

## Loan (Defence)

### No. 103 of 1971

An Act to approve the raising by way of Loan of Moneys in the Currency of the United States of America and to authorize the expending of those Moneys for Defence Purposes, and for purposes connected therewith.

[Assented to 26 November 1971]

**B**E it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1. This Act may be cited as the *Loan (Defence) Act 1971*. Short title.
  
2. This Act shall come into operation on the day on which it receives the Royal Assent. Commencement.
  
- 3.—(1) In this Act, “ the Loan Agreement ” means an agreement, in accordance with the form in the Schedule to this Act, between the Commonwealth and the Export-Import Bank of the United States. Interpretation.
  - (2.) For the purposes of this Act—
    - (a) the promissory notes delivered by the Commonwealth under the Loan Agreement shall be deemed to form part of the Loan Agreement; and
    - (b) a payment in accordance with the Loan Agreement by the Export-Import Bank of the United States of moneys in discharge of a liability of the Commonwealth shall be taken to be the loan of an amount equal to those moneys by the Export-Import Bank of the United States to the Commonwealth.
  
4. The execution on behalf of the Commonwealth of the Loan Agreement, and the borrowing by the Commonwealth in accordance with that agreement of moneys in the currency of the United States of America not exceeding Ninety million dollars, are approved. Approval of agreement and borrowing.
  
5. The execution on behalf of the Commonwealth, and the delivery, of promissory notes in accordance with the Loan Agreement, are approved. Approval of notes.

Expenditure of  
loan moneys.

6. The proceeds of borrowing under the Loan Agreement may be issued and applied for defence purposes.

Payment of  
moneys out of  
Consolidated  
Revenue Fund.

7. The expenses of borrowing and all moneys payable by the Commonwealth under the Loan Agreement, including moneys payable in respect of commitment fees, as interest or by way of repayment of moneys borrowed, shall be paid out of the Consolidated Revenue Fund, which is appropriated to the extent necessary for the purposes of this section.

Exemption  
from taxation.

8.—(1.) Notwithstanding anything contained in any law of the Commonwealth or of a State or Territory of the Commonwealth, whether passed or made before or after the commencement of this Act—

- (a) the execution, issue and delivery of the Loan Agreement or of any promissory note provided for by that agreement; and
- (b) the payment of moneys referred to in paragraph A of Article VIII of that agreement,

are exempt from all taxes, duties, fees, restrictions and other charges as agreed in that Article.

(2.) Nothing in this section excludes or limits the application of section 6B of the *Loans Securities Act* 1919–1968.

National Debt  
Sinking Fund  
Act not to  
apply.

9. The *National Debt Sinking Fund Act* 1966–1967 does not apply in relation to moneys borrowed under the Loan Agreement.

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## THE SCHEDULE

## Section 3.

THIS AGREEMENT, made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, 1971, by and between the Commonwealth of Australia (hereinafter called "Borrower") and the Export-Import Bank of the United States (hereinafter called "Eximbank"), an agency of the United States of America;

## WITNESSETH:

WHEREAS, the Borrower has entered or will enter into arrangements (hereinafter called "Purchase Arrangements") with the Department of Defense, United States of America (hereinafter called "DOD"), and with various United States suppliers, for the purchase of certain defense articles, equipment and services, (said purchases being hereinafter collectively called "Purchase Program"); and

WHEREAS, the Borrower has requested Eximbank to establish a line of credit in its favor to assist the Borrower in financing payments required to be made by the Borrower to the DOD and to United States suppliers under Purchase Arrangements for or towards the acquisition in the United States of that portion of the Purchase Program which consists of (i) equipment, components, and articles produced or manufactured in the United States to the extent that at least ninety-five percent (95%) of the value thereof has been added by labor or material exclusively of United States origin; and (ii) services of United States origin; and

WHEREAS, the establishment of the line of credit requested will facilitate exports and imports and the exchange of commodities between the United States and Australia;

NOW, THEREFORE, the parties hereto agree as follows:

## ARTICLE I

*Line of Credit*

Eximbank hereby establishes in favor of the Borrower a line of credit (hereinafter called "Credit") in the principal amount of Ninety Million Dollars (\$90,000,000), United States currency, against which Eximbank will make disbursements from time to time, subject to the terms and conditions hereinafter set forth, to assist the Borrower in financing payments required to be made by the Borrower from July 1, 1971, through December 31, 1975, inclusive, under Purchase Arrangements satisfactory to Eximbank for or towards the acquisition in the United States of that portion of the Purchase Program which consists of Eligible Items. Only those items that are purchased during Fiscal Year 1972 and which are approved by the DOD shall be eligible for financing hereunder. In no event shall items leased by the Borrower be eligible for financing hereunder. Items eligible for financing hereunder are heretofore and hereinafter called "Eligible Items".

## ARTICLE II

*Repayment*

The Borrower covenants and agrees to repay the principal amount of all disbursements made under the Credit, and to pay interest thereon, as hereinafter set forth:

(1) *Principal and Interest.* The Borrower shall repay each disbursement under the Credit in fourteen (14) approximately equal installments, the first of which shall be due and payable on the 15th day of November following the close of the fiscal year of Eximbank in which such disbursement was made with the remaining thirteen installments due and payable successively semiannually thereafter on May 15 and November 15 of each year. In addition to the foregoing amounts, the Borrower shall pay interest semiannually on May 15 and November 15 of each year at the rate of six and one-half percent (6-1/2%) per annum on the principal amount of the Credit disbursed and outstanding from time to time, said interest to accrue from the dates of the respective disbursements under the Credit and to be computed on the basis of the actual number of days using a 365-day factor. Interest shall not be charged for the date on which any principal payment is made on the amount of such principal payments. All payments of principal and interest hereunder shall be made in United States currency at the principal office of The Chase Manhattan Bank in the City of New York, State of New York, United States of America in Federal Reserve Bank of New York funds.

(2) *Promissory Notes.* Further to evidence the obligation of the Borrower to pay the amounts specified in subparagraph (1) of this Article, the Borrower shall, with each request for

THE SCHEDULE—*continued*

disbursement, issue and deliver to Eximbank a negotiable promissory note in a principal amount equal to the amount of the requested disbursement in the form of Annex "A" to this Agreement; each such note to be (i) dated as of date of issue, (ii) payable in United States currency, (iii) printed or lithographed on one side of one sheet of bank note or safety paper, and (iv) in form and substance satisfactory to Eximbank. In the event that the actual amount of a disbursement made pursuant to any request shall be less than the amount of the requested disbursement provided for in any promissory note, Eximbank will, immediately after the making of the disbursement, exchange the promissory note for a new promissory note in the principal amount of the actual disbursement. (The term "Notes" shall mean the promissory note or notes evidencing the principal amount of the disbursements under the Credit outstanding at any one time.)

(3) *Prepayments.* The Borrower shall have the right, upon payment of all accrued charges for interest, to repay at any time in advance of maturity, without premium or penalty, all or part of the principal amount of the Credit at the time outstanding, and of the Notes; provided, that any such prepayments shall be applied to the outstanding installments of principal of the Credit, and of the Notes, in the inverse order of their maturity.

(4) *Commitment Fee.* Commencing on November 15, 1971, the Borrower shall on May 15 and November 15 of each year pay to the order of Eximbank at the principal office of The Chase Manhattan Bank in the City of New York, State of New York, United States of America in Federal Reserve Bank of New York funds a commitment fee computed at the rate of one-half of one percent (1/2 of 1%) per annum on the undisbursed, uncanceled or unexpired balance of the Credit outstanding, using a 365-day factor; said commitment fee to accrue from August 8, 1971, through December 31, 1975.

(5) *Application of Payments.* All payments made by the Borrower on or in respect of any amount due and payable under this Agreement and the Notes, shall be applied first to the commitment fee then due and payable, next to accrued interest then due and payable, next to the repayment of principal then due and payable, next to the payment of any other indebtedness incurred by the Borrower under this Agreement and the Notes and not listed in this subparagraph (5), and last to the prepayment of the Credit and the Notes in accordance with subparagraph (3) of this Article II.

## ARTICLE III

*Disbursement Procedures*

A. *Disbursements to DOD.* When all conditions precedent to the first utilization of the Credit have been fulfilled, Eximbank will, upon receipt of the following in form and substance satisfactory to it, make disbursements from time to time on behalf of the Borrower to the account of the DOD for the purpose of financing payments required to be made by the Borrower (i) under Purchase Arrangements satisfactory to Eximbank and (ii) in conformity with the purposes for which the Credit has been established:

(1) *Request.* A request signed by a duly authorized representative of the Borrower for a disbursement in the amount specified in the statement required by subparagraph (2) below;

(2) *DOD Statement.* A statement of the DOD (a) identifying the Purchase Arrangements under which disbursement is being requested by the Borrower; (b) verifying that the amount of the requested disbursement is due under said Purchase Arrangements and specifying the due date thereof; and (c) certifying that the amount of the requested disbursement will be applied for or towards the acquisition in the United States of Eligible Items;

B. *Disbursements to United States Suppliers.* When all conditions precedent to the first utilization of the Credit have been fulfilled, Eximbank will, upon receipt of the following in form and substance satisfactory to it, make disbursements from time to time on behalf of the Borrower to the account of United States suppliers at commercial banks in the United States designated by such suppliers and acceptable to Eximbank for the purpose of financing payments required to be made by the Borrower (i) under Purchase Arrangements satisfactory to Eximbank and (ii) in conformity with the purposes for which the Credit has been established:

(1) *Request.* A request signed by a duly authorized representative of the Borrower for a disbursement in the amount specified in the statement required by subparagraph (2) below;

(2) *Supplier Statement.* A statement of the United States supplier or suppliers (a) identifying the Purchase Arrangements under which disbursement is being requested by the Borrower; (b) verifying that the amount of the requested disbursement is due under said Purchase

THE SCHEDULE—*continued*

Arrangements and specifying the due date thereof; and (c) certifying that the amount of the requested disbursement will be applied for or towards the acquisition in the United States of Eligible Items;

(3) *Additional Information.* Such additional documents and information as Eximbank may from time to time reasonably request.

C. *Disbursements to Borrower.* When all conditions precedent to the first utilization of the Credit have been fulfilled, Eximbank will, upon receipt of the following in form and substance satisfactory to it, make disbursements from time to time to the account of the Borrower at a commercial bank in the United States designated by the Borrower and acceptable to Eximbank to reimburse the Borrower for payments made by the Borrower to the DOD or the United States supplier or suppliers (i) under Purchase Arrangements satisfactory to Eximbank and (ii) in conformity with the purposes for which the Credit has been established:

(1) *Request.* A request signed by a duly authorized representative of the Borrower for a disbursement in the amount specified in the statement required by subparagraph (2) below;

(2) *Statement.* A statement or statements of the DOD or the United States supplier or suppliers, as the case may be, (a) identifying the Purchase Arrangements under which disbursement is being requested by the Borrower; (b) verifying that the amount of the requested disbursement was paid under said Purchase Arrangements; and (c) certifying that an amount equal to the amount of the requested disbursement has been or will be applied for or towards the acquisition in the United States of Eligible Items;

(3) *Additional Information.* Such additional documents and information as Eximbank may from time to time reasonably request.

D. *Notice.* The Borrower shall give Eximbank at least three (3) business days prior notice of the date and aggregate amount of the disbursement to be made hereunder. Except for the last disbursement request, each disbursement request shall be in the amount of at least Two Hundred Fifty Thousand Dollars (\$250,000), or, when made in a lesser amount, only once a calendar month.

E. *General.* Under the foregoing procedures or any other disbursement procedures to which the Borrower and Eximbank may hereafter agree in writing, the following shall be submitted in such manner as Eximbank shall specify:

(1) *Shipping.* Evidence that the Eligible Items to be financed have been or will be shipped in accordance with the requirements of paragraph C of Article VIII hereof; and

(2) *Borrower's Certificate.* The Borrower's certificate as to the purchase price of the Eligible Items to be financed. The total of all amounts disbursed under this Article shall at no time exceed the amount of the Credit as set forth in Article I hereof.

## ARTICLE IV

*Representations, Warranties and Covenants*

A. *Representations and Warranties.* The Borrower represents and warrants as follows:

(1) *Authority.* The Borrower has full power, authority, and legal right to incur the indebtedness and other obligations provided for in this Agreement and the Notes, and to execute and deliver this Agreement and the Notes, and this Agreement constitutes, and the Notes when issued hereunder will constitute, valid and binding obligations of the Borrower in accordance with the respective terms hereof and thereof.

(2) *Legal Action.* The Borrower has taken all action required under the laws and regulations of the Borrower, or of any political subdivision, department or agency thereof, to authorize the execution and delivery of this Agreement and the Notes.

(3) *Full Faith and Credit.* All covenants of the Borrower contained in this Agreement constitute, and the Notes when issued hereunder will constitute, unconditional direct obligations of the Borrower, for the payment and performance of which the full faith and credit of the Borrower is pledged.

B. *General Covenants—Borrower.* Commencing with the date of this Agreement and continuing until all indebtedness of the Borrower under this Agreement and the Notes shall have been paid in full, the Borrower covenants and agrees that except to the extent that Eximbank may otherwise consent in writing:

THE SCHEDULE—*continued*

(1) *Information and Documents.* The Borrower shall furnish or cause to be furnished to Eximbank all reasonable information as it shall request concerning the expenditure of the disbursements hereunder, and the Eligible Items financed under this Agreement. The Borrower shall also cause to be furnished to Eximbank such opinions of counsel, evidence of authority, authenticated specimen signatures and other relevant documents and information as it may from time to time reasonably request. In addition, the Borrower shall furnish certified copies of invoices or other supporting documents necessary to establish the use of the funds disbursed to the Borrower under this Agreement, and, accordingly, unless previously submitted to Eximbank, the Borrower shall retain such documents until all indebtedness of the Borrower under this Agreement and the Notes shall have been paid in full.

(2) *Undertaking of Borrower.* The Borrower shall pursue any claims which it may now or hereafter have against the United States suppliers or any other person or entity in connection with the purchase of the Eligible Items, or in connection with any other transaction for any reason whatsoever, independently of the indebtedness of the Borrower under this Agreement and the Notes; and the Borrower hereby agrees to forego the utilization of such claims as the basis of any counterclaim against, or deduction or setoff from, the payment of the indebtedness of the Borrower under this Agreement and the Notes or any other obligation established hereunder.

(3) *Duty to Perform.* The Borrower shall perform, on request of Eximbank, such acts as may be necessary to carry out the intent of this Agreement.

(4) *Use and Control of Eligible Items.* So long as the indebtedness incurred under this Agreement and the Notes remains outstanding and unpaid, the Eligible Items financed under this Credit are for use solely by the agencies or departments of the Borrower and said Eligible Items shall remain under the control of the agencies or departments of the Borrower and shall not be loaned, leased or transferred to any other nation.

## ARTICLE V

*Events of Default*

In case one or more of the following events (hereinafter called "Event of Default") shall have occurred and be continuing, that is to say:

(1) A default shall have occurred in the payment of any amounts required under this Agreement, the Notes, or any other agreement between Eximbank and the Borrower; or

(2) A default shall have occurred in the performance of any other covenant on the part of the Borrower under this Agreement, the Notes, or any other agreement between Eximbank and the Borrower, and such default remains unremedied for a period of thirty (30) days after written notice thereof shall have been given to the Borrower by Eximbank; or

(3) Any representation or warranty made by the Borrower under this Agreement, the Notes, or any other agreement between Eximbank and the Borrower proves to be incorrect in any material respect and has not been corrected within thirty (30) days after written notice thereof shall have been given to the Borrower by Eximbank; or

(4) The Borrower engages in armed conflict, declared or otherwise, with the armed forces of the United States or the Borrower furnishes by direct governmental action (not including chartering, licensing, or sales by non-wholly-owned business entities) goods, supplies, military assistance or advisors to a nation engaged in armed conflict, declared or otherwise, with armed forces of the United States;

then and in each and every such case, Eximbank may at its option, upon written notice to the Borrower, make immediately due and payable the entire principal amount of the Credit at the time outstanding, or any Note or Notes evidencing such amount, together in each case with accrued interest thereon to the date of payment.

## ARTICLE VI

*Availability, Cancellation and Suspension*

A. *Availability.* Except to the extent that a duly authorized officer of Eximbank may otherwise consent in writing, Eximbank shall not be obligated to make disbursements under the Credit subsequent to the close of business on December 31, 1975, and any part of the Credit which shall not have been disbursed on or before said date may be cancelled by Eximbank without the requirement of notice to the Borrower.

B. *Cancellation.* The Borrower may by written notice to Eximbank cancel all or any part of the Credit which shall not have been disbursed.

THE SCHEDULE—*continued*

C. *Suspension.* If an Event of Default shall occur and be continuing, then and in each and every such case, Eximbank may, upon written notice to the Borrower, suspend all further disbursements under the Credit; thereafter, Eximbank shall not be obligated to make further disbursements until it (i) shall have received evidence that the cause or causes of the suspension have been eliminated or corrected in a manner satisfactory to Eximbank, and (ii) shall have notified the Borrower in writing that the suspension has been removed.

D. *Continuation of Rights and Obligations.* Notwithstanding any cancellation or suspension pursuant to this Article, all the provisions of this Agreement and the Notes, and the rights and obligations of either party with respect to disbursements made prior to such cancellation or suspension, shall continue in full force and effect.

## ARTICLE VII

*Conditions Precedent*

A. Prior to and as a condition precedent to the first utilization of the Credit by the Borrower, Eximbank shall be furnished with the following in form and substance satisfactory to it:

(1) *Legal Opinion.* An opinion or opinions of the Secretary or the Acting Secretary to the Attorney-General's Department of the Commonwealth of Australia, verifying the representations, warranties, and covenants of the Borrower set forth in subparagraphs (1) through (3) of paragraph A of Article IV hereof; provided that such opinion or opinions shall refer to all pertinent laws, ordinances, regulations, decrees, resolutions and other relevant documents.

(2) *Evidence of Authority.* Evidence of the authority of the person or persons (i) who have signed this Agreement on behalf of the Borrower; (ii) who will execute the Notes on behalf of the Borrower; and (iii) who will sign the requests for disbursement and other documents required or permitted by this Agreement and who will otherwise act as the representative or representatives of the Borrower in connection with the operation of the Credit.

(3) *Specimen Signatures.* The authenticated specimen signature of each person named pursuant to subparagraph (2) above.

B. Thereafter, prior to and as a condition precedent to disbursements by Eximbank with respect to any given Purchase Arrangement, the Borrower shall submit or cause to be submitted in form and substance satisfactory to Eximbank:

(1) *Purchase Arrangement.* A certified or conformed copy of the Purchase Arrangement or such other written evidence of the arrangement as may be acceptable to Eximbank.

(2) *Promissory Note.* A promissory note as described in Article II, subparagraph (2) herein for the amount of the requested disbursement under the Purchase Arrangement.

C. In addition, Eximbank shall be furnished with such additional legal opinions, evidence of authority, authenticated specimen signatures, documents, and other information as Eximbank may from time to time reasonably request.

## ARTICLE VIII

*Miscellaneous Provisions*

A. *Taxes.* The Borrower covenants and agrees that the execution, issuance and delivery of this Agreement and the Notes, and except to the extent that the right to receive payment of the principal amount of or interest on any outstanding disbursements under the Credit or any Notes is or comes to be beneficially owned by any person residing in or ordinarily a resident of Australia or the Territory of Papua or the Territory of New Guinea, the payment of principal and interest under this Agreement and the Notes shall be exempt from all present and future taxes, duties, fees, restrictions, and other charges of whatsoever nature now or hereafter levied or imposed (i) under the laws of the Borrower or laws in effect in its territories or (ii) by the Borrower or by any political subdivision, taxing authority, department, or agency thereof.

B. *Expenses.* All statements, reports, certificates, opinions and other documents or information furnished to Eximbank under this Agreement shall be supplied by the Borrower without cost to Eximbank. Further, the Borrower hereby agrees to reimburse Eximbank on demand for all out-of-pocket costs and expenses, including legal fees, incurred by Eximbank in connection with the enforcement, protection or preservation of any right or claim of Eximbank in connection with this Agreement or the Notes.

THE SCHEDULE—continued

C. Marine Transportation. Any of the Eligible Items, the purchase of which is to be financed in whole or in part under this Agreement and which shall be exported by ocean vessel to Australia shall be transported from the United States in vessels of United States registry, as required by Public Resolution No. 17 of the 73rd Congress of the United States except to the extent that a waiver of such requirement is obtained from the United States Maritime Administration.

D. Sale of Notes. Eximbank agrees not to negotiate or transfer the Credit or the Notes nor to dispose of any participations therein without the prior written consent of the Borrower; provided, however, that the foregoing shall not apply to the sale of (i) certificates of beneficial interest in the Credit or the Notes; and (ii) participations in the Credit or the Notes if such participations constitute interests in a pool of Eximbank loans, which pool includes the Credit or the Notes, and such participations are guaranteed by Eximbank.

E. Exchange of Notes. Upon the request of Eximbank made at any time or from time to time the Borrower shall issue and deliver to Eximbank, in exchange for any Note or Notes theretofore issued to Eximbank hereunder, its new Notes in such denominations as Eximbank may specify, dated the date to which interest shall have been paid on the Notes surrendered, and in an aggregate principal amount equal to the aggregate of disbursements against, less the aggregate of any repayments of principal made upon, the Notes surrendered. The new Notes issued pursuant hereto shall conform to the requirements of subparagraph (2) of Article II hereof and shall be substantially in the form of Annex "A" to this Agreement, except for such modifications as may be necessary or appropriate to give effect to any of the provisions of this paragraph E. The new Notes shall be dated so that no gain or loss of interest or acceleration or delay of interest payments will result.

F. Waiver. No failure or delay on the part of Eximbank to exercise any right, power, or privilege under this Agreement or the Notes shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement or the Notes preclude any other or further exercise thereof or the exercise of any other right, power, or privilege.

G. Notices. All notices, demands and deliveries to be given or made to the Borrower or Eximbank shall be given or made, as the case may be, at the Australian Embassy, Washington, District of Columbia, United States of America, or at the principal office of Eximbank, Washington, District of Columbia, United States of America, or at such other place as may be designated in writing by the respective parties hereto.

H. Future Amendments to Article I. Upon request of the Borrower, the provisions of Article I hereof may be amended provided that Eximbank gives its prior written consent to the amendment.

ANNEX "A"

PROMISSORY NOTE

U.S. \$....., 19 ..

FOR VALUE RECEIVED, THE COMMONWEALTH OF AUSTRALIA (hereinafter called "Borrower"), by this Promissory Note (hereinafter called "Note"), hereby unconditionally promises to pay to the Export-Import Bank of the United States, or order, the principal sum of..... Dollars (U.S. \$.....), United States currency, in installments as hereinafter provided, and to pay interest in like currency on May 15 and November 15 of each year (hereinafter called "Interest Payment Dates") at the rate of ..... (%) per annum on the unpaid principal balance of this Note from time to time outstanding.

The principal of this Note shall be payable in ..... (.....) installments, the first of which shall be in the sum of ..... Dollars (U.S. \$.....), United States currency, and shall be due and payable on ..... , 19....., and the remaining ..... (.....) installments shall each be in the sum of ..... Dollars (U.S. \$.....), United States currency, and shall be due and payable successively semiannually thereafter on the Interest Payment Dates.



THE SCHEDULE—continued

Payment of the principal of and interest on this Note shall be made at the principal office of The Chase Manhattan Bank, in the City of New York, State of New York, United States of America.

The principal of this Note, and the interest thereon, shall be paid without deduction for or on account of, and shall be exempt from, all present and future taxes, duties, fees, restrictions or other charges of whatsoever nature now or any time hereafter levied or imposed (i) under the laws of the Borrower or laws in effect in its territories or (ii) by the Borrower or by any political subdivision, taxing authority, department or agency thereof, except to the extent that this Note is or comes to be beneficially owned by any person residing in or ordinarily a resident of Australia or the Territory of Papua or the Territory of New Guinea.

Upon the default in the prompt and full payment of any installment of principal or interest on this Note, the entire principal of this Note and interest thereon to the date of payment shall immediately become due and payable at the option and upon the demand of the holder hereof.

The Borrower shall have the right, upon payment of all accrued charges for interest, to repay at any time in advance of maturity, without premium or penalty, all or part of the principal amount of this Note; any such prepayment to be applied to the installments of principal in the inverse order of their maturity.

Subject to the foregoing terms of this Note, the Borrower hereby waives diligence, protest, presentment, demand and notice of any kind whatsoever.

This Note and the covenants herein contained constitute unconditional direct obligations of the Borrower, for the payment and performance of which the full faith and credit of the Borrower is pledged.

The non-exercise by the holder hereof of any of its rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

COMMONWEALTH OF AUSTRALIA

By.....

Title.....

