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1 PURPOSE

This Tronox Procurement Policy informs Tronox (the “Company”) business units and guides Procurement personnel. This document has been developed to ensure that a logical, consistent policy exists for the commitment of Tronox funds to all outside suppliers of addressable spend categories for the procurement of goods and services. It is intended to empower staff to conduct business in a timely manner, recognize organizational differences, and establish sound and ethical business practices for the procurement of goods and services and in accordance with all applicable government laws and regulations.

2 SCOPE

This policy applies globally.

3 POLICY**3.1 Procurement Organization Strategy and Objectives**

The Procurement Organization is responsible for all addressable spend categories. Procurement personnel are authorized to make sourcing decisions and enter into contractual commitments on behalf of the Company in accordance with this procurement policy and the Tronox Financial Delegation of Authority.

The main objectives of the Procurement Organization are:

- Protect people, property and the environment while supporting the safe, high-quality and low-cost production of Tronox products
- Ensure continuity of supply/risk management – providing materials and services on time and within specification to the internal customers without interruption to the production of Tronox end products supplied to external customers
- Employ practices that enhance social responsibility and compliance through a commitment to continuous improvement
- Reduce the total cost of ownership (TCO) of external spend using best practice procurement techniques (e.g., category management, strategic sourcing, and supplier selection and approval)

- Provide ownership, architecture input, and custodial support to the source-to-pay process, which is managed through the SAP ERP system and other best in-class solutions
- Maintain efficiency of Procurement processes and integration with Tronox systems, data and environment

3.2 Risks

This policy has been created to help manage key risks to Tronox by ensuring that:

- Products and services procured help reinforce the safe production of high-quality TiO₂ while improving our corporate sustainability performance
- Roles and responsibilities are clear for managing Tronox relationships with suppliers and comply with the established company policies particularly the Tronox financial authority outlined in the Tronox Global Accounting Policy – Financial Authority/Delegation of Authority Policy No. 20.20 (hereafter known as DOA Policy 20.20).
- Adequate controls are in place to optimize commercial terms with suppliers and to protect Tronox's assets including its reputation and its brand, and
- Procurement is in full compliance with the Tronox Code of Ethics and Business Conduct and all applicable governmental laws and regulations.

3.3 Authority, Ownership and Responsibilities

3.3.1 Ownership

The Procurement Policy is owned by the Supply Chain Organization (SCO). SCO can delegate procurement responsibilities direct to other functional areas, as needed; however, each delegation is a one-time occurrence and must continue to ensure proper segregation of duties (SOD) and operating controls.

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3.3.2 Roles and Responsibilities

Activity	Accountable	Responsible	Consult
Supplier Requests	Stakeholders	Procurement Operative	Receiving / Accounts Payable
Supplier Relationship	Procurement Management	Procurement Operative	Stakeholders
Master Data	COE Head	COE Managers	Procurement Operative
CMS Administration	Legal	COE Head	Procurement Management
Contracts Life Cycle Management	Procurement Management	Procurement Operative	Stakeholders
Financial Authorities	Corporate Controller	CPO & COE Head	Legal
Quotations & Proposals	Procurement Management	Procurement Operative	Stakeholders
Purchase Orders	Regional Supply Chain Manager	Procurement Operative	Stakeholders
Policy & Procedure	CPO	COE Head	Procurement & Stakeholders

3.4 Delegation of Procurement Function

The Procurement function is headed by the Vice President & Chief Procurement Officer (CPO). The CPO has delegated the authority to procure goods and services, release purchase orders (POs) and negotiate contracts to Procurement Directors, Category Managers, Supply Chain Managers/Leads, Procurement Operatives and others as may be noted in and in accordance with DOA Policy 20.20.

All delegated procurement activities will be performed in accordance with requirements described in this Procurement Policy, including use of Procurement Department pre-approved suppliers, legal templates, and best procurement practices, such as the procurement contract review process, when applicable.

3.5 Request for Policy Exceptions

Exceptions to this policy are made at the sole discretion of the CPO. This policy is based on the business practices that have been determined to be in Tronox's best interests. However, it is recognized that rare circumstances may necessitate exceptions to policy actions. In such rare cases, it remains the obligation of the employee or authorized representative of Tronox to document the exception proposed choice of action is in Tronox's best interests and send this request to the office of the Supply Chain Center of Excellence (SC-COE). SC-COE will evaluate the exception request and facilitate the review decision process with the CPO. The CPO (or delegate) will review and determine the approval status for the request. All approved requests authorizing an exception to this policy must be in writing (preferably email) and maintained by the party requiring an exception for the duration required.

3.6 Financial, Purchasing and Signature Authority

3.6.1 Purchasing Authority

This policy is aligned with DOA Policy 20.20. Employees or contractors working on behalf of Tronox are not authorized to commit to purchases on behalf of Tronox, unless expressly authorized. Similarly, those with delegated authority may not exceed their authority nor purchase goods or services that fall outside their responsibility. Delegations of authority will apply to all contracts, POs and, where applicable, verbal commitments to suppliers. The delegation of authority is managed as below:

- Automated within the ERP system for requisitions and purchase orders (POs and agreements)
- Automated within Contract Management System (CMS), which provides for the review and storage of fully executed legal contracts and other relevant documents. All Tronox procurement contracts must be stored in CMS.

3.6.2 Commitment Authority and Delegation Levels

Each region or site location is responsible for identifying employees who should have the authority to spend funds included in approved budgets or required to meet business needs. These individuals are known as requisitioners. While requisitioners may allocate funds for purchases, they do not have the authority to commit Tronox to formal external purchasing contracts. Per Section 5, the Procurement Organization is responsible for committing Tronox to external purchasing contracts. Exceptions include:

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- when delegated by Procurement in writing;
- authorized by DOA Policy 20.20; and,
- when using P-Cards or other approved methods.

Purchasing personnel will operate within the limits of the Tronox Financial Policy. The current authority limits for contract and PO approvals, and system contract releases (buying against existing contracts from approved suppliers) are provided in DOA Policy 20.20.

Tronox DOA Policy 20.20 sets forth financial authorization guidelines for individual roles and commitment types but does not designate authority to sign contracts. Only officers and directors of the Tronox contracting entity have the authority to sign contracts, unless otherwise authorized by Tronox Legal Department with approval of the relevant business unit head.

Note: Use of Tronox-approved contract templates is required at the RFP stage. Exceptions to Tronox standard terms must be communicated by the Supplier before an award is made. Tronox will take any such changes into consideration before awarding the contract. Tronox personnel may not agree to any commitment or legal document that contains any supplier terms and conditions unless previously approved by an internal Tronox legal representative or an external representative approved by the Tronox Legal Department. Such legal guidance should be secured prior to negotiation of commitments. All commitments that are not on Tronox-approved contract templates must be approved by legal or an approved representative.

Take-or-pay commitments should be avoided in favor of requirements-based commitments or simply Tronox optional quantities. In the event a take-or-pay agreement is unavoidable or favorable to Tronox, it must be approved by the CPO, Business/Functional unit head and the Corporate Controller.

3.7 Emergency Situations

An emergency is defined as a situation in which procurement services are needed because of an unplanned event involving public health and safety, the environment, or cases where immediate expenditure is necessary for repairs or to protect against further loss or damage to facilities, to prevent or minimize serious disruption in business, or to ensure the integrity of business records. Emergency conditions may result from fires, explosions, adverse weather conditions, natural disasters, epidemic conditions, and/or untimely loss of equipment vital to continuation of business. All emergency situations will be handled on a case-by-case basis.

Procurement procedures, including bidding requirements, may be waived in cases where it becomes important for a transaction to be completed in an emergency. Efforts should be made to accelerate or modify normal procedures to accommodate an emergency rather than to

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bypass a procedure. Examples of such efforts include requesting quotations verbally or by email or fax. The Procurement Organization should be contacted as soon as a business unit determines that an emergency purchasing situation exists. Whenever possible, pre-established suppliers, contractors, and materials should be used. Emergency situations that require exceptions to these procedures as outlined above must be approved through email by the Regional Supply Chain Director or CPO.

Failure to appropriately plan for an expected expenditure does not qualify as an emergency. Employees shall not use emergency provisions to circumvent standard procurement protocol

Documentation will be required to support the purchase of goods and services under Emergency Provisions. Procurement personnel will maintain this documentation for audit purposes.

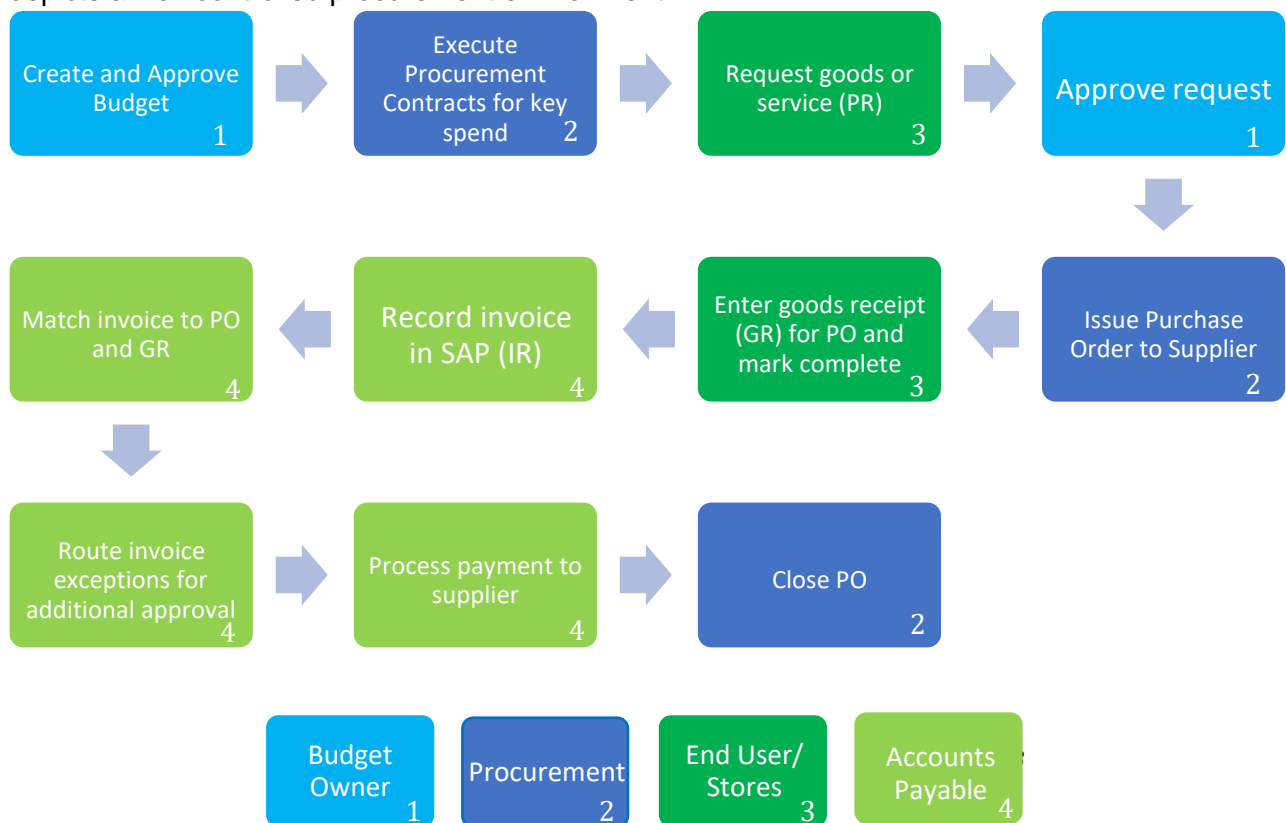
3.8 Procurement Ethics and Conflicts of Interest

3.8.1 Conflicts of Interest

All Tronox employees must comply with Tronox Code of Ethics and Business Conduct and Tronox Gifts and Entertainment Policy 10.08 in dealing with potential or existing suppliers. Conflicts of interest with suppliers should be reported per Tronox policies. The Procurement Operative is required to ensure no conflict of interest exists in awarding business to a supplier. Suppliers are required to comply with Tronox Supplier Code of Conduct, found on the external Tronox website.

3.9 Segregation of Duties

To ensure an effective controlled environment, there must be a clear segregation of duties between budgeting, sourcing, receiving, and financial disbursements. The illustration below depicts a well-controlled procurement environment.



3.10 Procurement Process – Source to Contract

The policy and guiding principles in this section are intended to govern the source-to-contract and procure-to-pay processes. The source-to-contract process involves planning for an addressable spend category and may include the steps as outlined in the diagram below:



3.11 Plan (Sourcing Strategy)

3.11.1 Define Requirement

When the Procurement Operative becomes aware of a need to launch a sourcing event, the first responsibility is to ensure that the stakeholder representative has adequately defined the requirements. This ensures that there is no ambiguity in the objective and that the sourcing event conforms with Tronox standards and is managed on performance requirements to enable potential bidders to offer innovative solutions that bring value to Tronox and ensure fair competition resulting in optimum total cost of ownership. It will include validation of the demand forecasts, the specification, performance and quality criteria, operational issues, and regulatory/compliance issues.

3.11.2 Analyse Supply Market

It is the responsibility of the Procurement Organization to identify and manage an adequate number of capable suppliers for all addressable categories of spend for the Company. This helps to manage risk for continuity of supply and ensures the best commercial outcome. To facilitate this process, Procurement creates and maintains a category and market strategy for

key addressable spend categories and develops detailed specifications with internal stakeholders to qualify and select suppliers.

Procurement shall select only qualified sources that meet the supplier qualification requirements as required by each Tronox location or region. At a minimum, the supplier qualification requirements must consider the following as appropriate for the goods/services to be procured, especially when high spend, high risk, and/or significant importance or complexity of the purchase is involved:

- SHEQ/Sustainability performance and programs
- Technical capability and expertise
- Supplier qualification process to assure supply chain integrity and sustainability
- Quality/ISO certifications aimed at continuous improvement, as desired
- Supplier Financial position and risk
- Confirmation of appropriated insurance coverage as required in the Company's Terms and Conditions and/or legal approved contract templates.
- Other criteria as may be identified by the requirement

3.11.3 Develop Sourcing Strategy

The Procurement Operative should develop a sourcing strategy for supply requirements or contracts with an anticipated addressable spend of more than US\$100,000 or local equivalent. The level of detail required should be commensurate with the spend value, whether the commodity has a high potential for risk to supply or SHE-related issues, significant savings or other improvement opportunities. The sourcing strategy should take into consideration the applicable sourcing levers to deliver optimum solutions. This may include development of sourcing and cost models, definition of the requirements in terms of value chain segments, suppliers' technical offerings, and the geographical coverage to be addressed

Bid Waiver and Award approval to be secured as indicated in the table below:

Sourcing Event	Expected Future Contract Value USD or local equivalent	Supply Chain Approval¹	Budget Owner Approval
Regional	up to \$50,000	Procurement Operative	Manager
Regional	up to \$500,000	Site Supply Leader	Site Operations Leader
Regional	up to \$2,500,000	Regional Supply Chain Director	Regional Managing Director ²
Regional	\$>2,500,000	CPO	Regional Managing Director ²
Strategic	up to \$2,500,000	Global Category Lead ¹	Budget Owner
Strategic	up to \$5,000,000	Strategic Sourcing Head	Regional Managing Director/ General Manager
Strategic	\$>5,000,000	CPO	Regional Managing Director/ General Manager
Corporate	up to \$50,000	Procurement Operative ^{1, 3}	Budget Owner

¹ In the case of a bid waiver the Supply Chain approval must be done by someone in Procurement Management. Regional Supply Chain Managers or CPO should approve waivers at the regional level and the Strategic Sourcing Head or CPO should approve strategic and corporate waivers.

² For those sites not managed within an Operating Region, Site Operations Leader is primary Budget Owner.

³ Procurement Operatives may include Budget Owners when approving sourcing events for corporate contracts where allowed in this policy.

Corporate	up to \$100,000	Regional Supply Chain Director	Budget Owner
Corporate	up to \$250,000	COE Head / Strategic Sourcing Head	Budget Owner
Corporate	\$>250,000	CPO	Executive Team ⁴

⁴ Executive team reporting to the CEO.

3.11.3.1 RFX Exemption – Bid Waivers

Exemptions from competitive bidding are allowed in some cases. A bid waiver is required where transactions above \$50,000 are not supported by two or more bids. Transactions above \$100,000 must be supported by three or more bids. Bid waivers can only be approved by a Procurement manager or director.

Single source means a supplier has been chosen to supply 100% of the Tronox site needs for the duration of the sourcing period even though competitive sources may be available. A single source must be supported by a clear justification and documented evidence to demonstrate any of the following:

- a. Commercial advantage exists by consolidating volume into single supplier
- b. Scope of work is highly confidential and sensitive which if circulated to a wider audience could damage the company’s interests,
- c. Other reasons deemed sufficient (e.g., Emergency requests, unique technical requirements, excessive risk, etc.)

Sole source means only one supplier is qualified or has the capacity to supply the goods or services to the standard and timeframe required by Tronox. Alternative suppliers or competent competition does not exist in accessible markets for the Tronox site. Sole sources must be identified separately within the bid waiver when the Future contract value is above \$500,000.

Bid waivers are valid for the life of a respective supply agreement on a maximum basis and for individual purchases on a minimum basis.

Where single and sole sources exist, bid waivers should be retained at the site level. The recommended practice is to attach bid waiver documents into SAP or the applicable ERP system with the PO and/or with the legal contract in CMS.

Each site must maintain a register of sole and single source supply positions for business subject to a bid waiver. This listing should contain the items to be supplied, supplier, key terms, brief justification and proposed mitigation.

3.11.4 Develop RFP or RFQ

The Procurement Operative is responsible for ensuring that the evaluation criteria used for RFxes is in place and agreed with key stakeholders prior to receipt of RFxes. This process is not always required when RFQs or direct negotiation with single or sole source suppliers has been approved as part of the sourcing strategy.

The evaluation criteria should include Technical, Past Performance and Price/Cost. The evaluation may also include additional differentiating criteria specific to the particular sourcing event, which will support the selection of the best overall proposal. The criteria should be weighted according to importance on the decision process. Procurement Operatives are responsible for developing and distribution to suppliers the RFP and RFQ documents. All RFx clarification communications will be managed by the responsible Procurement Operative with support from appropriate technical colleagues.

3.11.5 Negotiations

The Procurement Operative is responsible for leading negotiations with selected suppliers to resolve technical, contractual or price issues and address other concerns that may have arisen during the RFx process. It is strongly recommended that the negotiation strategy is planned, documented and approved (per guidelines in 8.1.3 table) in advance of engaging with suppliers and that the results of the negotiations are compared with the original objectives prior to conclusion of the process. To the extent guidelines require, contracts should be reviewed by the Legal Department.

3.11.6 Award Recommendation

An award recommendation shall be prepared in accordance with the standard templates available on the SCM SharePoint site once the Procurement Operative believes that the process has achieved the best possible outcome. This document must be used to solicit the support of key stakeholders prior to final negotiations and contract approval in accordance with DOA Policy 10.02. Similar to section 8.1.5, the matrix in 8.1.3 serves as a guideline for gaining necessary support.

3.11.7 Communicate Decision to Suppliers

It is the responsibility of the Procurement Operative to communicate the outcome of the sourcing decision to successful suppliers along with the timeline for contract finalization and execution and any outstanding issues to be resolved.

It is the responsibility of the Procurement Operative to communicate with unsuccessful suppliers. It is important to share only pertinent information with them based on the evaluation criteria, sourcing process, supplier's own evaluation results, and highlights of the suppliers evaluated strengths and weaknesses to assist them improve future proposals. No disclosure should be made regarding any other suppliers bid.

3.11.8 Execute Commitment

DOA Policy 20.20 outlines the financial approval levels for contract values. The Procurement Operative will be responsible for creating a new contract record on CMS and for attaching the final contract along with the award recommendation and other supporting documentation.

A contract should only be executed/signed (manually or virtually) after it has been authorized as outlined in this policy and per DOA Policy 20.20. Even with the appropriate financial authorization, a contract can only be executed by a designated signatory, for the relevant legal entity, as maintained on the list held by the Tronox Legal Department, which will also provide direction as to the proper legal entity for each contract.

3.12 Manage the Contract

This portion of the overall sourcing process is characterized by supplier contract/relationship management, the performance of the supplier, and sharing opportunities and risks with suppliers to maximize results for Tronox.

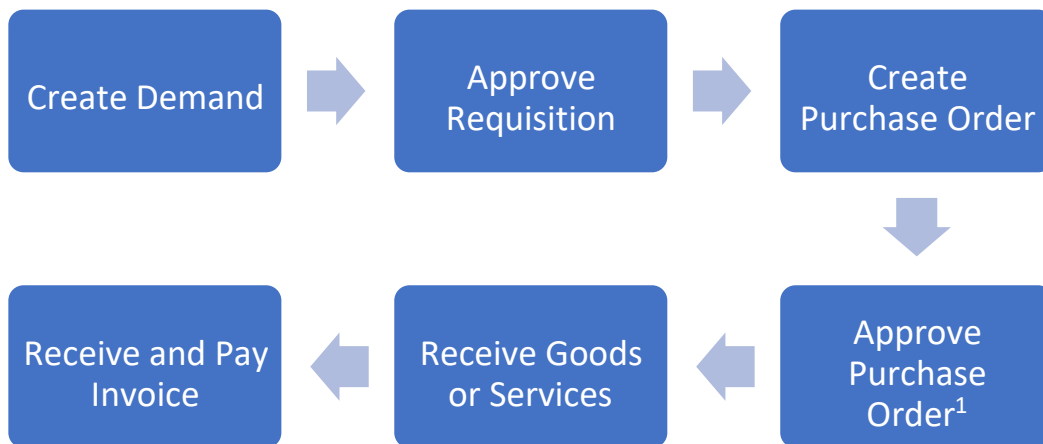
The regular purchase of all goods and services should be reviewed and subjected to a market analysis every three years (with the exception of long-term contracts) via an RFx or sourcing event. When a new contract results, it is recommended the contract term be no longer than three years in total and should not to include automatic options to renew. Exceptions to this requirement must be approved in writing by appropriate Tronox authorized Financial and Procurement personnel.

Contract extensions should be approved as per DOA Policy 20.20. It is the responsibility of the Procurement Operative to manage accurate contract status within the CMS.

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3.13 Procurement Process – Procure to Pay

The procure-to-pay process is a transactional process that usually commences with a requisition for the creation of a PO and ends with the fulfilment of the goods or services and payment to the supplier. The procure-to-pay process facilitates purchases from contracts established via the source-to-procure process. An integrated (preferably ERP) procure to pay system is used and includes the following basic steps:



¹ Approve purchase order is only required where the PR or Contract are not approved.

3.14 Requisitions

The preferred method for initiating requests for all needs for goods, services and equipment orders is via the ERP or eProcurement system, which affords a systematic process for proper authorization and audit compliance. See the Tronox Buying Guideline or your Regional Supply Chain Manager/Director for further guidance.

The ERP or eProcurement system contains the master record of Tronox’s approved requisitioners and approvers along with their value limits for monetary authorities. It is the responsibility of the Procurement Department to create and maintain the codification/classification of all materials, services, and supplier master data (except for Vendor Master contents) in the Company’s ERP systems in order to facilitate the analysis of spend.

Regardless of the requisitioning method used, the overall procurement policy applies. All routine, predictable and recurring goods and services should be sourced and priced by

predefined agreements and contracts, whether or not they are ordered using P-Cards or requested via the ERP or eProcurement system.

It is against Tronox policy for an end user to split a purchase by creating multiple requisitions to by-pass required Financial Signature Approval(s).

3.14.1 Requisition Financial Approval

Requisitioning is conducted in Tronox ERP systems and electronically approved (where enabled) by authorized employees based on embedded approval levels as prescribed in DOA Policy 20.20. However, in some instances, authorization for budget commitment is handled outside the ERP system and alternate methods of documenting authorization must be employed locally as evidence of compliance.

3.14.2 Purchases Requiring Requisitions

Purchase requisitions are generally required for ongoing addressable spend purchases of goods and services where a purchase order is used. Low-value goods and services as well as ad hoc purchases may only require the end-user to use his or her P-Card, verbally with approved sources, subject to limits established within the P-Card Policy 20.03 and the DOA Policy 20.20.

Where system capability permits, approved suppliers may be awarded contracts and blanket orders, scheduling agreements, and their common items established in online catalogues to facilitate purchases where possible. These items are available to the business unit to directly release, given compliance with DOA Policy 20.20 and budgeting process through previously released requisitions. Such direct orders are blanket order or scheduling agreement releases (typically automated by the ERP) and do not require separate procurement or sourcing authority, since that is pre-established by contract. Suppliers represented in system-available catalogues will be pre-approved to do business with Tronox.

3.15 Purchase Orders

Standard POs issued by Tronox and acknowledged by a Supplier are binding contracts and may cover all aspects of the purchase including the legal terms and conditions, description, price, quality, quantity, shipping terms, delivery terms and any special agreements between Tronox and seller, unless otherwise stated in a procurement agreement/contract.

System-generated POs are considered to be financially authorized and may be automatically created against a valid contract/outline agreement and transmitted to suppliers where capable in the ERP system without requiring additional approval.

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Where possible and practical:

- PO acknowledgements and responses will be managed within the PO.
- Supporting documentation should exist to support price and quotation period.
- Purchasing master data updates received through the PO process should be updated by the Procurement Operative within the ERP (price, lead times, etc).
- Non-standard terms for payment and/or shipping (take-or-pay, pre-payments, ex-works, down payments, etc.) must be approved by local finance leadership.

3.15.1 Purchase Order Changes

Every effort should be taken to acquire accurate PO information (e.g. price, quantity, delivery dates, payment terms, etc.) prior to receipt of goods/services or invoice. Purchase order changes are expected to be complete and clear with respect to what is being changed in the original purchase order and what remains unchanged. Any changes in value to a purchase order must also comply with applicable additional approval requirements according to DOA Policy 20.20.

3.15.2 Purchase Orders without Purchase Requisitions

When a PO is created without reference to an authorized Purchase Requisition, the PO must require financial authorization to ensure compliance with the DOA Policy 20.20. These POs should only be issued when necessary as the prescribed practice is to require a Purchase Requisition to initiate all purchase orders. Examples of transactions that may not have an authorized Purchase Requisition include converted POs as a result of an acquisition, emergency services, pipeline materials and manually approved budgeted transactions as approved by the CPO.

3.15.3 Receiving Goods & Services

Goods receipts are required for all inventory transactions and additional purchase orders where a 3-way match is required. A service confirmation is a type of goods receipt where the Supplier indicates to Tronox that services have been performed as required. PO goods receipts and service confirmations must be performed within 48 hours of the actual delivery of goods or services.

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3.15.4 Invoice Processing

Procurement operatives should maintain accurate PO information sufficient to ensure immediate processing of invoices received by accounts payable. All supplier invoices received for PO transactions must reference the PO or related transaction information on the document and should be received and managed by accounts payable directly. PO terms and conditions must contain instructions on invoice submission and contain a reference to the appropriate accounts payable contact.

3.15.5 Purchasing Card (P-Card) Program

The Tronox P-Card program has been established to provide designated employees with a method for managing low-value/low purchases. The P-Card program is designed to serve as a compliment to approved sourcing policies and not as a replacement. Approved sources are still required for fulfilling recurring requirements. Refer to the Tronox Corporate P-Card Policy 20.03 for specifics.

DEFINITIONS

Term/Abbreviation	Definition
Addressable Spend	All third-party expenditures for the purchase or lease goods, services and facilities Equipment Recondition Services, IT (hardware, software) and Business Consulting, Surplus and Scrap Disposal also falls within the context of this policy. Spend with conditional exception includes: Services for Outside Legal, Financial Reporting and Tax, Insurance, Treasury and Banking as well as Taxes, Charitable Donations, Royalties, other Government Fees, Purchasing Card (PCard) payments, and Intercompany Transactions.
Bid Waiver	A Bid Waiver is an affidavit that the current estimate is competitive and does not require additional bids. This waiver must be signed by Supply Chain leadership and accompany the transaction, pursuant to the Company’s Procurement Policy.

Blanket Order	A blanket purchase order is a purchase order at a fixed rate to a supplier which enables multiple delivery dates over a period of time. It is normally utilized when there is negotiated priced for a recurring need but the exact time and terms of delivery are unknown until later in the duration of the agreement.
Category Manager	Refers to the Procurement employee whose role includes global oversight of a category of expenditure for the company.
Contract Management System (CMS)	Refers to the system that is used for the approval and storage of contracts, its use is mandatory for all contracts.
Contract	An agreement that, once executed, constitutes a binding offer between a buyer and a seller. A contract to purchase typically covers as much detail as possible about the terms and conditions of the offer. This includes the total purchase price, payment, terms, delivery requirements, service level and limitations for either party.
DOA	Refers to the Tronox Financial Authorization Policy or Delegation of Authority.
Emergency	An event that, if not corrected expeditiously, could lead to significant adverse consequences to health, safety, environmental or operational performance.
ERP	Enterprise Resource Planning or transactional system

Term/Abbreviation	Definition
Future Contract Value	The total committed spend required for a purchase over the entire course of the applicable time horizon within the executed agreement
P-Card	A purchasing card (also abbreviated as PCard or P-Card) is a form of company credit card which allows goods and services to be procured without using a traditional purchasing process. Purchasing Cards are usually issued to departmental employees who can assist in procurement activities, but are not supply chain employees.

Procurement	References made to procurement in this document also include all activities related to purchasing, sourcing, committing to or contracting for goods & services on behalf of Tronox.
Procurement Operative	Any role where an individual is performing procurement activities with direct engagement with suppliers. Examples include category manager, contract specialist or buyer roles within Supply Chain.
Procurement Management	Any role where an individual is performing a supervisory role to a Procurement Operative and has decision making authority over a procurement decision. Examples of such roles are Site Supply Lead, Regional Supply Chain Manager/Director, Strategic Sourcing Head and CPO.
Purchase Order	A purchase order (PO) is an offer issued by a buyer to a seller, indicating type, quantity, and agreed price for products or services. It is used to control the purchasing of products and services from external suppliers and is considered to be a contract once accepted by a supplier.
Quote	Specification with pricing offered by a supplier to Tronox as requested to fulfil a need for materials or services.
RFX	Refers to request for a priced and technical proposal from a Supplier and covers all terms like request for quotation, invitation to bid, auction offers, etc.
Services	Work performed by a third party on behalf of Tronox, as requested.

Term/Abbreviation	Definition
Single Source	A single source is a supplier that has been chosen to supply 100% of the needs of Tronox even though competitive sources are available.

Sole Source	Sole source means only one supplier is qualified or has the capacity to supply the goods or services to the standard and timeframe required by Tronox.
Sourcing	The process of obtaining alternatives and primary sources for goods and services.
Stakeholder	A person or department that requires goods/services for which the Procurement team is serving. This is usually the budget holder or the delegate thereof. Stakeholders provide the Procurement team with specifications, scope-of-work or other details that result in satisfactory fulfilment of needs.
Supplier	Third party which provides goods or services to the company at request in exchange for payment.
Supply Chain	Refers to the department within Tronox that manages/oversees the efforts to source, procure, transport and receive goods and services to support the site needs. Supply Chain controls inventory levels and distributes inventory as needed.
Total Cost of Ownership (TCO)	An estimation of the expenses associated with purchasing, deploying, using and retiring a product or piece of equipment
Vendor	Any third party that receives payment from Tronox for the provision of goods and/or services. Vendors are considered suppliers when they also provide the goods and/or services.

4 CONSEQUENCES

Each Tronox employee or authorized representative of Tronox engaging in a procurement activity will be responsible for compliance with this policy. The Company's Internal Audit Department, as part of their responsibilities, will conduct periodic reviews to determine compliance with this policy. This Policy ensures that there is a clear, enterprise-wide global mandate in place to comply with procurement/purchasing policies on all addressable spend categories. Tronox employees must comply with this policy as well the Tronox Code of Ethics

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and Business Conduct. Failure to comply with this policy may led to disciplinary action up to and including termination.

5 POLICY REVIEW

This policy will be reviewed for required updates on an annual basis or as necessary as determined by the Chief Procurement Officer.

6 RELATED INFORMATION

6.1 Related Policies and Procedures

Tronox Business Gifts and Entertainment Policy 10.08

Tronox Code of Ethics and Business Conduct

Tronox External Release of Company Information 90.02

Tronox Global Accounting Policy – Financial Authority/Delegation of Authority Policy 20.20

Tronox Corporate P-Card Policy 20.03

Tronox Supplier Code of Conduct