

LOAN (QANTAS EMPIRE AIRWAYS LIMITED).

No. 6 of 1957.

An Act to approve the Raising by way of Loans of Moneys in Foreign Currency to be lent to Qantas Empire Airways Limited, and for purposes connected therewith.

[Assented to 15th April, 1957.]

BE 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 (Qantas Empire Airways Limited) Act 1957*. Short title.

2. This Act shall come into operation on the day on which it receives the Royal Assent. Commence-
ment.

3.—(1.) In this Act—

“the International Bank Agreement” means the agreement made on the fifteenth day of November, One thousand nine hundred and fifty-six, between the Commonwealth and the International Bank for Reconstruction and Development;

Interpretation.

“ the Serial Notes Agreements ” means the three agreements made on the fifteenth day of November, One thousand nine hundred and fifty-six, between the Commonwealth and three several lenders providing for the sale of the notes referred to in Recital (B) of the International Bank Agreement.

(2.) For the purposes of this Act, a note issued by the Commonwealth under the International Bank Agreement shall be deemed to form part of that Agreement and a serial note issued by the Commonwealth under any of the Serial Notes Agreements shall be deemed to form part of that Serial Notes Agreement.

International
Bank
Agreement.

4.—(1.) A copy of the International Bank Agreement is set out in the First Schedule to this Act.

(2.) A copy of the Loan Regulations No. 3 of the International Bank for Reconstruction and Development referred to in section 1.01 of the International Bank Agreement is set out in the Second Schedule to the *Loan (International Bank for Reconstruction and Development) Act 1957*.

Serial Notes
Agreements.

5. Each of the Serial Notes Agreements is in accordance with the form of agreement set out in the Second Schedule to this Act.

Approval of
borrowing.

6.—(1.) The borrowing by the Treasurer, on behalf of the Commonwealth, in accordance with the International Bank Agreement, of moneys in various currencies not exceeding in the whole an amount equivalent to Nine million two hundred and thirty thousand dollars in the currency of the United States of America is approved.

(2.) The borrowing by the Treasurer, on behalf of the Commonwealth, in accordance with the Serial Notes Agreements, of moneys in the currency of the United States of America not exceeding in the whole Seventeen million seven hundred and seventy thousand dollars is approved.

Application of
loan moneys.

7.—(1.) The Treasurer shall, on behalf of the Commonwealth, lend to Qantas Empire Airways Limited, upon such terms and conditions as he determines, amounts equivalent in the whole to the moneys borrowed under the International Bank Agreement and under the Serial Notes Agreements.

(2.) The moneys required for the purpose of loans under the last preceding sub-section are payable out of the Loan Fund, which is, to the necessary extent, appropriated accordingly.

Interest and
charges.

8. The expenses of borrowing under the International Bank Agreement and the Serial Notes Agreements, and interest and other charges payable under those agreements, shall be paid out of the Consolidated Revenue Fund.

9. Moneys borrowed under the International Bank Agreement or under any of the Serial Notes Agreements shall be repaid out of the Consolidated Revenue Fund in accordance with the provisions of the agreement under which the moneys are borrowed.

Repayment of
loan moneys.

10. The Consolidated Revenue Fund is, to the extent necessary for the purposes of the last two preceding sections, appropriated accordingly.

Appropriation
of Consolidated
Revenue Fund.

11. The *National Debt Sinking Fund Act* 1923-1950 does not apply in relation to moneys borrowed under the International Bank Agreement or any of the Serial Notes Agreements.

National Debt
Sinking Fund
Act not to
apply.

THE SCHEDULES.

FIRST SCHEDULE

Section 4.

LOAN AGREEMENT

AGREEMENT, dated November 15, 1956, between THE COMMONWEALTH OF AUSTRALIA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) Qantas Empire Airways Limited (hereinafter called Qantas, which expression shall include any successor airline approved by the Bank) is a company incorporated under the laws of the State of Queensland in the Commonwealth of Australia, having its entire issued share capital beneficially owned by the Borrower and is engaged in a program for the modernization and expansion of the fleet of aircraft, installations and equipment owned and operated by it, which program is estimated to involve expenditures amounting to the equivalent of approximately \$65,000,000 of which the equivalent of approximately \$51,000,000 will be for imports;

(B) The Borrower intends to make available or to cause to be made available to Qantas for the purposes of such program funds amounting to the equivalent of approximately \$35,000,000 and intends to raise a part of such funds by selling its notes in the aggregate principal amount of \$17,770,000 in the United States of America;

(C) The Bank has agreed to supply an additional amount of the funds required by the Borrower for the purposes of such program by making the loan provided for herein.

Now, THEREFORE, it is hereby agreed as follows:

ARTICLE I

Loan Regulations; Special Definition

SECTION 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank dated June 15, 1956, subject, however, to the modifications thereof set forth in Schedule 3 to this Agreement (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

SECTION 1.02. Wherever in this Agreement reference is made to the "territories" of the Borrower such term means the States and Territories of the Borrower.

ARTICLE II

The Loan

SECTION 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to nine million two hundred and thirty thousand dollars (\$9,230,000).

FIRST SCHEDULE—*continued.*

SECTION 2.02. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Regulations.

SECTION 2.03. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time.

SECTION 2.04. The Borrower shall pay interest at the rate of four and three-fourths per cent ($4\frac{3}{4}\%$) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

SECTION 2.05. Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

SECTION 2.06. Interest and other charges shall be payable semi-annually on December 1 and June 1 in each year.

SECTION 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule I to this Agreement.

ARTICLE III

Use of Proceeds of the Loan

SECTION 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to financing the cost of goods required to carry out the Project described in Schedule 2 to this Agreement. The specific goods to be financed out of the proceeds of the Loan shall be determined by agreement between the Borrower and the Bank, subject to modification by further agreement between them.

SECTION 3.02. The Borrower shall cause all goods financed out of the proceeds of the Loan to be used for the purposes of civil air transport services conducted under the Australian flag in the ordinary course of the business of Qantas.

ARTICLE IV

Notes

SECTION 4.01. The Borrower shall execute and deliver Notes representing the principal amount of the Loan as provided in the Loan Regulations.

SECTION 4.02. The Treasurer of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 of the Loan Regulations.

ARTICLE V

Particular Covenants

SECTION 5.01. (a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound technical and financial practices.

(b) The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Loan; shall enable the Bank's representatives to inspect the goods and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project and the goods, and the financial condition and operations of Qantas.

SECTION 5.02. The Borrower shall cause to be provided to Qantas the funds arising from the Loan and from the sale of the notes referred to in Recital (B) of this Agreement and any further funds that Qantas may require for carrying out the Project. All such funds shall be provided upon terms consistent with the then existing and prospective financial capabilities of Qantas and the Borrower shall cause Qantas to apply to expenditures on the Project all the funds received by it under the provisions of this Section.

FIRST SCHEDULE—*continued.*

SECTION 5.03. (a) The Borrower and the Bank shall co-operate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Borrower for purposes related to the Loan.

SECTION 5.04. It is the mutual intention of the Borrower and the Bank that no other external public debt shall enjoy any priority over the Loan by way of a lien on public assets. To that end the Borrower specifically undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower or any agency of the Borrower as security for any external debt, such lien shall equally and ratably secure the payment of the principal of and interest and other charges on the Loan and the Notes, and that in the creation of any such lien express provision shall be made to that effect; and, within the limits of its constitutional powers, the Borrower will make the foregoing undertaking effective with respect to liens on assets of the States and Territories of the Borrower and their agencies (including local governing authorities). However, this Section shall not apply to: (i) any lien created on any property at the time of purchase thereof solely as security for the payment of the purchase price of such property; (ii) any lien on commercial goods to secure debt maturing not more than one year after its date and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien created by the Commonwealth Bank of Australia or the Commonwealth Trading Bank of Australia on any of their assets in the ordinary course of their banking businesses to secure any indebtedness maturing not more than one year after its date.

SECTION 5.05. The principal of, and interest and other charges on, the Loan and the Notes shall be paid without deduction for, and free from, any taxes or fees imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Note to a holder thereof other than the Bank when such Note is beneficially owned by any person residing in or ordinarily a resident of the Borrower.

SECTION 5.06. The Loan Agreement and the Notes shall be free from any taxes, stamp duties or fees that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof and the Borrower shall pay all such taxes, stamp duties and fees, if any, imposed on or in connection with the execution, issue, delivery or registration thereof, under the laws of the country or countries in whose currency the Loan and the Notes are payable or laws in effect in the territories of such country or countries.

SECTION 5.07. The principal of, and interest and other charges on, the Loan and the Notes shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

ARTICLE VI

Effective Date; Termination

SECTION 6.01. The following event is specified as an additional condition to the effectiveness of this Agreement within the meaning of Section 9.01 (b) of the Loan Regulations, namely: that the Borrower shall have duly delivered and received payment for, or have made arrangements satisfactory to the Bank for the due delivery of and payment for, the \$17,770,000 aggregate principal amount of notes referred to in Recital (B) of this Agreement.

SECTION 6.02. A date 180 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

FIRST SCHEDULE—*continued.*

ARTICLE VII

Miscellaneous

SECTION 7.01. The Closing Date shall be December 31, 1958.

SECTION 7.02. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations:

For the Borrower:

The Treasurer of the Commonwealth of Australia
Canberra, Australia
Alternative address for cablegrams and radiograms:
Comtreasury, Canberra

For the Bank:

International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington 25, D.C.
United States of America
Alternative address for cablegrams and radiograms:
Intbafrad, Washington, D.C.

SECTION 7.03. The Treasurer of the Borrower in office at the time in question is designated for the purposes of Section 8.03 of the Loan Regulations.

SECTION 7.04. In this Agreement any reference to the Treasurer of the Borrower shall include a reference to any Minister of State of the Borrower for the time being acting for or on behalf of the Treasurer of the Borrower:

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in The City of New York, State of New York, United States of America, as of the day and year first above written.

COMMONWEALTH OF AUSTRALIA
By R. G. Casey
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
By Eugene R. Black
President

SCHEDULE 1
Amortization Schedule

Date Payment Due	Payment of Principal (expressed in dollars)*	Principal Amount Outstanding After Each Payment (expressed in dollars)*
December 1, 1963	—	\$9,230,000
June 1, 1964	\$ 230,000	9,000,000
December 1, 1964	2,000,000	7,000,000
June 1, 1965	2,000,000	5,000,000
December 1, 1965	2,000,000	3,000,000
June 1, 1966	2,000,000	1,000,000
December 1, 1966	1,000,000	—

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02), the figures in these columns represent dollar equivalents determined as for purposes of withdrawal.

FIRST SCHEDULE—continued.

SCHEDULE 2

Description of Project

The Project consists of a program for the modernization and expansion of the fleet of aircraft and other equipment owned and operated by Qantas, which program will involve expenditures, during the period from July 1, 1956 to December 31, 1959, estimated to amount to the equivalent of approximately \$65 million. Qantas will acquire aircraft, spare parts and other flight equipment, and will improve hangars and repair shops and other ground facilities for use in the ordinary course of its business. Imported items to be financed out of the proceeds of the Loan include seven four-engine Boeing long-range jet aircraft, four four-engine long-range propeller-driven aircraft and normal ancillary equipment and spare parts for these aircraft.

SCHEDULE 3

Modifications of Loan Regulations No. 3

For the purposes of this Agreement the provisions of Loan Regulations No. 3 of the Bank, dated June 15, 1956, shall be deemed to be modified as follows:

- (a) Wherever used in the Loan Regulations the term "Notes" shall be substituted for the term "Bonds" and the term "Note" shall be substituted for the term "Bond".
- (b) Subsections (b) and (c) of Section 2.05 shall be deleted.
- (c) The last sentence of Section 3.02 shall be deleted.
- (d) Section 6.16 shall be deleted.
- (e) Section 6.18 shall be deleted.
- (f) The sixth and seventh paragraphs of Schedule 1 and the fifth and sixth paragraphs of Schedule 2 shall be deleted.
- (g) The eighth paragraph of Schedule 1 and the seventh paragraph of Schedule 2 shall be deleted and there shall be substituted therefor, in each such Schedule, the following paragraph, namely:

"The principal of the Notes and the interest accruing thereon shall be paid without deduction for and free from any taxes, imposts, levies or duties of any nature or any restrictions now or at any time hereafter imposed under the laws of [the Borrower] or laws in effect in its States and Territories; *provided, however, that the provisions of this paragraph shall not apply to the taxation of payments made under the provisions of any Note to a holder thereof other than the Bank when such Note is beneficially owned by any person residing in, or ordinarily a resident of, [the Borrower]*".

SECOND SCHEDULE.

Section 5.

1956 AUSTRALIAN SERIAL NOTES AGREEMENT

(Name of Lender)

Dear Sirs:

1. The Commonwealth of Australia (the Commonwealth) proposes to borrow an aggregate of \$27,000,000, of which \$9,230,000 is to be borrowed pursuant to an agreement between the Commonwealth and the International Bank for Reconstruction and Development (the International Bank Agreement) in the form of Exhibit A hereto and \$17,770,000 is to be borrowed through the issuance and sale of \$17,770,000 principal amount of its 4½% Serial Notes (the Notes), to mature as follows:

Principal Amount	Maturity Date
\$4,000,000	Dec. 31, 1960
2,000,000	June 30, 1961
2,000,000	Dec. 31, 1961
2,000,000	June 30, 1962
2,000,000	Dec. 31, 1962
2,000,000	June 30, 1963
2,000,000	Dec. 31, 1963
1,770,000	June 30, 1964

SECOND SCHEDULE—*continued.*

Each Note shall be dated the date of issue thereof and shall bear interest at the rate of $4\frac{1}{2}\%$ per annum from the date thereof until the principal thereof shall become due and payable.

The amount to be borrowed pursuant to the International Bank Agreement will mature as follows:

Principal Amount	Maturity Date
\$ 230,000	June 1, 1964
2,000,000	Dec. 1, 1964
2,000,000	June 1, 1965
2,000,000	Dec. 1, 1965
2,000,000	June 1, 1966
1,000,000	Dec. 1, 1966

2. On the basis of the representations and warranties herein contained and subject to the terms and conditions hereinafter set forth the Commonwealth hereby agrees to borrow from you, and you by your acceptance hereof agree to lend to the Commonwealth, not exceeding \$ (hereinafter called your "commitment") through the purchase by you of \$ aggregate principal amount of the Notes at the price of 100% of the principal amount thereof. The principal amounts and maturities of such Notes, and the applicable period or periods during which such Notes shall be delivered and paid for, are as follows:

Principal Amount	Maturity Date	Delivery Period
..

The Commonwealth will make delivery of such Notes to you, at the office of J. P. Morgan & Co. Incorporated, 23 Wall Street, New York 8, N.Y. against payment therefor by certified or official bank check in New York Clearing House Funds, on such date in the applicable delivery period as the Commonwealth shall designate by at least 5 business days notice to you. The date so designated in each delivery period shall constitute the Closing Date with respect to the Notes to be delivered to you in each such period. On each Closing Date the Commonwealth shall deliver to you fully registered Notes (without coupons) of each maturity to be purchased by you on such date, dated such date and registered in your name or that of your nominee or nominees if you shall so request. The registered Notes (without coupons) shall be substantially in the form of Exhibit B hereto with appropriate insertions. The Commonwealth agrees that as soon as reasonably possible after the date when you shall have given the Commonwealth a request for printed registered Notes (without coupons) in other denominations or for coupon Notes printed on engraved borders (which shall be substantially in the form of Exhibit C hereto with appropriate insertions), the Commonwealth will deliver to you in exchange for such originally issued Notes, printed Notes of authorized denominations in registered form or in coupon form, all in accordance with your request. Notwithstanding any provision to the contrary in the Notes, the Commonwealth will bear all expenses in connection with the preparation, issue and delivery and the above-mentioned exchanges of Notes in printed form, including all stamp and other taxes consequent thereon, and the cost of delivery to you at the address set forth above.

3. This Agreement is made with you in reliance upon your representation to the Commonwealth, which by your acceptance hereof you confirm, that you are acquiring the Notes for your own account, or for the account of trusts of which you are trustee, and not with a view to, or for sale in connection with, the distribution of the Notes, nor with any present intention of distributing or selling the Notes, but subject nevertheless to any requirement of law that the disposition of your property shall at all times be within your control.

4. The Commonwealth represents that, in addition to the International Bank Agreement, it is executing agreements similar hereto, except as to the delivery periods, principal amounts and maturities of Notes to be issued, with two other lenders. The aggregate principal amount of Notes to be issued to you and such two other lenders is \$17,770,000, but the borrowing from each lender is to be a separate borrowing by the Commonwealth from such lender. The Commonwealth further represents that it has not either directly or through any agent offered any of the Notes, or solicited any offers to acquire any of the Notes, or otherwise approached prospective purchasers or negotiated in respect thereto in such manner as to constitute a "public offering", as such term is defined in the Securities Act of 1933 and the Rules and Regulations of the Securities and Exchange Commission thereunder.

SECOND SCHEDULE—*continued.*

5. The Commonwealth represents, warrants and agrees that the principal of and interest on the Notes will be free of all present or future taxes imposed by the Commonwealth, or by any taxing authority thereof or therein, except when the Notes or coupons, as the case may be, are beneficially owned by any person residing in or ordinarily a resident of the Commonwealth.

6. 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 June 20, 1956, relating to the Fifteen Year 4½% Bonds Due June 15, 1971, of the Commonwealth, and the memorandum dated November 12, 1956, heretofore or simultaneously herewith delivered to you.

7. The Commonwealth agrees that, if in the future it shall sell, offer for public subscription or in any manner dispose of any bonds or loans constituting external debt of the Commonwealth secured by lien on any revenue or asset of the Commonwealth, the Notes of this issue shall be secured equally and ratably therewith.

8. Your obligation hereunder to make the loans and to purchase and pay for the Notes shall be subject to the performance by the Commonwealth of all its covenants and agreements to be performed hereunder, to the accuracy of its representations and warranties herein contained, and to the satisfaction prior to the expiration of thirty days from the date hereof, or on or prior to the first Closing Date hereunder, whichever shall first occur, of the following further conditions:

- (a) The Commonwealth shall have executed the International Bank Agreement and the agreements with the other two lenders as hereinabove mentioned; and you shall have received the certificate of the Consul-General, a Deputy Consul-General, the Consul or a Vice-Consul of the Commonwealth of Australia at New York City to the foregoing effect.
- (b) You shall have received from Davis Polk Wardwell Sunderland & Kiendl, United States counsel for the lenders, an opinion (which may rely as to all matters of Australian law on the opinion of Messrs. Blake & Riggall, Melbourne, Australia) to the effect that (i) the Notes have been duly authorized and when duly executed by the facsimile signature of the Treasurer of the Commonwealth and by the manual countersignature of the Consul-General, a Deputy Consul-General, the Consul or a Vice-Consul of the Commonwealth of Australia at New York City, countersigned for authentication and delivered pursuant to this Agreement will constitute legal, valid and binding obligations of the Commonwealth in accordance with their terms; (ii) this Agreement has been duly authorized, executed and delivered and is a valid and binding agreement of the Commonwealth in accordance with its terms; and (iii) on the basis of the representations set forth in Sections 3 and 4 hereof, the issuance and sale of the Notes as contemplated by this Agreement is exempt from registration under the Securities Act of 1933, as amended, and if you should in the future deem it expedient to sell any thereof, such sale of the Notes by you would not require registration of such Notes under said Act as now in effect.
- (c) You shall have received an opinion of the Acting Solicitor-General of the Commonwealth, satisfactory to Davis Polk Wardwell Sunderland & Kiendl, to the effect that (i) 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 duly executed by the facsimile signature of the Treasurer of the Commonwealth and by the manual countersignature of the Consul-General, a Deputy Consul-General, the Consul or a Vice-Consul of the Commonwealth of Australia at New York City, countersigned for authentication and delivered and paid for pursuant to this Agreement, 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 that all of the provisions hereof are valid and binding on the Commonwealth.

9. If you shall so request, the Commonwealth agrees to deliver to you so long as you are committed hereunder to make the loans and to purchase Notes or are the holder of any of the Notes, a copy or copies of all reports and other documents filed by the

SECOND SCHEDULE—*continued.*

Commonwealth with the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 and the rules and regulations of said Commission thereunder, each such report or document to be delivered within 30 days of the filing thereof with the Securities and Exchange Commission.

10. The Commonwealth agrees that it will pay to you on December 31, 1956, and on each June 30 and December 31 thereafter, a commitment fee at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amount of your unused commitment hereunder from November 20, 1956. Such commitment fee shall be computed on a 360-day year basis.

11. Morgan Stanley & Co. is acting as the Commonwealth's agent in this transaction and will be compensated by the Commonwealth. Morgan Stanley & Co. out of such compensation will pay expenses and fees and disbursements of Davis Polk Wardwell Sunderland & Kiendl and Blake & Riggall for their services to you with reference to the subject matter of this Agreement.

12. All communications provided for herein shall be by telephone or cable or in writing (and, if by telephone or cable, shall be confirmed in writing) and shall be made, sent, delivered or mailed, if to you, addressed as this Agreement is addressed, and, if to the Commonwealth, addressed to the Treasurer of the Commonwealth of Australia, Canberra, Australia.

If the foregoing is satisfactory to you, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the Consul-General, a Deputy Consul-General, the Consul or a Vice-Consul of the Commonwealth of Australia at New York City, whereupon this letter as so accepted shall become a binding agreement between you and the Commonwealth. This Agreement cannot be changed orally but only in writing signed by you and the Commonwealth.

Yours very truly,

COMMONWEALTH OF AUSTRALIA

By.....

The foregoing Agreement is hereby accepted:

.....

Exhibit A

LOAN AGREEMENT

(Copy of the form of agreement made on the fifteenth day of November, One thousand nine hundred and fifty-six, between the Commonwealth and the International Bank for Reconstruction and Development.)

Exhibit B

Form of Registered Note

\$

R.

COMMONWEALTH OF AUSTRALIA

4½% SERIAL NOTE

Interest Payable June 30 and December 31

THE COMMONWEALTH OF AUSTRALIA (hereinafter termed the "Commonwealth"), for value received, hereby promises to pay to
or registered assigns, the principal sum of

DOLLARS

on the day of 19 , and to pay interest on such principal sum at the rate of 4½% per annum from the date hereof semi-annually on the thirtieth day of June and the thirty-first day of December in each year until such principal sum shall have been paid. Such principal sum and interest instalments, when due respectively,

SECOND SCHEDULE—*continued.*

will be paid in the Borough of Manhattan, City of New York, State of New York, United States of America, at the office of J. P. Morgan & Co. Incorporated or, at the option of the person in whose name this Note is registered at the time, by check mailed to such person, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, and will be free of all taxes now or at any time hereafter imposed by the Commonwealth or by any taxing authority thereof or therein, except when this Note is beneficially owned by any person residing in or ordinarily a resident of the Commonwealth.

This Note is one of an issue of 4½% Serial Notes of the Commonwealth of Australia Due Semi-Annually from December 31, 1960 through June 30, 1964, of an aggregate principal sum of \$17,770,000.

The registered Notes (without coupons) of this issue are issuable in the denominations of \$1,000 or any multiple of \$1,000. The coupon Notes of this issue are issuable in the denomination of \$1,000.

This Note is transferable by the registered owner hereof in person or by duly authorized attorney at said office of J. P. Morgan & Co. Incorporated in said Borough of Manhattan, upon surrender and cancellation of this Note, and thereupon a new registered Note or Notes (without coupons) of this issue and maturity for the same aggregate principal amount will be delivered to the transferee in exchange therefor. Also, this Note, upon presentation at said office of J. P. Morgan & Co. Incorporated by the registered owner hereof in person or by duly authorized attorney, is exchangeable in equal aggregate principal amounts for a registered Note or Notes (without coupons) of this issue and maturity or for a coupon Note or Notes of this issue and maturity bearing all unmatured coupons. Any such coupon Note or Notes bearing all unmatured coupons in like manner may in turn be exchanged for a registered Note or Notes (without coupons) of this issue of like principal amount and maturity. The Commonwealth agrees to make transfers and exchanges of Notes of this issue and maturity as aforesaid upon compliance with such reasonable regulations and upon payment of such reasonable charges as may be prescribed in the premises.

In the case of the destruction or mutilation of this Note, a duplicate hereof will be issued upon proof of such destruction, or upon surrender in the case of mutilation, and in either case upon giving of proper indemnity satisfactory to the Commonwealth and payment by the applicant for such duplication of the cost thereof.

The Commonwealth agrees that, if in the future it shall sell, offer for public subscription or in any manner dispose of any bonds or loans constituting external debt of the Commonwealth secured by lien on any revenue or asset of the Commonwealth, the Notes of this issue shall be secured equally and ratably therewith.

This Note shall not be valid or obligatory for any purpose until countersigned for authentication by J. P. Morgan & Co. Incorporated or its successor duly appointed by the Commonwealth for such purpose.

IN WITNESS WHEREOF, the COMMONWEALTH OF AUSTRALIA, pursuant to due authorization by law, has caused this Note to be duly executed by the facsimile of the signature of its Treasurer and by the manual countersignature of the Consul-General, a Deputy Consul-General, the Consul or a Vice-Consul of the Commonwealth of Australia at New York City.

DATED:

COUNTERSIGNED FOR AUTHENTICATION:

COUNTERSIGNED:

J. P. MORGAN & CO.
INCORPORATED

By

Authorized Officer

Consul-General of the
Commonwealth of
Australia at New
York City

Treasurer of the
Commonwealth of
Australia

SECOND SCHEDULE—*continued.*

Exhibit C
Form of Coupon Note
No.

§

COMMONWEALTH OF AUSTRALIA

4½% SERIAL NOTE

THE COMMONWEALTH OF AUSTRALIA (hereinafter termed the "Commonwealth"), for value received, hereby promises to pay to the bearer on the _____ day of _____ 19____, the principal sum of _____ DOLLARS and to pay interest on such principal sum at the rate of 4½% per annum semi-annually on the thirtieth day of June and the thirty-first day of December in each year until such principal sum shall have been paid, but only upon presentation and surrender of the coupons for such interest instalments as are evidenced thereby, hereto appertaining, as they shall severally mature. Such principal sum and interest instalments, when due respectively, will be paid in the Borough of Manhattan, City of New York, State of New York, United States of America, at the office of J. P. Morgan & Co. Incorporated in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, and will be free of all taxes now or at any time hereafter imposed by the Commonwealth or by any taxing authority thereof or therein, except when this Note is beneficially owned by any person residing in or ordinarily a resident of the Commonwealth.

This Note is one of an issue of 4½% Serial Notes of the Commonwealth of Australia Due Semi-Annually from December 31, 1960 through June 30, 1964, of an aggregate principal sum of \$17,770,000.

The registered Notes (without coupons) of this issue are issuable in the denominations of \$1,000 or any multiple of \$1,000. The coupon Notes of this issue are issuable in the denomination of \$1,000.

Coupon Notes of this issue bearing all unmatured coupons, upon presentation at said office of J. P. Morgan & Co. Incorporated, are exchangeable in equal aggregate principal amounts for a registered Note or Notes (without coupons) of this issue and maturity. Any such registered Note or Notes (without coupons) in like manner may in turn be exchanged for a coupon Note or Notes of this issue of like aggregate principal amount and like maturity bearing all unmatured coupons. The Commonwealth agrees to make transfers and exchanges of Notes of this issue and maturity as aforesaid upon compliance with such reasonable regulations and upon payment of such reasonable charges as may be prescribed in the premises.

In the case of the destruction or mutilation of this Note or of any coupon or coupons appertaining hereto, a duplicate hereof will be issued upon proof of such destruction or upon surrender hereof in the case of mutilation, and in either case upon giving of proper indemnity satisfactory to the Commonwealth and payment by the applicant for such duplication of the cost thereof.

The Commonwealth agrees that, if in the future it shall sell, offer for public subscription or in any manner dispose of any bonds or loans constituting external debt of the Commonwealth secured by lien on any revenue or asset of the Commonwealth, the Notes of this issue shall be secured equally and ratably therewith.

This Note shall not be valid or obligatory for any purpose until countersigned for authentication by J. P. Morgan & Co. Incorporated or its successor duly appointed by the Commonwealth for such purpose.

IN WITNESS WHEREOF, the COMMONWEALTH OF AUSTRALIA, pursuant to due authorization by law, has caused this Note to be duly executed by the facsimile of the signature of its Treasurer and by the manual countersignature of the Consul-General, a Deputy Consul-General, the Consul or a Vice-Consul of the Commonwealth of Australia at New York City, and coupons for interest on the principal sum hereof bearing the facsimile of the signature of its Treasurer to be annexed hereto.

DATED:

COUNTERSIGNED FOR AUTHENTICATION:

COUNTERSIGNED:

J. P. MORGAN & CO.
INCORPORATED

By

Authorized Officer

Consul-General of the
Commonwealth of
Australia at New
York City

Treasurer of the
Commonwealth of
Australia

1957. *Loan (Qantas Empire Airways Limited).* No. 6.

SECOND SCHEDULE—*continued.*

[FORM OF COUPON]

\$

On the day of 19 , the
COMMONWEALTH OF AUSTRALIA promises to pay to bearer in the Borough of Manhattan,
City of New York, State of New York, United States of America at the office of J. P.
Morgan & Co. Incorporated
DOLLARS (\$) in such coin or currency of the United States of
America as at the time of payment is legal tender for public and private debts, being
six months' interest then payable on its 4½% SERIAL NOTE due
19 , free of all Australian taxes, present and future, except when this coupon is
beneficially owned by any person residing in or ordinarily a resident of the Common-
wealth of Australia.

Treasurer of the Commonwealth
of Australia
