

stock made out to bearer into nominative stock under penalty of cancellation of the registration of aircraft belonging to them, except that in the case of *force majeure*, as determined by the Ministry of Aviation, an extension of another six months may be granted.

Art. 3. Beginning with the date of this law, stock with voting rights may be transferred only to Brazilians even when it was included within the limits permitted to foreigners. The corporation shall require from the transferees proof of their nationality and shall notify the Ministry of aviation thereof with proper verification, for approval of the transfer.

Art. 4. Ownership in stock referred to in Article 2 shall be established exclusively by recordation in the registry referred to in Article 25 of the Decree-law No. 2627 of September 26, 1940. Recordation shall include the nationality of the stockholder and the documents which contain such proof and which shall become part of the archives of the corporation.

Sole Paragraph. Any subscription, sale or transfer of stock made in disregard of Article 1 of this law shall be null and void, as shall be any agreement or declaration affecting rights in any stock by persons prohibited to acquire stock, as well as by any representative or delegate of persons not included within the limits established for the efficiency and assurance of control of the corporation through the majority of the capital belonging to Brazilians.

Art. 5. Stock with voting rights may not be given in pledge or as security to persons prohibited to acquire it and who may not be owner of record of any rights in it whatever the nature of such rights may be or the manner in which they are created.

Art. 6. In cases of transfer by death, in the absence of a Brazilian spouse, heir, or legatee, to whom the securities may be transferred or when the By-laws fail to assure, in some other form, the transfer to qualified persons in accord with the provisions of this law, the stock shall be sold on the stock exchange and the purchaser shall prove that he is qualified to make such purchase under this law.

Art. 7. When the stock referred to in Article 2 has been converted [from bearer to nominative] or when existing shares are already nominative, the Ministry of Aviation shall make a survey within a period of 90 (ninety) days to verify the existence or the conversion of the stock in order to ascertain the exact amount of stock of the total capital with the right to vote in the corporation belonging to Brazilian stockholders and to foreign stockholders.

§ 1. When it is shown that the amount of stock belonging to foreign stockholders exceeds the limits established in this law, the Ministry of Aviation shall request the corporation to make a study and to propose a plan to adjust its capital to the requirements of this law.

§ 2. When the plan presented does not merit approval, or is not practicable, or has not been carried out, the Executive Power shall be authorized to proceed to expropriation or purchase of the excess stock (Vetoed).

§ 3. Stock deemed as exceeding the limits shall be reported in proportion to the stock belonging to foreign stockholders.

§ 4. The Executive Power shall submit to the National Congress a draft of an authorization for the opening of a credit necessary to put the operation into effect.