



Letter from Ternium's Business Conduct Compliance Officer

For Ternium, strong and visible commitment to integrity and transparency plays an essential role in our organization. We are committed to working continuously in building a corporate culture of ethics and integrity that involves executives, employees and our value chain.

Our Business Conduct Compliance Program is focused on prevention of bribery and mitigation of corruption risks; and is comprised of the following key activities: risk assessment, normative implementation, advising, communications, training, certifications, third parties, monitoring and auditing, discipline and remediation, and benchmarking. Our Compliance Program involves all employees and is aimed at promoting the implementation of best practices in business conduct internally and also regarding the relations with customers, suppliers, state-controlled entities and other third parties.

The Compliance Program determines an evaluation of bribery risks in the countries where Ternium operates. This allows us to guide our prevention and control efforts over the processes that represent a higher risk.

Ternium's Code of Conduct and Policy on Business Conduct clearly define that any corrupt payment is strictly prohibited and will not be tolerated; it also includes specific guidelines regarding due diligence when hiring representatives that act on behalf of Ternium. Charitable and political contributions, as well as hospitality expenses to third parties (meals, gifts and business trips) are regulated by internal procedures. Facilitating payments are forbidden.

Training and communications are pillars of the Compliance Program; and this is demonstrated by mandatory online and in person training program. The anti-corruption training also includes support from the management by providing clear guidelines, and it also reaches third parties as part of the due diligence process, to outline Ternium's expectations concerning the compliance of our company's regulations by third parties.

Furthermore, Ternium has a Compliance Line, that allows to send reports anonymously. It is available to employees as well as to third parties by web, e-mail or phone. Fair and confidential treatment is guaranteed, and there will not be any retaliation whatsoever towards those who file the complaints.

We are convinced that only act ethically and with integrity can guarantee long-term and sustainable success in our relationship with customers, stakeholders and the entire community.

Carlos Russell
Business Conduct Compliance Officer (BCCO)