

This English translation is intended solely for the purpose of facilitating an overall understanding of the content of the original Spanish version. In those cases where differences may be found between the two, the Spanish document must be considered as the official version.

**AGREEMENT No. 384
(of August 26, 2021)**

"Whereby the proposal to modify the Panama Canal Tolls system and the rules of admeasurement for the use of the Panama Canal is approved"

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

WHEREAS:

In accordance with article 319.2 of the Republic of Panama Political Constitution, and article 18.3 of the Panama Canal Authority Organic Law (No. 19 of June 11, 1997), the Panama Canal Authority Board of Directors is responsible for establishing the tolls, rates, and fees for the use of the Canal and related services, subject to final approval of the Cabinet Council.

The Panama Canal Authority Administration has submitted for consideration of the Board of Directors a proposal to modify the Panama Canal tolls system for passenger vessels and the rules of admeasurement of vessels for the use of the Panama Canal, which is enclosed to be part of this Agreement.

The proposal for modification submitted by the Administration contains a justification of the reasons and factors taken into consideration for its formulation, in accordance with the provisions of the Panama Canal Authority Agreements issued by the Board of Directors for this purpose:

- Agreement No. 3 of November 12, 1998, which regulates the Procedure to Revise the Panama Canal Tolls Rates and Rules of Admeasurement, modified by Agreement No. 127 of January 19, 2007.
- Agreement No. 4 of January 7, 1999, which regulates the establishment of tolls, rates, and fees for the transit of vessels through the Canal, and the rendering of related services and complimentary activities, modified by Agreements No. 58 of August 16, 2002, No. 94 of March 30, 2005, No. 141 of June 21, 2007, No. 220 of November 25, 2010, No. 269 of October 30, 2014, No. 295 of May 26, 2016, No. 316 of September 28, 2017, No. 359 of December 20, 2019, and No. 382 of April 22, 2021.
- Agreement No. 358 of December 20, 2019, by which the Regulation for the Admeasurement of Vessels to assess Tolls for the use of the Panama Canal is subrogated.

Article 79 of the Organic Law prescribes that the Panama Canal Authority shall give interested parties an opportunity to participate in the consultation processes for the purpose of revising tolls and admeasurement rules by submitting, in writing, data, opinions, or arguments, and participating in a public hearing to be held at least 30 days after the date of publication of a notice in the official publication of the Authority in which said hearing is called.

The Board of Directors of the Panama Canal Authority agrees with the contents of the submitted modification proposal, and considers that it should be processed appropriately, pursuant to the applicable law and regulations.

AGREES:

ARTICLE ONE: To approve the proposal submitted by the Panama Canal Authority Administration to modify the Panama Canal Tolls system for passenger vessels and the rules of admeasurement of vessels for the use of the Panama Canal, which is enclosed to be part of this Agreement.

ARTICLE TWO: To order the initiation of the consultation and public hearing process established by the Organic Law, through publication in the Panama Canal Record of the notification of the proposal, which is enclosed to be part of this Agreement.

ARTICLE THREE: To appoint the following members of the Board of Directors as members and officers of the Committee that shall conduct the consultation and public hearing process:

Ricardo M. Arango	Chairman
Nicolás González Revilla	Vice chairman
Lourdes Castillo	Member
Jorge González	Member
Enrique Sánchez	Member

ARTICLE FOUR: To designate Mr. Ricaurte Vásquez M., Administrator, Panama Canal Authority, as Secretary of the Committee that will conduct the consultation process and public hearing.

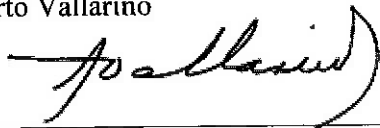
ARTICLE FIVE: This Agreement will take effect as of the date of its publication in the Panama Canal Record.

AUTHORITY: Article 319 of the Republic of Panama Political Constitution; articles 9, 18, and 79 of Law 19 of June 11, 1997, Panama Canal Authority Organic Law; and Panama Canal Agreements Nos. 3, 4, 58, 94, 127, 141, 220, 269, 295, 316, 358, 359 and 382 issued by the Panama Canal Authority Board of Directors.

Given in the City of Panama, on the twenty-sixth (26) day of August, two thousand and twenty-one (2021).

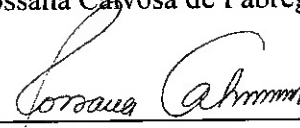
TO BE PUBLISHED AND ENFORCED.

Alberto Vallarino



Chairman of the Board of Directors, ad hoc

Rossana Calvosa de Fábrega



Secretary

PROPOSAL TO MODIFY THE PANAMA CANAL TOLLS SYSTEM AND THE RULES OF ADMEASUREMENT OF VESSELS FOR THE USE OF THE PANAMA CANAL

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

ANNOUNCES:

1. PROPOSAL TO MODIFY THE PANAMA CANAL TOLLS SYSTEM FOR PASSENGER VESSELS AND THE RULES OF ADMEASUREMENT OF VESSELS FOR THE USE OF THE PANAMA CANAL.

During an ordinary meeting, the Board of Directors of the Panama Canal Authority approved Agreement No. 384 of August 26th, 2021, whereby the proposal to modify the Panama Canal tolls system for passenger vessels and the rules of admeasurement of vessels for the use of the Panama Canal is approved, the initiation of the consultation and public hearing process established by law is ordered, the members of the Board of Directors of the Panama Canal Authority's Committee that shall conduct the consultation and public hearing are designated, and the Secretary of the aforementioned Committee is appointed.

Agreement No. 384 of August 26th, 2021 contains as an integral part of it, the proposal to modify the Panama Canal tolls system and the rules of admeasurement of vessels for the use of the Panama Canal, which will be available to the interested parties as of the date of this publication.

2. ESSENCE OF THE PROPOSED CHANGE.

The Panama Canal Authority proposes to establish and standardize for all passenger vessels the toll calculation based on PC/UMS tonnage capacity (Panama Canal / Universal Measurement System) and to eliminate maximum berth capacity (PAX) as the unit of measurement.

In addition, the proposed changes to the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal are presented for its update in accordance with the proposal to modify the toll structure for passenger vessels and other aspects such as the consideration of the "in ballast" condition.

2.1. Proposed modifications to the tolls structure for passenger vessels.

The Panama Canal Authority proposes the modification of the tolls system for passenger vessels (see enclosed table on item 1 of this section), establishing PC/UMS tonnage capacity as the single billing unit for this market segment, considering the lock type, tonnage ranges and loading condition (laden or ballast). The proposal unifies the billing unit, without adjusting current tariffs, as not to impact the passenger ship industry which has suffered from the adverse effects of the COVID-19 pandemic that has extended for more than 18 months. The objective is to maintain a standardized and simplified tolls structure for joint benefit of the Panama Canal and its customers.

1. Proposed toll modifications to the passenger vessel segment.

Elimination of maximum berth capacity (PAX) as the billing unit and as a replacement, establish PC/UMS as the unique billing unit. This proposal will maintain current PC/UMS tariffs, approved in May 2015, and implemented on April 1, 2016.

Tolls - Passenger Vessels effective February 1st, 2022							
Market Segment		Tolls per PC/UMS					
		Panamax locks			Neopanamax locks		
		1st	Next	Rest	1st	Next	Rest
		10K	10K		10K	10K	
Passenger Vessels	Laden	\$4.75	\$4.65	\$4.58	\$5.08	\$4.98	\$4.90
	Ballast	\$3.81	\$3.72	\$3.67	\$4.07	\$3.98	\$3.92

2.2 Proposed modifications to the rules of admeasurement of vessels.

- Proposed changes to Article 2 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal:
 - Include definitions for cable ships and fishing vessels.
 - Change the definition of passenger vessels according to the proposed modifications to their toll system.
- Proposed changes to Articles 3, 5, 7, 8, 9, 10, 12, 15, 16, 19 and 25 of the Regulation for the Admeasurement of Vessels to Assess Tolls for the Use of the Panama Canal:
 - Replace the billing unit of Maximum Berth Capacity (PAX) with PC/UMS tonnage for the passenger segment.
 - Modify the text of certain rules for admeasurement related to passenger vessels in which the term "berths" is replaced by "PC/UMS".
 - Modify the text of certain articles of the rules for admeasurement so that the vessel retains its status in ballast, included in the chapter on final provisions:
 - Cable ships can carry up to a maximum of 50 metric tons (MT) of cable, provided that the cable is in pieces intended to be used to thread the machinery and not to generate revenue.
 - Salt, which is usually transported by fishing vessels when they are in ballast condition, exclusively for the vessel's own use.
 - Amend article 25, point 1, to eliminate duplication related to carrying cargo for the operation of the ship or for the use or consumption on board by its crew.
 - Modify the text in the chapter of the Admeasurement Certificate, to define the personnel who perform the admeasurement.

3. IMPLEMENTATION OF PROPOSED CHANGES.

3.1. The proposed adjustments of tolls for the passenger vessel segment, as well as the rules for admeasurement will be effective February 1st, 2022.

4. INVITATION TO PARTICIPATE IN THE CONSULTATION AND PUBLIC HEARING.

Interested parties are invited to participate in the consultation and public hearing of the proposal to modify the Panama Canal tolls system for passenger vessels and the rules of admeasurement of vessels for the use of the Panama Canal, as follows:

4.1. Public Consultation: There will be a public consultation period that begins on the date of the publication of this notification and expires on October 1st, 2021, at 4:15 p.m., local time.

4.2. Public Hearing: A public hearing will be held on October 5th, 2021, as indicated in paragraph 7.

5. FORM OF PARTICIPATION OF THE INTERESTED PARTIES.

The interested parties may participate in the consultation period and public hearing in accordance with the following rules:

5.1. As of the publication date of this notification, the consultation period is open, and the interested parties may present data, opinions, and statements in writing, in English or Spanish, which must be received by the Panama Canal Authority before the deadline of October 1st, 2021, at 4:15 p.m., local time.

5.2. All who have participated in the consultation process described above in paragraph 4.1 and 5.1 may participate in the public hearing, to be held on the date indicated in paragraph 4.2, directly or through their duly accredited representatives, provided that they have announced in writing, during the consultation period, their decision to participate in the hearing as a speaker. This announcement to participate as speaker must be sent to the addresses indicated in paragraph 6.4 of this notification and shall contain the name and address of the interested party and the capacity under which he/she shall present himself/herself. The announcement of participation as speaker in the public hearing must be received in writing by email to the address customerrelations@pancanal.com, in English or Spanish, no later than October 1st, 2021, at 4:15 p.m., local time, and the recorded date and time of receipt of notification shall determine the order in which the interested party shall intervene in the public hearing.

6. REQUEST AND FORWARDING OF INFORMATION.

- 6.1.** Persons interested may access an electronic copy of the proposal, both in Spanish and English, in the direct link: www.pancanal.com/peajes.
- 6.2.** Those interested in expressing their comments, opinions, information, or arguments during the consultation period, shall submit them in writing by email to the address customerrelations@pancanal.com, in English or Spanish, before the date indicated in paragraph 4.1 of this notification.
- 6.3.** Those interested in participating in the public hearing as speakers must announce their decision in writing by email to the address customerrelations@pancanal.com, in English or Spanish, before the date indicated in paragraph 4.1 of this notification.

Information sent via email, letters with comments or indicating intent to participate in the consultation period and / or public hearing as speaker mentioned in paragraphs 6.2 and 6.3 above, shall be submitted in “pdf”, “jpeg” or “png” format. Letters or information in the body of the email will not be considered.

Similarly, for each emailing of information, letters, or notification of participation in the public consultation and / or public hearing mentioned in paragraphs 6.2 and 6.3 above, the Panama Canal Authority will issue an electronic acknowledgment of receipt or response by email to confirm receipt of such information, letter, or notification of participation. If you do not receive this confirmation within two days of the original sending of the information, please forward to the address customerrelations@pancanal.com.

Also, those interested in participating in the public hearing as speakers are requested to send a copy of the content of their presentation, if possible in advance of the date of the public hearing indicated in paragraph 4.1 of this notification, through email to the address customerrelations@pancanal.com.

- 6.4.** Electronic Address (e-mail) to send the above-mentioned documentation indicated in paragraphs 4, 5 and 6 of this notification:

Email: customerrelations@pancanal.com

7. DATE AND TIME OF THE PUBLIC HEARING.

- 7.1.** The public hearing shall be held on Wednesday, October 5, 2021, and will begin at 9:00 a.m. local time.
- 7.2.** The public hearing will be held in virtual format, whose link, instructions, and other logistical details to participate as a speaker will be distributed in a timely manner to those who have notified in writing their decision to participate in the public hearing as a speaker in accordance with the provisions of paragraphs 5.2 and 6.3 of this notification.
- 7.3.** Those interested in participating in the public hearing as listeners or to assist virtually may request the respective link and instructions for access to the email customerrelations@pancanal.com no later than the day indicated in paragraph 4.1 of this notification, as the end of the public consultation period.
- 7.4.** The methodology of the public hearing presented in this notification is based on compliance with the biosecurity measures implemented due to the COVID-19 pandemic.

8. PUBLIC HEARING PROCEDURE.

The Board of Directors of the Panama Canal Authority has designated the following Board members as members and officers of the Committee that shall conduct the consultation and public hearing process (referred to from here on as the Committee):

Ricardo M. Arango	Chairman
Nicolás González Revilla	Vice chairman
Lourdes Castillo	Member
Jorge González	Member
Enrique Sánchez	Member

The Board of Directors of the Panama Canal Authority has appointed Mr. Ricaurte Vásquez M., Administrator of the Panama Canal Authority, as Secretary of the Committee.

- 8.1.** The Committee shall examine all the information that has been properly and timely presented, relative to the comments, data and information provided by the interested parties during the consultation period.
- 8.2.** The Committee shall commence the virtual public hearing on the established date and time indicated in this notification. The Chairman of the Committee shall inform the participants that the purpose of the public hearing is to listen to the arguments in favor or against the proposal.

- 8.3. The Chairman of the Committee shall announce the order of participation of each speaker, in accordance with the provisions of paragraph 5.2 of this notification, and each one shall begin his/her presentation in that order.
- 8.4. Participants as speakers in the public hearing shall be called upon individually to make their statements and express their points of view on the proposal, for a maximum of five minutes. The Committee shall analyze and decide on the appropriateness of extending this period of time as they deem convenient, on a case-by-case basis, and shall inform the participants of their decision. Presentations with visual aids, slides, "PowerPoint" or any other devices, shall not be allowed.
- 8.5. The purpose of individual participation is merely expository; therefore, no debates or questions and answers shall be admitted between the members of the Committee and the participants, or between participants.
- 8.6. The members of the Committee shall receive the testimony or statements of the interested parties in relation to the proposed modification. If possible, speakers are requested to send a copy of the content of their presentation, via email to customerrelations@pancanal.com.
- 8.7. After the public hearing, the Committee shall analyze the documentation presented during the consultation period and the presentations of the participants during the public hearing, and shall submit a report to the Board of Directors of the Panama Canal Authority, within a reasonable time, of the proceedings and the pertinent recommendations.

PANAMA, REPUBLIC OF PANAMA, AUGUST TWENTY SIX (26), TWO THOUSAND AND TWENTY-ONE (2021).