



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

Notice is hereby given to shareholders of TERNIUM S.A. (the "Company") that the Annual General Meeting of Shareholders of the Company will be held on May 2, 2018, at 2:30 p.m. (Luxembourg time) and that an Extraordinary General Meeting of Shareholders will be held immediately after the adjournment of the Annual General Meeting of Shareholders. Both meetings (the "Meetings") will be held at the Company's registered office located at 29, Avenue de la Porte Neuve, L-2227 Luxembourg.

At the Annual General Meeting of Shareholders, shareholders will vote on the items listed below under the heading "Agenda for the Annual General Meeting of Shareholders". At the Extraordinary General Meeting of Shareholders, shareholders will vote on the items listed below under the heading "Agenda for the Extraordinary General Meeting of Shareholders".

### **Agenda for the Annual General Meeting of Shareholders**

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.
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.
3. Allocation of results and approval of dividend payment for the year ended December 31, 2017.
4. Discharge of members of the Board of Directors for the exercise of their mandate during the year ended December 31, 2017.
5. Election of the members of the Board of Directors.
6. Authorization of the compensation of the members of the Board of Directors.
7. Appointment of the independent auditors for the fiscal year ending December 31, 2018 and approval of their fees.
8. Authorization to the Board of Directors to appoint one or more of its members as the Company's attorney-in-fact.



## Agenda for the Extraordinary General Meeting of Shareholders

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."*

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."*

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."*

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."*
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."*
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."*
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."*

Pursuant to the Company's articles of association, 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*



(Luxembourg Official Gazette) 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 by a two-thirds majority of the votes of the shares present or represented.

### **Procedures for attending and voting at the Meetings**

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, located at 29, avenue de la Porte-Neuve, L-2227, 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 depository 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 certifying 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 shareholder 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 by sending an e-mail request to the following electronic address: [ir@ternium.com](mailto: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 at the Meetings on behalf of such entity, must present evidence of their authority to represent the shareholder at the Meetings 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 proxy holders 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.

Holders of American Depositary Receipts (the "ADRs") as of **April 2, 2018**, are entitled to instruct The Bank of New York Mellon, as Depositary, as to the exercise of the voting rights pertaining to the Company's shares represented by such holder's ADRs. Eligible holders of ADRs who desire to give voting instructions in respect of the shares represented by their 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**. Holders of ADRs maintaining non-certificated positions must follow voting instructions given by their broker or custodian bank, which may provide for earlier deadlines for submitting voting instructions.

Copies of the Shareholder Meeting Brochure and Proxy Statement, the Company's 2017 annual report (which includes the Company's consolidated financial statements as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, together with the board of directors' and independent auditors' reports thereon, and the Company's annual accounts as at December 31, 2017, together with the independent auditor's report thereon) and 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, are available on our website at <http://www.ternium.com/en/investor-center/> beginning on March 21, 2018. Copies of such documents are also available, free of charge, to ADR holders and shareholders registered in the Company's share register 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, electronic copies of such documents by sending an e-mail request to the following electronic address: [ir@ternium.com](mailto:ir@ternium.com).

Arturo Sporleder  
**Secretary to the Board of Directors**

March 21, 2018  
Luxembourg