

2. The original authorized capital stock shall be divided into paid-up shares and callable shares. Shares having an aggregate par value equivalent to twenty-five million dollars (\$25,000,000) shall be paid-up shares, and shares having an aggregate par value equivalent to twenty-five million dollars (\$25,000,000) shall be callable shares.

3. The authorized capital stock may be increased by the Board of Governors at such time and on such terms and conditions as it may determine by a vote of not less than two-thirds of the total number of the governors representing not less than three-fourths of the total voting power of the members.

4. In this Agreement the expression "dollar" means a United States dollar of the value specified in paragraph 1 of this Article.

ARTICLE 6

Subscription of shares

1. Each member shall subscribe to shares of the capital stock of the Bank. Each subscription to the original authorized capital stock shall be for paid-up and callable shares in equal parts. The initial number of shares to be subscribed by those States and Territories which become members in accordance with paragraph 2 of Article 3 shall be as set forth in Annex A to this Agreement which shall form an integral part thereof. The initial number of shares to be subscribed by those States and Territories which are admitted to membership in accordance with paragraph 3 of Article 3 shall be determined by the Board of Governors in accordance with that paragraph.

2. The authorized capital stock of the Bank shall at all times be held or be available for subscription in the following manner:

- (a) not less than sixty (60) per cent by regional members; and
- (b) not more than forty (40) per cent by other members.

3. In case of an increase in the authorized capital stock, each member shall have a right to subscribe, on such terms and conditions as the Board of Governors shall determine, to a proportion of the increase of stock equivalent to the proportion which its stock previously subscribed bears to the total subscribed capital stock immediately before such increase, provided, however, that the provision shall not apply in respect of any increase or portion of an increase in the authorized capital stock which is intended solely to give effect to determinations of the Board of Governors under paragraphs 1 and 4 of this Article. No member shall be obligated to subscribe to any part of an increase in capital stock.

4. Subject to the provisions of paragraph 2 of this Article, the Board of Governors may, at the request of a member, increase the subscription of such member on such terms and conditions as the Board may determine. The Board of Governors shall pay special regard to the request of any regional member having less than five (5) per cent of the subscribed capital stock to increase its subscription.

5. Shares initially subscribed by those States and Territories which become members in accordance with paragraph 2 of Article 3 shall be issued at par. Other shares shall be issued at par unless the Board of Governors by a vote of not less than two-thirds of the total number of the governors representing not less than three-fourths of the total voting power of the members decides in special circumstances to issue them on other terms.