

THE SCHEDULES.

FIRST SCHEDULE.

Section 3.

LOAN AGREEMENT dated June 17, 1958 between COMMONWEALTH OF AUSTRALIA ("the Commonwealth") and THE CHASE MANHATTAN BANK ("Chase").

The Commonwealth has requested Chase to make advances to it for the purpose of enabling the Commonwealth to make available to Qantas Empire Airways Limited ("Qantas") amounts in United States dollars ("dollars") required by Qantas to pay the purchase price of five Lockheed Electra aircraft and related spare parts and equipment. Upon the terms hereof Chase is prepared to make advances for such purpose. Accordingly, the parties agree as follows—:

§1. On the terms hereof Chase will make advances to the Commonwealth at the latter's request, from time to time from the date hereof until December 31, 1959, up to an aggregate amount of \$13,000,000. The obligation of Chase to make advances up to such amount is called Chase's "commitment" and the aggregate of all the advances made to the Commonwealth is called "the Loan". Each advance will be in the amount of \$1,000,000 or a multiple thereof. The Commonwealth will repay the Loan, in dollars, in ten equal semi-annual instalments. The first instalment will be due and payable June 30, 1960 and a subsequent instalment will be due and payable on the last day of each December and June thereafter until the amount of the Loan has been repaid. So much of the Loan as is to be repaid by the first six instalments will bear interest at the rate of $4\frac{1}{8}\%$ per annum and the remainder of the Loan will bear interest at the rate of $4\frac{1}{2}\%$ per annum. The Commonwealth will pay interest on the amount of the Loan for the time being outstanding, in dollars, semi-annually on the last day of June and December in each year until the Loan is repaid.

§2. The Commonwealth will give Chase at least five business days notice of the date on which any advance is required and the amount of the advance required. On the date on which each advance is required Chase will make the amount of the advance available to the Commonwealth, either by credit to such account on Chase's books as the Commonwealth designates or by Chase's check in New York Clearing House funds, as the Commonwealth elects. On the date on which the first advance is required, Chase will open in its books a loan account in the name of the Commonwealth ("the Loan Account") and will debit to the Loan Account the amount of each advance as and when it is made. The Commonwealth will promptly make the proceeds of each advance available to Qantas pursuant to the Qantas Agreement referred to in §6.A.

§3. Semi-annually on the last day of June and December in each year, the Commonwealth will pay interest on the debit balance from time to time appearing on the Loan Account at the rate of $4\frac{1}{8}\%$ per annum on 60% of such debit balance from time to time and at the rate of $4\frac{1}{2}\%$ per annum on 40% of the debit balance from time to time, both rates being computed on the daily average of the amount of the debit balance on the basis of a year of 360 days. As evidence of the Loan the Commonwealth will, on or before December 31, 1959, deliver to Chase two promissory notes of the Commonwealth ("the Notes"), duly executed by the Treasurer of the Commonwealth and by any person at the time Consul General, Acting Consul General or Consul of the Commonwealth in New York City. Each of the Notes will be substantially in the form of Exhibit A hereto and appropriately completed in accordance with §1. One of the Notes will evidence so much of the Loan as is to be repaid by the first six instalments and the other will evidence so much of the Loan as is to be repaid by the remaining four instalments. Upon delivery of the Notes, the Loan Account will be closed and no further interest will be payable by the Commonwealth in respect of the Loan Account.

§4. The Commonwealth represents, warrants and agrees that the principal of and interest on the Loan will be free of all present or future taxes imposed by the Commonwealth, or by any taxing authority thereof or therein, except to the extent that the right to receive payment of the principal of or interest on the Loan is or comes to be beneficially owned by any person residing in or ordinarily a resident of the Commonwealth.

§5. The Commonwealth represents and warrants that there has been no material adverse change in the financial, economic or political conditions of the Commonwealth from the conditions set forth in the Prospectus dated April 22, 1958 relating to the Commonwealth's Fifteen Year $4\frac{1}{2}\%$ Bonds Due May 1, 1973.

§6. Chase's obligation to make each advance to the Commonwealth is subject to the performance by the Commonwealth of all its obligations under this agreement, to the accuracy of its representations and warranties herein contained, and to the satisfaction on the date of such advance of the following further conditions: