

THE SCHEDULE—*continued*.

(b) Before the first Loan the Banks shall have received a certified copy of an opinion of the Solicitor-General or Acting Solicitor-General of the Commonwealth, in a form satisfactory to the Banks, to the effect that (i) the Loans and the Notes have been duly authorized in accordance with the laws of the Commonwealth and the Order or Orders in Council applicable thereto; (ii) the Notes, when signed by the Treasurer of the Commonwealth and by a person referred to in Section 1 and delivered in accordance herewith, will constitute valid, binding, absolute and unconditional obligations of the Commonwealth, for the performance of which the full faith and credit of the Commonwealth is pledged; and (iii) this Agreement has been duly authorized and executed in accordance with the laws of the Commonwealth and the Order or Orders in Council applicable hereto and all the provisions hereof are valid and binding as against the Commonwealth; and

(c) All legal matters relating to each Loan, and the Notes shall be satisfactory to counsel for the Banks, Messrs. Davis Polk Wardwell Sunderland & Kiendl, and to such Australian counsel as they may consult.

SECTION 7. The Commonwealth will pay to the Agent, in dollars, a commitment fee computed at the rate of $\frac{1}{4}$ of 1% per annum (on the basis of a year of 365 days), in respect of the period from July 25, 1958 to June 30, 1959 on the daily average unused amounts which the Banks were obligated to lend under Section 1 hereof. The accrued portion of such commitment fee will be paid on December 31, 1958 and on June 30, 1959.

SECTION 8. The Commonwealth agrees that, from the date hereof until the payment in full of the Loans:

(a) If the Commonwealth sells, offers for public subscription or in any manner disposes of any bonds or loans constituting external debt of the Commonwealth secured by lien on any revenue or asset of the Commonwealth, the Loans and the Notes will be secured equally and ratably therewith and the Commonwealth will make appropriate provision to that end, where necessary;

(b) From time to time, at the request of any Bank, the Commonwealth will promptly deliver to such Bank copies of all reports and other documents filed by the Commonwealth with the United States Securities and Exchange Commission; and

(c) The Banks may accept and rely upon requests for advances, notices or other communications from the Commonwealth, relative to the transactions hereby contemplated, if signed by any person at the time Consul General, Acting Consul General or Consul of the Commonwealth in New York City.

SECTION 9. If any principal or interest on any Note is not paid when due, and if any such default continues for ten days, the Agent, by written notice mailed to the Commonwealth, addressed to The Commonwealth Treasury, Canberra, Australia, shall if requested in writing by any of the Banks, declare the entire principal amount of each Note, and accrued interest thereon, to be, and the same will become, forthwith due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived. Simultaneously with the giving of any such notice to the Commonwealth, the Agent will notify all holders of the Notes thereof.

SECTION 10. Each of the Banks and each subsequent holder of Notes by its acceptance thereof, irrevocably authorizes the Agent to receive all payments of principal of and interest on the Notes and all commitment fees, as provided in Sections 3 and 7, and to take all other action delegated to it hereunder or reasonably incidental thereto. Neither the Agent nor any of its directors, officers or employees shall be liable for any action taken or omitted in the absence of negligence or wilful misconduct. The Agent may treat the payee of any Note as the holder thereof until written notice of transfer shall have been filed with it. The Agent shall promptly notify the Commonwealth of any such notice received by it.

SECTION 11. The Commonwealth will reimburse the Agent and the Banks for their out-of-pocket expenses (including counsel fees) in connection with this Agreement and the loans hereunder.