



Letter of Acknowledgement

Dear Supplier,

Ternium S.A. and its Subsidiaries (together, “Ternium”) is committed to conducting ethical business and acting with integrity at all times.

A strong compliance culture and control environment is critical for the long-term success of our Company and its stakeholders, and Ternium is engaged in conducting business with third parties who support this commitment.

As part of our compliance procedures, we are providing you and expect you to acknowledge and comply with the following Compliance Documents: **Ternium Code of Conduct for Suppliers, Key Principles of Ternium Policy on Business Conduct for Third Parties** (both available at ternium.com/ethical-commitment or attached), and this **Letter of Acknowledgement (LOA)**, containing anti-bribery commitments and obligations.

The provisions of this LOA and the Compliance Documents set forth above, shall apply to and shall be deemed incorporated as integral part of any engagement letter, contract, purchase order, invoice, and any transactions between your company and Ternium. If you have any questions, you must notify us immediately in writing.

Please read the Compliance Documents and expressly accept them by completing and signing or e-signing at the end of this LOA, and returning it in any of these formats: (a) scanned copy, (b) by email or (c) by any other corporate digital platform specified by Ternium, no later than five (5) business days after receipt of this LOA.

Thank you for your continued commitment to an ethical and sustainable business relationship with Ternium.

Ref.to: **Letter of Acknowledgement**

Dear Sirs,

I, on behalf of [Supplier *name*], the Supplier¹ and the Supplier's Group² (together the **Supplier's Group**), performing works in connection with a commercial relationship, business or agreement existing or that might be entered into between Ternium and the Supplier, confirm and acknowledge that the Supplier's Group:

- i. Shall comply with the principles and standards set out in Ternium's Code of Conduct for Suppliers and in the Key Principles of Ternium Policy on Business Conduct for Third Parties (both available at ternium.com/ethical-commitment or attached);
- ii. Is aware that Ternium is or may be subject to the requirements of various national and international laws prohibiting corruption and bribery, including the U.S. Foreign Corrupt Practices Act (U.S. FCPA), and the OECD Convention for Combating Bribery of Foreign Public Officials in International Business Transactions, and that failure by any member of the Supplier's Group to comply with such laws and Ternium's Code of Conduct for Suppliers or the Key Principles of Ternium Policy on Business Conduct, could result in substantial criminal and civil liability for Ternium and/or its directors, officers or employees;
- iii. Has not provided in the past, and will not provide in the future any corrupt payment, gratuity, emolument, bribe, kickback, or other improper benefit, to any person and has not otherwise engaged in any activity prohibited under, and neither has knowledge of any past, actual or potential conflict involving any member of Supplier's Group with, the U.S. FCPA or under any other applicable anti-bribery laws, rules or regulations;
- iv. Shall notify Ternium immediately if, at any time, it becomes aware of any past, current, or potential future act resulting in an actual or potential conflict with Ternium's Code of Conduct for Suppliers, the Key Principles of Ternium Policy on Business Conduct, and/or U.S. FCPA, or any antibribery laws;

¹ **Supplier:** also referred as "Third Party", means any company or individual who is a shareholder, owner, officer, director, employee or representative of an entity that supplies or intends to supply any goods or services to Ternium, regardless of the title under which such goods or services are supplied.

² **Supplier's Group:** refers collectively to the Supplier and its Affiliates (any person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person), Personnel (Supplier's directors, officers and employees) and Representative (any Supplier's advisor, agent, consultant, contractor, subcontractor, collaborator or other representative who is or might be involved in any manner in a business or relationship with or performance of services to Ternium);

- v. Shall not directly or indirectly through third parties, pay, promise or offer to pay, or authorize the payment of, any money or give any promise or offer to give, or authorize the giving of, or request, accept, or agree to accept any Thing of Value³ or any advantage, to or from any person (including Public Officials⁴ or Private Persons⁵), for purposes of unduly obtaining or retaining business for or with, or directing business to, any person, by:
- a. influencing any act, decision or omission;
 - b. inducing to do or omit to do any act in violation of their lawful duty;
 - c. securing any improper advantage; or
 - d. inducing someone to affect or influence any act or decision of another person;

in each case in order to (i) obtain (whether from such Public Official, Private Person or his/her employer or any other person or entity) a contract or other business, (ii) direct a contract or other business to any person or entity, (iii) retain or obtain any certificate, authorization, license, permit or business, or (iv) obtain or retain any advantage in the course of business;

- vi. Shall not give or pay, or offer, promise or agree to give or pay, or authorize the giving or payment, directly or indirectly, of (i) all or any part of the fee, reimbursements, discounts, expenses or other funds paid or payable to the Supplier, to any such Public Official or Private Person, for any reason whatsoever, or (ii) any Thing of Value or any advantage to any such Public Official or Private Person as a kick-back, bribe, commission or payment

³ **Thing of Value:** means, but are not limited to, any gratification, favor, cash or cash equivalents, gifts, travel, lodging, meals, entertainment, kickbacks, loans, rewards, the use of facilities or provision of services at less than full cost, employment or retention of services and any other advantage or benefit of any kind (whether constituting, or derived from, corporate funds or assets, or personal or third-party funds or assets).

⁴ **Public Official:** means any of the following: (a) any officer or employee, or any person, whether elected or appointed, who holds a legislative, administrative or judicial position or who represents or acts on behalf of any state, government or public international organization (such as the World Bank or the United Nations), any division, department, ministry, agency or instrumentality of such governmental authority; (b) any officer or employee of any corporation or other entity owned, controlled or operated for the benefit of a Government Entity; (c) any officer of a political party or candidate for public office; or (d) any private person acting on behalf of a Government Entity, even if just temporarily. For purposes of this definition, corporations or similar entities Controlled, by a state or government shall include any entity, regardless of its legal form, over which a state or government may, directly or indirectly, exercise a dominant influence;

Controlled: when used "Controlled" with respect to any specified person or company, means the power to direct the management and policies of such person or company directly or indirectly, through the ownership of voting securities or the right to elect the majority of the members of the Board of directors of such person or company; and the terms "Controlling" and "Control" have meanings correlative to the foregoing;

⁵ **Private Person:** means any owner, shareholder, officer, director, employee or representative of a non-Governmental Entity or a non-state-owned company, whether for profit or not for profit, with which Ternium intends to do or does business;

of any kind;

- vii. Declares that no member of the Supplier's Group is or was a Public Official or has a Family
- viii. Member⁶ that is or was a Public Official, who might, because of his or her position, improperly influence, otherwise affect or in any situation gain any undue advantage in connection with the commercial relationship or performance of services to Ternium;
- ix. Is aware and familiar and shall comply with the human rights standards contemplated under the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work, the United Nations Global Compact, and all applicable regulations on human rights, including those addressing prohibition of child labor, forced or compulsory labour and slavery, in the jurisdictions in which it operates;
- x. Shall keep books, accounts and records that in reasonable detail accurately and fairly reflect the transactions and payments made in connection with the commercial relationship between Ternium and the Supplier and not make or allow, in connection with such relationship, any off-the-books accounts, inadequately identified transactions, recording of non-existent expenditures, or the entry of liabilities with incorrect identification of their object or the use of false documents;
- xi. Shall, upon reasonable prior notice, give access to Ternium's representatives, or to any third party appointed by Ternium, to the Supplier's Group's books and records related in any manner to Ternium or the work performed for Ternium, to verify compliance by any member of the Supplier's Group with the obligations assumed under this document, including, but not limited to, compliance with anti-bribery obligations. To ensure that Ternium is given full access to the Supplier's Representatives' book and records, Supplier shall include in its agreements with any Representatives⁷ provisions similar to and in no case less stringent than the one contemplated in this section (x). The access contemplated under this section shall not give Ternium's access to confidential information of the Supplier's Group's other customers' information, to the extent not related to work

⁶ **Family Member:** means the spouse or cohabitee of an individual and any person having any of the following kinship with the individual or his/her spouse or cohabitee: ascendant (including parent, stepparent and grandparent), descendant (including child, adopted child, stepchild and grandchild), brother (or half-brother), sister (or half-sister), uncle, aunt, first cousin, nephew, niece and such relatives in-law.

⁷ **Representative:** refers to any Suppliers advisor, agent, consultant, contractor, subcontractor, collaborator or other representative who is or might be involved in any manner in a business or relationship with, or performance of services to, Ternium.

performed to Ternium;

- xii. Shall retain all accounts and records pertaining to the commercial relationship or services rendered to Ternium for a period of ten (10) years after the date in which the relevant services were rendered or the commercial relationship was concluded;
- xiii. Shall keep confidential all the information to which the Supplier's Group may have access during the commercial relationship or performance of services to Ternium (even if such information is not marked or otherwise identified as confidential or is not specifically about Ternium), and shall act to prevent its misuse, theft, fraud, or improper disclosure. The Supplier's Group shall use the information they may receive or to which they may have access in a legitimate way, for the specific purpose it was disclosed, received or accessed and always in accordance with the provisions of applicable laws (including without limitation, regulations on antitrust, consumers' protection, data privacy, etc.). The Supplier's Group acknowledges that misuse, dishonest, unauthorized, illegal or improper use of any information, even if the same benefits or otherwise results in an advantage to Ternium, is not allowed, shall not be tolerated and shall be considered as a serious infringement by Ternium;
- xiv. Shall inform and provide adequate training to all members of the Supplier's Group on the general standards and principles contained in the Ternium's Code of Conduct for Suppliers and shall monitor compliance with the obligations assumed under this document;
- xv. Is aware that Ternium is entitled, at any time and without prior consent, to disclose the content of this letter to whomever Ternium determines has a legitimate need to know such content including, without limitation, the government of the United States. Consents to Ternium's reporting to any governmental authority any violation or suspected violation of the obligations assumed by it hereunder and agrees and commits to comply and cooperate with any inquiry or investigation by or on behalf of Ternium or any governmental authority relating to compliance with, or a breach of, the obligations assumed hereunder or under any applicable law or anti-corruption provision;
- xvi. Understands that no Ternium officer, director, employee or representative has or will have authority to give any express or implied direction, whether written or oral, authorizing the Supplier's Group to make any commitment to any third party on behalf of Ternium in violation of the commitments set forth in this letter;
- xvii. Declares that all members of the Supplier's Group are engaged on terms which are

consistent with this document, including without limitation terms relating to anti-bribery, confidentiality and data protection and that all of them shall conduct the commercial relationship or perform services to Ternium in accordance with such provisions;

- xviii. Shall not sub-contract services or assign any obligations under the agreement, business or the commercial relationship with Ternium, unless expressly agreed with Ternium and provided that the Supplier shall: (a) perform and evidence due diligence on the sub-contractor, (b) engage in a written contract with the sub-contractor which shall include detailed description of the scope of services and shall clearly define the agreed remuneration or fees; (c) include anti-bribery provisions similar to those included in this LOA; (d) prohibit the subcontractor making any payments on behalf of Ternium or setting off any payment due on behalf of Ternium; (e) clearly state that the subcontractor shall not have any owners, directors, officers, employees or Representatives that are agents or intermediaries, employees or are otherwise affiliated with any government or government instrumentality; and (f) regularly report to Ternium's representatives any material event or change in the agreement;
- xix. Is aware that Ternium has implemented a global trade compliance program and is subject to the compliance requirements of all economic sanctions and export controls legal regimes applicable to its business activities (including but not limited to the legal regimes of the United Nations, United States and European Union, together "Economic Sanctions and Export Control Regulations"), and failure by any member of the Supplier's Group to comply with such laws could result in substantial criminal and civil liability for Ternium and/or its directors, officers or employees. Supplier's Group shall at all times be in compliance with all Economic Sanctions and Export Control Regulations applicable to Ternium and the commercial relationship, business or agreement existing with Ternium.
- xx. Represents and warrants that (i) Supplier's Group has not involved, and will not involve, any designated, restricted, or otherwise sanctioned person by a sanctions authority in its commercial dealings or transactions with Ternium; (ii) no member of Supplier's Group or any of its direct or indirect shareholders or owners (or equivalent, including its the final beneficial owners) board members and managers, has been identified under Economic Sanctions and Export Control Regulations as a sanctioned, restricted, blocked or prohibited entity; (iii) if not majority owned, Supplier's Group is not effectively influenced by a sanctioned party nor a party subject to asset freeze or sectoral sanctions; (iv) none of the assets, equipment, raw materials or products or services which you propose to use or supply for performing any commercial agreement or transaction with Ternium originate

from, been used in or purchased directly or indirectly from the countries subject to comprehensive sanctions and restrictions under Sanctions and Export Control Regulations.

- xxi. Is aware that Ternium may suspend and shall be entitled to immediately terminate any commercial agreement or transaction entered into between Supplier and Ternium upon learning of any violation or reasonable suspected violation of the obligations described in this acknowledgement, by any member of the Supplier's Group, without any liability to Ternium. Termination or suspension by Ternium will not affect any claim that Ternium may have against any member of the Supplier or any other person, whether in relation to any breach of any commitments hereunder, the obligations assumed under any commercial agreement or transaction, or otherwise.

The person submitting this letter solemnly declares that he or she has full capacity and authority to accept, deliver and execute all the commitments, acknowledgements, declarations, warranties and representations granted under this letter in the name and on behalf of Supplier and the Supplier's Group and fully understands that all provisions of this letter shall be enforceable upon the Supplier and the Supplier's Group performing any work in connection with the commercial relationship or agreement with Ternium, and that evidence of the power of attorney and ID copy is attached.

By signing or e – signing, the person submitting this letter is expressly accepting to bind the Supplier and the Supplier's Group, without regard of any other provision on the contrary. The acceptance and submission will be understood as sole and sufficient evidence of express commitment and no further evidence will be required to prove formal acceptance.