

**AGREEMENT No. 174
(of December 3, 2008)**

“Whereby the Acquisition Regulation of the Panama Canal Authority is amended”

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

WHEREAS:

Article 18.5 f of the Panama Canal Authority Organic Law empowers the Board of Directors to approve the regulations on the criteria and procedures applicable to contracting special services the Authority may render or receive and to granting concessions.

Article 10 of the Acquisition Regulation defines as special services contracts those entered into by the Authority to perform such activities as consulting, analysis, studies and evaluation, as well as those related to the Authority’s financial and risk management.

Adopting strategies to mitigate or neutralize the risks inherent to fluctuations in supply prices, interest rates, and foreign exchange is a commonly accepted practice to manage, within conservative parameters, business cash flow.

Accordingly, Management deems convenient to amend the Panama Canal Authority Acquisition Regulation to include the possibility of entering into specialized services contracts to assist the Authority in hedging its budgetary forecasts, so fluctuations in prices, interests, and foreign exchange do not affect the operations and capital investments budget execution.

AGREES:

ARTICLE ONE: To modify Article 33.15 of the Acquisition Regulation of the Panama Canal Authority, as follows:

“15. The contracting of banking, credit risk rating, and specialized services to mitigate the risks inherent to the fluctuations in the price of supplies, interest rates, and foreign exchange.”

ARTICLE TWO: This Agreement shall become effective upon its publication in the Panama Canal Record.

Given in the City of Panama, on the third day of the month of December, two thousand and eight.

TO BE PUBLISHED AND ENFORCED.

Dani Kuzniecky

Diógenes de la Rosa

Chairman of the Board of Directors

Secretary