

## Increase in the minimum wage as of January 1, 2021

Based on article 123 of the Mexican Constitution, Section A), Fraction VI, which indicates the attributes that the minimum wage must meet, and article 90 of the Federal Labor Law in force, includes this constitutional statement by establishing that the minimum wage must be sufficient to satisfy the normal needs of a family head in the material, social and cultural order, and to provide the compulsory education of the sons and daughters. The Resolution was published in the Federal Official Gazette (DOF) on December 23th, 2020 of the H. Council of Representatives of the National Commission of Minimum Wages (CONASAMI), who sets the amount of the General Minimum Wages (SMG) and professionals applicable in the geographic areas in which the Mexican Republic is divided and that will enter into force on January 1st, 2021.



Considering the above, the Council of Representatives of the National Commission of Minimum Wages, determined the increase of 15% of the minimum wage in the two geographical areas, which are formed as: the “North Border Free Zone”, which includes the following municipalities: Ensenada, Playas de Rosarito, Mexicali, Tecate, Tijuana y San Quintín, en el Estado de Baja California; San Luis Río Colorado, Puerto Peñasco, General Plutarco Elías Calles,

Caborca, Altar, Sáric, Nogales, Santa Cruz, Cananea, Naco & Agua Prieta, in the State of Sonora; Janos, Ascensión, Juárez, Práxedes G. Guerrero, Guadalupe, Coyame del Sotol, Ojinaga & Manuel Benavides, in the State of Chihuahua; Ocampo, Acuña, Zaragoza, Jiménez, Piedras Negras, Nava, Guerrero & Hidalgo, in the State of Coahuila de Zaragoza; Anáhuac, in the State of Nuevo León; & Nuevo Laredo, Guerrero, Mier, Miguel Alemán, Camargo, Gustavo Díaz Ordaz, Reynosa, Río Bravo, Valle Hermoso & Matamoros, in the State of Tamaulipas and the geographic area of the “Rest of the Country”, made up of the rest of the Country’s Municipalities and the Mayors of Mexico City that were not listed in the “North Border Free Zone” and make up the Mexican Republic.

The minimum wage in the “North Border Free Zone” will be \$ 213.39 pesos per day, which resulted from the 6% increase corresponding to the inflationary updated factor, plus an increase of 15.75 pesos in the Independent Recovery Amount (MIR) with respect to the SMG of \$85.56 valid in 2019. and in the “Rest of the Country” of \$ 141.70 pesos per day, which was derived from the SMG of \$ 123.22 valid in 2019, with a nominal increase in pesos, for the MIR concept of \$10.46 pesos per day, considering a percentage adjustment linked to inflation of 6%; both in force as of January 1, 2021.