THEREFORE DECREES

TITLE I. CIVIL AVIATION IN PANAMA

Sovereignty and Organization

CHAPTER I. GENERAL PRINCIPLES

Article 1. Sovereignty.

The Republic of Panama has complete and exclusive sovereignty over all the air space above its continental and insular territory comprised between Colombia and Costa Rica, and over its territorial seas.

Article 2. Jurisdiction.

1) The Panamanian State exercises jurisdiction in the space above the national territory and its territorial seas, in conformity with the Constitution and laws of the Republic, the regulatory decrees, and the international agreements on civil aviation ratified by the Republic.

2) All civil aircraft within the national territory or air space, as well as their crews, passengers and cargo, shall be subject to the jurisdiction and competency of the Panamanian authorities.

Article 3. Jurisdiction on board aircraft.

The following are subject to Panamanian jurisdiction:

a) Acts performed, events occurring, and crimes and misdemeanors committed on board Panamanian aircraft, within the territory or airspace of the Republic, or during a flight over the high seas or over territories not subject to the sovereignty of another State:

b) Acts performed, events occurring, crimes and misdemeanors committed on board Panamanian aircraft during a flight over territory of a foreign State, except in those cases related to the

security or public order of the subjacent State;

c) Acts performed, events occurring, crimes and misdemeanors committed on foreign civil aircraft flying over the territory of Panama or which are parked thereon, when such acts, events, crimes or misdemeanors relate to the security or public order of Panama. In addition, in the case of a crime committed during the flight of a foreign aircraft, the law of Panama shall be applicable if the first stop following the crime is made on the soil of the Republic, unless there is a request for extradition.

CHAPTER II. REGULATION AND ADMINISTRATION OF CIVIL AVIATION IN PANAMA

Article 4. Executive Agency.

The regulation of Civil Aviation in Panama is the function of the Executive Power, through its Ministry of Government and Justice, in accordance with the provisions of the present Code.

Article 5. National Board of Civil Aeronautics.

1) The National Executive Power shall be advised by a consultative agency to be known as National Board of Civil Aeronautics.

2) The Board shall be composed of nine (9) members, as follows: The Minister of Government and Justice, who shall preside;