



2018 SHAREHOLDER MEETING BROCHURE AND PROXY STATEMENT

Ternium S.A.
29, Avenue de la Porte Neuve
L-2227 Luxembourg
Grand Duché de Luxembourg
RCS Luxembourg B 98 668

Annual General Meeting of Shareholders to be held in Luxembourg on May 2, 2018 at 2:30 p.m. (Luxembourg time) and Extraordinary General Meeting of Shareholders to be held immediately after the adjournment of the Annual General Meeting of Shareholders

This Shareholder Meeting Brochure and Proxy Statement is furnished by TERNIUM S.A. (the "Company") in connection with the Annual General Meeting of Shareholders of the Company and an Extraordinary General Meeting of Shareholders of the Company (the "Meetings") both to be held on May 2, 2018 at the Company's registered office located at 29, avenue de la Porte-Neuve, L-2227 Luxembourg, for the purposes set forth in the convening Notice of the Meetings (the "Notice"). The Annual General Meeting of Shareholders will begin at 2:30 p.m. (Luxembourg time) and the Extraordinary General Meeting of Shareholders will be held immediately after the adjournment of the Annual General Meeting of Shareholders.

As of the date hereof, there are issued and outstanding 2,004,743,442 ordinary shares, USD 1.00 par value each, of the Company (the "Shares"), including Shares (the "Deposited Shares") deposited with The Bank of New York Mellon (the "Depositary") under the Deposit Agreement, dated as of January 31, 2006 (the "Deposit Agreement"), among the Company, the Depositary and owners and beneficial owners from time to time of American Depositary Receipts (the "ADRs") issued thereunder. The Deposited Shares are represented by American Depositary Shares, which are evidenced by the ADRs (one ADR equals ten Deposited Shares). The Company currently holds 41,666,666 shares (the "Treasury Shares").

Each Share entitles the holder thereof to one vote at general meeting of shareholders of the Company. However, voting rights on the Treasury Shares shall be suspended for so long as such Shares are so held.

Any shareholder registered in the Company's share register on April 27, 2018 (the "Shareholders Record Date"), shall be admitted to the Meetings. Such shareholder may attend the Meetings in person or vote by proxy. To vote by proxy, such shareholder must file a completed proxy form with the Company not later than 5:00 p.m. (Luxembourg time) on April

27, 2018, at the Company's registered office in Luxembourg.

Any shareholder holding shares through fungible securities accounts wishing to attend the Meetings in person must present a certificate issued by the financial institution or professional depositary holding such shares, evidencing deposit of the shares and certifying the number of shares recorded in the relevant account as of the Shareholders Record Date. Certificates attesting the number of shares recorded in the relevant account as of a date other than the Shareholders Record Date will not be accepted and such shareholders will not be admitted to the Meetings. Certificates must be filed with the Company not later than 5:00 p.m. (Luxembourg time) on April 27, 2018, at the Company's registered office in Luxembourg.

Shareholders holding their shares through fungible securities accounts may also vote by proxy. To do so, they must present the above referred certificate, together with a completed proxy form. Such certificate and proxy form must be filed with the Company not later than 5:00 p.m. (Luxembourg time) on April 27, 2018, at the Company's registered office in Luxembourg.

Shareholders who wish to be represented and vote by proxy at the Meetings may obtain, free of charge, a proxy form at the Company's registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m., Luxembourg time, beginning on March 21, 2018. In addition, beginning on March 21, 2018, shareholders may obtain, also free of charge, an electronic copy of such proxy form free of charge by sending an e-mail request to the following electronic address: ir@ternium.com. All proxy forms must be received by the Company, properly completed and signed, at the Company's registered office in Luxembourg not later than 5:00 p.m. (Luxembourg time) on April 27, 2018.

In the event of Shares owned by a corporation or any other legal entity, individuals representing such

entity who wish to attend the Meetings in person and vote on behalf of such entity, must present evidence of their authority to represent the shareholder by means of a proper document (such as a general or special power-of-attorney) issued by the relevant entity. A copy of such power of attorney or other proper document must be filed with the Company not later than 5:00 p.m. (Luxembourg time) on April 27, 2018, at the Company's registered office in Luxembourg. The original documentation evidencing the authority to attend, and vote, at the Meetings, or a notarized and legalized copy thereof, must be presented at the Meetings.

Shareholders and their proxies attending the Meetings in person will be required to identify themselves with a valid official identification document (e.g., identity card, passport).

Those shareholders who have sold their shares between the Shareholders Record Date and the date of the Meetings may not attend nor be represented at any of the Meetings. In case of breach of such prohibition, criminal sanctions may apply.

Each holder of ADRs as of April 2, 2018 (the "ADRs Record Date"), is entitled to instruct the Depositary as to the exercise of the voting rights pertaining to the Shares represented by such holder's ADRs. Any eligible holder of ADRs who desires to give voting instructions in respect of the Shares represented by such holder's ADRs must complete, date and sign a proxy form and return it to The Bank of New York Mellon at Proxy Services, P.O. Box 8016 CARY, NC 27512-9903, by **12:00 p.m., New York City time, on April 26, 2018** (the "Voting Deadline"). If the Depositary receives properly completed instructions by the Voting Deadline, then it shall endeavor, insofar as practicable, to vote or cause to be voted the shares underlying such ADRs in the manner prescribed by the instructions. However, if by the Voting Deadline, the Depositary receives no instructions from the holder of ADRs, or the instructions received are not in proper form, then the Depositary shall deem such holder to have instructed the Depositary to give, and the Depositary shall give, a discretionary proxy to a person designated by the Company with respect to that amount of Shares underlying such ADRs to vote such Shares in favor

of any proposals or recommendations of the Company (including any recommendation by the Company to vote such Shares on any issue in accordance with the majority shareholders' vote on that issue) as determined by the appointed proxy. No instruction shall be deemed given and no discretionary proxy shall be given with respect to any matter as to which the Company informs the Depositary that (x) it does not wish such proxy given, (y) substantial opposition exists, or (z) the matter materially and adversely affects the rights of the holders of ADRs.

Any holder of ADRs is entitled to revoke or revise any instructions previously given to the Depositary by filing with the Depositary a written revocation or duly executed instructions bearing a later date at any time prior to the Voting Deadline. No instructions, revocations or revisions thereof will be accepted by the Depositary after that time.

In order to avoid the possibility of double vote, the Company's ADR books will be closed for cancellations from the ADRs Record Date until the Voting Deadline. However, holders of ADRs will not have their ADRs blocked for trading on the New York stock exchange.

Holders of ADRs maintaining non-certificated positions must follow voting instructions outlined by their broker or custodian bank, which may provide for earlier deadlines for submitting voting instructions than that indicated above.

The Meetings will appoint a chairperson pro tempore to preside over the Meetings. The chairperson pro tempore will have broad authority to conduct the Meetings in an orderly and timely manner and to establish rules, (including rules for shareholders (or proxy holders) to speak and ask questions at the Meetings); the chairperson may exercise broad discretion in recognizing shareholders who wish to speak and in determining the extent of discussion on each item of the agenda.

Pursuant to the Company's articles of association and Luxembourg law, resolutions at the Annual General Meeting of Shareholders will be passed by a simple majority of the votes cast, irrespective of the number of Shares present or represented. The

Extraordinary General Meeting of Shareholders may validly deliberate only when at least half of the share capital is present or represented. If the required quorum is not met at the Extraordinary General Meeting of Shareholders, a second meeting may be convened by means of notices published twice, at fifteen (15) days interval and with the second notice being published not later than fifteen (15) days before the day of the meeting, in the *Recueil électronique des sociétés et associations* and two newspapers in Luxembourg. Such notices shall in addition be made in accordance with the publicity requirements of the regulated markets where the Shares, or other securities representing Shares, are listed. On second call, the Extraordinary General Meeting of Shareholders may validly deliberate regardless of the number of shares present or represented. Resolutions at the Extraordinary General Meeting of Shareholders shall be adopted with a two-thirds majority of the votes of the shares present or represented.

The **Annual General Meeting of Shareholders** is called to address and vote on the following agenda:

- 1. Consideration of the Board of Directors' and independent auditor's reports on the Company's consolidated financial statements. Approval of the Company's consolidated financial statements as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015

The Company's consolidated financial statements as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 (comprising the consolidated balance sheets of the Company and its subsidiaries and the related consolidated income statements, consolidated statements of changes in shareholders' equity, consolidated cash flow statements and the notes to such consolidated financial statements) and the reports from the Company's Board of Directors and the Company's independent auditor on such consolidated financial statements are included in the Company's 2017 annual report, a copy of which is available on the Company's website at <http://www.ternium.com/en/investor-center/> beginning on March 21, 2018. Copies of the Company's 2017 annual report are also available to

ADR holders and shareholders registered in the Company's share register, free of charge, at the Company's registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m., Luxembourg time, beginning on March 21, 2018. In addition, beginning on March 21, 2018, shareholders registered in the Company's share register may obtain, also free of charge, an electronic copy of the Company's 2017 annual report by sending an e-mail request to the following electronic address: ir@ternium.com.

Draft resolution proposed to be adopted:

"the Meeting resolved to approve the Company's consolidated financial statements as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015."

- 2. Consideration of the independent auditor's report on the Company's annual accounts. Approval of the Company's annual accounts as at December 31, 2017

The Company's annual accounts as at December 31, 2017 (comprising the balance sheet, the profit and loss account and the notes to such annual accounts) and the report from the Company's independent auditor on such annual accounts are included in the Company's 2017 annual report, a copy of which is available on our website at <http://www.ternium.com/en/investor-center/> beginning on March 21, 2018. Copies of the Company's 2017 annual report are also available to ADR holders and shareholders registered in the Company's share register, free of charge, at the Company's registered office in Luxembourg, between 10:00 a.m. and 5:00 p.m., Luxembourg time, beginning on March 21, 2018. In addition, beginning on March 21, 2018, shareholders registered in the Company's share register may obtain, also free of charge, an electronic copy of the Company's 2017 annual report by sending an e-mail request to the following electronic address: ir@ternium.com.

Draft resolution proposed to be adopted:

"the Meeting resolved to approve the Company's annual accounts as at December 31, 2017."

— 3. Allocation of results and approval of dividend payment for the year ended December 31, 2017

In accordance with applicable Luxembourg law and the Company's articles of association, the Company is required to allocate 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed capital. As indicated in the Company's 2017 annual accounts, the Company's legal reserve already amounts to 10% of its subscribed capital, and, accordingly, the legal requirements in that respect are satisfied.

The Board of Directors proposes that a dividend payable in U.S. dollars on May 10, 2018, in the amount of USD 0.11 per Share (or USD 1.10 per ADR), which represents an aggregate sum of approximately USD 216 million (which is net of the Company's Treasury Shares), be approved and that the Board of Directors be authorized to determine or amend, in its discretion, the terms and conditions of the dividend payment, including the applicable record date. Accordingly, if this dividend proposal is approved, the Company will make, or cause to be made, a dividend payment on May 10, 2018, in the amount of USD 0.11 per Share (or USD 1.10 per ADR).

While the Company's annual accounts as at December 31, 2017 show a loss for 2017, the Company's consolidated financial statements as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 show a profit of USD 1,022,925,741. Considering the Company's retained earnings and other distributable reserves, the Company has distributable amounts which exceed the proposed dividend.

The aggregate amount of USD 215,938,445.36 (which is net of the Company's Treasury Shares) to be distributed as dividend on May 10, 2018, is to be paid from the Company's retained earnings account. The loss of the year ended December 31, 2017, would be absorbed by the Company's retained earnings account.

Upon approval of this resolution, it is proposed that the Board of Directors be authorized to determine or amend, in its discretion, any of the terms and

conditions (including payment date) of the dividend payment.

Draft resolution proposed to be adopted:

"the Meeting resolved (i) to approve a dividend, payable in U.S. dollars, on May 10, 2018, in the amount of USD 0.11 per share issued and outstanding (or USD 1.10 per ADR), (ii) to authorize the Board of Directors to determine or amend, in its discretion, any of the terms and conditions of such dividend payment, including the applicable record date, (iii) that the aggregate amount of USD 215,938,445.36 (which is net of the Company's Treasury Shares) to be distributed as dividend on May 10, 2018, be paid from the Company's retained earnings reserve, and (iv) that the loss of the year ended December 31, 2017, be absorbed by the Company's retained earnings account."

— 4. Discharge of members of the Board of Directors for the exercise of their mandate during the year ended December 31, 2017

In accordance with applicable Luxembourg law and regulations, it is proposed that, upon approval of the Company's annual accounts as at December 31, 2017, all those who were members of the Board of Directors during the year ended December 31, 2017, be discharged from any liability in connection with the management of the Company's affairs during such year.

Draft resolution proposed to be adopted:

"the Meeting resolved to discharge all those who were members of the Board of Directors during the year ended December 31, 2017, from any liability in connection with the management of the Company's affairs during such year."

— 5. Election of the members of the Board of Directors

Pursuant to article 7 of the Company's articles of association, the annual general meeting must elect a Board of Directors of not less than five and not more than fifteen members, who shall have a term of office of one year, but may be reappointed.

Pursuant to article 11 of the Company's articles of association and applicable securities laws and

regulations, the Company must have an audit committee (the "Audit Committee") composed of three members who shall qualify as "independent directors".

The current Board of Directors consists of eight Directors, three of whom (Messrs. Ubaldo Aguirre, Adrian Lajous and Vincent Robert Gilles Decalf) qualify as "independent directors" under the Company's articles of association and applicable law, and are members of the Audit Committee.

It is proposed that (i) the number of members of the Board of Directors be maintained at eight, and that (ii) Messrs. Ubaldo Aguirre, Roberto Bonatti, Carlos Alberto Condorelli, Vincent Robert Gilles Decalf, Adrian Lajous, Gianfelice Mario Rocca, Paolo Rocca, and Daniel Agustin Novegil be re-elected as members of the Board of Directors, each to hold office until the next annual general meeting of shareholders that will be convened to decide on the Company's 2017 annual accounts.

Set forth below is summary biographical information of each of the candidates:

1) **Mr. Ubaldo José Aguirre.** Mr. Aguirre has served on the Board of Directors since 2006. He is a managing director of Aguirre y Gonzalez S.A., an Argentine financial services firm, and serves as chairman of the board of directors and as a member of the audit committee of Holcim Argentina S.A., a subsidiary of Lagarge Holcim Group, the Swiss cement producer. Since 2005, he also serves as chairman of the board of directors of Permasur S.A., an Argentine winery, and of Editorial Sur S.A. Since 2000, he is a member of the board of directors of AECOM Argentina S.A., the Argentine subsidiary of the U.S. corporation. He is a member of the Administrative Board of Universidad Católica Argentina and President of Rotary Club of Buenos Aires. Mr. Aguirre formerly served as director and chairman of the audit committee of Siderar S.A.I.C. Mr. Aguirre began his career at the World Bank in Washington, D.C. In addition, Mr. Aguirre has been a member of the boards of each of Argentina's Central Bank —where he was responsible for that country's external borrowing program and financial negotiations— Banco de la Nación Argentina and

Banco Nacional de Desarrollo. He also served as the Republic of Argentina's financial representative for Europe in Geneva and as negotiator on behalf of the Republic of Argentina with the Paris Club. Mr. Aguirre, aged 69, is an Argentine citizen.

2) **Mr. Roberto Bonatti.** Mr. Bonatti has served as a director of the Company since 2005. Mr. Bonatti is a grandson of Agostino Rocca, founder of the Techint Group, a group of companies controlled by San Faustin. Throughout his career in the Techint group he has been involved specifically in the engineering and construction and corporate sectors. He was first employed by the Techint Group in 1976, as deputy resident engineer in Venezuela. In 1984, he became a director of San Faustin and, since 2001, he has served as its president. In addition, Mr. Bonatti currently serves as president of Sadma Uruguay S.A. He is also a member of the board of directors of Tenaris. Mr. Bonatti, aged 68, is an Italian citizen.

3) **Mr. Carlos Alberto Condorelli.** Mr. Condorelli has served as a director of the Company since 2005. He is also a member of the board of directors of Tenaris since 2007. He began his career within the Techint group in 1975 as an analyst in the accounting and administration department of Siderar. He has held several positions within Tenaris and Ternium, including chief financial officer of Tenaris and finance and administrative director of Tubos de Acero de México, S.A. Mr. Condorelli has been also president of the board of directors & CEO of Empresa Distribuidora La Plata S.A., an Argentine utilities company. Mr. Condorelli, aged 67, is an Argentine citizen.

4) **Mr. Vincent Robert Gilles Decalf.** Mr. Decalf has served as a director of the Company since September 2015. He is also a non-executive director of Covea Luxembourg, Foyer International S.A. and other private Luxembourg companies. He is also a Member of the board of directors and management committee of the Luxembourg Institute for Directors and Managers (Institut Luxembourgeois des Administrateurs). Mr. Decalf is a certified independent director since 2014. From 1989 to 2008, Mr. Decalf held various executive positions within Société Générale and has extensive experience in the

financial industry. Mr. Decalf, aged 55, is a French citizen.

5) **Mr. Adrian Lajous.** Mr. Lajous has served as a director of the Company since 2006. Mr. Lajous currently serves as a fellow in the Center for Global Energy Policy at Columbia University, president of Petrométrica, S.C. and a non-executive director of Técnicas Reunidas, S.A. Mr. Lajous began his career teaching economics at El Colegio de México and in 1977 was appointed director general for energy at Mexico's Ministry of Energy. Mr. Lajous joined Petróleos Mexicanos ("Pemex") in 1983, where he held a succession of key executive positions including executive coordinator for international trade, corporate director of planning, corporate director of operations and director of refining and marketing. From 1994 until 1999, he served as chief executive officer of Pemex and chairman of the boards of the Pemex Group of operating companies. In addition, he served as non-executive director of Schlumberger, Ltd. from 2002 up to 2014, was the Chairman of the Oxford Institute for Energy Studies for 13 years and served on the Board of Trinity Industries for more than 10 years. Mr. Lajous, aged 74, is a Mexican citizen.

6) **Mr. Gianfelice Mario Rocca.** Mr. Rocca has served as a director of the Company since 2006. He is a grandson of Agostino Rocca. He is chairman of the board of directors of San Faustin, member of the board of directors of Tenaris, president of the Humanitas Group and president of the board of directors of Tenova S.p.A. From June 2013 to June 2017 he was President of Assolombarda, and from May 2004 to May 2012 Vice President for Education of Confindustria. Moreover, in Italy, he is member of the Board of Directors of Allianz SpA, Brembo SpA, Buzzi Unicem SpA., Bocconi University, LUISS University, Museo Nazionale Scienza e Tecnologia Leonardo Da Vinci and member of the Advisory Board of Politecnico di Milano. At international level, he is member of the Allianz SE Advisory Board, of the Aspen Institute Executive Committee, of the Harvard Business School Advisory Board, of the BIDMC's Cancer Center International Executive Board and member of the European Round Table of Industrialists (ERT). In June 2007 he was appointed

Cavaliere del Lavoro of the Italian Republic and in March 2009 he received a Honoris Causa degree in management engineering from Politecnico di Milano. Gianfelice Rocca graduated cum laude in Physics at University of Milan and earned a PMD at Harvard Business School. Mr. Rocca, aged 70, is an Italian citizen.

7) **Mr. Paolo Rocca.** Mr. Rocca has served as chairman of the Board since 2005. He is a grandson of Agostino Rocca. He is also chairman and chief executive officer of Tenaris, a member of the board of directors and vice president of San Faustin, chairman of Tubos de Acero de México S.A. and a director of Techint Financial Corporation. In addition, he is a member of the Executive Committee of the World Steel Association. Mr. Rocca, aged 65, is an Italian citizen.

8) **Mr. Daniel Agustin Novegil.** Mr. Novegil currently serves as director and Vice-Chairman of the Board. He served as chief executive officer of the Company from 2005 to 2018. With almost 40-years of experience in the steelmaking industry, he was appointed managing director of Siderar in 1993 and was a member of the board of directors of Usiminas from 2013 until 2015. He is also member of the board of directors of the World Steel Association and former president of Alacero (Latin American Steel Association). Since 1999 he has been a member of the advisory board of the Sloan Masters Program at Stanford University. Mr. Novegil, aged 65, is an Argentine citizen.

The Board met eight times during 2017. On January 12, 2006, the Board of Directors created an Audit Committee pursuant to Article 11 of the Company's articles of association. As permitted under applicable laws and regulations, the Board of Directors does not have any executive, nominating or compensation committee, or any committees exercising similar functions.

Draft resolution proposed to be adopted:

"the Meeting resolved maintain at eight the number of members of the Board of Directors and to reappoint Messrs. Ubaldo Aguirre, Roberto Bonatti, Carlos Alberto Condorelli, Vincent Robert Gilles Decalf, Adrian Lajous, Gianfelice Mario Rocca, Paolo Rocca,

and Daniel Agustin Novegil to the Board of Directors, each to hold office until the next annual general meeting of shareholders that will be convened to decide on the 2018 accounts.”

- 6. Authorization of the compensation of the members of the Board of Directors

It is proposed that each member of the Board of Directors receives an amount of USD 115,000.00 as compensation for his services during the fiscal year 2017, and that the Chairman of the Board of Directors receives, further, an additional fee of USD 295,000.00. It is further proposed that each of the members of the Board of Directors who are members of the Audit Committee receive an additional fee of USD 55,000.00, and that the Chairman of such Audit Committee receives, further, an additional fee of USD 10,000.00. In all cases, the proposed compensation would be net of any applicable Luxembourg social security charges.

Draft resolution proposed to be adopted:

“the Meeting resolved that each of the members of the Board of Directors receive an amount of USD 115,000.00 as compensation for his services during the fiscal year 2017, and that the Chairman of the Board of Directors receive, further, an additional fee of USD 295,000.00; and that each of the members of the Board of Directors who are members of the Audit Committee receive an additional fee of USD 55,000.00, and that the Chairman of such Audit Committee receive, further, an additional fee of USD 10,000.00. In all cases, the approved compensation will be net of any applicable Luxembourg social security charges.”

- 7. Appointment of the independent auditors for the fiscal year ending December 31, 2018 and approval of their fees

The Audit Committee has recommended the appointment of PricewaterhouseCoopers, Société coopérative, Cabinet de révision agréé (PricewaterhouseCoopers' Luxembourg member firm) as the Company's independent auditors for the fiscal year ending December 31, 2017, to be engaged until the next annual general meeting of

shareholders that will be convened to decide on the Company's 2017 accounts.

In addition, the Audit Committee has recommended the approval of the independent auditors' fees for audit, audit-related and other services to be rendered during the fiscal year ending December 31, 2018, broken-down into eleven currencies (Argentine Pesos, Brazilian Reais, Colombian Pesos, Costar Rican Colones, Euro, Guatemalan Quetzals, Mexican Pesos, Nicaraguan Cordobas, Swiss Francs, Uruguayan Pesos, and U.S. Dollars), up to a maximum amount for each currency equal to ARS 31,665,362.00; BRL 1,959,771.00; COP 282,866,392.00; CRC 1,422,950.00; EUR 675,228.00; GTQ 18,362.00; MXN 15,987,983.00; NIO 76,325.00; CHF 15,500.00; UYU 3,500,142.00 and USD 98,800.00. Such fees would cover the audit of the Company's consolidated financial statements and annual accounts, the audit of the Company's internal controls over financial reporting as mandated by the Sarbanes-Oxley Act of 2002, other audit-related services, and other services rendered by the independent auditors. It is proposed that the Audit Committee be authorized to approve any increase or reallocation of the independent auditors' fees as may be necessary, appropriate or desirable under the circumstances.

Draft resolution proposed to be adopted:

“the Meeting resolved to (i) appoint PricewaterhouseCoopers Société coopérative, Cabinet de révision agréé, as the Company's independent auditors for the fiscal year ending December 31, 2018, to be engaged until the next annual general meeting of shareholders that will be convened to decide on the Company's 2018 accounts; and (ii) approve the independent auditors' fees for audit, audit-related and other services to be rendered during the fiscal year ending December 31, 2018, broken-down into eleven currencies (Argentine Pesos, Brazilian Reais, Colombian Pesos, Costar Rican Colones, Euro, Guatemalan Quetzals, Mexican Pesos, Nicaraguan Cordobas, Swiss Francs, Uruguayan Pesos, and U.S. Dollars), up to a maximum amount for each currency equal to ARS 31,665,362.00; BRL 1,959,771.00; COP 282,866,392.00; CRC 1,422,950.00; EUR 675,228.00; GTQ 18,362.00;

MXN 15,987,983.00; NIO 76,325.00; CHF 15,500.00; UYU 3,500,142.00 and USD 98,800.00, and to authorize the Audit Committee to approve any increase or reallocation of the independent auditors' fees as may be necessary, appropriate or desirable under the circumstances."

- 8. Authorization to the Board of Directors to appoint one or more of its members as the Company's attorney-in-fact

In order to provide for the necessary flexibility in the management of the Company's affairs, it is proposed to authorize the Board of Directors to appoint any or all members of the Board of Directors from time to time as the Company's attorney-in-fact, delegating to such directors any management powers (including, without limitation, any day-to-day management powers) to the extent the Board of Directors may deem appropriate in connection therewith, this authorization to be valid until expressly revoked by the Company's general meeting of shareholders, it being understood, for the avoidance of doubt, that this authorization does not impair nor limit in any way the powers of the Board of Directors to appoint any non-members of the Board of Directors as attorneys-in-fact of the Company pursuant to the provisions of article 10.1(iii) of the Company's articles of association.

Draft resolution proposed to be adopted:

"the Meeting resolved to authorize the Board of Directors to appoint any or all members of the Board of Directors from time to time as the Company's attorney-in-fact, delegating to such directors any management powers (including, without limitation, any day-to-day management powers) to the extent the Board of Directors may deem appropriate in connection therewith, this authorization to be valid until expressly revoked by the Company's general meeting of shareholders; it being understood, for the avoidance of doubt, that this authorization does not impair nor limit in any way the powers of the Board of Directors to appoint any non-members of the Board of Directors as attorneys-in-fact of the Company pursuant to the provisions of article 10.1(iii) of the Company's articles of association."

The **Extraordinary General Meeting of Shareholders** is called to address and vote on the following agenda:

- 1. The amendment of article 11 "Audit Committee" to read as follows: "In case the shares of the Company are listed on one or more regulated markets, the Board of Directors shall constitute and determine the responsibilities, powers and authority of an Audit Committee composed of at least three (3) members selected from among the Directors, the majority of which shall qualify as Independent Directors; provided, however, that the composition and membership of the Audit Committee shall satisfy such requirements as are applicable to, and mandatory for, audit committees of issuers such as the Company under any law, rule or regulation applicable to the Company, including, without limitation, the applicable laws, rules and regulations of such regulated market. The members of the Audit Committee will not be eligible to participate in any incentive compensation plan for employees of the Company or any of its subsidiaries. The Board of Directors shall appoint one of the members of the Audit Committee as the chairperson of the Audit Committee.

The Audit Committee shall (a) assist the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of the Company's financial statements, including periodically reporting to the Board of Directors on its activity and the adequacy of the Company's systems of internal controls over financial reporting; (b) make recommendations for the appointment, compensation, retention and oversight of, and consider the independence of, the Company's external auditors; (c) review Material Transactions between the Company or its subsidiaries with Related Parties (other than transactions that were reviewed and approved by the independent members of the board of directors or other governing body of any subsidiary of the Company or through any other procedures as the Board of Directors may deem substantially equivalent to the foregoing) to determine whether their terms are consistent with market conditions or are otherwise fair to the Company and its subsidiaries; and (d) perform such other duties

imposed upon it by any law, rule or regulation applicable to the Company, including, without limitation, the applicable laws, rules and regulations of the regulated market or markets on which the shares of the Company are listed, as well as any other duties as may from time to time be entrusted to it by the Board of Directors.

The Board of Directors shall allocate to the Audit Committee the necessary resources and authority to fulfil its functions.”

It is proposed to amend article 11 “Audit Committee” to state that the composition and membership of the Audit Committee shall satisfy such requirements as are applicable to, and mandatory for, audit committees of issuers such as the Company under any law, rule or regulation applicable to the Company, including, without limitation, the applicable laws, rules and regulations of such regulated market or markets.

Draft resolution proposed to be adopted: “the Meeting resolved to amend article 11 “Audit Committee” to read as follows: “In case the shares of the Company are listed on one or more regulated markets, the Board of Directors shall constitute and determine the responsibilities, powers and authority of an Audit Committee composed of at least three (3) members selected from among the Directors, the majority of which shall qualify as Independent Directors; provided, however, that the composition and membership of the Audit Committee shall satisfy such requirements as are applicable to, and mandatory for, audit committees of issuers such as the Company under any law, rule or regulation applicable to the Company, including, without limitation, the applicable laws, rules and regulations of such regulated market. The members of the Audit Committee will not be eligible to participate in any incentive compensation plan for employees of the Company or any of its subsidiaries. The Board of Directors shall appoint one of the members of the Audit Committee as the chairperson of the Audit Committee.

The Audit Committee shall (a) assist the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of the Company’s financial statements, including periodically reporting to the

Board of Directors on its activity and the adequacy of the Company’s systems of internal controls over financial reporting; (b) make recommendations for the appointment, compensation, retention and oversight of, and consider the independence of, the Company’s external auditors; (c) review Material Transactions between the Company or its subsidiaries with Related Parties (other than transactions that were reviewed and approved by the independent members of the board of directors or other governing body of any subsidiary of the Company or through any other procedures as the Board of Directors may deem substantially equivalent to the foregoing) to determine whether their terms are consistent with market conditions or are otherwise fair to the Company and its subsidiaries; and (d) perform such other duties imposed upon it by any law, rule or regulation applicable to the Company, including, without limitation, the applicable laws, rules and regulations of the regulated market or markets on which the shares of the Company are listed, as well as any other duties as may from time to time be entrusted to it by the Board of Directors.

The Board of Directors shall allocate to the Audit Committee the necessary resources and authority to fulfil its functions.”

- 2. The amendment of article 15 “Date and Place” to read as follows: “The annual General Shareholders’ Meeting shall meet each year in the city of Luxembourg at the place, date and hour indicated in the notices of meeting, within six (6) months from the end of the previous financial year.

Any General Shareholders’ Meetings, including the annual General Shareholders’ Meeting, may be held in a foreign country whenever there occur circumstances of force majeure as determined by the Board of Directors in its discretion. In such event, the terms and conditions necessary to provide proper deliberations and publications will continue to be those provided for by the laws of Luxembourg.”

It is proposed to amend article 15 “Date and Place” of the Company’s article of association be amended to change the date at which the annual general meeting of shareholders shall meet each year by

providing that it shall meet each year in the city of Luxembourg at the place, date and hour indicated in the notices of meeting within six (6) months from the end of the previous financial year.

Draft resolution proposed to be adopted: “the Meeting resolved to amend article 15 “Date and Place” to read as follows: “The annual General Shareholders’ Meeting shall meet each year in the city of Luxembourg at the place, date and hour indicated in the notices of meeting, within six (6) months from the end of the previous financial year.

Any General Shareholders’ Meetings, including the annual General Shareholders’ Meeting, may be held in a foreign country whenever there occur circumstances of force majeure as determined by the Board of Directors in its discretion. In such event, the terms and conditions necessary to provide proper deliberations and publications will continue to be those provided for by the laws of Luxembourg.”

- 3. The amendment of article 16 “Notices of Meeting” to amend the second and third paragraph to read as follows: “The notices for any General Shareholders’ Meeting shall include such information and shall be given in such form, through such means and at such time or times as may be required under applicable Luxembourg law. In case the shares of the Company are listed on a regulated market, such notices shall, in addition, satisfy such requirements as are applicable to, and mandatory for, notices of general shareholders’ meetings of issuers such as the Company under the applicable laws, rules and regulations of such regulated market.

Except to the extent mandatorily required by applicable law, the Company does not need to any notices by registered or ordinary mail to its shareholders.”

It is proposed to amend the second and third paragraph of article 16 “Notices of Meeting” of the Company’s Articles of Association to adapt it to the provisions of the amended Luxembourg Companies Law which provides that notices shall be published fifteen (15) days before the day of the meeting in the Luxembourg Recueil électronique des sociétés et

associations and in a leading newspaper having general circulation in Luxembourg.

Draft resolution proposed to be adopted: “the Meeting resolved to amend article 16 “Notices of Meeting” to amend the second and third paragraph to read as follows: “The notices for any General Shareholders’ Meeting shall include such information and shall be given in such form, through such means and at such time or times as may be required under applicable Luxembourg law. In case the shares of the Company are listed on a regulated market, such notices shall, in addition, satisfy such requirements as are applicable to, and mandatory for, notices of general shareholders’ meetings of issuers such as the Company under the applicable laws, rules and regulations of such regulated market.

Except to the extent mandatorily required by applicable law, the Company does not need to send any notices by registered or ordinary mail to its shareholders.”

- 4. The amendment of article 19 “Vote and Minutes” to amend the fourth paragraph to read as follows: “If the required quorum is not met at an extraordinary General Shareholders’ Meeting, a second meeting may be convened by means of notices given in such form, through such means and at such time or times as may be required under applicable Luxembourg law, and in accordance with such requirements as are applicable to, and mandatory for, convening notices of general shareholders’ meetings of issuers such as the Company under the applicable laws, rules and regulations in the regulated market or markets on which the shares of the Company may be listed. The second meeting shall validly deliberate regardless of the quorum present or represented. Resolutions, in order to be adopted, must be approved by a majority of at least two-thirds of the votes of the shares present or represented.”

It is proposed to amend the fourth paragraph of article 19 “Vote and Minutes” to adapt the notices of the shareholder’s meetings in accordance with the proposed modification for the article 15 of the Company’s Articles of Association.

Draft resolution proposed to be adopted: “the Meeting resolved to amend article 19 “Vote and Minutes” to amend the fourth paragraph to read as follows: “If the required quorum is not met at an extraordinary General Shareholders’ Meeting, a second meeting may be convened by means of notices given in such form, through such means and at such time or times as may be required under applicable Luxembourg law, and in accordance with such requirements as are applicable to, and mandatory for, convening notices of general shareholders’ meetings of issuers such as the Company under the applicable laws, rules and regulations in the regulated market or markets on which the shares of the Company may be listed. The second meeting shall validly deliberate regardless of the quorum present or represented. Resolutions, in order to be adopted, must be approved by a majority of at least two-thirds of the votes of the shares present or represented.”

- 5. The amendment of article 20 “Fiscal Year” to amend the last paragraph to read as follows: “Shareholders may inspect or otherwise have access to the annual accounts and the auditor(s)’ report thereon on such terms and subject to such conditions and limitations as may be contemplated or permitted under applicable Luxembourg law and the applicable laws, rules and regulations of the regulated market or markets where the shares of the Company may be listed.”

Luxembourg Companies Law provides that during the eight (8) day period prior to the General Shareholders’ Meeting, the shareholders may inspect the annual accounts and the auditor(s)’ report at the Company’s registered office.

Accordingly, it is proposed to amend the last paragraph of article 20 of the Company’s Articles of Association be amended to adapt the articles to the provisions of Luxembourg Companies Law.

Draft resolution proposed to be adopted: “the Meeting resolved to amend article 20 “Fiscal Year” to amend the last paragraph to read as follows: “Shareholders may inspect or otherwise have access to the annual accounts and the auditor(s)’ report thereon on such terms and subject to such conditions and limitations as may be contemplated or permitted under

applicable Luxembourg law and the applicable laws, rules and regulations of the regulated market or markets where the shares of the Company may be listed.”

- 6. The amendment of article 22 “Appraisal Rights” to amend the last paragraph to read as follows: “22.3 Article 430-16 (formerly 49-3(1)(d))) of the Luxembourg law governing commercial companies shall apply in case the shareholders exercise their appraisal right.”

It is proposed to amend articles 22 to update the referred article of the Luxembourg law governing commercial companies.

Draft resolution proposed to be adopted: “the Meeting resolved to amend article 22 “Appraisal Rights” to amend the last paragraph to read as follows: “22.3 Article 430-16 (formerly 49-3(1)(d))) of the Luxembourg law governing commercial companies shall apply in case the shareholders exercise their appraisal right.”

- 7. The amendment of article 24 “Liquidation” to amend the first paragraph to read as follows: “Upon the dissolution of the Company, the liquidation shall be carried out by one or more liquidators, natural persons or legal entities, appointed by the General Shareholders’ Meeting, which shall determine their powers and their remuneration. In the absence of appointment of liquidators, the Board of Directors then in office will be endowed with the powers provided by articles 1100-4 (formerly 144) et seq. of the Luxembourg Company law of 10th August, 1915, as amended.”

It is proposed to amend the first paragraph of article 24 of the Company’s Articles of Association to update the referred article of the Luxembourg law governing commercial companies.

Draft resolution proposed to be adopted: “the Meeting resolved to amend article 24 “Liquidation” to amend the first paragraph to read as follows: “Upon the dissolution of the Company, the liquidation shall be carried out by one or more liquidators, natural persons or legal entities, appointed by the General Shareholders’ Meeting, which shall determine their powers and their remuneration. In the absence of

appointment of liquidators, the Board of Directors then in office will be endowed with the powers provided by articles 1100-4 (formerly 144) et seq. of the Luxembourg Company law of 10th August, 1915, as amended.”

The text of the draft of the consolidated articles of association of the Company including the amendments to the articles as referred to in the agenda for the Extraordinary General Meeting of Shareholders, will be available on the website of the Company at <http://www.ternium.com/en/investor-center/> beginning on March 21, 2018.

Any shareholder who intends to present a proposal to be considered at the 2019 Annual General Meeting of Shareholders must submit the proposal in writing to the Company at the Company’s registered office located at 29, avenue de la Porte-Neuve, L-2227 Luxembourg, Grand Duchy of Luxembourg, not later than 4:00 P.M. (Luxembourg

time) on February 1, 2019, in order for such proposal to be considered for inclusion on the agenda for the 2019 Annual General Meeting of Shareholders. *PricewaterhouseCoopers, société coopérative, Cabinet de révision agréé*, are the Company’s independent auditors. A representative of the independent auditors will be present at the Meeting.

Arturo Sporleder

Secretary to the Board of Directors

March 21, 2018

Luxembourg