



PANAMA MARITIME AUTHORITY
DIRECTORATE GENERAL OF PORTS AND MARITIME ANCILLARY INDUSTRIES
CONCESSIONS DEPARTMENT

F-16
(DMA)
V.07



REQUIREMENTS TO APPLYING FOR AN OPERATION LICENCE

SERVICE: SHIP SCRAPPING

CLUSTER: WASTE MANAGEMENT AND FUMIGATION

DESCRIPTION: The process of dismantling or disassembling the obsolete structure of a ship, this operation is carried out in a wharf, a shipyard or a dry dock. It includes a wide variety of activities from disassembling all the gears and equipment, to cutting and recycling the ships infrastructure.

PROCEDURE PROCESS: notarized special power of attorney request for memorial and formal application and all other documents as requested must be presented to the Department of Concessions, at the Directorate General of Ports and Maritime Ancillary Industries, Concessions Department, located at the headquarters of the Panama Maritime Authority, Diablo Heights, Demetrio Porras Street, Building No. 3, P.O. Box 0843-00533, Phone 501-5123.

WHEN SUBMITTING THE APPLICATION MUST CONTAIN, THE DOCUMENTS DETAILED BELOW:

Note: in case of being a natural person, the application shall be submitted by the applicant itself, and if it is a legal entity, it will be presented by a suitable attorney. If the application is presented by personnel not involved in the process, they must have the permits established in Article 70 of Law 38 of July 31, 2000 (which approves the Organic Statute of the Attorney General's Office, regulates the general administrative procedure and dictates special provisions).

1. Notarized special power of attorney, which must include: telephone number, address, and e-mail of holder of the power of attorney. Same must be signed by grantor of power of attorney and by holder of power of attorney, in compliance with requirements under the Judicial Code of the Republic of Panama (article 627).
2. Memorial addressed to the Director General of Ports and Ancillary Maritime Industries (Article 9 of resolution J.D. No. 011-2019), requesting the operating license and containing the following information:

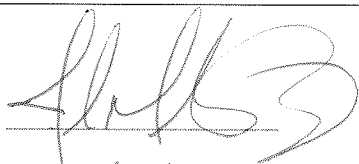
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- ✓ General data the legal representative: full name, I.D. card number, address, telephone numbers, P.O. Box, and e-mail.
 - ✓ General data of company: company name, address, telephone numbers, R.U.C. number duly registered at the Income Revenue Direction, P.O. Box, and e-mail.
 - Purpose of the operation license.
 - Description of all activities to develop.
 - Detail maritime and port areas where the service is intended to be provide.
 - ✓ Area A: All maritime port facilities and anchorage areas located in the Province of Panama and Colon.
 - ✓ Area B: The rest of the territory of the Republic of Panama.
 - Value of the investment and breakdown in which the interested party will invest. (Investment chronogram)
 - The facilities for scrapping must be located in a suitable area where the operations do not disturb neighboring areas or towns (industrial areas, logistics parks, etc.)
 - ✓ If the company does not have an area for the scrapping work, it must request approval of the proposed land from the AMP and have the permits from the corresponding Authority (Ministry of the Environment).
 - Date when company must be capable to begin operations or date from when it began to render the service, if it is presently operating.
3. Simple copy of I.D. card or passport of legal representative and of holder of legal power of attorney.
 4. Certificate of Legal Entity, issued by the Public Registry, stating: legal representative, directors, dignitaries and authorized capital of the company.
 5. Submit evidence of pre-registration of the company issued by the Ministry of Commerce and Industries (MICI).
 6. Certificate by the Social Security, certifying that employer is registered in the system.
 7. Pictures and current description of the Personal Protection Equipment (PPE) available for the service: helmet with chin strap, safety glasses, overalls with reflective bands with the company's name and logo, gloves, safety harness, life jacket, non-slip and antistatic footwear (usually with toe protection). Subject to file evaluation and on-site inspection.
 8. Current pictures of industrial tools, equipment and work machinery.

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9. Present copies of staff background certificates that certify that accredit the expertise and experience of the technical personnel that will supervise and execute the activities:

- List of personnel and position held.
- List of names of the personnel with their copy of license or certification of industrial diver endorsed by international organizations in case of carrying out underwater activities.
- Copy of the identity card or passport of all personnel.
- Suitability of the technical personnel and professionals of the company.
- Personal certificates for hot work.
 - ✓ Hot work permit issued by the Panama Fire Department, if no hot work is performed, a note of clarification must be submitted to the Panama Maritime Authority.
- Certificate of training of personnel in handling hazardous materials.
- Personnel certificate to perform welding work.
- Certification of personnel training in the following subjects:
 - ✓ Confined space work.
 - ✓ Fire prevention and firefighting.
 - ✓ Handling of dangerous goods.
 - ✓ Handling of self-contained equipment.
 - ✓ Basic first aid.
 - ✓ Safe work procedures.

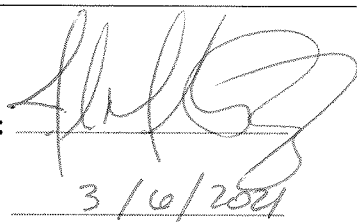
Note: Course certificates submitted must be from a training center recognized by the AMP. If these courses are not offered within a recognized training center, the company must submit the certificate of the accredited instructor demonstrating experience, facilitator courses, training in the course to be taught.

10. Copy approved by the Ministry of Environment, of the environmental management tool applicable to the development of the activity, these tools can be: environmental impact study (preventive), environmental audit, good practices guide (environmental adequacy and management program) and consultations of the promoter. In addition, any additional information requested by the Concessions Department as part of the analysis. Digital file (USB)

11. Develop an emergency and evacuation plan, contingency plan and waste management plan for the company, including office and operational areas:

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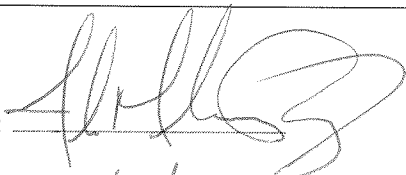
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- The emergency plan should contain at least the following aspects:
 - Possible emergency scenarios that may occur in the facility according to the service requested by the company.
 - Analysis of threats and vulnerabilities.
 - Inventory of resources available to deal with emergency situations (this includes equipment and personnel).
 - Formation of emergency brigades.
 - Establish responsibilities of the people in charge of responding to emergency situations.
 - Operational procedures for each possible emergency scenario.
 - Directory with the telephone numbers of emergency response institutions, in addition to the company personnel participating in the response group. It should include the contact numbers of the Port Safety and Hygiene Unit: 501-5153 or 501-4244, e-mail shpdop@amp.gob.pa; and the contact numbers of the Pollution Prevention and Control Department: Panama: (507) 501-5155/5406, Chiriqui: (507) 721-3744, Colon: (507) 475-0000, 24/7 phones: Panama: (507) 6880-1245/1915, Chiriqui: (507) 6879-3262, Colon: (507) 6880-5222.
 - Evacuation map.
 - Updated copy of the company's spill contingency plan in case of events. This plan must be technically evaluated and approved by the Panama Maritime Authority's Pollution Prevention and Control Department (See <https://amp.gob.pa/wp-content/uploads/2019/04/Componentes-para-Evaluacion-de-planes-de-contingencia.pdf>).
 - Copy of the waste and residue management plan. This plan must comply with the technical evaluation and approval by the Department of Pollution Prevention and Control of the Panama Maritime Authority (See <https://amp.gob.pa/wp-content/uploads/2019/04/Componentes-para-la-Evaluaci%C3%B3n-de-los-Planes-de-Gesti%C3%B3n-de-Desechos-y-Re...-1.pdf>)
12. Security plan and program for the scrapping of ships: preparation, deconstruction and management of the flow of materials.
13. It must have an adequate installation for such purpose that offers safe conditions.
14. The company must have at least one windmill (winch) of good resolution (strength).

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15. Maintenance record of equipment and work machinery.
16. The company must have at all times in the facilities or where you will perform the work of scrapping, the company must have the following:
 - Hydrocarbon containment barrier.
 - Absorbent material.
 - Pool for equipment cleaning.
17. If this equipment is not available, the company may subcontract to companies authorized by the AMP to clean up spills.
 - The company must present a contractual relationship, signed by both parties.
18. Cutting plan (recycling), work schedule or activities to carry out the scrapping by ship, including work and general hours of the person in charge of the scrapping.

FOR TECHNICAL INSPECTION:

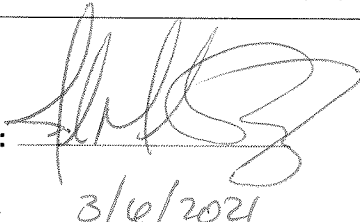
- The supervision of the dismantling works, which will be carried out by the Department of Prevention and Control of Pollution and the Safety and Hygiene Unit, empowers it to order a halt and/or sanction, when it is proved that the work does not comply with the specifications of its authorization or there are risks of pollution. (numeral 12, article 90 of Administrative resolution No. 222-2008)
- Comply with the technical field evaluation of the Department of Prevention and Control of Pollution.

IMPORTANT NOTES:

- The company must effectuate a single fee inspection payment from the Department of Concessions, as a fee set for each type of maritime ancillary service, in accordance with article 10 of resolution J.D. No. 011-2019 of March 27, 2019, published in Official Gazette No. 28763-A of April 29, 2019.
- The company must make payment of the certification of good standing issued by the Finance Directorate of the Panama Maritime Authority, in accordance with resolution J.D. N°088-2020 of November 26, 2020.
- The company must have a physical location duly marked and identified where its main office

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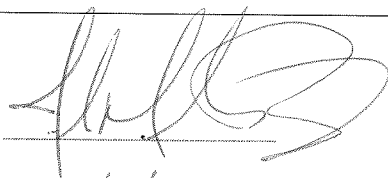


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is located. The same must not be a family address.

- The company must comply with the on-site technical evaluation of the Pollution Prevention and Control Department. This consists of a visit to the site where the company is located to evaluate the minimum contingency equipment to give a first response to an oil pollution event within its contingency plan. In addition, the maintenance plans of each terminal will be verified.
- The company must comply with the on-site technical evaluation by the Port Safety and Hygiene Unit. This consists of a visit to the company and to the site where operations are carried out, to verify compliance with industrial occupational safety standards.
- The company must submit any other documentation required by the Port Safety and Hygiene Department.
- Once the resolution, which authorizes the operation license, has been notified, the company (applicant) must submit to the Directorate General of Ports and Maritime Ancillary Industries the following policies and bonds, in accordance with the provisions of chapter VI of resolution J.D. No. 011-2019:
 - ✓ Performance Bond.
 - ✓ Civil Liability Policy.
 - ✓ Pollution and/or oil spill policy.
- The company must keep informed the Port Safety and Hygiene Unit of any incident or accident which occurs in the installations, at the following numbers: 501-5153 or 501-4244, and to the following e-mail: shpdop@amp.gob.pa, according to the Port Safety and Hygiene Unit regulations of the Panama Maritime Authority.
- The company must present statistics of the activity the first ten (10) days in a monthly periodicity obeying the chapter V, article 19, numeral 10 of the resolution J.D. No. 011-2019 of March 27, 2019; these statistics must be reported to the following emails: amp.estadistica@amp.gob.pa , concesiones@amp.gob.pa and contaminacion@amp.gob.pa.

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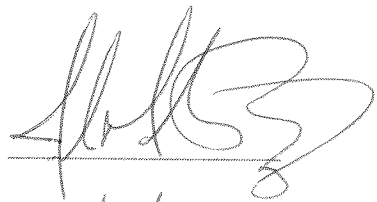
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RATE: B/.1000 annual per authorized company, plus B/.5.00 per TM per each equipment.

For additional information or consultation, contact the Department of Concessions at 501-5122 / 501-5123.

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