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EXTENSION OF THE SUSPENSION PERIOD OF NON-ESSENTIAL ACTIVITIES SARS-CoV2 (COVID-19)

As we have previously informed, derived from the pandemic provoked by the virus SARS-CoV2 (COVID-19), on March 31st, 2020, the Federal Government of the United Mexican States ("Mexico") declared the immediate suspension of non-essential activities in order to mitigate the dispersion and transmission of the virus.

On April 21st, 2020, at a press conference, the Mexican Government declared the beginning of phase 3 of the pandemic, situation which implies a rapid acceleration in the spread of the virus and, therefore, in the number of infections. As a consequence, later that day the Mexican Government issued a Statement through which, derived from the technical analysis of the Scientific Advisory Group to respond to the health emergency, **the extension of the suspension of non-essential activities until May 30, 2020 was declared.**

Accordingly, it was declared that the referred suspension will stop being implemented from May 18, 2020 within the municipalities that to such date present low or non-existent transmission of the virus.

On that note, it is important to clarify that, in all cases -regardless of the intensity of the transmission in the municipalities- domiciliary safeguard for persons over 60 years of age, pregnant women or in immediate postpartum period, and persons with high blood pressure, diabetes mellitus diagnosis, chronical cardiac or pulmonary diseases, immunosuppression, or kidney or hepatic failure shall continue until further notice, even if their labor activity is considered essential.

To this date, the Federal Government has not been clear with regards to the support plan for the economic sector in light of the health emergency. However, several State Governments have published the support plans for micro, small and medium-sized companies, including temporary condonation of payroll tax and granting of loans.

In that same sense, as a response to the current situation, the private sector has been insistent on the necessity of these types of plans and has proposed possible solutions in order to mitigate, to the extent possible, the economic impact.

It is important to mention that the obligation to pay the 100% of salary to employees during the Healthy Emergency remain the same (unless previously an agreement has been reached that implies the temporary modification of the working conditions), specifically the reduction of the salary of the employees to mitigate the costs that this implies during such emergency; provided that, the above referred temporary modification of working conditions is a valid option for those who have not yet implemented it.

April 23, 2020.