

1. DEFINITIONS

- 1.1. **Affiliates:** Regarding any certain person, any other person that directly or indirectly controls or is controlled by or is under common control, whether directly or indirectly, of such certain person. For purposes of this definition, the term "control", as used with respect to any certain person, means the power to run the administration and the policies of such person, whether directly or indirectly, through the ownership of shares with voting rights or the right to appoint the majority of the members of that person's administrative body; and the terms "control" and "controlled" shall have correlative meanings with the above.
- 1.2. **General Terms and Conditions of Sale:** The general terms and conditions of sale included in this document, which shall govern the commercial relationship between the Parties.
- 1.3. **Material(s):** Goods to be sold in accordance with these General Terms and Conditions of Sale.
- 1.4. **Party:** Purchaser or Vendor, as applicable, while "Parties" refers to both Purchaser and Vendor jointly.
- 1.5. **Purchaser:** Individual or company receiving the Material(s) under these General Terms and Conditions of Sale, including its successors and assignees.
- 1.6. **Quotation:** Offer of sale issued to Purchaser by Vendor, containing the technical, commercial, and financial terms and conditions of sale which, if accepted by Purchaser, will be binding for the Parties involved.
- 1.7. **Sales Order Confirmation (or "SOC"):** Document issued by Vendor's electronic documentation system, which contains, per each article of requested Material, the Tenigal product code, a description of the same referring to the technical and commercial specifications of the Material(s), and the quantity and/or the weight, which shall be binding for the Parties.
- 1.8. **Vendor:** Tenigal, S. de R.L. de C.V., its representatives or the person duly designated by Vendor, who will supply the Material(s) under these General Terms and Conditions of Sale.

2. TOTAL AGREEMENT AND APPLICATION

- 2.1. These General Terms and Conditions of Sale constitute the terms and conditions of sale and represent the total agreement between the Parties with regard to the supplying of the Material(s) and substitute all other prior agreements (whether verbal or in writing) related to the purpose of these General Terms and Conditions of Sale.
- 2.2. The Parties agree that there are no additional representations other than those established in these General Terms and Conditions of Sale, except those expressly authorized in writing by Vendor's authorized representatives.
- 2.3. These General Terms and Conditions of Sale shall apply to all transactions agreed upon by the Parties, regardless of whether at the time of acceptance of the Sales Order Confirmation or at any time during the commercial relationship, Purchaser expresses terms and/or conditions other than those set forth herein; therefore, the Parties expressly agree that these General Terms and Conditions of Sale will prevail and shall be the only terms to govern the commercial relationship between the Parties.

3. PURPOSE

- 3.1. Purchaser acquires from Vendor the Material(s) of the quality and in the quantity stated in the Quotation or in the Sales Order Confirmation, as applicable. Upon issuance of a Sales Order Confirmation after a Quotation has been presented for the same purpose, the Sales Order Confirmation takes precedence over and replaces the Quotation in its entirety. In such case, the applicable provisions are those of the Sales Order Confirmation, which shall be subject to these General Terms and Conditions of Sale.

4. PRICE

- 4.1. The prices applicable to the Quotation or the Sales Order Confirmation shall be those agreed upon by the Parties for such purpose and specifically set forth in the Quotation or the Sales Order Confirmation. In the event that Vendor proposes any change with respect to the price agreed upon, Vendor will notify Purchaser of any such change and Purchaser may, within five (5) calendar days after the notification of such change, cancel the corresponding Sales Order Confirmation, and neither Party shall have the right to claim any kind of compensation from the other Party for such termination.
- 4.2. The price for the Material(s) does not include the corresponding Value Added Tax (VAT), same tax that shall be added in each invoice.

5. DELIVERY, DISPATCH AND SUPPLY

- 5.1. Vendor will deliver the Material(s) in accordance with the provisions in the Quotation or in the Sales Order Confirmation, and in compliance with these General Terms and Conditions of Sale. In the case of any discrepancies between the Quotation, the Sales Order Confirmation, and these General Terms and Conditions of Sale, the latter shall prevail.
- 5.2. The time of delivery for the Material(s) shall be such stipulated in the Quotation or in the Sales Order Confirmation. Vendor shall be entitled to deliver the Material(s) partially and invoice each delivery separately.
- 5.3. If the Material(s) is/are transported by a transportation service provider contracted by Vendor, the following terms shall apply: (i) Vendor will deliver the Material(s) in good condition to the final destination, but will not be liable for any damage incurred during the process of unloading the Material(s); any anomaly in the external conditions of the Material(s) (such as damages, blows, crushing, wetness, etc.) at the final destination shall be indicated by Purchaser on the copy of the delivery slip at the time of receipt; (ii) the cost of transportation of the Material(s) shall be borne by Purchaser at the cost established by Vendor; and (iii) Vendor reserves the right to issue the corresponding invoice regarding such Material(s) from the moment such leave Vendor's facilities. The risk of loss and damages to the Material(s) shall be transmitted to Purchaser upon receipt thereof in the final destination agreed by the Parties.
- 5.4. If the Material(s) is/are transported by transportation service providers contracted by Purchaser, the following terms shall apply: (i) the trucks used for transportation shall comply with the standards stipulated by Vendor; (ii) the transportation service provider must hand to Vendor a specific authorization from Purchaser to proceed with the loading of the Material(s); and (iii) Vendor will be responsible for verifying that the Material(s) received by the transportation service provider are in good conditions; provided that, the transportation service provider shall indicate any anomaly in the Material(s) before leaving the site at which the transportation service provider received the Material(s). Vendor shall not be liable for any damage to the Material(s) during the transportation or unloading thereof.
- 5.5. The Materials shall be delivered by Vendor in the amount confirmed in the Sales Order Confirmation subject to the tolerances and multiples set forth by Vendor, as published on the website <http://www.tenigal.com/docs/Tenigal-commercial-Service-Offer-201703.pdf>; provided that, the applicable tolerances and multiples shall be those published at the time of delivery of the Materials from Vendor's facilities.

6. IDENTIFICATION AND LABELING

- 6.1. Vendor shall label each of the Material(s) with individual labels that indicate the production history, the quality, the dimensions, and the weight of each Material.

7. CHANGES

- 7.1. Any change to the Quotation or Sales Order Confirmation shall be agreed upon in writing by both Parties and shall be considered by Vendor as a new order, which shall be subject to renegotiation of the portion requested to be modified by Purchaser. In any event, in case Purchaser fails to object the modification requested by Vendor within five (5) calendar days from such request, said change shall be considered as accepted by Purchaser, and Purchaser shall be obliged thereto.
- 7.2. Vendor will not accept changes in Sales Order Confirmations corresponding to Material(s) that has/have already been manufactured, and Vendor shall be entitled to ship such Material(s) to Purchaser and Purchaser shall have the obligation to acquire such Material(s) from Vendor as agreed upon by the Parties.

8. FORCE MAJEURE AND ACTS OF GOD

- 8.1. Should any event prevent Vendor from fulfilling any of its obligations derived from a Sales Order Confirmation or these General Terms and Conditions of Sale, Vendor shall not be liable for breach of any obligations stipulated herein so long as the following is proven: (i) the breach was due to an impediment beyond its control; (ii) the impediment or its effects on Vendor's compliance capacity could not have been reasonably expected or foreseen at the time of issuance of the Sales Order Confirmation; and (iii) such event or its effects could not reasonably have been prevented or overcome. Vendor shall, as soon as possible after the occurrence of the force majeure event, notify Purchaser in writing about such event and its effects on its compliance capacity. Written notification must also be given at the time of cessation of the event. The lack of any of these notifications will make Vendor responsible for damages that, otherwise, could have been avoided. If an event of this nature should be extended beyond thirty (30) calendar days, either Party shall have the right to terminate the Sales Order Confirmation without liability to the other Party for such termination.

9. WARRANTY

- 9.1. Vendor guarantees that the Material(s) being supplied or produced by Vendor complies with the technical specifications stipulated in the Quotation or in the Sales Order Confirmation.
- 9.2. Any specifications not stated in the Quotation or in the Sales Order Confirmation shall be determined in accordance with the technical specifications of Vendor's products. In the event the Material(s) is/are not delivered pursuant to the applicable technical specifications, Vendor shall only be obliged to proceed as set forth under section 10.4 of these General Terms and Conditions of Sale.

- 9.3. Vendor shall not be liable for any damage to and/or oxidation of the Material(s) resulting from deficiencies in the handling, storage, maintenance, installation, and/or use thereof by Purchaser and/or if the Materials are subjected to non-typical atmospheric Environment (condensation, corrosive alkali, strong chloride ion presence, etc.).
- 9.4. Purchaser acknowledges that, for Material(s) cataloged or identified as degraded, second-hand, or scrap, Vendor does not grant any guarantee.
- 9.5. WITH THE EXCEPTION OF THE WARRANTIES STIPULATED IN THESE GENERAL TERMS AND CONDITIONS OF SALE, NEITHER VENDOR NOR ANY OF ITS AFFILIATES OR SUBCONTRACTORS PROVIDE ANY ADDITIONAL WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE WARRANTY OF FITNESS FOR A SPECIFIC USE OR PURPOSE, MERCHANTABILITY, RESULT, OR ANY IMPLIED WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE.
10. **CLAIMS**
- 10.1. Any claim regarding visible damages, defects, or non-conformities in the Material(s) detected upon receipt thereof by Purchaser, shall be notified in writing by Purchaser to Vendor within forty-eight (48) hours following the time of receipt, detailing the Material(s) affected and the reason for the claim. Purchaser shall visually inspect the Material(s) at the time of receipt. Any claim related to damages, defects, or non-conformities in the Material(s) derived from such inspection shall be declared on the copy of the delivery slip at the time of receipt provided by the transportation service provider, same that shall be signed by Purchaser, its consignee, or recipient, and notified in writing to Vendor within the term set forth above, together with such delivery slip signed by Purchaser, its consignee, or recipient, which shall state such inspections performed at that time and the description of the damage, defect, or non-conformity.
- 10.2. In case of hidden defects or if the Material failed to comply with the technical specifications, Purchaser shall inform Vendor of the same within one hundred eighty (180) calendar days after the date of receipt of the Material(s), except as otherwise established in the technical specifications. In the event of a dispute as to whether the Material meets the specifications of the Quotation or the Sales Order Confirmation, as applicable, the Parties shall appoint an independent and mutually acceptable inspection company or expert to perform the appropriate tests. The findings of the inspection company or the expert shall be conclusive and binding on the Parties. The expense of such tests shall be covered proportionally by Vendor with respect to each Material on which it was determined that it did not meet the specifications and by Purchaser with respect to each Material that was determined to have met the specifications.
- 10.3. The claimed Material(s) shall be available for inspection by Vendor. The use of such Material(s) without prior inspection or written authorization from Vendor shall result in the waiver of such claim. If Purchaser fails to notify Vendor within the terms established for each case, Vendor will be exempt from any liability in this regard.
- 10.4. If a claim is valid, Vendor shall, at its option: (i) cure the claimed damages, defects, or non-conformities; (ii) replace the claimed damaged, damaged, defective, or non-conforming Material(s); (iii) grant a discount to Purchaser in the price of such Material(s); or (iv) reimburse Purchaser with the price of the claimed Material(s) paid by Purchaser at invoice value. For subsections (ii) and (iv) of this section 10.4, Purchaser shall return the claimed Material(s) to Vendor, and the latter shall have the right to collect the claimed Material(s). The obligation of Purchaser to pay for the rest of the Material(s) shall not be affected by such claims.
- 10.5. If Purchaser commences legal action against Vendor, Purchaser shall not have the right to compensate (offset) or to withhold outstanding payments to Vendor and shall pay the full amount of the invoice to Vendor. Purchaser shall provide Vendor with all the documentation to support any given claim. Purchaser shall have no right to receive any claim payment from Vendor if Purchaser has any outstanding debt with Vendor. Vendor shall have the right to compensate (offset) any amounts payable to Purchaser by virtue of a claim against any payable amounts due by Purchaser to Buyer.
11. **PAYMENT**
- 11.1. All amounts derived from invoices and charges shall be paid to Vendor in Vendor's domicile or by wire transfer or bank deposit to such bank accounts of Vendor set forth by Vendor in the Quotation, Sales Order Confirmation, or applicable invoice, subject to these General Terms and Conditions of Sale.
- 11.2. All invoices, or any portions thereof, that are unpaid on their due date shall accrue interests at an interest rate equivalent to 1.5% (one point five percent) per month for the amounts agreed in Mexican Pesos or the result of the sum of the LIBOR rate at thirty (30) days in force plus 4% (four percent) per month for the amounts agreed in United States Dollars, and will be calculated from the moment the amount of the corresponding invoice becomes payable until the date total payment of the debt is effectively made.
- 11.3. If Purchaser fails to pay as set forth in the terms and time agreed, Vendor shall have the right to (i) terminate, in whole or in part, without liability nor the obligation to pay any penalties, these General Terms and Conditions of Sale, the Quotation, and the Sales Order Confirmation, as applicable; and (ii) suspend, in whole or in part, the delivery of any Material(s) until Purchaser has made the corresponding payment to Vendor.
- 11.4. Purchaser shall pay all costs, including reasonable fees for legal advice, incurred by Vendor to collect late payments.
12. **CHANGE IN CREDIT TERMS**
- 12.1. Purchaser represents that it is solvent, that the resources with which the price for the Materials will be paid are and will be of legal origin, has full capacity to agree to these General Terms and Conditions of Sale, and acknowledges that the obligations undertaken pursuant to these General Terms and Conditions of Sale are binding and obligatory. Purchaser's signature on any delivery slip provided by the transportation service provider responsible for delivery constitutes a reiteration of these representations at the time of the execution thereof.
- 12.2. If Vendor determines that Purchaser is not sufficiently solvent or does not have the credit standing required to pay for the Material(s) in accordance with these General Terms and Conditions of Sale, Vendor may modify the credit terms, prior notice to Purchaser thereof. Vendor may terminate these General Terms and Conditions of Sale, without any liability, if Purchaser does not comply for any reason with said modifications to the payment terms.
13. **ASSIGNMENT AND SUBCONTRACTING**
- 13.1. Vendor may assign, transfer, or subcontract, in whole or in part, the Quotation or the Sales Order Confirmation to a third party, without prior written authorization from Purchaser. Purchaser may not assign, transfer, or subcontract, in whole or in part, the Quotation or the Sales Order Confirmation to a third party, without prior written authorization from Vendor.
14. **LIMITATION AND EXCLUSION OF LIABILITY**
- 14.1. The full maximum liability of Vendor for any type of complaint or claim for damages that result from the sale of Material(s), including liability due to non-compliance of any obligation established in these General Terms and Conditions of Sale or under the applicable Law, shall in no case exceed the reimbursement of the price paid by Purchaser for the Material(s). In the event of breach by Vendor to repair or replace the claimed Material(s) pursuant to the provisions set forth under section 10.4 of these General Terms and Conditions of Sale, this limitation shall be applicable to any type of action, including claims related to contractual or extra-contractual liabilities, or any other kind of responsibility. This limitation is made in the explicit understanding that Vendor shall in no way be liable for indirect, consequential, non-material, punitive damages, loss of profit, or any other kind of indirect damages.
- 14.2. Purchaser shall defend and keep Vendor (including its Affiliates) safe and harmless and shall indemnify Vendor (including its Affiliates) from any kind of loss, liability, claim, or damage that the final user, Purchaser, or any third party may suffer (i) in excess of the limitations or liability set forth in these General Terms and Conditions of Sale, including if said loss, liability, claim, or damage results from the exclusive or concurrent fault of Vendor and/or its Affiliates (including their subcontractors); and/or (ii) from damages or defects in the Material attributable to any act or omission of Purchaser when said Material was subject to transformation that included mechanical or technical processes by persons other than Vendor or its Affiliates.
- 14.3. Vendor shall not be liable for damages, losses, loss of profit, costs or expenses (including attorney's fees) incurred by Purchaser or third parties arising out of or resulting from any mandatory or voluntary recall campaign, service campaign or similar corrective or preventive actions, and Purchaser shall indemnify and hold Vendor (and its Affiliates) harmless and liability-free from any legal action for such damages, losses, loss of profits, costs, or expenses, even if such damages, losses, costs, or expenses result from the fault or negligence of Vendor and/or its affiliates (including their employees and subcontractors).
15. **CONFIDENTIALITY AND PRIVACY LAWS**
- 15.1. Purchaser acknowledges that, in connection with the sale of Material(s), Purchaser has received or will receive from Vendor certain proprietary and/or confidential information, which is of substantial proprietary value to Vendor.
- 15.2. Purchaser agrees to hold the confidential information in strict confidence, not to disclose it to third parties, nor use for any purpose other than the purpose of these General Terms and Conditions of Sale and any transaction related thereto.
- 15.3. Purchaser shall be liable for any loss or damage to any confidential information, and shall not be released from its obligations of confidentiality, non-use, and non-disclosure unless: (i) confidential information becomes non-confidential information without any breach of this General Terms and Conditions of Sale; or (ii) Vendor releases Purchaser from its confidentiality obligations hereunder by written notice.

- 15.4. All technical documents developed by Vendor and to be provided to Purchaser as part of the obligations assumed hereunder, including any copyright therein, shall be the sole property of Vendor and shall always be treated as confidential.
- 15.5. Except as otherwise agreed by Vendor in writing, no information or knowledge disclosed by Purchaser shall be deemed confidential.
- 15.6. Any information transmitted by Purchaser to Vendor that is considered as "Personal Data" or "Sensitive Personal Data", as set forth under the Federal Law on Personal Data Held by Private Parties in Mexico, will be treated in accordance with the aforementioned law, as well as pursuant to Vendor's Privacy Notice, which can be consulted on the following website: <http://mx.ternium.com/aviso-de-privacidad>.
16. **PURCHASES MADE THROUGH THE "B2B" PLATFORM**
- 16.1. Information system. Purchaser acknowledges that Vendor has an information system (the "B2B System") for the purposes of generating, sending, receiving, processing, and archiving Data Messages (as such term is defined below) and that it is Purchaser's desire to use said B2B System to request Vendor the supply of Materials. Purchaser accepts said B2B System as a suitable and valid means to carry out and document acts of commerce between Purchaser and Vendor. Purchaser may connect to the B2B System by any of the following access routes:
- a. Electronic data interchange ("EDI"): EDI format that serves as the purchase order, release, or forecast, reception through a VAN (value-added network), or any other form of transfer of a Data Message that guarantees the security of said Data Message transfer.
 - b. B2B Excel Add-in: Installation of the add-in for Purchaser's computer software. Sending Data Messages from an Excel format through a secure connection with HTTPs (secure protocol for hypertext transfer).
 - c. Weblink: Single point of entry through a URL (uniform resource locator) provided by Vendor by electronic means. A Data Message is received in XML (extensible markup language) format that serves as the purchase order, release, or forecast, through a secure connection with HTTPs.
- Purchaser acknowledges that its own computer systems may be interconnected with the B2B System and request Materials from Vendor through purchase orders, releases, and/or forecasts issued through Data Messages. Purchaser understands that the electronic operations performed using the aforementioned B2B System (either through its personnel or through the use of its automated systems or interconnected computer programs) will be binding for Purchaser. The interconnection of Purchaser's computer system (the "Purchaser's System") with the B2B System, as well as the development and installation of the corresponding interfaces, will be Purchaser's responsibility.
- 16.2. Authorized Access. Purchaser certifies having received its customer number, as well as the link to generate its confidential password (the "Access Elements") to interconnect its systems with the B2B System and undertakes to keep said Access Elements secure and confidential for avoid misuse thereof by third parties or parties unrelated to Purchaser. Purchaser states that said Access Elements that allow the interconnection of its computer systems with the B2B System will be used only by Purchaser and the obligations derived from the operations performed with said Access Elements will be binding for Purchaser. Purchaser hereby undertakes to receive notifications of data receipt, as well as to comply with the Sales Order Confirmations that Vendor should send from time to time or that are generated automatically by the B2B System.
- 16.3. Data Messages. The B2B System is a means by which Vendor can, among others, receive and process purchase orders, releases, and/or forecasts delivered by Purchaser's System; provided that Purchaser's systems and the B2B System are properly interconnected. Each of such messages will be referred hereinafter as a "Data Message" and collectively the "Data Messages". Purchaser acknowledges that the information in the Data Messages, upon receipt and once processed by the B2B System, will remain intact and will be accessible for subsequent consultation by virtue of the fact that the B2B System sends a confirmation to Purchaser to Vendor, and files another in its database in a format that cannot be altered by either Purchaser or Vendor. Purchaser acknowledges and agrees with Vendor that the Data Messages that are received and processed by the B2B System using the Access Elements provided by Vendor will be considered as originated by Purchaser, as issuer, and Vendor may, as recipient, act accordingly. Said Data Messages will not require an electronic signature or the performance of any additional subsequent act by Purchaser and shall be considered as Purchaser's obligations generated in San Nicolás de los Garza, Nuevo León, Mexico for any and all purposes.
- 16.4. Automatic Acknowledgment of Receipt. Any Data Message sent to Vendor by Purchaser's System using the Access Elements will be considered as issued by Purchaser and Purchaser will receive an acknowledgment of receipt (a "B2B Message") to the e-mail address provided by Purchaser for such effects. Said B2B Message will be automatically sent to Purchaser by the B2B System and will contain, among others, the visual description of the message received by Vendor from Purchaser's System, listing the part numbers and quantity of Materials requested by Purchaser to Seller.
- 16.5. Enforceability of Data Messages. Purchaser acknowledges and accepts that the information in the Data Messages, in conjunction with the Sales Order Confirmations, shall be sufficient to establish with certainty the Materials to be supplied to Purchaser by Vendor, as well as their price, date and place of delivery, payment dates, guarantees, responsibilities, exceptions, and other commercial terms, which will be governed at all times by these General Terms and Conditions of Sale.
- 16.6. Integrity of the information in the Data Messages. The Parties acknowledge that the content of the Data Messages generated by the B2B System and the Sales Order Confirmations will be considered as integral and complete in terms of a specific request of Materials by Purchaser and the acceptance by Vendor, constituting in any event and for the purposes of these General Terms and Conditions of Sale, as the Sales Order Confirmation.
- 16.7. Vendor will not be responsible for failure in the connection of the B2B System nor does it assume any responsibility that derives from any damage or loss, direct or indirect, caused or in any way related to the access or use of the B2B System, including any liability related to damages caused by viruses, malware, spyware, phishing, which may affect Purchaser due its use of the B2B System.
17. **APPLICABLE LAW- DISPUTE RESOLUTION**
- 17.1. These General Terms and Conditions of Sale shall be construed by, and interpreted according to, the Mexican Code of Commerce, and both Vendor and Purchaser expressly waive the application of the United Nations Convention on Contracts for the International Sale of Goods. Any controversy or claim arising from these General Terms and Conditions of Sale shall be resolved between the Parties using an alternate method of dispute resolution, prior written agreement by the Parties.
- 17.2. If the Parties do not agree on a satisfactory arrangement in a term of thirty (30) calendar days, any dispute or controversy derived from these General Terms and Conditions of Sale shall be resolved in a definitive manner by the competent court in the city of Monterrey, Nuevo León, México. The Parties agree to waive any other applicable jurisdiction related to any present or future domicile or for any other reason in favor of the aforementioned jurisdiction.
18. **NOTIFICATIONS**
- 18.1. Any notification or communication related to the management of transactions between the Parties shall be made in writing, including e-mail, in the Spanish language, and shall be considered to have been delivered when the receiving Party confirms in writing the receipt of the communication.
- 18.2. The address of Vendor for the receipt of notifications or any other kind of communication is Av. Vicente Guerrero 151, Col. Cuauhtémoc, San Nicolas de los Garza, Nuevo León, México, C.P. 66452. The address of Purchaser will be such recorded in the Sales Order Confirmation. If either of the Parties changes its address, it must notify the other Party immediately.