

Tronox Ltd
Form DEFA14A
May 14, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

TRONOX LIMITED

(ACN 153 348 111)

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2)Form, Schedule or Registration Statement No.:

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Credit Suisse Basic Materials Conference September 13, 2017 Tronox Limited is scheduled to participate at the Credit Suisse Basic Materials Conference in New York, New York on September 13, 2017 and intends to use the attached materials at such conference.

Supplementary Proxy Materials for 2018 Annual Meeting May 2018

Safe Harbor Statement and Non-U.S. GAAP Financial Terms Statements in this presentation that are not historical are forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. These and other risk factors are discussed in the company's filings with the Securities and Exchange Commission (SEC), including those under the heading entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Unless otherwise required by applicable laws, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information or future developments. This presentation contains certain non-U.S. GAAP financial terms that we use in the management of our business, including EBITDA, adjusted EBITDA and free cash flow. Reconciliations to their nearest U.S. GAAP terms are provided in the Appendix of this presentation.

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Tronox at a Glance We are a vertically integrated mining and inorganic chemical business. We mine titanium ore, zircon and other minerals, and manufacture titanium dioxide (TiO₂) pigments that add brightness and durability to paints, plastics, paper, and other everyday products. Locations worldwide, including: Three mineral sands mines & processing facilities in South Africa (2) and Australia Three TiO₂ plants in USA, Australia, and the Netherlands R&D center in Oklahoma City US\$4.9 billion total assets (31 Dec. 2017) US\$1.7 billion revenue (FY2017) US\$420 million adjusted EBITDA (FY2017) US\$75 million free cash flow (FY2017)

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Recent Financial Performance Versus Peers Tronox's financial performance has been at or above the peer group median over the last three years:2017 TSR performance was near the top of the peer group;Three- and five-year TSR were near the 25th percentile and median of the peers, respectively. TSR Performance Peer

| Company | 2017 | 2015-2017 | 2013-2017 | A. Schulman, Inc. | 14.3% | -0.2% | 7.2% | Albemarle Corporation | 50.2% | 30.8% | 16.6% | Cabot Corporation | 24.6% | 14.6% | 10.8% | Celanese Corporation | 38.5% | 23.7% | 20.1% | The Chemours Company | 127.2% | n/a | n/a | Cleveland-Cliffs Inc. | -14.3% | 0.3% | -27.7% | Eastman Chemical Company | 26.3% | 9.6% | 8.2% | Ferro Corporation | 64.6% | 22.1% | 40.6% | Huntsman Corporation | 77.9% | 16.7% | 18.4% | Koppers Holdings Inc. | 26.3% | 25.1% | 6.4% | Materion Corporation | 22.7% | 11.3% | 12.7% | SunCoke Energy, Inc. | 5.7% | -13.0% | -4.6% | Teck Resources Limited | 24.9% | 29.4% | 0.0% | Tredegar Corporation | -18.0% | -2.7% | -0.1% | Tronox Limited | 100.7% | 0.9% | 8.0% | Tronox %ile Rank | 96% | 26% | 48% |
|---|------|-----------|-----------|-------------------|-------|-------|------|-----------------------|-------|-------|-------|-------------------|-------|-------|-------|----------------------|-------|-------|-------|----------------------|--------|-----|-----|-----------------------|--------|------|--------|--------------------------|-------|------|------|-------------------|-------|-------|-------|----------------------|-------|-------|-------|-----------------------|-------|-------|------|----------------------|-------|-------|-------|----------------------|------|--------|-------|------------------------|-------|-------|------|----------------------|--------|-------|-------|----------------|--------|------|------|------------------|-----|-----|-----|
| Three-Year Financial Data (2015-2017) Source: S&P Capital IQ Source: S&P Capital IQ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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Source: Peer company proxy filings 2017 Compensation Decisions (versus peers) Compensation decisions based on 2017 peer group proxy data, as shown below and to the right Tronox's named executive officers are each within 10% of the 2017 peer group median for their respective position Target Total Direct Compensation

| Variance from Proxy | (\$000) | Tronox | | | Executive Position / Title | | | Total Direct | 2017 Proxy Data |
|---------------------|---------|---------|---------|---------|----------------------------|------|--------|--------------|----------------------------------|
| | | Comp. 1 | 25th | Median | 75th | 25th | Median | | |
| CEO | \$5,650 | \$4,212 | \$6,088 | \$8,681 | 34% | -7% | -35% | Turgeon | EVP and |
| COO | \$1,950 | \$1,555 | \$1,901 | \$2,311 | 25% | 3% | -16% | Carlson | SVP and |
| CFO | \$1,664 | \$1,191 | \$1,518 | \$1,884 | 40% | 10% | -12% | Muglia | SVP, GC and |
| Sec'y | \$1,596 | \$1,070 | \$1,498 | \$1,616 | 49% | 7% | -1% | Van Niekerk | SVP, Strategic Planning and Bus. |
| Dev. | \$1,588 | \$1,070 | \$1,498 | \$1,616 | 48% | 6% | -2% | Quinn | SVP, Strategic Planning and Bus. |

Source: Peer company proxy filings1 Tronox data excludes one-time transaction LTI awards as these were special awards and are not components of Tronox's ongoing program

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Compensation Program Overview Compensation program offers a mix of elements that align pay with performance and drive shareholder value. Meaningful 2018 changes made in response to shareholder feedback 2017

| Element | Component | Metrics | Base Salary | Cash | Fixed annual cash amount, paid at regular payroll intervals |
|---|-----------|---------|-------------|-----------------|---|
| Annual Performance Bonus | | | Cash | 60% | Adj. EBITDA |
| Long-Term Incentive Compensation | | | 50% | Time-based RSUs | 50% Performance-based RSUs |
| 100% relative TSR vs. the 2017 compensation peer group | | | | | |
| Element | Component | Metrics | Base Salary | Cash | Fixed annual cash amount, paid at regular payroll intervals |
| Annual Performance Bonus | | | Cash | 60% | Adj. EBITDA |
| Long-Term Incentive Compensation | | | 50% | Time-based RSUs | 50% Performance-based RSUs |
| 50% EPS | | | | | |
| 50% Op. Return on Net Assets | | | | | |
| Relative TSR Modifier vs. compensation peer group (+/- 25%) | | | | | |
| New metrics with TSR performance modifier | | | | | |

Strong Governance Practices What We Do Separate Independent Chair and CEO Seeking to increase diversity of Board: Added female board member in early 2018 Seeking to add second female board member later in 2018 Board refreshment a priority in 2018 Emphasis on performance-based compensation: 82% of our CEO's target compensation and 69% of our other NEOs' target compensation is "at-risk" and substantial amounts have in fact been forfeited over the last cycle No excessive or unnecessary perquisites Compensation programs based on quantitative metrics For CEO, cash bonus based 80% on financial metrics and 20% on fulfillment of other strategic objects LTIP consists of time-based RSUs, three year cliff vesting, 50% of vesting based on quantitative targets No re-pricing of stock options without shareholder approval

Appendix

Adjusted EBITDA

Free Cash Flow
