

**MEMORANDUM OF UNDERSTANDING BETWEEN THE SUPERINTENDENCY OF
THE SECURITIES MARKET OF PANAMA AND THE SUPERINTENDENCY OF
BANKS OF PANAMA.**



Among the underwritten, on one side, the **Superintendency of Banks of Panama** represented by Mr. **Gustavo A. Villa**, in his capacity as Superintendent of Banks a.i. and legal representatives, hereinafter "**SBP**", an autonomous agency of the State, with legal personality, own assets and administrative, budgetary and financial independence, with the exclusive competence to regulate and supervise banks and banking groups, established by Decree Law 9 of February 26, 1998 and all its amendments, systematically organized as a Single Text by Decree 52 of April 30, 2008, hereinafter referred to as "Banking Law", and on the other hand the **Superintendency of the Securities Market** of the Republic of Panama, represented by Mrs. **Marelissa Quintero de Stanziola**, in her capacity as Superintendent of the Securities Market and legal representative, hereinafter "**SMV**" as an autonomous body of the State with legal personality, own assets, administrative, budgetary and financial independence, created by Law 67 of September 1st, 2011, with exclusive competence to regulate, supervise and supervise the issuers, investment companies, intermediaries and other participants of the securities market, and other provisions contained in the Single Text of Decree Law 1 of July 8, 1999, and its amendments, hereinafter "Securities Market Law".

WHEREAS:

According to the provisions of paragraphs 1 and 2 of article 5 of the Banking Law, SBP aims to ensure the soundness and efficiency of the banking system; as well as to strengthen and promote appropriate conditions for the development of the Republic of Panama as an international financial center.

That article 3 of the Securities Market Law establishes that SMV has as general objective the regulation, supervision and surveillance of the activities of the Securities Market developed in the Republic of Panama or from it, enabling legal security of all market participants and ensuring transparency, With special protection of the rights of the investors.

That in accordance with the provisions of article 14, number 30 of the Securities Market Law and article 16 paragraph 21 of the Banking Law Superintendents have the responsibility to establish cooperation links with local authorities.



That paragraph 28 of article 14 of the Securities Market Law establishes that it is responsibility of SMV to require from any person, natural or legal, the information or documentation necessary for the purposes of effective supervision, investigation or for the purpose of sharing it with foreign authorities or entities that supervise the securities market with whom the SMV has signed reciprocal cooperation agreements or are part of a multilateral memorandum of understanding.

That paragraph 28 of article 14 of the Securities Market Law establishes that in cases in which the Superintendency of the Securities Market requires banking information, it will be requested through the Superintendency of Banks. That, likewise, it is established that the Superintendency of Banks shall be authorized to request the banking entities information on liabilities and identity of depositors.

That paragraph 28 of article 14 of the Securities Market Law, provides that the exchange of banking information between the Superintendency of Banks and the Superintendency of the Securities Market shall be carried out in accordance with this memorandum of understanding signed between both regulators for such purposes.

That paragraph 28 of article 14 of the Securities Market Law provides that in cases in which the Superintendency of the Securities Market requires banking information, this will be requested through the Superintendency of Banks. That, likewise, it is established that the Superintendency of Banks shall be authorized to request the banking entities information on liabilities and identity of depositors.

That in accordance with what is established in number 28 of article 14 paragraph 4 of article 331 of the Securities Market Law, the Superintendency of Securities may share information obtained through the Superintendency of Banks with authorities or foreign financial supervisory bodies of the stock market, provided it has a multilateral memorandum of understanding.

THEY AGREE:

CLAUSE ONE: OBJECTIVE.

The purpose of this Memorandum of Understanding is to establish mechanisms to facilitate the exchange of banking information and cooperation between the parties aiming to exercise of the powers of each regulatory authority, as provided in paragraph 28 of article 14 of the Securities Market Law.

SECOND CLAUSE: PRINCIPLES.

For purposes of this Memorandum of Understanding, the parties undertake to carry out the requirements and act diligently, promptly and in accordance to the following principles:

1. **Principle of reciprocity:** the parties acknowledge that the information must be shared under conditions of trust and reciprocity.
2. **Principle of Confidentiality:** the parties undertake to keep confidentiality at all times, from their officials, over all the information they have access to and which is shared under the provisions of this Memorandum of Understanding.
3. **Principle of Transparency:** the parties undertake to ensure that applications are founded on requirements of relevant information in accordance to the provisions of paragraph 28 of article 14 and article 30 of the Securities Market Law, the principles governing the Multilateral Memorandum established by IOSCO and Executive Decree No. 408 of December 16, 2016.
4. **Principle of Confidence:** the parties shall be governed by the principle of trust and will not request information that is abusive, arbitrary or contrary to the Securities Market Law and Executive Decree No.408 of December 16, 2016.

THIRD CLAUSE: CONFIDENTIALITY.

The parties undertake by this Memorandum of Understanding to:

1. Take all necessary measures to preserve the confidentiality of the information received, which cannot be delivered or disclosed to third parties. The officials or employees of both parties are obliged to keep confidentiality of all information and documentation obtained in the course of their duties.
2. The requirements and other requests for bank information received by SBP, as well as those inquiries and information exchange between SMV and SBP, as well as any other information or documentation related to such requests shall be kept strictly confidential by the parties, and shall not be disclosed to the public.
3. In accordance with the provisions of the Securities Market Law, SMV is not authorized to submit to the competent authority, such information that has been obtained through a local or foreign financial supervisor under a multilateral memorandum of understanding. In such a case, SMV shall request the competent authority in the Republic of Panama to request such information from the supervisory authority of origin, whether local or foreign.



4. In such cases where a competent authority in the Republic of Panama requires SBP to access confidential information derived from an international requirement, SBP should inform the competent authority to communicate with SMV.

It is expressly agreed between the parties that for purposes of this Memorandum of Understanding shall not be considered breaches of confidentiality when SMV requires information to share it with authorities or foreign entities securities supervisors with whom it has signed reciprocal cooperation agreements or are parties to multilateral memoranda of understanding.

CLAUSE FOUR: INQUIRIES OR REQUESTS FOR BANK INFORMATION.

Inquiries or banking information requirements shall comply with the following formality and content namely;

1. Inquiries or information requirements shall be made in writing and addressed to the designated contact person, as this Memorandum of Understanding expresses.
2. Inquiries or information requirements shall indicate:
 - a. The name of the banking entity(ies) in which the information object of request is stored.
 - b. Name of the person (natural or legal), on whom the information is requested.
 - c. Term in which it is necessary to receive the information or documentation required.
 - d. Summary of required information in accordance with the guidelines set in Executive Decree No. 408 of December 16, 2016.
3. The parties agree to consult each other in the event of any difficulty during the execution and effectiveness of the documentation or bank information requirement.

CLAUSE 5: MANAGEMENT OF SMV.

Within the framework of collaboration between the two regulatory authorities, the Superintendence of the Securities Market, shall:

1. Keep confidentiality and security of related information or contents, directly or indirectly with requests for local or international cooperation, as well as any type of information or documentation obtained, generated or supplied by the SBP, which cannot be shared with third parties, in accordance with article 331 of the Securities Market Law on the confidentiality of the information.

2. In cases where the collaboration request is given within the framework of an international assistance or cooperation, SMV shall verify that such application complies with the formalities set out in the multilateral memorandum of understanding previously signed.
3. In cases where the collaboration request is given within the framework of a local investigation, initiated by the Superintendent of the Securities Market, the latter should be within the scope established by Article 3 of the Executive Decree No. 408 of December 16, 2016.

The banking documentation or information received by SMV related to the matter object of this memorandum should be chronologically taken in an autonomous file, properly paged, and under strict safety standards of the information. In those cases where the information provided must be sent within the framework of a request for international assistance or cooperation, it will be sent under strict information safety standards SMV may have.

CLAUSE SIX: MANAGEMENT OF THE SBP.

Within the collaboration framework between the two regulatory authorities, SBP shall:

1. Keep confidentiality and safety of the related information or contents, directly or indirectly with requests for international cooperation, as well as any type of information or documentation obtained, generated or supplied by the Superintendency of the Securities.
2. Act promptly upon receipt of the request for bank information from SMV, requiring the bank to forward the information in a term not greater than ten (10) business days.
3. In case the banking entity is not in a position to provide the Information required within the period specified by SBP, the latter shall immediately inform the SMV, and will consult if there is an appropriate date for the preparation or supply of bank information, leaving formal written evidence of such agreement.
4. In case the banking entity does not facilitate, does not provide, obstructs, delays or there is reluctance to deliver the required banking information as requested, in accordance with the laws in force and as set forth in this Decree, the SBP, in accordance with the provisions of the banking regime, may initiate the corresponding sanctioning process.



5. Upon receipt of the requested banking information, the SBP will proceed to forward it promptly to the SMV.

The forwarding of the information may be communicated by any suitable means agreed upon between both regulating authorities which guarantees safety of the information.

SEVENTH CLAUSE: OF THE INFORMATION EXCHANGE PROCEDURE.

The requirements for the exchange of information, for purposes of the provisions of paragraph 28 of article 14 of the Securities Market Law and this Memorandum of Understanding, will be governed according to the following steps namely:

1. The person authorized by the SMV will file a request through an original document duly signed addressed to the contact person or the one authorized by the SBP. In exceptional urgent cases, when the particular case or the circumstances so require, and is necessary for the fulfillment of the objective set in the first clause of this Memorandum of Understanding, prior communication through the authorized contact persons, the requests may be made by email, those being formalized afterwards as promptly as possible in original document duly signed by the authorized contact person.
2. Received the request for bank information in writing from the SMV, the SBP will proceed immediately to attend the same, having to require information to the corresponding bank in a period not exceeding ten (10) days with the objective of providing the information specified in the request.
3. In cases where the bank is not willing to provide the required banking information within the period specified by the SBP, due to the volume of information requested or for any other valid reason at the discretion of the SBP, the latter must immediately inform the SMV, and shall inquire whether there is an appropriate date for the preparation or supply of the banking information, leaving written evidence of this agreement.
4. In cases where the bank does not facilitate or does not provide, obstructs, delays or there is reluctance to deliver the required banking information in the requested form, the SBP in accordance with the provisions of the banking regime, will initiate corresponding sanction process.
5. Upon receipt of the requested banking information from the bank, the SBP will proceed to send the information to the SMV.

6. The forwarding of the information may be communicated by any suitable means that guarantees the security of the information sent and transmitted.

CLAUSE EIGHT: AUTHORIZED CONTACT PERSON

The SMV will request banking information, in accordance with the provisions of paragraph 28 of article 14 of the Securities Market Law and in this Memorandum of Understanding.

The written document of the request made by the SMV must comply with the guidelines set in the Securities Market Law and the provisions of the Multilateral Memorandum of Understanding signed by the SMV.

The only persons authorized to subscribe or respond to such written requirements are:

a. For the Superintendency of the Securities Market;

- The Superintendent of the Securities Market. At the time of signature of this Memorandum, Ms. Mareliissa Quintero de Stanziola serves as Superintendent, whose email is: Mquintero@supervalores.gob.pa
- The Secretary General of the Superintendency of the Securities Market. At the time of signature of this Memorandum, Loraine Chavarria de Sinclair serves as the General Secretary, whose email is: lchavarria@supervalores.gob.pa

b. For the Superintendency of Banks of Panama;

- The Superintendent of Banks. At the time of signature of this Memorandum, Mr. Ricardo Fernández, serves as Superintendent, whose email is: rfernandez@superbancos.gob.pa
- The Secretary General of the Superintendency of Banks. At the time of signature of this Memorandum, Mr. Gustavo Villa serves as Secretary General, whose email is: gvilla@superbancos.gob.pa

In case of change of the authorized contact person each one of the authorities will proceed to communicate in writing in a maximum term of five (5) business days.

NINTH CLAUSE: CERTIFICATION ON INTERNATIONAL REQUIREMENTS.

The Superintendency of the Securities Market shall have the obligation to certify that each one of the inquiries, cooperation, and other requirements that become the object of the



framework of an international investigation, complies with the formalities and requirements set out in the Multilateral Memorandum of the International Securities Commissions (IOSCO) in accordance with the provisions set in Executive Decree No. 408 of December 16, 2016.

CLAUSE TEN: AMENDMENTS.

This Memorandum of Understanding may be amended by mutual consent of the parties, at any time during its term. Amendments must be formalized in writing, specifying the date of entry into force.

Executed in Panama City, Republic of Panama on the nineteenth (19th) day of the month of January of two thousand and seventeen (2017).

(Signed, illegible signature)

Marelissa Quintero de Stanziola

Superintendent

Superintendency of the Securities Market

Panama

of Panama

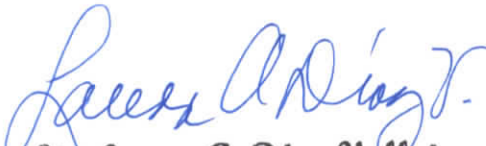
(Signed, illegible signature)

Gustavo A. Villa

Superintendent a.i.

Superintendency of Banks of

I HEREBY CERTIFY THAT THE PREVIOUS
DOCUMENT IS A TRUE TRANSLATION FROM
ITS ORIGINAL IN THE SPANISH LANGUAGE.


Lic. Laura A. Díaz Vallejo
Certified Public Translator
Spanish - English - Spanish
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