

**REPUBLIC OF PANAMA
MINISTRY OF THE PRESIDENCY
Executive Decree No. 86**

**WHEREBY THE MARITIME LABOUR CONVENTION, 2006
IS REGULATED**

THE PRESIDENT OF THE REPUBLIC

Exercising his constitutional and legal powers

DECREES:

**TITLE I
GENERAL PROVISIONS**

ARTICLE 1

For the purposes of this Executive Decree, the following terms and acronyms must be understood as follows:

Work accident: Any event that produces a bodily injury or functional disruption to a Seafarer, whether in the execution, due to, or as a result of the job, and caused by the sudden or violent action of an external source or by the effort made.

Employment agreement: It refers to the labour contract or enrollment contract.

Employment contract per Voyage: It is the agreement entered into from port to port, regardless of the voyage made by the ship.

Sheltered Waters: A maritime area that has safeguarding conditions, either natural or manmade, with the appropriate dimensions and depth for Ships to dock, stay and operate in.

Shipowner: Any natural person or legal entity who owns a ship, or any other organization, as for example the manager, the agent or bareboat charterer, who for the purposes of exploiting the ship has undertaken the responsibilities that concern the owner or another entity or person, and who, upon doing it, has accepted to comply with all the duties and responsibilities that correspond to Shipowners by virtue of the Maritime Labour Convention, 2006 regardless of the organization or person who performs some of the duties or responsibilities on behalf of the Shipowner.

Gross Tonnage: It is the gross tonnage calculated pursuant to the regulations concerning tonnage contained in the International Convention on Tonnage Measurement of Ships, 1969 or any convention that substitutes it.

Competent Authority: The Panama Maritime Authority shall be the authority appointed

for regulating and applying the rules established in the Maritime Labour Convention, 2006.

Vessel: Any ship other than those that navigates exclusively in internal waters or waters located inside or near sheltered waters or areas where port regulations apply.

Cadet: Any candidate for merchant marine officer, whose training program includes the development of academic and professional competences, as well as education in behaviour and attitudes under observance and faithful compliance of the existing rules, regulations and orders.

Act of God: One resulting from acts of nature, which could not have been foreseen by man.

Certificate of Maritime Labour: It is the certificate issued by the Panama Maritime Authority, certifying that work and life conditions of Seafarers aboard Ships with Panamanian registration comply with the provisions of this Executive Decree.

ISPS Code: International ship and Port Facilities Security Code.

Welfare Commissions: Those conformed by representatives of the Shipowners' and Seafarers' organizations, pertinent authorities, and, if applicable, charitable organizations and social entities in charge of inspecting welfare facilities regularly, in order to make sure that they are appropriate, taking into account the development of Seafarers' needs.

SOLAS Convention: International Convention for the Safety of Human Life at Sea, 1974, amended, adopted by the Republic of Panama by means of Law No. 7 of October 27, 1977.

STCW Convention: International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, amended, adopted by the Republic of Panama by means of Law No. 4 of May 15, 1992.

Declaration of Maritime Labour Compliance: It is the document that must be attached to the certificate of maritime labour and which establishes the measures adopted in order to ensure continuous compliance with the Maritime Labour Convention.

Force Majeure: Situation produced by the actions of man that were impossible to oppose.

Seafarer / Crew Member or Sailor: Any person employed, hired or working in any position aboard a ship.

Hours of work: Indicates the time during which Seafarers are under the obligation to

perform work for the vessel.

Overtime: Hours worked in excess of the normal working day.

Hours of rest: Indicates the time not included within hours of work; this expression does not include short breaks. Short breaks are those that encompass less than an hour, or breaks for having meals, which shall not count as rest time.

Harassment: Any harmful action taken by a person against a Seafarer for having reported a complaint that is neither clearly abusive nor malicious.

Vicinity of Sheltered Waters: Those bodies of water that surround sheltered water areas, including a port's internal canals, such as land, areas adjoining the coast and also nearby geographical features.

Able Seaman: Any Sailor that is considered competent to perform any job, other than a supervisory job or as specialized Seaman, which could be requested to any member of the subordinate personnel assigned to deck service, or to any Sailor that is described as such by national laws or practice or by virtue of a collective agreement.

MODU: Mobile Offshore Drilling Units.

ILO: International Labour Organization.

IMO: International Maritime Organization.

WHO: World Health Organization.

Recognized Organization: The entity or organization duly authorized by the Panama Maritime Authority to carry out inspections, audits, issue certificates on behalf of the Republic of Panama and in general, to carry out any acts which the Panama Maritime Authority decides to delegate to it.

24-Hour Period: It is the period that starts at 00:00 hours and ends at 24:00 hours.

Nightshift: It is the period that starts at 20:00 hours and ends at 06:00 hours.

PIPP: Port Installation Protection Plan.

Complaint: Is a complaint filed by a Seaman or Seafarer, professional organization, association, trade union, or in general, any person who is responsible for the ship and the health of the Seafarers working aboard.

Crew List: Book where all crew members are registered, including their personal information, Seamen's certificate or ID number, salary, duration of their contract, and port of disembarking.

Basic wage: means the pay, however composed, for normal hours of work; it does not include payments for overtime, bonuses, allowances, paid leave or any other additional remuneration.

Consolidated wages: Means of wage or salary which includes the basic pay and other pay- related benefits; a consolidated wage may include compensation for all overtime hours which are worked and all other pay- related benefits, or it may also include only certain benefits in a partial consolidation.

Seafarer Recruitment and Placement Services: Any person, company, institution, agency or other organization, in the public or the private sector, which is engaged in recruiting seafarers on behalf of shipowners or placing seafarers with shipowners.

International Voyage: Means a voyage from a country to a port outside such a country.

The terms defined in this article may be used in capital letters or lowercase, singular or plural.

ARTICLE 2

This Executive Decree must be considered to be of public interest, and applies to all ships with Panamanian flag, public or private property either publicly or privately owned, ordinarily engaged in commercial activities, other than ships engaged in fishing or similar pursuits and ships of traditional build such as dhows and junks. This Executive Decree does not apply to warships or naval auxiliaries.

ARTICLE 3

This Executive Decree applies to all Seafarers employed, hired or working in any position on board a vessel, as defined in article 1.

Exempt from complying with the preceding paragraph are:

- a. Port pilots
- b. Port employees
- c. Ship inspectors
- d. Superintendents
- e. Employees subject to the special labour regulations of the Panama Canal Authority.
- f. Technical personnel in Platforms or MODU (Mobile Offshore Drilling Units).

For the purposes of this Executive Decree, and with regards to offshore drilling platforms or MODUs, persons who, due to their training and qualifications are covered by the regulations of the STCW Convention, shall be considered Seafarers.

ARTICLE 4

The Competent Authority shall ensure strict compliance and effective application of the rules established in this Executive Decree and any international conventions in matters of maritime labour ratified by the Republic of Panama, and shall coordinate their proper execution with other government institutions.

ARTICLE 5

All Shipowners of vessels flying the Panamanian flag shall ensure equality of life and work conditions for both nationals as well as foreigners who work on board these vessels.

ARTICLE 6

Any events not foreseen in this Executive Decree or in those regulatory or supplementary legal provisions, or in International Conventions ratified by the Republic of Panama shall be resolved pursuant to general principles of Labour Law and the rules established in laws, decrees and resolutions that regulate similar cases or matters.

ARTICLE 7

In case of conflict between two parties regarding the applicability or interpretation of regulatory or supplementary provisions or in International Conventions, the provision or interpretation most favourable to Seafarers shall prevail.

ARTICLE 8

Any stipulations, acts or statements that indicate a reduction, adulteration, abandonment or waiver of the rights established in favor of Seafarers in this Executive Decree are null and thus do not bind contracting parties, even if expressed in an agreement or any other contract.

TITLE II MINIMUM REQUIREMENTS FOR WORKING ON BOARD SHIPS

CHAPTER I MINIMUM AGE FOR WORKING ONBOARD

ARTICLE 9

No person below the minimum age of 18 years may be employed, hired or work on board a vessel with Panamanian registration with the exception of cadets, who for educational reasons carry out their professional practice on board a ship with Panamanian registration.

Any person under the age of 18 years who for educational reasons has been authorized to carry out his/her professional practice on board a ship may not do so during the night shift.

CHAPTER II

MEDICAL CERTIFICATE

ARTICLE 10

Seafarers employed on board a vessel must have a valid health certificate, certifying they are medically fit to perform the duties and emergency to carry out at sea. The medical certificate shall be issued by a duly qualified medical practitioner before the seafarer begins working on board a ship.

ARTICLE 11

The Competent Authority shall regulate everything concerning the issuance, content and validity of the medical certificate pursuant to what is established by the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, amended (Training Convention), the Convention on Maritime Labour, 2006 and ILO/WHO Guidelines for Conducting Pre-Sea and Periodic Medical Fitness Examinations for Seafarers the Directives for the carrying out of health examinations to Seafarers, including any subsequent versions, and any other applicable international guidelines published by the International Labour Organization, the International Maritime Organization or the World Health Organization (ILO/IMO/WHO), regarding to the issuance and regulation of medical certificates of seafarers.

ARTICLE 12

Notwithstanding the established in the preceding article, health certificates issued in accordance with the requirements of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, amended, must be considered valid. Medical certificates that substantially meet those requirements must also be considered valid, in the case of Seafarers not covered by the Training Convention.

ARTICLE 13

Medical certificates must state that the senses of hearing and sight of the interested party are suitable through hearing and eyesight tests, as well as a physical examination that determines that the interested party does not suffer from any condition that may worsen during his/her service at sea, or which may incapacitate him/her from carrying out the said service, or that may constitute a danger for the health of other persons aboard.

Vision tests must include a test for the perception of colors, in the case of persons who are going to be employed for services in which their aptitude for the job should not be diminished by daltonism or a bad perception of colors.

ARTICLE 14

A medical certificate shall be valid for a maximum period of two (2) years.
A certification of colour vision shall be valid for a maximum period of six (6) years.

ARTICLE 15

In urgent cases, the competent authority may permit a Seafarer to work without a valid

medical certificate until the next port of call where the seafarer can obtain a medical certificate from a qualified medical practitioner, provided that:

1. The period of such permission does not exceed three months; and
2. The Seafarer concerned is in possession of an expired medical certificate of recent date.

ARTICLE 16

When a medical certificate's validity expires in the course of a voyage, the certificate shall continue in force until the next port of call where the seafarer can obtain a medical certificate from a qualified medical practitioner, provided that the period shall not exceed three months.

ARTICLE 17

The medical certificates for seafarers shall be issued at least in English language.

CHAPTER III TRAINING AND QUALIFICATIONS

ARTICLE 18

The Panama Maritime Authority is the competent entity to ensure strict compliance and effective enforcement of the rules on training, certification and watchkeeping of Seafarers established in the international conventions ratified by the Republic of Panama; to regulate the norms regarding the adoption and aptitude of Seafarers, to issue Seafarers' competence certificates and identity cards, necessary for working on board Ships with Panamanian registration, and which may impose sanctions in the event of violations or non-compliance with said regulations.

ARTICLE 19

Seafarers working on board ships flying the Panamanian flag shall have the appropriate training and qualifications and maintain on board a certificate that proves that they have the professional competences or other qualifications necessary to carry out their duties, duly issued or countersigned by the Competent Authority.

All training and certification in accordance with the mandatory instrument adopted by the IMO.

ARTICLE 20

Seafarers shall successfully completed training for personal safety on board a ship, as well as any other requirements or conditions of international rules and conventions and national legislation in force.

ARTICLE 21

The training centre together with the Captain or his/her appointee shall be in charge of supervising the duties received by the cadet aboard, pursuant to what is established in the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, amended.

CHAPTER IV RECRUITMENT AND PLACEMENT

CHAPTER 22

Ships placement services shall not give rise to Seafarers paying any compensation or bonus, directly or indirectly, for the service received. This action shall result in the cancellation of the operations licence issued by the Competent Authority, as the case may be.

ARTICLE 23

The Ministry of Labour and Labour Development shall be the entity in charge of regulating providers of recruitment and placement services established within the territory of the Republic of Panama, pursuant to what is established by the national legislation in force.

Natural persons or legal entities interested in offering the services of recruitment and placement for Seafarers in the Republic of Panama, whose main purpose is the recruitment and placement of Seafarers, or that recruit and place an important number of Seafarers, must have an operations licence granted by the Ministry of Labour and Labour Development.

ARTICLE 24

What is established in the preceding article shall also apply to Seafarers' organizations located within the territory of the Republic of Panama that wish to offer the services of recruitment and placement with the purpose of placing national seafarers at the disposal of vessels with Panamanian registration, as long as they meet the following conditions:

- a. The service of recruitment and placement is operated pursuant to a collective bargaining agreement between the Seafarers' organization and the Shipowner.
- b. Both the Seafarers' organization and the Shipowner are based in the territory of the member.
- c. The collective bargaining agreement permitting the operation of the recruitment and placement service provider has been legalized and registered with the Ministry of Labour and Labour Development.
- d. The provider of recruitment and placement services operates regularly and has established measures for the protection and promotion of Seafarers' employments rights comparable to those provided.

ARTICLE 25

Shipowners that use providers of Seafarer recruitment and placement services that are

established in countries or territories where the Convention on Maritime Labour, 2006 is not applied must ensure that these service providers are in compliance with the provisions of Rule 1.4 of the Convention on Maritime Labour, 2006 and that they have a system of qualifications that supports the recruitment and placement of Seafarers.

When Shipowners use providers of Seafarer recruitment and placement services that are established in countries or territories where the Convention on Maritime Labour, 2006 is not applied, he/she will be exclusively responsible in the event that the ship is detained upon inspection, whether by the Flag State or the Port State, as well as for any sanctions involved with the detention of the ship.

ARTICLE 26

Public and cost-free providers of Seafarer recruitment and placement services may establish themselves in the Republic of Panama within a framework of a policy meant to serve the needs of Seafarers and Shipowners, whether it is a service that forms part of a public employment service for all workers and employers, or one that operates in coordination therewith, as long as they operate in an orderly fashion that protects and promotes Seafarers' work rights established in this Executive Decree.

ARTICLE 27

The Competent Authority shall prohibit Providers of Seafarer recruitment and placement services from using any means, mechanisms or lists meant to prevent Seafarers from obtaining jobs for which they are qualified, or to dissuade them from it.

ARTICLE 28

The costs of obtaining the mandatory national health certificate, the national Book of service and a passport or a similar travel document shall be paid and invoiced to Seafarers and shall not be considered a violation of the prohibition established in article 22, however, the visa costs borne by the shipowner.

ARTICLE 29

Providers of recruitment and placement services that operate in the Republic of Panama must comply with the following:

- a. Keep an updated record of all Seafarers recruited or placed through their intermediation, which must be placed at the disposal of the authority for the purpose of inspection.
- b. Ensure that Seafarers know their rights and obligations established in their employment agreements before or during the recruiting process, and that the appropriate measures are adopted in order for Seafarers to be able to review their employment agreements before and after these have been signed, and receive a copy of same.
- c. Verify that Seafarers recruited or placed through their intermediation have the necessary qualifications and documents for the job in question, and that the Seafarers' employment agreements are in accordance with what is established in this Executive Decree and with every collective agreement that forms part of

the employment agreement.

- d. Ensure, as long as feasible, that Shipowners have the necessary means to prevent Seafarers from being abandoned in foreign ports.
- e. Examine and confirm every complaint regarding their activities and notify every complaint pending before the Authority.
- f. Establish a protection system, by means of insurance or an equivalent appropriate measure, to compensate Seafarers from pecuniary losses that may be suffered as a result of any non-compliance of the obligations that providers of recruitment and placement services or Shipowners may have with them by virtue of the Seafarers' employment agreement.

ARTICLE 30

Natural persons or legal entities that carry out directly or indirectly procedures for the placement, recruitment or intermediation of Seafarers in violation of the provisions of this Executive Decree must be subject to all administrative penalties that apply.

TITLE III CONDITIONS OF EMPLOYMENT

CHAPTER I EMPLOYMENT AGREEMENTS

ARTICLE 31

Seafarers working on board any ship flying the Panamanian flag shall have an employment agreement signed by the Seafarer and the Shipowner or a representative of the Shipowner, which guarantees decent work and life conditions on board.

Seafarers must be given the opportunity to examine the conditions established in the employment agreement, and if necessary, to seek advice before signing it, and to accept them freely.

ARTICLE 32

Shipowners and Seafarers must each keep a signed original of the employment agreement.

Shipowners must always keep on board and at the disposal of Seafarers, including the ship's Captain and any pertinent authority, including those in the ship's ports of call, copies of the employment agreement of all Seafarers onboard for their review.

ARTICLE 33

In addition to what is established in the preceding article, Shipowners must keep onboard a copy of the collective agreement in the event that the employment agreement is regulated by it.

When the employment agreement and the applicable collective agreements are not written in English, an English version of a sample employment agreement and those

parts of the collective agreement that are subject to inspection by the Port State must also be available.

ARTICLE 34

Employment agreement must contain the following information:

- a. Full name, date, place of birth, and nationality of the Seafarer.
- b. Name and address of the Shipowner.
- c. Place and date of the employment contract's signing.
- d. Duties to be performed by the Seafarer.
- e. Monthly basic or consolidated salary earned, as the case may be, or the formula used for calculating it.
- f. Number of annual vacation days to be paid or the formula used to calculate it.
- g. Conditions for terminating the employment contract, including the following information:
 - i. If the agreement has been entered into for an undetermined time period, the conditions for termination of the employment agreement established in this Executive Decree, as well as any prior notice period;
 - ii. If the agreement has been entered into for a determined time period, the date of expiration; and
 - iii. If the agreement has been entered into for a voyage, the port of destination and the time that must pass after arriving at the destination in order to be able to terminate the Seafarer contract;
- h. Medical protection benefits that the Shipowner must provide Seafarers with, as well as social security benefits.
- i. Places where Seafarers shall be entitled to be repatriated to, pursuant to Chapter VIII of this Title.
- j. Maximum period of uninterrupted service on board, upon termination of which Seafarers shall be entitled to be repatriated.
- k. Reference to the collective agreement if applicable.
- l. Rest hours.

m. Additional benefits that Seafarers earn, if any.

n. Manner of payment.

ARTICLE 35

Employment agreement with Seafarers may be entered into for indefinite periods, for definite periods or for a voyage.

ARTICLE 36

Employment agreement with Seafarers that are for a definite period must always be in writing, and the duration period shall not be longer than one (1) year.

ARTICLE 37

Shipowners may end any work relationship that is for an indefinite period of time, giving the Seafarer written notice at least fifteen (15) days in advance, and paying the salary for the services rendered, proportional vacations, repatriation, and the compensation established in this Executive Decree. The advance notice period must be counted as of the first day following notification of the termination of the work relationship. In the event that the Shipowner does not notify regarding the termination of the work relationship fifteen days in advance, he/she must pay the Seafarer the amount corresponding to the prior notice.

The vessel's last voyage and its arrival at port must be taken into account when the prior notice given to a Seafarer is concluded and becomes effective.

ARTICLE 38

Seafarers may end a work relationship that is for an indefinite period of time, giving the Shipowner written notice at least fifteen (15) days prior. Seafarers must take into account the above-mentioned period so that the indicated period concludes upon arrival at the port.

ARTICLE 39

In the event of obvious emergency and for humanitarian reasons, Seafarers may give shorter notices than the one established, or not give any prior notice. In said case, Seafarers shall not be under the obligation to pay the Shipowner the amount equivalent to the prior notice.

ARTICLE 40

Having ended the work relationship, Seafarers shall be entitled to receive from the Shipowner a document stating his/her service on board, containing sufficient information in English or translated into English, that helps with the securing of another job or that shows that he/she meets the requirements of service at sea, stipulated with the purpose of reclassification or promotion. Said document shall not mention the quality of service nor the salary received.

The Seafarer's Book duly stamped by the Shipowner may replace the document

referred to in the prior paragraph.

ARTICLE 41

Every ship must keep on board a book called "Crew List" or an equivalent record, where the hiring of all Crewmembers is established for the record.

CHAPTER II TERMINATION OF THE EMPLOYMENT AGREEMENT

ARTICLE 42

Employment agreement entered into for a voyage, for a definite or an indefinite time, shall be rendered rescinded, with the right to receive payment of the work compensation applicable to Seafarers, in the following events:

- a. Mutual agreement of the parties, as long as it is in writing, and does not imply the waiver of any rights.
- b. Unilateral decision of the Shipowner or his/her representative, pursuant to what is established in this Executive Decree.
- c. Unilateral decision of the Crewmember, as long as it is in writing, and that his/her resignation is recorded in the Crew List.
- d. Death of the Crewmember.
- e. Loss of the ship, or its inability to navigate, whether real or assumed, pursuant to what is established in the existing insurance or charter contracts.
- f. Suspension of the ship's services or its non-use, as long as said suspension is for longer than 90 days.
- g. Disembarking of the Crewmember due to illness or injury, when a minimum of 16 weeks has passed, counted as from the start of the illness or the day of the accident. The termination of the work relationship for this reason shall not become effective until the end of the disability period, without detriment of the compensations that may apply for occupational risks.
- h. Transferring of the ship's registration.
- i. Change in the ship's ownership.
- j. Expiration of the term of a definite-time contract, or the conclusion of the voyage agreed.

ARTICLE 43

Seafarers may end a work relationship for just cause, being entitled to the compensations established in this Executive Decree, in the following events:

- a. When the crew's accommodation, food and water are unhealthy or deficient and the Captain fails to adopt the necessary measures to fix these deficiencies within a reasonable term.
- b. Due to mistreatment, harassment or abuse by the Captain or the person representing him/her.
- c. Due to the Shipowner's or his/her representative's non-compliance with the safety, health and hygiene measures established by valid laws and regulations, as long as said deficiencies are known or have been reported to the Captain, and he/she omitted taking any corrective measures within a reasonable term.
- d. When wages are not paid in the manner established by the law or the contract.
- e. Due to the Shipowner's or his/her representative's imprudence or serious carelessness that compromises the safety of the ship or the people on board.
- f. Due to any actions of the Shipowner or his/her representative that have the aim of inducing the Crewmember to commit an illegal act.
- g. Due to the unilateral change in the work conditions that affect Seafarers.

ARTICLE 44

Seafarers' rights to end their employment agreement for the causes indicated in the above article expire after three months counted as of the date on which the events occurred, or when these constitute a crime, as of the moment when Seafarers become aware of them.

ARTICLE 45

Just causes that authorize a Shipowner to end a work relationship without prior notice are the following:

- a. Having been deceived by the Crewmember, through the presentation of false documents that credit him/her with qualities, abilities or competences that he/she lacks.
- b. When a Crewmember, during the time when he/she is at the service of the Shipowner, engages or participates in acts of violence, threat or insult against the Shipowner, his/her representative or hierarchical superiors, or other Crewmembers, unless there was a provocation.
- c. When a Crewmember reveals or discloses technical secrets, confidential

administrative matters or information regarding the cargo, which may cause damage to the Shipowner.

- d. When a Crewmember commits serious offences of integrity or honesty, or crimes against property that are damaging to the Shipowner, the ship or any person on board, stevedore or agent.
- e. When a Crewmember intentionally causes, during the execution of his/her duties, or as a result of these, serious damage to the machinery, facilities, equipment, structure or operation of the ship or its cargo.
- f. When a Crewmember compromises the safety of the ship, its cargo, the persons on board or the environment with his/her inexcusable negligence or carelessness.
- g. When a Crewmember blatantly and repeatedly refuses to adopt the preventive measures and procedures established in order to avoid occupational risks or material damages.
- h. When a Crewmember disobeys without just cause and to the detriment of the Shipowner, the orders given by his/her superiors, based on what is established in the employment agreement, the collective agreement or the internal regulations onboard.
- i. When a Crewmember is found in possession of illegal drugs or under their influence, or reports for duty in a state of drunkenness.
- j. When there is sexual harassment or immoral or criminal conduct by a Crewmember during the life of the employment agreement; he/she helps to introduce stowaways; or allows unauthorized persons to board or disembark the ship.
- k. When a Crewmember abandons his/her job, which includes abandoning the vessel without authorization, or refusing to work without just cause.
- l. When a Crewmember is not on board on time before the vessel's departure, after a visible warning on board the vessel.
- m. When a Crewmember does not provide the necessary help in order to secure the immediate safety of the vessel, the persons on board or the cargo, or to aid other vessels or persons that are in danger at sea, as long as he/she is not risking his/her own life.
- n. A basic inability or clear inefficiency to perform the tasks and fulfill the duties of his/her respective job.

ARTICLE 46

Shipowners' right to end the employment agreement with Seafarers for the causes indicated in the above article expire after three months, counted as of the date on which the events occurred, or when these constitute a crime, as of the moment when Shipowners become aware of them.

ARTICLE 47

If a Seafarer is fired for just cause, he/she shall only be entitled to salary for the services rendered, the payment of proportional annual leave and his/her repatriation.

ARTICLE 48

The terms of limitation shall be governed by the following rules:

- a. All actions that do not have a special limitation term indicated in this Executive Decree shall expire after one (1) year;
- b. Actions derived from occupational risks expire after two (2) years;
- c. Limitations start counting as of the date of dismissal, or the termination of a labour relationship, except in the event of an occupation risk, in which case it shall start counting as of when the risk occurred.

CHAPTER III COMPENSATIONS

ARTICLE 49

In the case of employment agreement for undefined periods of time, when the employment relationship is terminated without just cause, Seafarers shall be entitled to receive compensation as per the following uncombined scale:

- a. For service time from one (1) to five (5) months, 20% of the monthly wage.
- b. For service time from more than five (5) months to eleven (11) months, 30% of the monthly wage.
- c. For service time from more than eleven (11) months to twenty-three (23) months, 100% of the monthly wage
- d. For service time of more than twenty-three (23) months to thirty-five (35) months, 300% of the monthly wage
- e. For service time of more than thirty-five (35) months to sixty (60) months, 400% of the monthly wage
- f. For service time of more than sixty (60) months, 600% of the monthly wage.

For the purposes of this article and determining the amount of any other compensations that must be paid to Seafarers, the monthly wage must be understood as the amount most favorable between the average of the wages earned in the last six months and, the last monthly wages earned.

ARTICLE 50

Shipowners who terminate a work relationship without just cause before the expiration of the employment agreement for a definite time-period or a voyage shall be under the obligation to pay Seafarers compensation equal to the wages that they would have earned during the remainder of the employment agreement.

Seafarers hired for a voyage must be entitled to an additional payment proportional to their wage, if the voyage is prolonged or delayed. No reduction of wages must be made if the trip is cut short for any reason.

ARTICLE 51

In the case of contracts per voyage, if due to the Shipowner's actions the voyage in question is not made, Seafarers must be entitled to withhold any advanced payments received, regardless of the amount. This must also apply in the event that the voyage is suspended before starting due to force majeure or acts of God.

In the event that the voyage in question is definitely cancelled, the Shipowner must pay Crewmembers an additional amount equivalent to a third of the total amount of the employment agreement.

If the voyage is interrupted after the ship has left the port of initial departure, Crewmembers hired for the voyage must receive the wages they would have earned if the voyage had been made, in other words, the totality of the agreement for the voyage in question.

ARTICLE 52

Seafarers are entitled to receive from Shipowners compensation for any unemployment resulting from the loss of the ship or its foundering.

Said compensation shall be paid for every day of the effective unemployment of Crewmembers, in accordance with the wages payable pursuant to the Seafarers' employment agreement. However, Shipowners may limit the total amount of compensation payable to each Crewmember to an amount no lower than three (3) months of wage.

What is established in the preceding paragraph must not go against any other right that Seafarers may be entitled to by virtue of the losses or injuries suffered as a result of the loss of the vessel or its foundering.

ARTICLE 53

Shipowners must be under the obligation to pay Crewmembers, in the currency established in their employment agreement, the value of their personal belongings lost or damaged in a Shipwreck, as long as there is a prior written statement regarding the personal belongings being taken on board and their corresponding value.

ARTICLE 54

In the event of ship losses or Shipwrecks, Seafarers may use the same legal procedures available for the collection of delays in wages earned during their service, in order to collect their compensation.

**CHAPTER IV
WAGES****ARTICLE 55**

Seafarers are entitled to receive periodic and complete remuneration for their work, pursuant to their corresponding employment agreement.

ARTICLE 56

Wages must be paid as of the day on which the Crewmember begins his/her service on board. Nevertheless, if a Crewmember has to travel from the recruiting place to reach the vessel, the wage shall start counting as of the start of said trip.

ARTICLE 57

Wages and the type of currency shall be stipulated in the employment agreement and may only be fixed for a unit of time, for intervals no longer than one month.

ARTICLE 58

All Seafarers are individually entitled to receive a monthly account statement indicating the wage agreed and the amount paid, including any supplementary payments, deductions and the type of exchange used in the event of payments in a currency or a type of exchange other than the one agreed.

ARTICLE 59

Shipowners must provide the facilities for Seafarers to transfer the totality or part of their incomes to their families, people under their care, their legal beneficiaries, or any other persons designated by the Seafarer, through bank wire or any other similar system.

These transfers must be sent on time and directly to the persons designated by the Seafarer.

ARTICLE 60

Expenses incurred by Shipowners for wiring services requested by Seafarers must be reasonable, and the type of exchange applied must be in accordance with the market.

Shipowners may deduct said expenses from the amount to be wired or obtain

reimbursement through other means agreed with the interested Seafarers.

ARTICLE 61

The Competent Authority, in accordance with its legal mechanisms, may impose fines if Shipowners improperly delay payment of the wage agreed, do not pay it, or if the wage paid is less than the amount agreed. It must proceed in the same manner, in the event that the income that a Seafarer has requested to be transferred to designated persons, are not delivered by the Shipowner.

ARTICLE 62

Work carried out during the weekly day of rest or during official holidays shall be compensated with at least an equal period of exemption from work or presence on board, or with additional annual leave time, instead of salary remuneration, or in any other manner of compensation established.

ARTICLE 63

Seafarers are entitled to dispose freely over their wage. Any provision or agreement contrary to this rule shall be void.

Only the following withholdings and deductions from Seafarers' salaries must be allowed:

- a) The payment of debts that a Crewmember acquires with the Shipowner with regards to advanced salaries or payments made in excess, but under no circumstance shall deductions for this reason be above 15% of the wage earned in the corresponding payment period;
- b) The payment of installments for the purchase of a home to the selling entity or a credit institution, or the amount to be paid as rent for his/her home, for up to 30% of the wage earned in the corresponding payment period;
- c) Child support payments ruled and ordered by a competent authority;
- d) Regular or special union fees to Seafarers' organizations; and
- e) The attachment or embargo on 15% of the excess above the non-attachable amount of the wage;

The total amount of deductions and withholdings authorized in this article shall under no circumstance exceed 50% of the Crewmember's basic wage, except with regards to letter (c) of this article.

ARTICLE 64

The legal minimum wage is non-attachable. Also non-attachable is the full amount of the sums received by Seafarers for vacations, retirements, pensions and compensations established by law, individual and collective agreement contracts or agreements, and Shipowner's plans or practices.

ARTICLE 65

Any total or partial assignment of wages in favour of third parties shall be void, whether by means of invoices presented for collection, or by any other means, save for those expressly authorized by law.

ARTICLE 66

Overtime work must be remunerated with a 25% surcharge above the basic hourly wage. This surcharge shall also apply to overtime comprised in the consolidated wage, and to those exceeding those comprised within the consolidated wage.

ARTICLE 67

When salaries applicable to Seafarers is totally or partially consolidated, the number of work hours expected of the Seafarer in exchange for said remuneration, as well as any additional benefits that may be owed to him/her, on top of the consolidated wage must be clearly specified in the employment agreement.

ARTICLE 68

The part of the wage totally or partially consolidated that corresponds to the regular shift shall not be less than the applicable minimum wage.

ARTICLE 69

The Captain, or the person appointed by him/her, shall keep a record of all overtime worked, whether included or not in the consolidated wage. This record must be signed by Seafarers at intervals no longer than one month.

Nevertheless, records of overtime may be kept electronically, as long as Seafarers approve them at intervals no longer than one month.

CHAPTER V HOURS OF WORK

ARTICLE 70

A normal hour of work must comprise a maximum of eight (8) daily hours, with one weekly day of rest, and those days of rest that correspond to official holidays, without detriment to any other more favorable rules established by collective agreements.

ARTICLE 71

Official holidays for Seafarers shall be governed by what is established in the employment agreement or in the applicable collective agreements; nevertheless, the amount of fixed days shall not be less than four paid days per year.

CHAPTER VI HOURS OF REST

ARTICLE 72

The minimum hours of rest shall not be less than:

- a. 10 hours in any 24-hour period, nor
- b. 77 hours in any 7-day period

ARTICLE 73

Hours of rest may be divided into no more than two periods, one of which must be at least six (6) hours in length and the interval between consecutive periods of rest must not exceed fourteen (14) hours.

Exceptions to the restrictions on Seafarers' minimum rest hours must be allowed pursuant to Rule 2.3.13 of the Convention on Maritime Labour 2006, as long as they are acknowledged in a collective agreement or they adjust to the provisions established in the STCW Convention. A longer frequency or duration of licence periods or the granting of compensatory licences to Seafarers that perform watchkeeping duties, or that work on board vessels dedicated to voyages may be taken into account.

ARTICLE 74

Ship captains must be entitled to interrupt and suspend Seafarers' rest hours if necessary in order to:

- a. Guarantee the immediate safety of the vessel, the persons on board, or the cargo, or to aid other vessels or persons that are in danger at sea, until normality has been restored.
- b. Carry out periodic exercises such as firefighting, rescue or abandonment, or others imposed by national and international rules; these must be carried out in a manner that disrupts rest hours as little as possible and do not cause fatigue.
- c. Carry out imperative operational tasks that are necessary and that cannot be postponed for safety or environmental reasons, or which were not possible to foresee at the start of the voyage.

After normality has been restored, the Captain must ensure that an adequate compensatory rest period is granted to every Seafarer that worked during his/her rest hours.

The time that this interruption lasts must not be subject to remuneration.

ARTICLE 75

A posting describing how work is organized on board must be kept in every vessel, placed in an easily accessible place, and at the disposal of the competent authorities, in which must contain for every position, at least the following must be stated:

- a. The schedule of service at sea and service in ports.
- b. The maximum hours of work or the minimum hours of rest required by national laws or regulations or applicable collective agreements.
- c. Entry for each position or rank.

The table must be adapted to each type of vessel and shall be prepared by the Shipowner or the operator, following the Directives of the IMO/ILO, and must be drafted in the working language or languages of the vessel and the English language.

ARTICLE 76

All vessels must require that records of the Seafarers' daily hours of work, which must serve as documentary evidence that the minimum rest hours of Seafarers are effectively complied with.

The Competent Authority must adopt a standard format of daily rest hours following the Directives of the IMO/ILO in order to guarantee its control and compliance, however, Shipowners or operators may develop or adapt the records of daily rest hours, including electronic records, as long as these meet the criteria and minimum information established in the IMO/ILO Directives.

Records of seafarers daily hours of rest must be established in the working language or languages of the vessel and the English language.

ARTICLE 77

Seafarers must keep records of the daily hours of rest that concern them, which must be signed by the Captain or the person authorized by him/her, and by the Seafarers.

ARTICLE 78

The Captain or the person designated by him/her must be under the obligation to establish and maintain schedules for watchkeeping periods that are appropriate and effective, with the aim of guaranteeing that rest hours are complied with, avoiding fatigue and without risking the safety of the vessel and the crew at all times.

CHAPTER VII ENTITLEMENT TO LEAVE

ARTICLE 79

Seafarers must be entitled to paid annual leave at a rate of 2.5 calendar days per month of employment, without detriment of any more favorable provisions in any applicable collective agreements.

Seafarers employed for periods shorter than one year, or in the event of termination of the employment relationship, entitlement to leave must be on the basis of a minimum rate of 2.5 calendar days per month of employment.

ARTICLE 80

Justified work absences, to wit:

- a. Hospitalization due to illness or accident
- b. Temporary licences shore granted to Seafarers while the employment agreement is in effect
- c. Compensatory permits of any kind
- d. Any other, as established in the applicable collective agreements

ARTICLE 81

The time to take their annual leave shall be determined by the Shipowner, after consulting with the Seafarer.

ARTICLE 82

Seafarers must be entitled to take their annual leave at the place with which they have a significant relationship, which will normally be the place to where they are entitled to be repatriated, unless the employment agreement or the collective agreement provides otherwise.

ARTICLE 83

Any Seafarer are required to take their annual leave from a place other than the permitted by this Executive Decree, must be entitled to free transportation to the place where they were engaged, or recruited, whichever is nearer their home. All living expenses and other expenses directly related to his/her return must be for the account of the Shipowner.

ARTICLE 84

During annual leave, Shipowners may not request Seafarers to return on board, except for cases of extreme urgency.

ARTICLE 85

Any waiver of the right to annual leave must be void, even if done in exchange for remuneration or compensation.

ARTICLE 86

Annual leave may be divided, by mutual agreement of the parties.

ARTICLE 87

It is fully prohibited for Shipowners to initiate, adopt or communicate any measures, fines or actions against Seafarers during the time when they are incapacitated or enjoying their vacation. For these purposes, during these periods, any terms of expiration and limitation must be suspended.

CHAPTER VIII REPATRIATION

ARTICLE 88

All vessels must be under the obligation to provide a financial security in order to ensure that Seafarers are duly repatriated in accordance to this Executive Decree.

ARTICLE 89

Seafarers who work on Panamanian flagged ships, are entitled to repatriation by the Shipowner, without any cost to the former, in the following cases:

1. When the Seafarer's employment agreement expires while he/she is in a foreign country.
2. When the Seafarer's employment agreement is terminated by unilateral decision of:
 - a. By the Shipowner, or
 - b. The Seafarer, for justified reasons.
3. When the Seafarer cannot continue performing his/her duties within the framework of the employment agreement entered into, or when it cannot be expected that he/she executes them in the following cases:
 - a. In the event of illness or injury or other medical condition which requires their repatriation, when found medically fit to travel.
 - b. In the event of Shipwreck
 - c. When the Shipowner not being able to continue to fulfil their legal or contractual obligations as an employer of the Seafarer, by reason of insolvency, sale of vessel, change of vessel registration or any other similar reason.
 - d. When the vessel being bound for a war zone, as defined by national law or regulations or Seafarer's employment agreements, to which the Seafarer does not consent to go.
4. When the maximum period of uninterrupted service on board has been fulfilled, as established in the employment agreement.

ARTICLE 90

The maximum duration of service periods on board, which Seafarers is entitled to repatriation, must be less than twelve (12) months.

ARTICLE 91

Costs to be borne by the Shipowners for repatriation Seafarers must include at least the following:

1. Fare to one of the following destinations, selected by the Seafarer:
 - a. The place at which the Seafarer agreed to the engagement;
 - b. The place stipulated by a collective agreement;
 - c. The country of residence of the Seafarer; or
 - d. Any other place agreed between the parties upon hiring.

The repatriation must be organized by the Shipowner to be through appropriate and fast means. The means of transportation must be by air when the distance so requires it.

2. Accommodation and food from the moment when the Seafarer leaves the vessel, until they reach at the point of destination chosen for repatriation.
3. The pay and allowances Seafarer from the moment the Seafarer leave the vessel, until they reach the repatriation destination.
4. Transportation for 30 kg of the Seafarer's personal luggage, to the repatriation destination.
5. Medical treatment when necessary until the Seafarers are medically fit him/her to travel to the repatriation destination.

ARTICLE 92

Shipowners are barred from demanding that Seafarers pay at the beginning of their employment any advances with the purpose of assuming the cost of repatriation, or to deduct said costs from their remuneration or other benefits that Seafarers are entitled to, except when a Seafarer loses the right to be repatriated as established in this Executive Decree.

ARTICLE 93

The provisions of this Executive Decree are without detriment of the Shipowner's rights to recover any costs of repatriation by virtue of any contractual agreements with third parties.

ARTICLE 94

The time spent waiting for a Seafarer's repatriation and the repatriation travel time must not be deducted by the Shipowner from annual leave time that the Seafarer may be entitled to.

ARTICLE 95

All costs of repatriation must be covered by Shipowners until the Seafarer has disembarked at the point of destination established, or until the Seafarer has been found a suitable job on board a vessel that is headed towards any of those points of destination.

ARTICLE 96

A Seafarer lose the right to be repatriated in the event of:

1. Voluntary and permanent abandonment of the vessel without the Shipowner's authorization.
2. The Seafarer entering into a new employment agreement with the same Shipowner, after his/her disembarking.
3. The Seafarer entering into a new employment agreement with a different Shipowner, within a week following of its disembarking.
4. The Seafarer not claiming his/her right to be repatriated within a week following the time when he/she is entitled to be repatriated.

ARTICLE 97

Every vessel must keep and have at the disposal of Seafarers, a copy of the national provisions regarding repatriation, written in English language and the vessel's working language.

CHAPTER IX MANNING LEVELS

ARTICLE 98

That all ships flying the Panamanian flag shall require on board a sufficient number of seafarers employed, to ensure that vessel are operated safely and efficiently. An adequate crew must ensure the safety and security of the vessel and its personnel, under all operational conditions, in accordance with the Minimum Safe Manning Certificate issued by the Competent Authority in accordance with the rules of the SOLAS Convention.

ARTICLE 99

The Competent Authority, when establishing, approving or reviewing crew levels, must be taken into account the need to avoid or reduce to a minimum overtime work hours, in order to ensure sufficient rest and to limit fatigue, as well as the principles contained in the applicable international instruments, especially those of the IMO, in matters of crew levels.

CHAPTER X CAREER AND SKILL DEVELOPMENT AND OPPORTUNITIES FOR SEAFARERS

ARTICLE 100

The Competent Authority shall have national policies to promote employment in the

maritime sector and to encourage career and skill development, as well as employment opportunities for Seafarers domiciled in the territory of the Republic of Panama and in order to provide the maritime sector with a stable and competent workforce.

TITLE IV ACCOMODATION, RECREATIONAL FACILITIES, FOOD AND CATERING

CHAPTER I ACCOMODATION AND RECREATIONAL FACILITIES

Section One General Provisions

ARTICLE 101

All vessels must have accommodations and recreational facilities that are safe and decent for Seafarers who work or live on board, in accordance with the promotion of Seafarer's health and well-being.

ARTICLE 102

The requirements of this Executive Decree which relate to ship construction and equipment apply only to ships constructed on or after the date of the coming into effect of the Convention on Maritime Labour, 2006.

For ships constructed before that date, the requirements relating to ship construction and equipment are set out in the Accommodation of Crews Convention (Revised), 1949 (No. 92).

For the purposes of this Title, it shall be deemed that a vessel has been constructed on the date on which its keel was installed, or the date on which the ship was in a similar stage of construction.

ARTICLE 103

The Captain or the person designated by him/her must carry out frequent inspections on board the vessel, in order to guarantee that Seafarers' accommodations are clean, in adequate dwelling conditions, and kept in good state. The results of each inspection must be written down in a record and be available for review of the Competent Authority and the Port State.

ARTICLE 104

The Competent Authority may exempt vessel with a gross tonnage less than 200 GT from complying with the requirements established in articles 107-b, 139 and 147, articles 120, 121, 122, 123, 124 and 125 only with regards to the available space, as long as the following conditions are all met:

- a) The exemption is expressly authorized by this Executive Decree.
- b) The exemption is reasonable, taking into account the size of the vessel and the

number of people onboard.

- c) The exemption can be clearly justified and supported on valid grounds.
- d) The exemption is granted under the condition that the safety and health of Seafarers are protected.

Section Two Accommodations

ARTICLE 105

With regards to accommodations, the following provisions shall apply:

- a. All Seafarers' accommodation must have sufficient headroom. The minimum authorized headroom in all Seafarers' accommodations where it is necessary to circulate freely shall not be less than 203 centimeters. The Competent Authority may allow a reduction in headrooms in any of said spaces, or parts thereof, when it has verified that said reduction is reasonable and will not cause discomfort to Seafarers.
- b. Accommodations must be properly isolated.
- c. In all non-passenger Ships, pursuant to the provisions contained in Rule 2, sections e) and f) of the SOLAS Convention, sleeping rooms must be located above the cargo line, in the ship's centre or stern, however as an exception, when this location is not feasible due to the ship's size or type, or the service for which it is intended, they may be located on the ship's prow, but never forward of the collision bulkhead.
- d. With regards to passenger vessel, and vessels for special purposes constructed pursuant to the IMO, 1983's Safety Code applicable to special-purpose vessel, and later versions thereof, subject to satisfactory lighting and ventilation measures being adopted, the Competent Authority may allow the installation of sleeping rooms below the maximum cargo line, but in no event immediately beneath working alleyways.
- e. There shall not be any direct openings communicating the sleeping rooms with the spaces for cargo and machinery, galleys, storerooms, drying areas, or common sanitary facilities; the parts of the bulkheads that divide these places from the sleeping rooms and the external bulkheads must be properly constructed with steel or any other approved materials, watertight and gastight.
- f. Materials used in the construction of the internal bulkheads, panels and girders, floors and joints, must be adequate for their purposes and guarantee a healthy environment.

- g. The external bulkheads of the sleeping rooms and dining areas must be properly insulated. All protective covers for machinery and all surrounding bulkheads of the galleys and other spaces that emanate heat must be properly insulated in all cases in which said heat may result bothersome in the adjacent compartments or passages. Measures to protect Seafarers from the effects of the heat emanated by steam and/or hot-water pipings must be adopted.
- h. Sleeping rooms, mess rooms, recreational areas and alleyways located in the spaces reserved for crew's accommodations must be insulated in order to prevent any excessive condensation or heat.
- i. Coating of bulkheads and ceilings must be made of a material whose surface can easily be kept clean; no construction method may be used if likely to harbour vermin; surfaces of bulkheads and ceilings of sleeping rooms and mess rooms must be able to be kept clean easily, and have a light color, with a lasting non-toxic finish.
- j. Materials and construction of the floors of all spaces intended for Seafarers' accommodations must meet all applicable regulations, and the surface of the floors must be non-slippery and waterproof and easily cleaned. When floors are made of a compound material, joints must be refined in order to avoid cracks.
- k. Proper lighting and sufficient draining mechanisms must be provided.

Section Three

EXPOSURE OF NOISE AND VIBRATIONS

ARTICLE 106

With regards to the prevention of noise and vibrations, the following provisions must be applied:

- a. Sleeping rooms, recreational and catering facilities must be located as far as possible from the engine room, steering gear room, deck winches, ventilation, heating and air conditioning equipments, and any other noisy machinery or devices.
- b. Adequate noiseproof materials and other noise insulators must be used in the construction and finish of bulkheads, ceilings and engine room decks. In addition, the engine room must also have soundproof automated doors.
- c. The engine room or other machinery rooms must, when feasible, be provided with soundproof rooms for centralized machinery control for the personnel that work in them. Workplaces such as the machinery workshop must be soundproof, as far as feasible, from noise coming from the engine room, and measures in order to reduce the operative noise of the machinery must be adopted.

- d. Noise level limits in living and working spaces must be in accordance with ILO's international directives concerning levels of exposure, including ILO's Code of Practice on Ambient Factors at the Workplace, 2001 as well as its later versions. A copy of the applicable instrument must be kept onboard and placed at the disposal of Seafarers in English and the vessel's working language.
- e. Sleeping rooms, recreational and catering facilities must not be exposed to excessive vibrations.

Section Four Ventilation and Heating

ARTICLE 107

With regards to ventilation and heating, the following provisions shall apply:

- a. Sleeping rooms and mess rooms must be adequately ventilated in such a manner that the air can be kept in satisfactory condition and guarantee sufficient air circulation in any atmospheric and weather condition.
- b. Vessels, with the exception of those that regularly operate in regions where mild weather conditions do not require it, must be provided with air conditioning in Seafarers' accommodations, as well as in every individual radio room and every machinery central control room; in particular, air conditioning systems, whether centralized or individual units, must be designed to:
 - b.1 Keep the air at a satisfactory temperature and relative humidity, in comparison to external air conditions, ensure a sufficient renewal of external air in all spaces with air conditioning, taking into account the particular characteristics of maritime travel and not produce excessive noise nor vibrations.
 - b.2 Allow for their easy cleaning and disinfection, in order to prevent or control the propagation of diseases.
- c. All bathroom spaces must have direct openings to the exterior, separate from any other part of the accommodation, for ventilation.
- d. All vessels, except those that navigate in tropical climates, must have an appropriate heating system, and:
 - d.1 The heating system of the accommodations must be in operation during the whole time that Seafarers are residing or working onboard, and when circumstances so require it.
 - d.2 The heating system must operate with hot water, hot air, electricity, steam

or another equivalent. However, steam must not be used as a means of transmitting heat in the accommodations.

d.3 The heating system must allow for the temperature in Seafarers' accommodations to be kept at an adequate level under normal meteorological and climatological conditions to be expected in the vessel's route.

d.4 Radiators and other heating devices must be installed and when necessary, protected in a manner that avoids risk of fire and do not present any risk or discomfort for the occupants of the accommodation.

- e. All vessel must have the necessary electricity in order to operate the air conditioning and heating systems during the whole time that the Seafarers are residing or working onboard and when the circumstances so require it.

Section Five Lighting

ARTICLE 108

In all vessels, sleeping rooms and mess room must be illuminated with natural light and provided with appropriate artificial lighting, except for special arrangements that may be authorized for passenger vessel.

ARTICLE 109

In the sleeping rooms, all berths must be provided with an electric lamp for reading, located on the headboard.

ARTICLE 110

In all vessels, Seafarers' accommodations must have electric lighting.

When no two independent sources of electricity for lighting are available, an additional lighting system must be installed, by means of lamps duly constructed or emergency lighting devices.

Section Six Sleeping rooms

ARTICLE 111

In non-passenger Ships, an individual sleeping room must be provided to each Sailor. The Competent Authority may exempt from these requirement vessels with a gross tonnage less than 3,000 GT and special Ships built in accordance with the safety Code applicable to special-purpose Ships.

ARTICLE 112

Subject to the minimum requirements of available space per Sailor indicated in this Section, the following provisions must be complied with:

1. Sleeping rooms in vessel with a gross tonnage less than 3,000 GT other than passenger vessel and vessel meant for special purposes may be occupied by a maximum of two seafarer.
2. In passenger vessel, sleeping rooms may be occupied by a maximum of four Seafarers that do not perform any duties as officers in the vessel. In the case of Seafarer who performs duties as ship Master, a maximum of two people per sleeping room is allowed.
3. In Ships intended for special activities, sleeping rooms may be occupied by more than four persons.

ARTICLE 113

All vessels must have separate sleeping rooms for men and women.

ARTICLE 114

As long as feasible, Seafarers' berths must be distributed in such a manner than those in charge of watchkeeping are separate, and that no seafarer who works during the day shares a sleeping room with a night time watchkeeper.

ARTICLE 115

Whenever feasible, taking into account the size of the vessel, its intended activity and its configuration, sleeping rooms must be designed and equipped so as to include a separate bathroom and toilet in order to provide the occupants reasonable comfort and facilitate cleaning.

ARTICLE 116

The furniture for every occupant must be built with a smooth and hard material that does not deform nor corrode, and shall include a wide closet of at least 475 liters and a chest of drawers or equivalent space, with a capacity of no less than 56 liters; if the closet includes a chest of drawers, the combined minimum volume of the closet must be 500 liters, and must be provided with a shelf and a closing device through a lock that guarantees privacy.

ARTICLE 117

Each sleeping room must be provided with a table or a fixed, drop-leaf or slide-out desk, as well as the necessary number of comfortable seats.

ARTICLE 118

Sleeping room windows must be provided with curtains or an equivalent device, a mirror, and small cabinets for toiletries as well as a bookshelf and sufficient number of clothes hangers.

ARTICLE 119

Berths must comply with the following provisions:

- a. Each Seafarer must have an individual berth.
- b. The internal dimensions of every berth must be a minimum of 198 x 80 centimeters.
- c. Berths must be appropriate for allowing accommodation in the most comfortable condition possible to Seafarers, eventually accompanied by their partners.
- d. No more than two berths may be superimposed, in the event that these are placed along the vessel's side; they may not be superimposed if they are located under an aperture.
- e. In the event of superimposed berths, the lower berth must not be placed less than 30 centimeters from the floor; the upper berth must be placed approximately midway from the bottom of the lower berth and lower face of the deckhead beams.
- f. The frame of every berth and the safety rail, if any, must be of an authorized material, hard and smooth, that does not easily corrode, and that is not likely to harbour vermin.
- g. In the event that tubular frames are used for building the berths, the tubes must be hermetically sealed, and not have any perforations that could allow the access of vermin.
- h. Each berth must have a comfortable mattress with a soft bottom or a mattress and box spring set. Both the mattress and the filling must be made with suitable materials.
- i. Filling materials that are likely to harbour vermin shall not be used.
- j. When there are superimposed berths, a base that does not let dust through must be placed under the mattress or mattress-box spring of the upper berth.
- k. Shipowners must provide Seafarers with clean and good-quality berth sheets to be used onboard while at the service of the vessel, and Seafarers must return them when so provided by the Captain and at the end of their service on board.

ARTICLE 120

Except as otherwise provided, in Seafarers individual sleeping rooms, the area available to each Sailor must not be less than:

- a. 4.50 square meters in Ships with a gross tonnage less than 3,000 GT.
- b. 5.50 square meters in Ships with a gross tonnage equal or greater than 3,000 GT but less than 10,000 GT.
- c. 7 square meters in Ships with a gross tonnage equal or greater than 10,000 GT.

The space occupied by berths, closets, desks and seats must be included in the calculation of the area. Any reduced or irregularly formed spaces that do not increase in any effective manner the space available to circulate and that cannot be used to place any furniture must be excluded from the calculation.

ARTICLE 121

In ships with a gross tonnage less than 3,000 GT other than passenger vessels and vessels intended for special purposes, sleeping rooms may be occupied by a maximum of two Seafarers and the available space in said sleeping rooms may not be less than 7 square meters.

ARTICLE 122

In passenger ships and vessels intended for special purposes, the space available in non-officer sleeping rooms shall not be less than:

- a. 7.50 square meters in rooms accommodating two persons.
- b. 11.50 square meters in rooms accommodating three persons.
- c. 14.50 square meters in rooms accommodating four persons.

ARTICLE 123

In ships intended for special purposes, sleeping rooms may be occupied by more than four persons and the available space in said sleeping rooms shall not be less than 3.60 square meters per person.

ARTICLE 124

In vessels that are not passenger ships nor intended for special purposes, the area available to each person in sleeping rooms for officers, where there is no private sitting room or day room, shall not be less than:

- a. 7.50 square meters in Ships of less than 3,000 GT
- b. 8.50 square meters in Ships of 3,000 GT or over but less than 10,000 GT.
- c. 10 square meters in Ships of 10,000 gross tonnages or over.

ARTICLE 125

In passenger ships and vessels intended for special purposes activities, the area available per person for officers, where there is no private sitting room or day room shall not be less than 7.50 square meters for junior officers, and 8.50 square meters for senior officers.

Junior officers are understood to be those rendering services at the operational level and senior officers those rendering services on positions of command.

ARTICLE 126

The master, the chief navigating officer and the chief engineer must have, in addition to their sleeping room, an adjoining sitting room or day room or an equivalent additional

space.

The Competent Authority may exempt Ships with a gross tonnage less than 3,000 GT from this requirement.

Section Seven

MESS ROOMS

ARTICLE 127

Mess rooms must be separate from sleeping rooms and located as close as possible to the galley. The Competent Authority may exempt Ships with a gross tonnage less than 3,000 GT from this requirement.

ARTICLE 128

Mess rooms must be of an adequate size, comfortable enough and conveniently furnished and equipped, taking into account the number of Seafarer that may use them at any given time.

ARTICLE 129

Vessels with a gross tonnage above 500 GT must have separate dining rooms for:

- a. The master and officers
- b. The petty officers and other Seafarers.

The Competent Authority shall evaluate which type of vessels, with regards to special circumstances, may be granted an exemption with regards to the separation of the mess rooms.

ARTICLE 130

In non-passenger Ships, the mess rooms available for Seafarers shall not be less than 1.5 square meters per person for the number of intended posts.

ARTICLE 131

In all vessels, mess rooms must be equipped with suitable tables and seats, fixed or mobile, enough to accommodate the largest possible number of Seafarers, likely to use them at the same time.

ARTICLE 132

The surface of the tables and the seats must be of a damp-resistant material.

ARTICLE 133

When Seafarers are onboard, they must have available at all times:

- a. An easily accessible refrigerator with sufficient capacity for the number of persons that use the mess rooms or areas.

- b. Facilities for hot beverages and cool water.

ARTICLE 134

Vessels must have suitable locker for storing tableware and suitable facilities for washing them when impossible to access the pantry.

ARTICLE 135

Tableware, including plates, cups, and other mess utensils service utensils must be made of an approved material which can be easily clean. Shipowners must provide Seafarers with clean tableware to be used onboard when at the service of the vessel, and Seafarers must return them when so provided by the master and when their service on board ends.

Section Eight Sanitary Facilities

ARTICLE 136

All Seafarers on board must have adequate access to sanitary facilities that meet the minimum rules for health and hygiene and offer reasonable levels of comfort. Vessel must have separate sanitary facilities for men and women.

ARTICLE 137

Vessel must have sanitary facilities that are easily accessible from the command bridge and from the engine room or near the control center of the engines room.

The Competent Authority may exempt vessel with a gross tonnage less than 3,000 GT from this requirement.

ARTICLE 138

All vessels must have, as a minimum, adequately placed, a toilet, a washbasin, a bathtub and/or shower for each group of six or less persons that do not have their own individual facilities.

ARTICLE 139

Except for passenger vessel, each sleeping room must have a washbasin with running fresh water, hot and cold, except when the washbasin is located in the private bathroom.

ARTICLE 140

In all vessels, machinery personnel must have independent facilities to change clothes, which must be located outside the engines room and equipped with individual closets, bathtubs and/or showers, and washbasin, with running fresh water, hot and cold, and have easy access to the engines rooms.

ARTICLE 141

In the case of passenger vessel normally used for voyages lasting less than four hours, the Competent Authority may adopt special measures or reduce the number of sanitary

facilities required.

ARTICLE 142

All bathrooms must have fresh water, cold and hot.

ARTICLE 143

Washbasins and bathtubs must have an adequate size and be made with an authorized material, with a smooth surface, that will not crack, flake or corrode.

ARTICLE 144

All toilets must be provided with a strong water flush, or some other methods of suitable discharge, that work at all times and are controlled independently.

ARTICLE 145

Sanitary facilities intended for use by more than one person must comply with the following:

- a. Floors must be made with an approved lasting material, impermeable to dampness and be provided with an adequate draining system;
- b. Bulkheads must be of steel or any other material that has been authorized for use and be watertight to a height of at least 23 cm from the floor;
- c. They must have sufficient lighting, heat and ventilation by means of direct communication with the free air; toilets must be placed in an easily accessible place from the sleeping rooms and from the bathrooms, but separate from them and not have any direct communication with either the sleeping rooms nor a corridor between the sleeping rooms and toilets that do not have any other access. However, this last provision must not apply to toilets located between sleeping rooms whose total number of occupants does not exceed four, and
- d. When there are several toilets installed in a same place, they must be separated by partitioning walls that guarantee sufficient isolation.

ARTICLE 146

Shipowners must provide Seafarers with towels, soap and toilet paper.

ARTICLE 147

Shipowners must provide Seafarers with laundry services conveniently located and furnished that include:

- a. Washing machines.
- b. Drying machines or adequately heated and ventilated drying rooms.
- c. Irons and ironing boards or their equivalent.

Section Nine Hospital accommodation

ARTICLE 148

Vessels that carry fifteen or more seafarers onboard and that make voyages lasting longer than three days, must have an independent hospital accommodation, to be used exclusively for medical purposes.

The Competent Authority may except vessels engaged in coastal shipping from this requirement.

ARTICLE 149

Hospital accommodation must be easily accessed, in both good and bad weather, and provide occupants with a comfortable space to receive quick and adequate care, in particular:

- a. Hospital accommodation must be designed in such a manner that facilitates consultation and provision of first aid and helps to prevent the spreading of infectious diseases.
- b. The entrance, berths, lighting, ventilation, heating and water supply to the hospital accommodation must be in such a manner that they guarantee the occupants' comfort and facilitate their treatment.
- c. The Competent Authority must establish the number of berths in the hospital accommodation.

ARTICLE 150

Hospital accommodations occupants must have, for their exclusive use, bathrooms located within the facility or nearby. Bathrooms must have at least a toilet, a washbasin, a bathtub or shower.

Section Ten Recreational Facilities

ARTICLE 151

Shipowners must provide Seafarers with suitable recreational facilities, conveniences and services adapted to look after the specific needs of the Seafarers who must live and work in the ship, pursuant to the provisions regarding the protection of safety and health and the prevention of accidents.

ARTICLE 152

A vessel's recreational facilities must comply with the following requirements:

- a. Reserve on an open deck, a place or places sufficiently large to which Seafarers will have access to, when not in service.
- b. Provide separate offices, or a common office for deck personnel and engine room personnel. The Competent Authority may exempt Ships with a gross tonnage less than 3,000 GT from this requirement.
- c. Include in the furniture at least a bookshelf and places for reading and writing.

ARTICLE 153

Whenever feasible, recreational facilities must have the following, free of charge to Seafarers:

- a. A smoking room
- b. A place to watch television and listen to the radio.
- c. The showing of films or videos, and the supply must be adequate for the duration of the voyage and be changed at reasonable intervals.
- d. Sports equipment, including exercise equipment, table games, and deck games.
- e. Facilities for swimming.
- f. A library with vocational and other types of books.
- g. Means to carry out manual work of a recreational kind.
- h. Electronic equipment such as radios, televisions, videos, DVD/CD players, personal computers and software programs, and cassette recorders.
- i. Reasonable access to ship-to-shore telephone communications and e-mail and Internet facilities, where available at reasonable in amount.

ARTICLE 154

The Competent Authority shall authorize exemptions from the requirements contained in this Title and only with regards to special circumstances, as long as each of the following conditions is fulfilled:

- 1. The exemption is expressly authorized by this Executive Decree.
- 2. The exemption is reasonable, taking into account the size of the ship and the number of persons aboard.
- 3. The exemption can be clearly justified and supported by valid reasons.

4. The exemption is granted subject to the safety and health of Seafarers being protected.

CHAPTER II FOOD AND CATERING

ARTICLE 155

All vessels must provide Seafarers while onboard or during their employment period and free of charge, drinking water and food of suitable quality, variety, nutritional value and quantity, that adequately cover Seafarers' needs and take into consideration the different cultural and religious backgrounds, as well as the length and nature of the voyage.

ARTICLE 156

The organization and equipment of the ships catering must allow for Seafarers to be provided with adequate, varied, nutritious foods that are prepared and served under hygienic conditions.

ARTICLE 157

Shipowners must guarantee that every Seafarer employed as cook on board a vessel is trained, and has the qualifications and competences required to perform this duty, for which he/she must have completed a training course accepted by the Competent Authority, that comprises practical understanding in cooking, food and personal hygiene, storage of foods, management of reservations, protection of the environment and safety and health in catering.

ARTICLE 158

Vessels that operate with an intended crew of less than ten shall not be under the obligation to have a cook that is fully qualified; however every person that prepares foods in the galley must be given education or training with regards to foods and personal hygiene, as well as food handling and storage onboard a vessel.

ARTICLE 159

The Competent Authority, under circumstances of extreme need, may grant an exemption and allow an unqualified cook to render services in a specific vessel, during a particular period, until the next appropriate port of call or during a period no longer than one month, subject to the person who receives said exemption having received training or education in matters of food and personal hygiene, as well as the handling and storage of foods onboard.

ARTICLE 160

The master or the person designated by him/her must carry out frequent, documented inspections onboard the vessel with regards to:

- a. Food supplies and drinking water;

- b. All areas and equipment used for storing and handling food and drinking water;
- c. The galley and other facilities and equipment used for preparing and serving foods.

TITLE V
HEALTH PROTECTION, MEDICAL CARE,
WELFARE AND SOCIAL SECURITY PROTECTION

CHAPTER I
MEDICAL CARE ONBOARD THE SHIP AND ASHORE

ARTICLE 161

Shipowners must provide coverage by means of an insurance policy that guarantees health protection as well as rapid and adequate medical care to Seafarers while working on board. The insurance policy coverage must be for the whole duration of the Seafarers' employment agreement.

The protection and medical care provided in the preceding paragraph must be offered without any cost to Seafarers.

ARTICLE 162

Medical care onboard vessel and ashore offered on account of Shipowners to Seafarers working on board Panamanian flagged vessels must include:

- a. The supply of necessary medicines, as well as the necessary medical equipment and services for the diagnosis and treatment as well as all medical information and advice.
- b. The right to visit, without delay, a qualified doctor or dentist on ports of call, when feasible.
- c. Health promotion and sanitary education programs, as preventive measures.
- d. Hospitalization services when necessary.

ARTICLE 163

All vessels with Panamanian registration must carry onboard a first-aid kit, medical equipment and a medical guide, with the specifications indicated by the latest edition of the International Medical Guide Aboard of the ITO/IMO/WHO, IMO's First Aid Guide for use in case of accidents related to dangerous cargo, of the *Document that must serve as guide – International Guide for the training of Seafarers* and the Medical Section of the International Code of Signals, as well as any analogous national guides.

ARTICLE 164

The appropriate maintenance of the first-aid kit and its content, medical equipment and the medical guide onboard, as well as their periodic inspection at regular intervals not greater than twelve months, must be the responsibility of the person appointed to provide medical and first-aid attention, who must supervise the labelling, the date of expiration and storage conditions of all medicines, and corresponding pamphlets, as

well as the adequate functioning of the equipment.

The content of the first-aid kit and the medical equipment must be based on the international recommendations in this matter, included in the latest edition of the International Medical Guide on board.

ARTICLE 165

When a cargo classified as hazardous has not been included in the most recent edition of the First Aid Guide for Use in Accidents related to Dangerous Cargo, the Shipowner or his/her representative onboard must provide Seafarers with the necessary information regarding the type of substances, the risks they present, the necessary equipments for personal protection, the appropriate medical procedures and the specific antidotes.

These antidotes and the equipment for personal protection must be carried onboard whenever hazardous cargo is transported.

ARTICLE 166

All vessels that carry one hundred or more people onboard and that ordinarily make international voyages of over three days must have a qualified doctor in charge of providing medical care.

ARTICLE 167

Vessels not required to have a qualified doctor onboard shall be applied the following provisions:

- a. Vessels that can normally have access to qualified medical attention within a term of eight hours shall have at least a seafarer who has completed in a satisfactory manner, training in first-aid that meets the requirements of the STCW Convention, and those adopted by the Competent Authority.
- b. Other vessel must have at least one Seafarer who has satisfactorily completed training in medical attention pursuant to the requirements of the STCW Convention and those adopted by the Competent Authority.

The persons referred to in this article must take, on approximately five (5) year intervals, advance courses that allow them to refresh and increase their knowledge and competence.

Training referred to in this article must be based on the most recent content of the medical guides mentioned in the chapter.

ARTICLE 168

The Competent Authority in coordination with the Ministry of Health must guarantee, by means of a preestablished system that at any given time of day or night Ships on the high seas can make medical consultations by radio or satellite including receiving

advice from specialists. These consultations must be free for all Ships, independently of their flag.

ARTICLE 169

All vessels must carry onboard a complete and updated list of all radio stations through which they can make medical consultations; and if they have a satellite communications system, they must carry on board a complete and updated list of all coastal land stations through which they can make said medical consultations.

CHAPTER II SHIPOWNERS' LIABILITIES IN THE EVENT OF SEAFARERS' OCCUPATIONAL ACCIDENTS, INJURIES, AND DISEASE

ARTICLE 170

Shipowners shall be responsible for protecting the health of, and providing medical care to, all Seafarers who render services on board their vessels.

ARTICLE 171

Shipowners must bear the costs of illnesses or accidents of all Seafarers employed in their vessel occurred between the date of initiating service and the date considered as the date when Seafarers have been duly repatriated, or that derive from the employment carried out between those dates.

ARTICLE 172

Shipowners must provide insurance coverage in order to guarantee the payment of an indemnity in the event of death or long-term disability of Seafarers, as a result of a work accident, illness or occupational risk.

ARTICLE 173

Shipowners must bear, directly or through an insurance, the expenses for medical care, including any medical treatment, surgery, hospitalization, necessary medicines and therapeutic devices, as well as accommodation and food away from home until recuperation of ill or injured Seafarers, or until the permanent nature of the illness or disability has been proven.

ARTICLE 174

Shipowners must bear all funeral costs in the event of death onboard or ashore during the employment period.

ARTICLE 175

The Shipowner's liability with regards to medical care expenses, hospitalization, accommodation and food shall extend for sixteen (16) weeks as of the date on which the injury took place or the start of the illness.

ARTICLE 176

When the illness or injury incapacitates a crewmember for work, the shipowner must pay the totality of the wage while the ill or injured seafarer is onboard, until the seafarer is repatriated.

Also, the shipowner shall pay the totality of the wage since the moment in which the seafarer is repatriated or disembarked for a maximum period of sixteen (16) weeks, counting from the day in which the injury was caused or the start of the illness, or until recovery, if this occurs first. Benefits may be excluded from this payment.

ARTICLE 177

Shipowners shall be exempted from all liability in the following events:

- a. When the injury has not occurred as a result of service on the vessel.
- b. When the injury or illness is attributed to the deliberate, improper conduct of the ill, injured or deceased Seafarer.
- c. When the illness or physical deficiency are intentionally hidden at the time of employment.

ARTICLE 178

For the purposes of applying this Executive Decree, the following shall not be considered work accidents:

- a. An accident deliberately caused by the Seafarer.
- b. An accident caused by the Seafarer's negligence, being considered as such a verified disobedience to an expressed order, the culpable or obvious non-compliance with the rules for the prevention of accidents and safety, voluntary drunkenness, and the use of illicit drugs.

ARTICLE 179

Shipowners shall take all necessary measures to protect the belongings left onboard by the ill, injured or deceased Crewmember.

CHAPTER III PROTECTION OF SAFETY AND HEALTH AND PREVENTION OF ACCIDENTS

ARTICLE 180

It is the Shipowner's obligation to adopt effective safety and health policies and programs at work, including an evaluation of risk, as well as training and education of Seafarers, with the purpose of preventing work accidents, professional injuries or illnesses, including measures to reduce and prevent the risk of exposure on damaging levels to environmental factors and chemical substances, as well as the risk of injuries or illnesses that may derive from the use of equipment and machinery onboard the

vessel.

ARTICLE 181

Shipowners must be under the obligation to provide Seafarers with protective equipment and other devices for the prevention of accidents, together with rules for the use of said protection equipment or devices.

ARTICLE 182

Shipowners must be under the obligation to ensure that machinery used onboard is properly protected, and to ban the use of machinery that lack the adequate protection devices.

ARTICLE 183

Vessels that have at least five Seafarers on board must create a Safety Committee comprised by Crewmembers.

The Safety Committee must ensure the continuous improvement of protection and health at work, taking into consideration preventive measures that include the control of engineering and design, the use of the personal protection equipment, as well as the requirements for inspecting, notifying and correcting any unsafe conditions and investigating and notifying any work accidents onboard.

ARTICLE 185

Shipowners must be under the obligation to report the occurrence of any work accident to the Competent Authority, as well as any injuries and occupational illnesses in a proper manner, taking into consideration the guidelines provided by the International Labour Organization with regards to notification and recording of work accidents and occupational illnesses.

CHAPTER IV ACCESS TO SHORE-BASED WELFARE FACILITIES

ARTICLE 186

The ports of the Republic of Panama, both state-run and privately-run, shall provide easy access to shore-based welfare, cultural entertainment and information facilities and services to Seafarers on vessels docked thereat, regardless of the Flag State of the vessel wherein they work, are employed or hired.

These facilities and services must be at the disposal of all Seafarers, without distinction of nationality, race, color, sex, religion, political beliefs or social background, and regardless of the Flag State of the vessel wherein they work, are employed or hired.

ARTICLE 187

The ports of the Republic of Panama, both state-run and privately-run must provide Seafarers with regular and efficient transportation services from the side of the vessel to

the Port Terminal's Security Control Post and vice-versa. Once Seafarers are outside the perimeters of the port terminal, they may use any transportation means they choose.

The General Directorate of Ports and Auxiliary Maritime Industries of the Panama Maritime Authority shall have the power to determine the port terminals that, given their size and/or operational conditions, must comply with this service.

ARTICLE 188

The ports of the Republic of Panama, both state-run and privately-run, in compliance with what is provided in the ISPS Code, must allow access to the representatives of duly certified Welfare Commissions to all port installations.

Representatives of the Welfare Commissions must coordinate in advance with Port Terminals.

ARTICLE 189

The ports of the Republic of Panama, both state-run and privately-run can deny access to port installations to any person who cannot prove his/her identity and confirm the purpose of his/her visit when requested.

ARTICLE 190

Representatives of Welfare Commissions must comply with all security rules and procedures as required by the Port Installation Protection Plan (PIPP).

ARTICLE 191

The ports of the Republic of Panama, both state-run and privately-run may cancel any access permits to the representatives of Welfare Commissions that have taken part in any documented incident that constitutes a threat to safety, pursuant to what is established in the Port Installation Protection Plan (PIPP).

ARTICLE 192

The Competent Authority shall ensure that port installations to which the PIPP Code and all resulting port safety rules apply, comply with them, therefore they shall be subject to annual evaluations in order to guarantee their proper compliance.

ARTICLE 193

The Republic of Panama, together with Shipowners and Seafarers, shall promote the development of welfare facilities in the appropriate ports of the country. The Competent Authority shall establish which ports are appropriate.

Support for the development of welfare facilities may come from public grants, taxes or other special contributions stemming from maritime groups, voluntary contributions from Shipowners, Seafarers or their organizations and voluntary contributions from other sources.

CHAPTER V SOCIAL SECURITY

ARTICLE 194

The Republic of Panama shall provide all Seafarers who reside regularly in its territory and the persons under their care, access to protection in matters of social security, pursuant to the national laws and regulations in force.

ARTICLE 195

Protection in matters of social security established in this chapter must be additional to the protection provided pursuant to Chapters I and II of this Title.

TITLE VII COMPLIANCE AND ENFORCEMENT CHAPTER I INSPECTIONS

ARTICLE 196

The Competent Authority shall carry out Flag and Port State inspections that allow it to verify that work and life conditions of Seafarers onboard vessel that the Convention of Maritime Labour 2006 applies to, are being complied with.

ARTICLE 197

When there is evidence that a vessel registered with the Merchant Marine is not complying with the rules contained in this Executive Decree, the Competent Authority may order restrictions, condition its navigation or detain said vessel until it receives satisfactory evidence that the deficiencies that caused the measures have been corrected.

There is no appeal whatsoever against measures adopted.

CHAPTER II ON BOARD COMPLAINT PROCEDURES

ARTICLE 198

That ships flying the Panamanian flag shall have an approved procedure for processing complaints on board that allows a fair, efficient, well-documented and speedy processing of all complaints that Seafarers submit with regards to alleged violations of the provisions of this Executive Decree, and including all Seafarers' rights.

ARTICLE 199

Any type of harassment against Seafarers who have filed a complaint is prohibited. All acts of harassment shall be penalized pursuant to provisions of national laws.

ARTICLE 200

Shipowners must provide Seafarers with a copy of the complaint processing procedure

applicable on board the vessel, together with a copy of the Seafarer's complete employment agreement.

ARTICLE 201

The complaint processing procedure must include information regarding the manner for contacting the Competent Authority and when not processed in the same country, to the competent authority of the country of residence of the Seafarer, as well as the name of one or several persons onboard the vessel who can, in a confidential manner, provide unbiased advice to Seafarers regarding their complaint and provide assistance in order to follow the complaint processing procedures available onboard the vessel.

ARTICLE 202

The complaint processing procedure onboard, approved by the Competent Authority, subject to the provisions of a collective agreement with a broader scope of application, shall be the following:

- a) Complaints must first be addressed to the head of department of the Seafarer lodging the complaint, or to seafarers superior officer.
- b) The head of department or superior officer must then try and resolve the complaint within the terms established, according to the seriousness of the issues put forward. This term shall not be longer than five (5) days.
- c) If the head of department or superior officer cannot resolve the complaint to the seafarer's satisfaction, the latter must forward it to the master, who must handle personally the matter personally.
- d) Seafarer must have the right at all times to have themselves accompanied and represented by another Seafarer of their choice onboard the vessel in question while processing the complaint, as well as to protection against any possible harassment.
- e) Every complaint and the decision made about it must be recorded onboard, and copies must be provided to all interested Seafarers.
- f) If a complaint cannot be resolved onboard, the matter must be referred to the Shipowner ashore, who must have a term of eight (8) days to resolve it.
- g) In all cases, Seafarers shall have the right to submit the complaint directly to the master and the Shipowner, as well as to the competent authorities, being understood as such the flag state inspectors, port state inspectors, representatives of the Competent Authority in a foreign country or directly to the offices of the General Directorate of Seafarers.

ARTICLE 203

Complaints submitted by Seafarers and decisions taken about them must be attached to the ship's Crew List.

ARTICLE 204

Provisions contained in this chapter must not be to the detriment of Seafarers' rights to claim repatriation through the legal means deemed appropriate.

**CHAPTER III
MARITIME CASUALTIES****ARTICLE 205**

Whenever a Panamanian-flagged vessel is involved in a serious maritime casualties that causes injuries or loss to Seafarers, the Competent Authority shall carry out the official investigation regarding the incident.

Likewise, the Competent Authority shall cooperate with the competent authorities of other Member States, in order to facilitate the investigation of serious maritime casualties.

**TITLE VIII
SPECIAL TRIPARTITE COMMITTEE****ARTICLE 206**

The Republic of Panama shall be represented before the Special Tripartite Committee of the Administration Council of the International Labour Office by the Director General of Seafarers and the Director General of the Merchant Marine of the Maritime Authority of Panama or whoever may be appointed by these, together with their technical advisors.

**TITLE IX
PENALTIES****ARTICLE 207**

The Competent Authority shall apply administrative penalties for any non-compliance with the provisions of this Executive Decree, in accordance with the seriousness of the violation, relapses and extenuating circumstances.

The Board of Directors of the Competent Authority shall regulate the amount of the fines corresponding to violations committed following the parameters established in this Title.

ARTICLE 208

This Executive Decree shall come into force as of its promulgation.

LET IT BE COMMUNICATED AND COMPLIED WITH.

Given in the city of Panama, on the _____ (____) day of the month of _____ of the year two thousand and thirteen (2013).

MR. RICARDO MARTINELLI BERROCAL
President of the Republic of Panama

MR. ROBERTO HENRIQUEZ
Minister of the Presidency