

FIRST SCHEDULE—continued.

A. There shall then be in force, and before the first advance Chase shall have received an executed duplicate of, an agreement between the Commonwealth and Qantas ("the Qantas Agreement"), in a form satisfactory to Chase, which shall include provisions to the effect that (i) upon receiving the proceeds of each advance hereunder the Commonwealth will promptly lend to Qantas an amount in dollars equal to the amount of such advance; (ii) payments of principal of and interest on the loans to Qantas will be due on dates and in amounts corresponding to the dates and amounts of the payments due on the Loan; and (iii) Qantas agrees with the Commonwealth, for the benefit of Chase, that on each date when an amount of principal and/or interest is due on the Loan Qantas will pay such amount, in dollars, directly to Chase for application in payment of the corresponding principal of and/or interest on the Loan, such payment by Qantas to discharge, *pro tanto*, its obligations to the Commonwealth. Chase hereby agrees that each such payment received by Chase from Qantas will be promptly applied by Chase on the Loan and, when applied, will discharge, *pro tanto*, the obligations of the Commonwealth in respect of the Loan.

B. Before the first advance Chase shall have received an opinion of the Solicitor-General or Acting Solicitor-General of the Commonwealth, in a form satisfactory to Chase, to the effect that (i) the Loan 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 an Authorized Representative 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.

C. All legal matters relative to each advance, the Notes and the Qantas Agreement shall be satisfactory to Chase's counsel, Messrs. Milbank, Tweed, Hope & Hadley, and to such Australian counsel as they may consult.

§7. The Commonwealth will pay to Chase, in dollars, commitment fee computed at the rate of $\frac{1}{2}$ of 1% per annum (on the basis of a year of 360 days), for the period from May 15, 1958 to December 31, 1959, on the daily average amount of Chase's commitment which has not been advanced to the Commonwealth. Accrued commitment fee will be paid on the last day of June and December in each year.

§8. The Commonwealth agrees that, from the date hereof until the payment in full of the Loan—:

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 Loan 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 Chase, the Commonwealth will promptly deliver to Chase copies of all reports and other documents filed by the Commonwealth with the United States Securities and Exchange Commission.

C. Chase 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.

§9. If any principal of or interest on the Loan or any Note is not paid when due or if the Notes are not duly delivered in accordance with §3, and if any such default continues for ten days, Chase may, by written notice mailed to the Commonwealth, addressed to it at The Commonwealth Treasury, Canberra, Australia, declare the entire principal amount of the Loan and each Note, and accrued interest thereon, to be, and the same will become, forthwith due and payable.

§10. The Commonwealth will reimburse Chase for its out-of-pocket expenses (including counsel fees) in connection with this agreement and the advances hereunder.

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed as of the date first above written.

COMMONWEALTH OF AUSTRALIA
By Jos. Francis
Australian Consul General at New York
THE CHASE MANHATTAN BANK
By J. P. Mitchell
Vice President