

**IMPORTANT NOTICE:**

**Spanish is the official language of the Agreements issued by the Panama Canal Authority Board of Directors. The English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original version for the benefit of those persons who do not speak Spanish. Therefore, for official purposes, please refer to the specific Agreement in its Spanish version.**

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**AGREEMENT No. 303  
(of January 26, 2017)**

“Whereby the Regulation of the Panama Canal Authority Advisory Board is approved”

**THE BOARD OF DIRECTORS  
OF THE PANAMA CANAL AUTHORITY**

**WHEREAS:**

Article 18 of Law No. 19 of June 11, 1997 (Organic Law), whereby the Panama Canal Authority is organized (the Authority) establishes as a function of its Board of Directors, the approval of the necessary or appropriate regulations for the proper operation and modernization of the Canal.

Article 19 of Organic Law No. 19 establishes an Advisory Board to the Panama Canal Authority Board of Directors which may be composed of Panamanian and non-Panamanian citizens, whom shall be designated by the Board of Directors of the Panama Canal Authority, taking into consideration their backgrounds and the groups that they represent.

That for the development of the provisions of the aforementioned regulation, the Board of Directors issued Agreement No. 28 of December 9, 1999, by which it approved the Regulation of the Advisory Board of the Panama Canal Authority.

That by virtue of the request of the Board of Directors to the Administration for the comprehensive review of the present Regulation of the Advisory Board, the Administration has presented a proposal regarding the subrogation of the current Regulation and the adoption of a new Regulation, that addresses the following topics:

1. Constitution of the Advisory Board: it establishes a maximum of members and the requirements that the candidates must meet. The immediate former Administrator of the Authority is included as a member of the Advisory Board. It indicates the moment from which the candidate becomes part of the Advisory Board.
2. Emphasize that the advice provided by the members of the Advisory Board to the Authority is free of charge, without any remuneration for their services and time.

3. Duration of the appointment of the members of the Advisory Board, extensions and reasons for the Board to discontinue a designation and its procedure.
4. Selection procedure of the Chairman of the Advisory Board, requirements and possible extensions.
5. Call for meetings and details of the costs to be covered by the Authority.
6. Support to the Advisory Board and handling of information that is provided for the performance of its functions.
7. Details of reports to be presented by the Advisory Board at the end of each meeting.

That based on the above, the Administrator has submitted to the consideration of the Board of Directors the draft Agreement containing the pertinent amendments in order to subrogate Agreement No. 28 of December 9, 1999, and to adopt a new regulation.

That the Board of Directors has examined the proposal submitted by the Administrator and considers it to be in the best interest of the Authority; therefore it considers appropriate the subrogation requested and the adoption of the new Regulation of the Advisory Board.

#### **AGREES:**

**ARTICLE ONE:** Agreement No. 28 of December 9, 1999 is subrogated and the Regulation of the Advisory Board of the Panama Canal Authority is approved, in the following terms:

#### **REGULATION OF THE ADVISORY BOARD OF THE PANAMA CANAL AUTHORITY**

**Article 1.** In view of the international public service provided by the Canal, the Advisory Board may be composed of a maximum of 21 Panamanian and non-Panamanian citizens, who shall be designated by the Board of Directors of the Panama Canal Authority, taking in consideration their backgrounds and the groups that they represent. Nominees shall become members of the Advisory Board once they have accepted the designation in writing.

Candidates must be renowned professionals with moral solvency. Must be public figures, or high-profile scholars with a long career or entrepreneur known for their leadership, with active participation in professional associations in the maritime, academic, transportation or logistic, conservationist, or Non Governmental Organization (NGO) of international standing. Candidates must hold a university degree and master the English language.

Of the 21 members, a member shall be, in case of acceptance of the designation, one who has performed as Administrator of the Authority in the period immediately preceding the present, and who will be replaced by the Administrator in exercise when his period ends and he accepts the designation as member of the Advisory Board. The period of the respective former Administrator as member of the Advisory Board cannot exceed 14 years.

**Article 2.** The purpose of the Advisory Board is to advise the Board of Directors of the Panama Canal Authority on the issues that are submitted for its consideration by such Board of Directors. The Advisory Board and its members will provide free advice to the Authority without any compensation for their services and time.

**Article 3.** The members of the Advisory Board shall be appointed in a personal capacity for a period of five years, which may be extended for equal periods, as determined by the Board of Directors. However, the Board of Directors may terminate any designation without any reason whatsoever.

The Administration may request the Board of Directors to rescind the designation of a member of the Advisory Board in the event of absence of such member, in an unjustified manner in the opinion of the Authority, to at least three consecutive meetings of the Advisory Board in a period of three years. In this case, the Administration shall submit to the Board of Directors a request with its due justification, and it will decide whether or not to approve said request.

**Article 4.** The Chairman of the Advisory Board shall be elected by a majority vote of its members for a period of two years, renewable for equal consecutive periods. To be eligible for the position of Chairman, the candidate must have a minimum of two years as a member of the Advisory Board.

**Article 5.** The Board of Directors of the Canal Authority shall convoke a meeting of the Advisory Board at least once a year, at a place and date determined by the Board of Directors.

Costs related to these meetings will be covered by the Authority, and these relate to those incurred by members of the Advisory Board for transportation, accommodation and food.

Likewise, the Authority shall cover the costs related to the attendance at said meetings of the members of the Panama Canal Authority Board of Directors, the employees or officials of the Authority, as well as those

members of the Branches of Government or those advisors required at the meetings by the Authority.

**Article 6.** The permanent Secretariat of the Advisory Board shall be based in the Panama Canal Authority.

**Article 7.** The Panama Canal Authority shall make available to the Advisory Board all the resources and all the information or documentation that is required or appropriate to carry out its duties.

The information and documentation provided by the Authority to the members of the Advisory Board shall be for the exclusive use of its members in regards to the requested consultancy, and its disclosure to third parties must be previously approved by the Board of Directors of the Canal Authority.

**Article 8.** At the conclusion of each meeting, the Advisory Board shall submit to the Board of Directors and the Administration an oral report containing its comments and recommendations and, no later than 30 days after the meeting, shall forward the report in writing.

**ARTICLE TWO:** This Regulation subrogates the Regulation approved by Agreement No. 28 of December 9, 1999.

**ARTICLE THREE:** This Agreement shall become effective upon its publication in the Canal Register.

Given in the City of Panama, Republic of Panama, on the twenty-sixth day (26) of the month of January of the year two thousand seventeen (2017).

**LET IT BE PUBLISHED AND COMPLIED WITH**

Roberto R. Roy

Rossana Calvosa de Fábrega

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Chairman of the Board of Directors

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Secretary