30	(31)	—	30	27	4
Other comprehensive income (loss)	(259)	473	—	(189)	(237)	(306)
<b>Total comprehensive income (loss)</b>	(349)	833	(41)	(315)	(618)	(208)
<b>Comprehensive income (loss) attributable to noncontrolling interest:</b>						
Net income	36	36	—	—	—	—
Foreign currency translation adjustments	(70)	(70)	—	—	—	—
Comprehensive income (loss) attributable to noncontrolling interest	(34)	(34)	—	—	—	—
<b>Comprehensive income (loss) attributable to Tronox Limited</b>	\$ (315)	\$867	\$ (41)	\$ (315)	\$ (618)	\$ (208)

### As Previously Filed Guarantor Condensed Consolidating Statements of Comprehensive Income (Loss)

Year Ended December 31, 2013

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Net income (loss)</b>	\$ (90)	\$360	\$ (41)	\$ (126)	\$ (381)	\$ 98
<b>Other comprehensive income (loss):</b>						
Foreign currency translation adjustments	(289)	574	—	(289)	(264)	(310)
Pension and postretirement plans	30	(31)	—	30	27	4
Other comprehensive income (loss)	(259)	543	—	(259)	(237)	(306)
<b>Total comprehensive income (loss)</b>	(349)	903	(41)	(385)	(618)	(208)
<b>Comprehensive income (loss) attributable to noncontrolling interest:</b>						
Net income	36	36	—	—	—	—
Foreign currency translation adjustments	(70)	—	—	(70)	—	—
Comprehensive income (loss) attributable to noncontrolling interest	(34)	36	—	(70)	—	—
<b>Comprehensive income (loss) attributable to Tronox Limited</b>	\$ (315)	\$867	\$ (41)	\$ (315)	\$ (618)	\$ (208)

### Revised Guarantor Condensed Consolidating Statements of Cash Flows

Year Ended December 31, 2013

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Cash Flows from Operating Activities:</b>						
Net income (loss)	\$ (90)	\$ 360	\$ (41)	\$ (126)	\$ (381)	\$ 98
Depreciation, depletion and amortization	333	—	—	—	221	112
Other	87	(360)	(16)	(58)	1,243	(722)
Cash provided by (used in) operating activities	330	—	(57)	(184)	1,083	(512)
<b>Cash Flows from Investing Activities:</b>						
Capital expenditures	(165)	—	—	—	(71)	(94)
Proceeds from the sale of assets	1	—	—	—	—	1
Collections of intercompany loans	—	(57)	57	—	—	—
Cash provided by (used in) investing activities	(164)	(57)	57	—	(71)	(93)
<b>Cash Flows from Financing Activities:</b>						
Repayments of debt	(189)	—	—	—	(3)	(186)
Repayments of intercompany loans	—	57	—	(57)	—	—
Proceeds from debt	945	—	—	—	—	945
Debt issuance costs	(29)	—	—	—	—	(29)
Dividends paid	(115)	—	—	(115)	—	—
Proceeds from the exercise of warrants and options	2	—	—	2	—	—
Cash provided by (used in) financing activities	614	57	—	(170)	(3)	730
<b>Effects of exchange rate changes on cash and cash equivalents</b>	(18)	—	—	—	—	(18)
<b>Net increase (decrease) in cash and cash equivalents</b>	762	—	—	(354)	1,009	107
<b>Cash and cash equivalents at beginning of period</b>	\$ 713	\$ —	\$ —	\$ 533	\$ 82	\$ 98
<b>Cash and cash equivalents at end of period</b>	\$1,475	\$ —	\$ —	\$ 179	\$1,091	\$ 205

## Notes to Consolidated Financial Statements

Tronox Limited

(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

### As Previously Filed Guarantor Condensed Consolidating Statements of Cash Flows

Year Ended December 31, 2013

(Millions of U.S. dollars)	Consolidated	Eliminations	Tronox Finance LLC	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
<b>Cash Flows from Operating Activities:</b>						
Net income (loss)	\$ (90)	\$ 360	\$(41)	\$ (126)	\$ (381)	\$ 98
Depreciation, depletion and amortization	333	—	—	—	221	112
Other	87	(360)	(16)	(58)	1,243	(722)
Cash provided by (used in) operating activities	330	—	(57)	(184)	1,083	(512)
<b>Cash Flows from Investing Activities:</b>						
Capital expenditures	(165)	—	—	—	(71)	(94)
Proceeds from the sale of assets	1	—	—	—	—	1
Collections of intercompany debt	—	(57)	57	—	—	—
Cash provided by (used in) investing activities	(164)	(57)	57	—	(71)	(93)
<b>Cash Flows from Financing Activities:</b>						
Repayments of debt	(189)	—	—	—	(3)	(186)
Repayments of intercompany loans	—	57	—	(57)	—	—
Proceeds from debt	945	—	—	—	—	945
Debt issuance costs	(29)	—	—	—	—	(29)
Dividends paid	(115)	—	—	(115)	—	—
Proceeds from the exercise of warrants and options	2	—	—	2	—	—
Cash provided by (used in) financing activities	614	57	—	(170)	(3)	730
<b>Effects of exchange rate changes on cash and cash equivalents</b>	(18)	—	—	—	—	(18)
<b>Net increase (decrease) in cash and cash equivalents</b>	762	—	—	(354)	1,009	107
<b>Cash and cash equivalents at beginning of period</b>	\$ 716	\$ —	\$ —	\$ 533	\$ 85	\$ 98
<b>Cash and cash equivalents at end of period</b>	\$ 1,478	\$ —	\$ —	\$ 179	\$ 1,094	\$ 205



## 27. Quarterly Results of Operations (Unaudited)

The following represents our unaudited quarterly results for the years ended December 31, 2015 and 2014. These quarterly results were prepared in conformity with generally accepted accounting principles and reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results, and were of a normal recurring nature.

Unaudited quarterly results for 2015:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	\$ 385	\$ 617	\$ 575	\$ 535
Cost of goods sold	350	593	536	513
Gross profit	35	24	39	22
Net loss	(46)	(118)	(54)	(89)
Net income attributable to noncontrolling interest	3	1	6	1
<b>Net loss attributable to Tronox Limited</b>	<b>\$ (49)</b>	<b>\$ (119)</b>	<b>\$ (60)</b>	<b>\$ (90)</b>
Loss per share, basic and diluted	<b>\$(0.42)</b>	<b>\$(1.03)</b>	<b>\$(0.52)</b>	<b>\$(0.78)</b>
<b>Unaudited quarterly results for 2014:</b>	<b>1st Quarter</b>	<b>2nd Quarter</b>	<b>3rd Quarter</b>	<b>4th Quarter</b>
Net sales	\$ 418	\$ 490	\$ 429	\$ 400
Cost of goods sold	393	430	361	346
Gross profit	25	60	68	54
Net income (loss)	(54)	2	(90)	(275)
Net income attributable to noncontrolling interest	4	2	3	1
<b>Net loss attributable to Tronox Limited</b>	<b>\$ (58)</b>	<b>\$ —</b>	<b>\$ (93)</b>	<b>\$ (276)</b>
Loss per share, basic and diluted	<b>\$ (0.51)</b>	<b>\$ —</b>	<b>\$ (0.82)</b>	<b>\$ (2.40)</b>

The sum of the quarterly per share amounts may not equal the annual per share amounts due to relative changes in the weighted average number of shares used to calculate net income (loss) per share.

The \$275 million net loss in the fourth quarter of 2014 reflects, in part, a \$255 million increase to a full tax valuation allowance for Australia.

## Management's Report on Internal Controls Over Financial Reporting

Management of Tronox Limited and its subsidiaries is responsible for establishing and maintaining adequate internal controls over financial reporting. Internal controls over financial reporting is a process designed under the supervision of our principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Our internal controls over financial reporting include those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Management assessed the effectiveness of our internal controls over financial reporting as of December 31, 2015. In making this assessment, management used the criteria in Internal Control-Integrated Framework (2013) set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment using those criteria, management concluded that our internal control over financial reporting as of December 31, 2015 was effective.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In accordance with SEC guidance, management has elected to exclude Alkali from its December 31, 2015 assessment of internal control over financial reporting. Alkali is a wholly owned subsidiary and reportable segment, acquired in a purchase business combination on April 1, 2015 whose total assets and net sales represent 33% and 29%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2015.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

To the Board of Directors and Shareholders  
Tronox Limited

In our opinion, the accompanying consolidated balance sheets as of December 31, 2015 and December 31, 2014 and the related consolidated statements of operations, of comprehensive income (loss), of changes in shareholders' equity, and of cash flows for the years ended December 31, 2015 and December 31, 2014 present fairly, in all material respects, the financial position of Tronox Limited and its subsidiaries at December 31, 2015 and 2014, and the results of their operations and their cash flows for the years ended December 31, 2015 and 2014 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015 based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in the accompanying Management's Report on Internal Control Over Financial Reporting, management has excluded Alkali Chemicals from its assessment of internal control over financial reporting as of December 31, 2015 because it was acquired by the Company in a purchase business combination during 2015. We have also excluded Alkali Chemicals from our audit of internal control over financial reporting. Alkali Chemicals is a wholly-owned subsidiary whose total assets and total net sales represent 33% and 29%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2015.

Pricewaterhousecoopers LLP

Stamford, Connecticut  
February 24, 2016

## Report of Independent Registered Public Accounting Firm

### To the Board of Directors and Shareholders Tronox Limited

We have audited the accompanying consolidated statements of operations, comprehensive income (loss), cash flows, and changes in shareholders' equity of Tronox Limited and subsidiaries (the "Company") for the year ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Tronox Limited and subsidiaries for the year ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

The image shows a handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Oklahoma City, Oklahoma

February 27, 2014 (except for the adjustments to the statements of cash flows described in Note 1 under the caption of *Basis of Presentation*, which is as of February 25, 2015 and for the revisions to the guarantor condensed consolidating financial statements described in Note 26, which is as of March 8, 2015).

## Directors and Executive Management

### Tronox Limited Board of Directors

#### **Tom Casey**

Chairman & Chief Executive Officer,  
Tronox Limited

#### **Daniel Blue** <sup>1, 2, 3</sup>

Attorney

#### **Andrew P. Hines** <sup>1\*</sup>

Principal,  
Hines & Associates

#### **Wayne A. Hinman** <sup>2, 3, 4\*</sup>

Former V.P. and G.M., Global Merchant Gases,  
Air Products & Chemicals, Inc.

#### **Peter Johnston** <sup>3, 4</sup>

Former Head of Global Nickel Assets,  
Glencore

#### **Ilan Kaufthal** <sup>1, 2, 3, 4</sup>

Chairman,  
East Wind Advisors

#### **Wim de Klerk**

Finance Director & Board Member,  
Exxaro Resources Limited

#### **Sipho Nkosi**

Chief Executive Officer & Board Member,  
Exxaro Resources Limited

#### **Jeffry N. Quinn** <sup>2\*</sup>

Chairman, Chief Executive Officer,  
The Quinn Group, LLC and Quinpario Partners, LLC

### Committees

#### **1. Audit**

#### **2. Human Resources and Compensation**

#### **3. Corporate Governance and Nominating**

#### **4. Nominating Subcommittee**

\* Committee Chair

### Tronox Limited Executive Management Team

#### **Tom Casey**<sup>\*</sup>

Chairman & Chief Executive Officer

#### **Jean-François Turgeon**<sup>\*</sup>

Executive Vice President and President, Tronox TiO<sub>2</sub>

#### **Edward Flynn**<sup>\*</sup>

Executive Vice President and President, Tronox Alkali

#### **Katherine C. Harper**<sup>\*</sup>

Senior Vice President & Chief Financial Officer

#### **Richard L. Muglia**<sup>\*</sup>

Senior Vice President, General Counsel & Corporate Secretary

#### **Willem Van Niekerk**<sup>\*</sup>

Senior Vice President, Strategic Planning and  
Business Development

#### **John D. Romano**<sup>\*</sup>

Senior Vice President & Chief Commercial Officer, Tronox TiO<sub>2</sub>

#### **Chuck Mancini**

Senior Vice President, Chief Integration & Performance Officer

#### **Brennen Arndt**

Vice President, Investor Relations

#### **Bud Grebey**

Vice President, Corporate Affairs & Communications

#### **Jogita Khilnani**

Vice President, Corporate Assurance

#### **Kevin V. Mahoney**

Vice President & Controller

#### **John Merturi**

Vice President, Treasurer

\* Tronox Officer

### Shareholder Information

Tronox Limited is a public company registered under the laws of the State of Western Australia, Australia. We have global operations in North America, Europe, Africa, and Australia.

### Corporate Offices

#### Australia:

Tronox Limited  
Lot 22, Mason Road, Kwinana Beach, Western Australia 6167  
Postal address: P.O. Box 305, Kwinana, Western Australia 6966  
+61.(0)8.9365.1333

#### United States:

Tronox Limited  
Suite 1100  
263 Tresser Boulevard  
Stamford, Connecticut 06901  
+1.203.705.3800

This report is made available to shareholders in advance of the annual meeting of shareholders to be held at 9 a.m. EDT, May 25, 2016, in Stamford, Connecticut. The proxy will be made available to shareholders on or about April 14, 2016, at which time proxies for the meeting will be requested.

Information about Tronox, including financial information, can be found on our Web site: [www.tronox.com](http://www.tronox.com).

### Stock Listing

New York Stock Exchange

### Ticker Symbol

TROX

### Transfer Agent and Registrar

Broadridge Corporate Issuer Solutions

### Shareholder Services Telephone:

+1.855.449.0975

### Shareholder correspondence should be mailed to:

#### Regular Mail:

Broadridge Corporate Issuer Solutions  
P.O. Box 1342  
Brentwood, NY 11717

#### Overnight Mail:

Broadridge Corporate Issuer Solutions  
ATTN: IWS  
1155 Long Island Ave  
Edgewood, NY 11717

### Shareholder website

<https://investor.broadridge.com>

### Shareholder email inquiries

[shareholder@broadridge.com](mailto:shareholder@broadridge.com)

### Electronic Access

<https://materials.proxyvote.com/Q9235V>

Copies of the Tronox 2015 Annual Report, the proxy, and the 2015 International Financial Report Standards (IFRS) statement are available at <https://materials.proxyvote.com/Q9235V>. The company's IFRS statement will be available to shareholders no later than April 29, 2016. A copy of the company's Form 10-k and other filings with the U.S. Securities and Exchange Commission are available at [investor.tronox.com/sec.cfm](http://investor.tronox.com/sec.cfm)

### Certifications

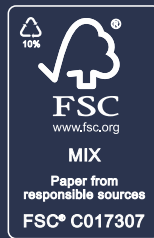
Tronox has included as Exhibits 31.1, 31.2, 32.1, and 32.2 to its Annual Report on Form 10-K for fiscal year 2015 filed with the Securities and Exchange Commission certificates of its Chief Executive Officer and Chief Financial Officer certifying, among other things, the information contained in the Form 10-K.

Annually Tronox submits to the New York Stock Exchange (NYSE) a certificate of Tronox's Chief Executive Officer certifying that he was not aware of any violation by Tronox of NYSE corporate governance listing standards as of the date of the certification.

### Shareholder Information

Our Internet site [www.tronox.com](http://www.tronox.com) provides shareholders easy access to Tronox's financial results. Shareholders may also contact Brennen Arndt, Vice President, Investor Relations at +203.705.3800.

**Tronox and its operating unit names, logos, and product service designators are either the registered or unregistered trademarks or trade names of Tronox Limited and its subsidiaries.**



This paper has been certified to meet the environmental and social standards of the Forest Stewardship Council (FSC) and comes from well-managed forests and other responsible sources.

[www.tronox.com](http://www.tronox.com)

# TRONOX

A Brighter Future – From the Ground Up

## Tronox Limited Corporate Offices

### Australia

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Western Australia 6167

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### United States

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