

# TRONOX INCORPORATED

## AUDIT COMMITTEE

### CHARTER

(as adopted November 2005)

#### I. Statement of Purpose

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Tronox Incorporated (the "Company") is a standing committee of the Board. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibility relating to (i) the integrity of the Company's financial statements and financial reporting process and the Company's systems of internal accounting and financial controls; (ii) the performance of the internal auditing function; (iii) the annual independent audit of the Company's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (iv) the compliance by the Company with legal and regulatory requirements, including the Company's disclosure controls and procedures; (v) the evaluation of enterprise risk issues; and (vi) the fulfillment of the other responsibilities set out herein. The Committee shall also direct the production of the report of the Committee required to be included in the Company's annual proxy statement.

In discharging its responsibilities, the Committee is not itself responsible for the planning or conduct of audits or for any determination that the Company's financial statements are complete and accurate or in accordance with generally accepted accounting principles ("GAAP"). Management is responsible for determining that the Company's financial statements are complete and accurate and in accordance with GAAP, and the independent auditors are responsible for the planning and conduct of audits.

#### II. Organization

**A. Charter.** At least annually, this charter shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted to the Board for approval.

**B. Members.** The members of the Committee shall be appointed by the Board, and the Committee shall meet the independence, experience and expertise requirements of the New York Stock Exchange and applicable law. The Board shall also designate a Committee Chairperson. If a Committee member simultaneously serves on the audit committees of more than three public companies (including the Company), the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. The Company shall disclose any such determination in its annual proxy statement.

**C. Meetings.** The Committee shall meet four times annually; additional meetings may be scheduled as required. In planning the annual schedule of meetings, the Committee shall ensure that sufficient opportunities exist for its members to meet separately with the independent auditors and with the head of internal audit, without management present, and to meet separately with management, without the independent auditors and/or the head of internal audit present.

**D. Quorum; Action by Committee.** A quorum at any Committee meeting shall be a majority of its members but not fewer than two members. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held, except as specifically provided herein (or where only two members are present, by unanimous vote). Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

**E. Agenda, Minutes and Reports.** The Chairperson of the Committee shall be responsible for establishing the agendas for meetings of the Committee. An agenda shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared and submitted for approval at a subsequent meeting of the Committee. The Committee shall make regular reports to the Board, including reviewing with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal auditor.

### **III. Responsibilities**

The following shall be the principal responsibilities of the Committee.

**A. Engagement of Independent Auditors.** The Committee shall engage the independent auditors, including in connection with any non-audit services, and shall oversee, evaluate and, where appropriate, replace the independent auditors. The Committee is responsible for approving the fees paid to the independent auditors, including in connection with any non-audit services.

**B. Pre-Approval of Audit and Non-Audit Services.** The Committee shall approve in advance any audit or non-audit service provided to the Company by the independent auditors, all as required by applicable law or listing standards. The Committee may delegate pre-approval authority to one or more members of the Committee. If pre-approval authority is delegated, the delegate must report back to the Committee at the first Committee meeting following any approval.

**C. Determination as to Independence and Performance of Independent Auditors.** The Committee shall receive periodic reports from the independent auditors as required by the Independence Standards Board (or any successor body) regarding the auditors' independence, which shall be not less frequently than annually. The Committee shall discuss such reports with the auditors, and take appropriate action to satisfy itself of the independence of the auditors. The Committee shall review the performance and competitiveness of the Company's independent auditors and the performance of the lead audit partner annually. In doing so, the Committee shall consult with management and the head of internal audit and shall obtain and review a report by the independent auditors describing their internal control procedures, issues raised by their most recent internal quality control review, or peer review (if applicable), or by any inquiry or investigation by governmental or professional authorities for the preceding five years and the response of the independent auditors and any relationship between the independent auditors and the Company. The Committee shall consider whether it is appropriate to adopt a policy of rotating independent auditors on a periodic basis. Any selection of the auditors by the Committee may be made subject to stockholders' approval, as determined by the Board.

**D. Determination as to Performance of Internal Auditors.** The Committee shall annually review the performance of the internal auditors. The review shall include review of the responsibilities, budget and staffing of the internal audit function. If the internal audit services are outsourced, the Committee shall be responsible for the engagement, evaluation and termination of the internal audit service providers and shall approve fees paid to the internal audit service providers.

**E. Audits by Internal and Independent Auditors.** The Committee shall discuss with the internal auditor and the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing and other factors that may affect the effectiveness and timeliness of such audits. In this connection, the Committee shall discuss with management, the internal auditor and the independent auditors the Company's major risk exposures (whether financial, operating or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures and manage legal compliance programs, among other considerations that may be relevant to their respective audits. The Committee shall review with management and the independent auditors management's annual internal control report, including any attestation of same by the independent auditors. Management and the internal auditor shall report periodically to the Committee regarding any significant deficiencies in the design or operation of the Company's internal controls, material weaknesses in internal controls and any fraud (regardless of materiality) involving persons having a significant role in the internal controls, as well as any significant changes in internal controls implemented by management during the most recent reporting period of the Company.

**F. Review of Disclosure Controls and Procedures.** The Committee shall review with management, the independent auditors and/or the internal auditor the Company's disclosure controls and procedures and shall review periodically management's conclusions about the efficacy of such disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.

**G. Review of Annual SEC Filings.** The Committee shall review with management and the independent auditors and evaluate the financial information to be included in the Company's Annual Report on Form 10-K (or the annual report to stockholders if distributed prior to the filing of the Form 10-K), including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." In conducting such review, the Committee shall take into consideration its analysis of the Company's accounting principles and decisions, internal controls and disclosure policy. The Committee shall also discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards, applicable law or listing standards, including matters required to be discussed by Statement on Auditing Standards No. 61, "Audit Committee Communications," as amended by Statement on Auditing Standards No. 90, "Audit Committee Communications." Based on such review and discussion, the Committee shall make a determination whether to recommend to the Board that the audited financial statements be included in the Company's Form 10-K.

**H. Review of Quarterly SEC Filings and Other Communications.** The Committee shall review and discuss with management and the independent auditors the quarterly financial information included in the Company's Quarterly Reports on Form 10-Q, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and shall discuss any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards, applicable

law or listing standards. The Chair of the Committee shall participate in a meeting or conference call with the Company's Controller and independent auditor prior to the issuance of any earnings press release. The Committee shall review the Company's earnings press releases and financial information and earnings guidance periodically provided to analysts and rating agencies (which may consist of a discussion of the types of information to be provided and types of presentation to be made) to the extent required by applicable law or listing standards. The Committee shall also discuss with the independent auditors the results of the independent auditors' review of the Company's quarterly financial information conducted in accordance with Statement on Auditing Standards No. 100, "Interim Financial Information."

**I. *Review of Certain Matters with Internal and Independent Auditors.*** The Committee shall review periodically with management and the independent auditors the effect of new or proposed regulatory and accounting initiatives on the Company's financial statements and other public disclosures.

**J. *Consultation with Independent Auditors.*** The Committee shall review with the independent auditors any problems or difficulties the auditors may have encountered in connection with the annual audit or otherwise and any management letter provided by the auditors and the Company's response to that letter. Such review shall address any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, any disagreements with management regarding generally accepted accounting principles and other matters, and the effect of alternative GAAP methods on the financial statements. Such review also shall include discussion of adjustments to the financial statements that were recommended by the independent auditors but "passed." If there are material disagreements between management and the independent auditor, the Committee shall work to resolve such disagreements. The review with the independent auditors shall also include discussion of the responsibilities, budget and staffing of the Company's internal audit function.

**K. *Preparation of Report for Proxy Statement.*** The Committee shall direct the production of the report required to be included in the Company's annual proxy statement, all in accordance with applicable rules and regulations.

**L. *Policies for Employment of Former Audit Staff.*** The Committee shall establish guidelines for the Company's hiring of former employees of the independent auditors, which shall meet the requirements of applicable law and listing standards.

**M. *Legal, Accounting and Regulatory Compliance.*** The Committee shall periodically review with management and/or the auditors the Company's compliance with applicable law and listing standards. The Committee shall also establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**N. *Transactions with Related Parties.*** The Committee shall review the nature of transactions by the Company with related parties that are required to be disclosed in the Company's annual proxy statement.

**O. *Consultants.*** The Committee shall have full authority to retain outside legal, accounting or other consultants to advise the Committee.

**P. Performance Evaluation.** The Board or, pursuant to delegation by the Board, the Committee shall evaluate the performance of the Committee on an annual basis according to criteria developed by the Corporate Governance and Nominating Committee for such evaluation.

**Q. Delegation.** The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.

**R. Other Delegated Responsibilities.** The Committee shall also carry out such other duties that may be delegated to it by the Board from time to time.