(b) The payment for capital stock, set forth in Annex A, by each founding member shall be made in four annual, equal and consecutive installments each of twenty-five percent of such amount. The first installment shall be paid by each member in full within three months after the date on which the Corporation begins operation pursuant to Article XI, Section 3 below, or the date on which such founding member accedes to this Agreement, or by such date or dates thereafter as the Board of Executive Directors of the Corporation specifies. The remaining three installments shall be paid on such dates as are determined by the Board of Executive Directors of the Corporation but not earlier than December 31, 1985, December 31, 1986, and December 31, 1987, respectively. The payment of each of the last three installments of capital subscribed by each of the member countries shall be subject to fulfillment of such legal requirements as may be appropriate in the respective countries. Payment shall be made in United States dollars. The Corporation shall specify the place or places of payment.

(c) Shares initially subscribed by the founding members shall be issued at par.

(d) The conditions governing the subscription of shares to be issued after the initial share subscription by the founding members which shall not have been subscribed under Article II, Section 2(b), as well as the dates of payment thereof, shall be determined by the Board of Executive Directors of the Corporation.

Section 4. Restriction on Transfers and Pledge of Shares

Shares of the Corporation may not be pledged, encumbered or transferred in any manner whatever except to the Corporation, unless the Board of Governors of the Corporation approves a transfer between members by a majority of the Governors representing four-fifths of the votes of the members.

Section 5. Preferential Subscription Right

In case of an increase in capital, in accordance with Section 2(c) and (d) of this Article, each member shall be entitled, subject to such terms as may be established by the Corporation, to a percentage of the increased shares equivalent to the proportion which its shares heretofore subscribed bears to the total capital of the Corporation. However, no member shall be obligated to subscribe to any part of the increased capital.

Section 6. Limitation on Liability

The liability of members on the shares subscribed by them shall be limited to the unpaid portion of their price at issuance. No member shall be liable, by reason of its membership, for obligations of the Corporation.