

INFORMATION MEMORANDUM



A\$700,000,000 DEBT SECURITIES PROGRAMME

ISSUER
QANTAS AIRWAYS LIMITED
ACN 009 661 901

ARRANGER AND PROGRAMME MANAGER

Commonwealth Bank



SHORT TERM NOTE DEALERS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
BANQUE NATIONALE DE PARIS
COMMONWEALTH BANK OF AUSTRALIA
NATIONAL AUSTRALIA BANK

MEDIUM TERM NOTE DEALERS

COMMONWEALTH BANK OF AUSTRALIA
WESTPAC BANKING CORPORATION

MARCH 1999

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Important Notice

This information memorandum of 39 pages (**Information Memorandum**) has been prepared by Qantas Airways Limited as at 17 March 1999 (the **Preparation Date**) and information which is incorporated by reference in this Information Memorandum is to be taken as being prepared at the date indicated on its face as the date of its release. The delivery of this Information Memorandum or the offer or issue of any short term or medium term notes should not be relied on as a representation or warranty that:

- there has been no change since the Preparation Date in the affairs or financial condition of the Issuer; or
- at any time after the Preparation Date or, if this Information Memorandum is updated by supplements or accounts referred to below, the date at which it is updated, this Information Memorandum does not contain a material statement that is false or misleading nor is there a material omission from this Information Memorandum.

This Information Memorandum has been approved and contains information provided by the Issuer and, to the best of the Issuer's knowledge, information and belief having made reasonable enquiries as at the Preparation Date, this Information Memorandum does not contain a material statement that is materially false or misleading, nor has there been a material omission from this Information Memorandum that is likely to make it misleading.

The Arranger has reviewed and authorised the section entitled "Summary of the Programme" in this Information Memorandum. No other information contained in this Information Memorandum has been independently verified by the Arranger. The Arranger, the Programme Manager, each Dealer and the Registrar have each confirmed that their respective descriptions and address and contact details set out in this Information Memorandum are correct as at the date of this Information Memorandum. Accordingly, no representation, warranty or undertaking is made or may be implied and no responsibility or liability is accepted by the Arranger, the Programme Manager, any Dealer or the Registrar to or for the origin, accuracy, completeness or distribution of, or any errors or omissions from this Information Memorandum whether arising out of negligence or otherwise (other than respectively for the abovementioned section or details, as the case may be, in this Information Memorandum).

Also, each of the Arranger, the Programme Manager, the Lead Manager and each Dealer acts solely through a separate division in the context of this Information Memorandum and the programme described in it (the **Programme**), without reference to any of its or its subsidiaries' respective personnel or operations outside that division, and is therefore not to be taken to be aware of any matters within the knowledge of such personnel or operations relating to the Issuer or the Programme.

No person has been authorised to make any statements which are not contained or incorporated by reference in this Information Memorandum. Potential purchasers of short term notes ("STNs") or medium term notes ("MTNs") (together, the "Notes") should not rely on any other statements or representations made without the Issuer's written permission. Each potential purchaser of Notes must determine for itself the relevance of the information in this Information Memorandum, must make its own independent investigation of the affairs and financial condition of the Issuer and its purchase of Notes must be (and will be deemed to be) based on such investigation as is necessary or appropriate for the purchaser, including obtaining any necessary tax advice. This

Information Memorandum has been prepared for distribution to professional investors or institutions whose business includes buying debt securities.

None of the Issuer, the Arranger, any Dealer, the Programme Manager, the Lead Manager, the Registrar or their related parties, employees or advisers (each a **Relevant Party**) undertake for the benefit of any holder of a Note to review at any time the financial conditions or affairs of the Issuer or any other person or entity or to advise any holder of a Note of any information coming to its attention with respect to the Issuer or any other person.

This Information Memorandum does not constitute an issue of, an offer of, or an invitation by or on behalf of the Issuer for potential purchasers to subscribe for any Notes.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute this Information Memorandum or any other offering document or advertisement for the Notes, in Australia or to any Australian resident unless the offer or invitation is an excluded offer or excluded invitation for the purposes of the Corporations Law and complies with all other applicable laws. This Information Memorandum has not been lodged with, or registered with, the Australian Securities and Investments Commission. The distribution and use of this Information Memorandum and any offering of Notes in other jurisdictions (if expressly permitted by a Series Supplement) may be restricted by law, and potential purchasers must inform themselves about and observe all such restrictions. The Issuer has not authorised the distribution of this Information Memorandum, and the Dealers do not represent that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, outside Australia.

None of the Relevant Parties stand behind or guarantee the success or the performance of the Issuer, the repayment of principal on the Notes, the payment of interest or any rate of return on the Notes or any other payments on the Notes or makes any statement (including but not limited to any representations, recommendation or endorsement) in respect of such matters or otherwise and such parties are in no way liable to any person in any such respect except (only to the extent of the Issuer) as provided in the Deed Poll and the Terms and Conditions of the Notes referred to in this Information Memorandum.

The following are incorporated in and deemed to form part of this Information Memorandum:

- supplements to this Information Memorandum prepared by the Issuer from time to time;
- the most recently published audited annual accounts of the Issuer and the most recently released unaudited half yearly accounts of the Issuer (in the form released as required by the rules of the Australian Stock Exchange).

A statement in a document subsequently incorporated by reference modifies or supersedes any previous inconsistent statement in, or incorporated by reference in, this Information Memorandum. Copies of documents incorporated by reference are available by written request to the Issuer or a Dealer.

Each of the Arranger, the Programme Manager, each Dealer, the Lead Manager and the Registrar discloses that it, its related parties, directors and employees:

- may have pecuniary or other interests in the Notes; and
- will receive fees, brokerage and/or commissions and may act as principal in any dealing in the Notes.

Summary of the Programme

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, in conjunction with the Terms and Conditions and the Series Supplement (in the case of MTNs) or the STN Terms Sheet (in the case of STNs).

A. General:

- Issuer:** Qantas Airways Limited (ACN009 661 901)
- Programme:** A programme for subscription and issuance of short term notes ("**STNs**") and medium term notes ("**MTNs**") (together, the "**Notes**").
- Arranger:** Commonwealth Bank of Australia
- Programme Manager:** Commonwealth Bank of Australia
- Lead Manager:** Such party appointed by the Issuer from time to time and as specified in a Series Supplement in respect of the relevant MTNs.
- Dealers:**
- Australia and New Zealand Banking Group Limited, Banque Nationale de Paris, Commonwealth Bank of Australia, National Australia Bank Limited ("**STN Dealers**")
 - Commonwealth Bank of Australia, Westpac Banking Corporation ("**MTN Dealers**")
- Other Dealers may be appointed by the Issuer from time to time after consultation with the Programme Manager. A Dealer may be removed by the Issuer, or may resign, on 30 days' notice.
- Registrar:** Austraclear Services Limited (ACN 003 284 419) or such other party appointed by the Issuer from time to time.
- Programme Limit:** A\$700,000,000 (or such greater amount, if any, specified in a supplement to this Information Memorandum)
- Issuing Procedure:** STNs and MTNs may be issued to Dealers, at the discretion of the Issuer, by any of the following issuance mechanisms:
- competitive bids or (in the case of STNs only) set yield bidding;
 - unsolicited bids.

Term:	The term of the Programme continues until terminated by the Issuer on 30 days notice to Dealers.
Governing Law:	The Programme documentation will be governed by the laws of New South Wales.
Ratings:	At the Preparation Date of this Information Memorandum, the Issuer's credit ratings are as follows:

	Standard & Poor's	Moody's
A\$ senior long term debt	BBB+	Baa1
A\$ senior short term debt	A-2	Prime-2

A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to review, suspension or withdrawal at any time.

Stamp Duty:	Any stamp duty incurred at the time of issue of Notes will be for the account of the Issuer. Any stamp duty incurred on the transfer of any Note will be for the account of investors.
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Investors should obtain their own taxation or legal advice regarding stamp duty on the transfer of any Note.

Deductions:	Payments by or on behalf of the Issuer in respect of Notes will be made free and clear of, and without withholding or deduction, unless required by law or specified in the relevant Series Supplement or STN Terms Sheet.
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Tax File Number:	The Issuer will deduct tax-at-source on interest payments to a holder of a Note at the rate required by the Tax Act unless the Registrar receives written notice of the holder's tax file number, or evidence of any exemption, at least 5 Business Days prior to the relevant payment date.
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Selling Restrictions:	Unless specified otherwise in a Series Supplement or STN Terms Sheet, Notes will not be issued, and the Issuer has not authorised any invitation or offer to subscribe for, sell or buy any Notes, outside Australia.
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Notes must be issued in a manner which satisfies the public offer test set out in, and which otherwise complies with, section 128F of the Tax Act, so that no withholding tax will be payable by the Issuer on any payments under the Notes.

B. Medium Term Notes ("MTNs"):

Registration and Title: Each MTN will be constituted by the Deed Poll given by the Issuer for the benefit of Noteholders from time to time. The Deed Poll is held by the Registrar. A copy of the Deed Poll may be obtained by written request sent to the Registrar.

Entry on the Register will be conclusive evidence of title to an MTN. No certificate will be issued in respect of an MTN.

Title to an MTN will pass by registration of the transferee as the holder of the MTN, following lodgment of a properly completed transfer form with the Registrar and, in respect of lodgment in and uplift from the Austraclear system, in accordance with the Austraclear rules (as the case may be).

Tenor: As specified in the Series Supplement, but not less than 365 days.

Denominations: An MTN will be issued in denominations of A\$500,000 or (if a larger amount) an integral multiple of A\$100,000, or as otherwise specified in the Series Supplement. Amounts payable in respect of transfers must be not less than A\$500,000.

Types of MTNs: MTNs may be issued with features as set out in the Series Supplement, which include the following:

- Floating Rate Notes, bearing a floating rate of interest
- Fixed Rate Notes, bearing a fixed rate of interest
- Amortised Notes, redeemable by instalments
- Indexed Notes
- Structured Notes, bearing such repayment and other features as specified in the Series Supplement
- Zero Coupon Notes
- a combination of any of the above.

Austraclear: MTNs may (and must, for as long as ASL is Registrar in respect of the MTNs, subject to the exceptions specified in Part 3 of Annexure B of the Terms and Conditions) be lodged on issuance in the Austraclear System and traded on the settlement system operated by Austraclear. Payments and redemption of such MTNs will be in accordance with the Austraclear Regulations.

MTNs entered into the Austraclear System will be held by Austraclear as nominee for the Member in whose Security Record such MTN is recorded. Austraclear will deal with the MTN pursuant to the Austraclear Regulations and instructions from the Member subject to any additional requirements of ASL as

	Registrar in respect of the MTN. (Terms in this paragraph have meanings given to them in the Austraclear Regulations).
Settlement Price:	The Settlement Price of an MTN will be the amount agreed between the Issuer and the MTN Dealer subscribing for that MTN and determined in accordance with the Series Supplement.
Settlement Procedure:	Settlement will take place in accordance with the Registry Agreement. MTNs lodged in the Austraclear System will be settled through the Austraclear System and in accordance with the Austraclear Regulations.
Payments:	Payments will be made to a registered Noteholder to an account as specified in the Register or designated within the Austraclear System or, if no account is specified, by cheque.
Redemption:	<p>Except as specified in the Series Supplement (in respect of Amortised Notes or Structured Notes), MTNs will be redeemed in full on their Maturity Date.</p> <p>MTNs may be redeemed early at the option of the Issuer or the Noteholder if so provided in the Series Supplement.</p>
Closing of Register:	The Register will close for the purposes of determining entitlements to payment at the close of business on the Business Day (or, if ASL is not Registrar in respect of the Notes, the fifth Business Day) prior to the relevant date for payment. It will re-open at the opening of business on the date for payment (or, if ASL is not Registrar in respect of the Notes, the fourth Business Day prior to the relevant date for payment).
Terms and Conditions:	A Series Supplement will be prepared in respect of each Series of MTNs. The terms and conditions applicable to an MTN will be the Terms and Conditions set out in this Information Memorandum, as supplemented and/or varied by the Series Supplement.

C. Short Term Notes ("STNs"):

STN: STNs will be constituted by the Deed Poll given by the Issuer for the benefit of Noteholders from time to time, and will have terms as specified in the relevant STN Terms Sheet.

Denominations: STNs will be issued in denominations such that the Purchase Price of the STNs shall be not less than A\$500,000.

Tenor: STNs will be issued with a minimum tenor of 3 Business Days and a maximum tenor of 364 days.

Purchase Price: The purchase price for STNs will be calculated as follows:

$$\text{Purchase Price} = \frac{F \times 36500}{36500 + (Y \times T)}$$

where:

F = the Face Amount of the STN;

Y = Yield Rate for the STN expressed as a percentage per annum yield to maturity to 2 decimal places;

T = the Tenor of that STN.

Issuance Procedures: At the discretion of the Issuer, STNs may be issued to STN Dealer(s) by competitive tender to the STN Dealers, unsolicited bids by one or more STN Dealers, or by unsolicited requests for bids by the Issuer to one or more STN Dealers.

Settlement Procedures: For as long as ASL is Registrar in respect of the STNs, STNs will remain lodged in the Austraclear System (except for limited circumstances specified in Part 3 of Annexure B of the Terms and Conditions), and STNs may be purchased through Austraclear in a manner consistent with Austraclear Regulations. If ASL is not Registrar in respect of the STNs, the STNs may be purchased through Austraclear as above or as otherwise agreed between the Issuer and the relevant STN Dealer(s).

Redemption: STNs will be redeemed on maturity – if lodged in the Austraclear System, through Austraclear in a manner consistent with Austraclear Regulations.

Corporate Profile

History

Qantas was formed on 16 November 1920 as Queensland and Northern Territory Aerial Services Limited and is the second oldest airline in the world. Trans Australia Airlines (Australian Airlines' predecessor) took to the air on 9 September 1946. Qantas purchased Australian Airlines in September 1992 and in October 1993, Qantas and Australian Airlines were merged under the single brand name of "Qantas".

From 1947 until March 1993, Qantas was 100% owned by the Commonwealth of Australia. ("Commonwealth"). Pursuant to a competitive tender at the time, the Commonwealth sold a 25% interest in Qantas to British Airways ("BA"). The remainder of Qantas was privatised on 31 July 1995 through an offering of ordinary shares to domestic and international investors.

Airline Operations

Qantas is Australia's principal air transport carrier and operates an extensive domestic and international route network. In the half year ending on 31 December 1998, Qantas carried 9.8 million passengers on its domestic and international routes.

As at the Preparation Date, Qantas operates international services to over 50 destinations worldwide. The Qantas international network links Australia with the United Kingdom, Continental Europe, the United States, Canada, South America, Japan, Asia, New Zealand, Africa and other destinations.

As at 31 December 1998, the Qantas domestic network served 15 airports. The domestic network is augmented by wholly owned regional carriers – bringing the total to around 50 airports being served by the Qantas group within Australia.

In addition to its relationship with BA, Qantas maintains a number of equity interests in other airlines and a variety of code-sharing and alliance arrangements with other international airlines (see "**oneworld**" below).

Qantas also operates extensive freight, air charter and tourist operations and provides flight catering and engineering and maintenance services to other airlines.

Airline Fleet

As at 31 December 1998, Qantas operated an international and domestic fleet of 98 aircraft consisting of Boeing 747, 767 and 737 aircraft. In addition to the fleet branded under the Qantas name, at 31 December 1998, Qantas' regional airline subsidiaries had 45 aircraft (both jet and propeller driven).

oneworld

Qantas joined American Airlines, British Airways, Canadian Airlines and Cathay Pacific in the **oneworld** alliance which took effect from 1 February 1999. As at the Preparation Date, the five member airlines of **oneworld**, together with their partner airlines, have networks that serve over 600 destinations and operate a total of around 1,500 aircraft. Membership of **oneworld** is expected to broaden and since its inception, the national carriers of Finland, Finnair, and of Spain,

Iberia, have announced their intention to join. The alliance is designed to raise the standard of global air travel through a range of customer benefits which include:

- Smoother transfers for passengers travelling across the global networks of the five carriers through, in particular, coordination of flight schedules;
- Greater value through a range of round-the world products including the launch of **oneworld** Explorer fares.
- Closer linking of frequent flyer programs, enabling members to earn and redeem miles on any eligible flights and fares on the **oneworld** alliance airlines, granting access to the airlines' exclusive lounges for eligible members of their frequent flyer schemes along with priority check-in, standby and waitlisting, and preferred seating and boarding.

A number of other advantages are expected to flow from the alliance, aside from the range of customer benefits. These would include considering the joint purchases of aircraft.

Terms and Conditions of the Notes

The following are the "Terms and Conditions" which, subject to modification, variation or replacement by a Series Supplement (in the case of a specified Series of MTNs) or an STN Terms Sheet (in the case of STNs), will be applicable to all Notes.

Each Noteholder and any person claiming through or under a Noteholder is deemed to have notice of, and is bound by, these Terms and Conditions, the Deed Poll, the Series Supplement or the STN Terms Sheet, as applicable, and the Information Memorandum. A copy of the Deed Poll is available for inspection by Noteholders during normal business hours at the offices of the Registrar.

1. INTERPRETATION

1.1 Definitions

"Amortisation Rate for Early Redemption" means in respect of a Zero Coupon Note, the per centum per annum rate specified in the Register for the Note, at which the original discount of that Note has amortised to the relevant date on an accrued daily basis.

"Amortised Note" means an MTN which is to be redeemed by instalments.

"ASL" means Austraclear Services Limited (ACN 003284 419), its successors and assigns.

"Austraclear" means Austraclear Limited (ACN 002 060 773), its successors and assigns.

"Austraclear Regulations" means the regulations known as the "Regulations and Operating Manual" established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.

"Austraclear System" means the system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between members of that system.

"Bank Bill Rate" means, in respect of a Reset Date, the rate calculated by taking the rates quoted on the Reuters Screen BBSW Page at approximately 10.00 a.m., Sydney time, on that Reset Date for each reference bank so quoting (but not fewer than five) as being the mean buying and selling rate for a bill (which for the purpose of this definition means a bill of exchange of the type specified for the purpose of quoting on the Reuters Screen BBSW Page) having a tenor of the Designated Interest Period, eliminating the highest and the lowest mean rates and taking the average of the remaining mean rates and then (if necessary) rounding the resultant figure upwards to four decimal places. If in respect of a Reset Date fewer than five reference banks have quoted rates on the Reuters Screen BBSW Page, the rate for that Reset Date shall be calculated as above by taking the rates otherwise quoted by five of the reference banks on application by the parties for such a bill of the same tenor. If in respect of a Reset Date the rate for that Reset Date cannot be determined in accordance with the foregoing procedures then the rate for that Reset Date shall mean such rate as is agreed between the Issuer and the Arranger having regard to comparable indices then available.

"Base Index Figure" means, with respect to an Indexed Note, the figure specified as such in the Register.

"Business Day" means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney.

"Business Day Convention" means the convention for adjusting any date if it would otherwise fall on a day that is not a Business Day which shall mean, with respect to a Note, unless otherwise specified in the Series Supplement and the Register for the Note, the date is adjusted to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day.

"Day Count Fraction" means, with respect to the calculation of an amount of interest on any Note for any period of time (the **"Calculation Period"**), unless otherwise specified in the Register for the Note, the actual number of days in the Calculation Period divided by 365 in respect of Floating Rate Notes, and in respect of Fixed Rate Notes means one divided by the number of scheduled Interest Payment Dates in the year in which the Calculation Period falls (a year being each twelve month period on and from the Issue Date).

"Deed Poll" means the Deed Poll dated 17 March 1999 executed by the Issuer in favour of Noteholders from time to time.

"Designated Interest Period" means, with respect to a Floating Rate Note or other MTN bearing a floating rate of interest, 90 days or such other period specified in the Register for the MTN.

"Electronic Source" means an electronic financial markets information source, access to which is unrestricted to market participants.

"Face Amount" means, with respect to an STN, the face amount specified in the Register for the STN.

"Financial Indebtedness" means any obligation for the repayment of money borrowed or raised by the Issuer.

"Fixed Rate Note" means an MTN which bears a fixed rate of interest.

"Floating Rate Basis" means, with respect to a Floating Rate Note, unless otherwise specified in the Register for the note, the Bank Bill Rate.

"Floating Rate Note" means an MTN which bears a floating rate of interest.

"Government Agency" means:

- (a) a government or government department or other body;
- (b) a governmental, semi-governmental or judicial person; or
- (c) a person (whether autonomous or not) who is charged with the administration of a law.

"Index" means, with respect to an Indexed Note, the index specified in the Register for the Note.

"Indexed Note" means an MTN which provides that the amount to be repaid on the Maturity Date or the interest to be paid on the Interest Payment Date is to be calculated by reference to an index specified in the Register.

"Interest Commencement Date" means with respect to an MTN, the interest commencement date specified in the Register for the MTN.

"Interest Payment Date" means, with respect to an MTN, each interest payment date specified in the Register for the MTN.

"Interest Period" means, with respect to an MTN, the period from and including an Interest Payment Date to but excluding the next Interest Payment Date.

"Interest Rate" means, with respect to an MTN, the interest rate specified in the Register for the MTN.

"Issue Date" means, with respect to a Note, the issue date specified in the Register for the Note.

"Issuer" means Qantas Airways Limited ACN009 661 901.

"Lead Manager" means such manager appointed by the Issuer from time to time in respect of one or more Series of MTNs, under clause 5.4.

"Margin" means, with respect to an MTN, the margin specified in the Register for the MTN.

"Maturity Date" means, with respect to a Note, each maturity date specified in the Register for the Note.

"Meeting Rules" means the rules for the convening of meetings of, and passing of resolutions by, Noteholders set out in Annexure C to these Terms and Conditions.

"MTN" means a medium term note issued by the Issuer under the Deed Poll and evidenced by an entry in the Register, including an Amortised Note, a Fixed Rate Note, a Floating Rate Note, an Indexed Note, a Structured Note or a Zero Coupon Note (as further specified in the Register for the MTN).

"Note" means an MTN or an STN.

"Noteholder" means a person specified for the time being in an entry in the Register as the holder of a Note or, where a Note is owned jointly by one or more persons, the persons specified in the Register as the joint holders of the Note and, without limitation, if a Note is entered into the Austraclear System, includes Austraclear acting on behalf of one or more members of the Austraclear System.

"Outstanding Principal Amount" means, with respect to an STN, the Face Amount and, in respect of an MTN, the principal amount outstanding on the MTN from time to time (being the face amount of the MTN less any previous repayments and as varied by any indexation in respect of any capital-indexed MTN) and, for the purposes of calculating

interest payable under the MTN, will be the principal amount outstanding as at the first day of the Interest Period (unless otherwise specified in the Register).

"**Owner**" has the meaning given to it in the Austraclear Regulations in respect of a Note registered in the name of Austraclear as nominee.

"**Programme Manager**" means Commonwealth Bank of Australia ACN123 123 124 or such other party appointed from time to time by the Issuer for the Programme.

"**Purchase Price**" means with respect to an STN, the amount determined on a discount basis in accordance with the following formula (unless the Issuer and the relevant Dealers otherwise agree):

$$\text{Purchase Price} = \frac{F \times 36500}{36500 + (Y \times T)}$$

where:

F = the Face Amount of the STN;

Y = the Yield Rate for the STN;

T = the Tenor of the STN.

"**Record Time**" means:

- (a) in respect of MTNs, 5.00pm on the Business Day (or if ASL is not Registrar in respect of the MTNs, the fifth Business Day) prior to the relevant date for payment of interest or principal; and
- (b) in respect of STNs, 5.00pm on the Business Day (or, if ASL is not Registrar in respect of the STNs, the third Business Day), prior to the relevant date for payment of interest or principal,

subject, in each case, to any shorter period expressly permitted in the Registry Agreement for the relevant Notes.

"**Redemption Amount**" means:

- (a) with respect to an MTN (subject to paragraphs (c), (d) and (e) below, if applicable), the amount specified in the Register for the MTN as being payable on the Maturity Date;
- (b) with respect to an STN, the Face Amount;
- (c) with respect to a Zero Coupon Note, the Redemption Price plus the accrued amortisation of the original discount, if any, from and including the Issue Date to but excluding the date of redemption at the Amortisation Rate for Early Redemption;
- (d) with respect to an Indexed Note, the original amount specified in the Register as being outstanding subject to any capital indexation whether cumulative or otherwise, by reference to an Index, Base Index Figures, periods and formulae specified in the Register; and

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- (e) with respect to an Amortised Note, the principal amount specified in the Register as being outstanding at the time of redemption.

"Redemption Price" means, with respect to a Zero Coupon Note, the redemption price calculated in accordance with the formula specified in the Register for the Note.

"Register" means the register of entries which specifies the details of the relevant Notes, and the names, addresses and account details of relevant Noteholders.

"Registrar" means ASL or such other person appointed by the Issuer to establish and maintain the Register on the Issuer's behalf from time to time in respect of any Notes.

"Registry Agreement" means the agreement between the Issuer and the Registrar providing for registry services in relation to the relevant Notes.

"Reset Date" means, with respect to a Floating Rate Note or other MTN bearing a floating rate of interest the Interest Payment Date at the beginning of the relevant Interest Period, or such other date specified in the Register for the MTN.

"Series" means one or more Tranches of MTNs which are identical except that the Issue Date and the amount of the first payment of interest may differ between Tranches, and the MTNs in a Series may be of different denominations.

"Series Supplement" means, with respect to MTNs of a Series, the series supplement substantially in the form of Part 1 of Annexure B to these Terms and Conditions issued in relation to that Series.

"Set Yield" means the rate set by the Issuer in respect of an STN to be issued in a set yield issue, expressed as a percentage per annum yield to maturity to 2 decimal places.

"Settlement Price" means, with respect to an MTN, the amount(s) payable in respect of that MTN under these Terms and Conditions and as agreed between the Issuer and the relevant Dealer.

"STN" means a short term note issued by the Issuer under the Deed Poll (as further specified by the STN Terms Sheet issued in relation to the note) and evidenced by an entry in the Register.

"STN Terms Sheet" means, with respect to an STN, a terms sheet substantially in the form of Part 2 of Annexure B to these Terms and Conditions issued in relation to the STN.

"Structured Note" means an MTN with characteristics which differ from or include some or all of the characteristics of Amortised Notes, Fixed Rate Notes, Floating Rate Notes, Indexed Notes or Zero Coupon Notes.

"Tax" means any present or future tax, levy, impost, deduction, charge, duty, compulsory loan or withholding (together with any related interest, penalty, fine or expense in connection with any of them) levied or imposed by any Government Agency, other than any imposed on overall net income.

"Tax Act" means the *Income Tax Assessment Act 1936* (as amended) and Regulations and, where applicable, any replacement legislation including but not limited to the *Income Tax Assessment Act 1997*.

"Tender Rate" means the rate tendered by a Dealer and agreed by the Issuer in respect of an STN to be issued, expressed as a percentage per annum yield to maturity to 2 decimal places.

"Tenor" means, with respect to a Note, the number of days from and including the Issue Date to but excluding the Maturity Date.

"Termination Amount" means, with respect to a Note, the Outstanding Principal Amount or, if the Note is non-interest bearing, the amount specified in the Register for the Note.

"Tranche" means MTNs which are issued on the same day and on the same terms, except the MTNs in a Tranche may be in different denominations.

"Yield Rate" means the Tender Rate or, in relation to a set yield issue, the Set Yield (as the case may be).

"Zero Coupon Note" means an MTN which does not bear interest.

1.2 Rules for interpreting these Terms and Conditions

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting these Terms and Conditions, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person;
 - (iii) an agreement or document (or to any of its provisions) is to the agreement or document (or its provisions), as amended, novated, supplemented or replaced from time to time;
 - (iv) number, value or amount being calculated on a day means the calculation will be made by the close of business on that day;
 - (v) "A\$" is a reference to the lawful currency of the Commonwealth of Australia;
 - (vi) a paragraph, clause, schedule or annexure is, unless otherwise specified, a reference to a paragraph, clause, schedule or annexure of or to these Terms and Conditions; and
 - (vii) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.

-
- (d) If a word is defined, another part of speech has corresponding meaning.
 - (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else the example does not limit the scope of that thing.

2. **FORM, DENOMINATION AND TITLE**

2.1 **Debt obligations**

The Notes are debt obligations of the Issuer owing under the Deed Poll to the persons specified from time to time in the entries in the Register.

2.2 **Form**

The Notes are issued in the form of entries in the Register. No certificate or other document will be issued by the Issuer to evidence title to a Note unless the Issuer determines that such evidence should be made available or is required by law.

2.3 **Title from Register**

Each entry in the Register:

- (a) constitutes an acknowledgment to the person specified in the entry of the indebtedness of the Issuer to that person on the terms of the Deed Poll;
- (b) evidences a separate and independent obligation owing by the Issuer to the person specified in the entry which that person may enforce without joining any other Noteholder, any previous Noteholder, or the Registrar;
- (c) evidences conclusively that the person specified in the entry is the absolute owner of, and holder of title to, the Note, except:
 - (i) if more than one person is specified in the entry, the persons hold the Note as joint tenants (but no more than 4 persons may be specified in an entry);
 - (ii) the entry is subject to rectification for fraud or any manifest error made in the entry;
 - (iii) a subsequent entry in the Register with respect to the Note:
 - (A) terminates the indebtedness of the Issuer to the person previously specified in an entry in the Register with respect to the Note (the "**Previous Holder**");
 - (B) releases the Issuer from its obligation to the Previous Holder; and
 - (C) vests absolute ownership in, and title to, the Note in the person specified in the entry, to the exclusion of the Previous Holder and other persons; and
- (d) entitles the Issuer to deal with, be bound to recognise, and give effect to only the person(s) specified in the entry, to the exclusion of any other interest (whether

legal or equitable, or actually known to the Issuer) which may affect the interest of that person, except as required by law.

2.4 Denomination

Unless otherwise specified in the Series Supplement or STN Terms Sheet (as the case may be), MTNs (except Zero Coupon Notes) will be issued in denominations of not less than A\$500,000, and STNs and Zero Coupon Notes will be issued in denominations such that their Purchase Price or Settlement Price shall be not less than A\$500,000.

2.5 Location of Register

The Register will be established and maintained in Sydney or Canberra or such other place specified by the Issuer and approved by the Programme Manager (such approval not to be unreasonably withheld or delayed) in accordance with the Registry Agreement.

2.6 Details of Notes

- (a) The Issuer must notify the Registrar of the details of a Note by delivering, or causing to be delivered, to the Registrar a copy of the Series Supplement or STN Terms Sheet in respect of the Note.
- (b) The Register must specify the details of the Notes as notified to the Registrar under paragraph (a). The Registrar will record the tax file number of each Noteholder which has been notified to the Registrar as well as any terms and conditions of, and selling restrictions relating to, the Notes which have been notified to the Registrar under paragraph (a) but which cannot be entered in the Register. Any reference in these Terms and Conditions to a detail being "specified in the Register" will include the detail as recorded by the Registrar under this paragraph (b).
- (c) The details recorded under paragraphs (a) and (b) are subject to rectification for fraud or error.

2.7 Initial Noteholders

The person to be specified in the first entry in the Register in respect of the Note will be the person whose details are specified in the application form (substantially in the form attached to the Series Supplement or STN Terms Sheet for the Note) executed by that person and delivered to the Registrar by the Issuer.

2.8 Austraclear Services Limited

If at any time ASL is appointed by the Issuer as Registrar and such appointment applies in respect of a Note, the Series Supplement or STN Terms Sheet (as the case may be) for that Note will specify terms which apply in respect of that Note, substantially in the form of the terms set out in Part 3 of Annexure B.

3. STATUS

The Notes are direct, unconditional, unsecured debt obligations of the Issuer which rank equally among themselves. The Notes rank at least equally with the Issuer's other unsecured debt obligations (except for debt mandatorily preferred by law).

4. TRANSFERS

4.1 Limit on transfer

Notes may be transferred without the consent of the Issuer or the Registrar. The minimum net amount payable upon a transfer of a Note will be A\$500,000. The transfer must be effected by way of an "excluded offer" or "excluded invitation" (as those terms are defined in the Corporations Law).

4.2 Austraclear

Notes lodged in the Austraclear System will be transferable in accordance with the Austraclear Regulations and the Registry Agreement. Neither the Issuer nor the Registrar will be responsible for any loss occasioned by the failure of the Austraclear System or any failure in connection with procedures specified in the Austraclear Regulations.

4.3 Transfer forms and marking

A Note not lodged in the Austraclear System may be transferred by lodgement of a transfer form available from the Registrar, signed by the transferor and the transferee.

The Registrar will upon the request of a Noteholder mark a transfer form by specifying that the transferor is the registered Noteholder of the relevant Note and that no transfer will be registered other than under that transfer note for a period specified in the marking or, if no period is specified, for 42 days from and including the date of marking.

4.4 Title until registration

The transferor of a Note will remain the holder of the Note until the name of the transferee is entered in the Register in respect of the Note. Transfers will be registered not later than the Record Time applicable to the Maturity Date of the relevant Notes

4.5 Principal amount of transfer

If a transferor executes a transfer for fewer than all Notes registered in its name, and the Notes to be transferred are not identified, the Registrar may decide which of the Notes registered in the name of the transferor will be transferred, such that the aggregate principal amount of the Notes transferred will equal the aggregate principal amount of the Notes specified by the transferor in the transfer.

4.6 No charge

Transfers will be registered without charge. Any taxes, duties or other charges imposed in relation to the transfer must be paid prior to registration of a transfer.

4.7 Death or bankruptcy of Noteholder

A person entitled to a Note upon the death or bankruptcy of a Noteholder or a vesting order will be registered as the holder of the Note, and a person administering the estate of a Noteholder may transfer a Note, if the Registrar is given sufficient evidence satisfactory to it as to such entitlement or status.

5. INTEREST

5.1 Interest bearing

An MTN (except Zero Coupon Notes and any relevant Structured Note) bears interest as specified in the Register for the MTN, and in accordance with this clause~~5~~.

5.2 Interest rate and accrual

An MTN bears interest from its Interest Commencement Date on the Outstanding Principal Amount at the Interest Rate in accordance with the Day Count Fraction specified in the Register, and such interest is payable in arrears on each Interest Payment Date. Interest will not accrue after the necessary funds for redemption have been provided within the Austraclear System or, in respect of a Note not lodged in the Austraclear System, to the Issuer's account operated by the Registrar.

5.3 Calculations and rounding

The amount of interest payable in respect of any MTN for any period will be calculated by the Lead Manager by multiplying the product of the Interest Rate (in the case of a Floating Rate Note or other MTN bearing a floating rate of interest, on the relevant Reset Date) and the Outstanding Principal Amount by the Day Count Fraction applicable to that period, or as otherwise specified in the Register for the MTN. All amounts in such calculations will be rounded to the nearest cent (with one half cent rounded up), and percentages will be rounded to the nearest fifth decimal place (with 0.000005 rounded to 0.00001), unless otherwise specified in the Register. The Lead Manager must notify the Issuer and the Registrar as soon as practicable after the first day of an Interest Period of the Interest Amount and (if not already notified) the Interest Payment Date for that Interest Period. In the absence of error, calculations by the Lead Manager will be conclusive and binding on all parties.

5.4 Lead Manager

The Issuer must ensure that a reputable financial institution is appointed as Lead Manager at all times that MTNs are outstanding and otherwise at its absolute discretion. A Lead Manager may be replaced if another Lead Manager has accepted its appointment as a successive Lead Manager.

6. REDEMPTION AND PURCHASE

6.1 Redemption on maturity

Unless previously redeemed in accordance with the Register or purchased and cancelled by the Issuer, or the Register specifies that the MTN does not have a fixed maturity date, each Note must be redeemed on its Maturity Date(s) at its Redemption Amount(s). The Register may, without limitation, specify that the Issuer may redeem the Notes for taxation reasons, pursuant to a call option exercisable on or after a specified date, or otherwise.

6.2 Purchase of Notes

The Issuer or any of its subsidiaries may at any time purchase Notes in the open market or otherwise. All Notes purchased in accordance with this clause may be cancelled or resold at the election of the Issuer.

7. EVENTS OF DEFAULT

7.1 Events of Default

If any of the following events ("Events of Default") occurs, a Noteholder or Owner in respect of an MTN may by written notice to the Issuer at its specified office declare the MTN to be due and payable immediately or on such other date specified in the notice, such that the Redemption Amount of the MTN (plus the accrued interest to the date of payment, if any) will be due and payable either immediately or on the date specified in the notice (as the case may be), unless such event of default is remedied prior to the receipt of such notice by the Issuer:

- (a) the Issuer fails to pay, when due, interest or principal in respect of the MTN, and such failure continues for 2 Business Days after the Issuer receives written notice, from a Noteholder or Owner in respect of the MTNs of the relevant Series, requiring remedy of such non-payment;
- (b) the Issuer fails to perform or observe any of its other obligations in respect of the MTN and such failure continues for 30 days after the Issuer receives written notice, from a Noteholder or Owner in respect of the MTNs of the relevant Series, requiring remedy of such failure;
- (c) the Issuer fails in the due repayment (within any applicable grace period) of any of its Financial Indebtedness exceeding A\$25,000,000;
- (d) the Issuer suspends payment of its debts or is, or becomes, unable to pay its debts within the meaning of the Corporations Law;
- (e) the Issuer ceases to carry on its business as an airline;
- (f) an application is made for the winding up or dissolution of the Issuer and the Issuer cannot within 30 days reasonably satisfy the Lead Manager (in consultation with MTN Dealers relevant to the MTN) that the application is frivolous or vexatious, or an order is made or an effective resolution is passed for the winding up of the Issuer, except for the purpose of a reconstruction or amalgamation which has the prior written consent of the Lead Manager (in consultation with MTN Dealers relevant to the MTN and which consent must not be unreasonably withheld in the case of a solvent reconstruction or amalgamation); or
- (g) a receiver, provisional liquidator, administrator, trustee for creditors or analogous person is appointed over the undertaking of the Issuer or any material part thereof.

8. PAYMENTS

8.1 Accounts specified as at the Record Time

- (a) Payments under a Note will be made by crediting:
 - (i) on the Interest Payment Date, in the case of payments of interest; or
 - (ii) on each due date for redemption or repayment, in the case of payments of principal,

the amounts then due, to the account specified to the Registrar (or, in respect of a Note lodged in the Austraclear System, to the account specified in accordance with the Austraclear Regulations) in respect of the Note as at the Record Time.

- (b) If in respect of a Note an account is not specified to the Registrar or specified in accordance with the Austraclear Regulations by the Record Time, payments under the Note will be made by cheque, mailed on the Interest Payment Date in the case of payments of interest, or on a due date for redemption or repayment, in the case of payments of principal, at the Noteholder's risk, to the address specified in the Register in respect of the Note as at the Record Time. A cheque sent in this manner will be deemed to have been received by the Noteholder on the Interest Payment Date in the case of payments of interest, or on a due date for redemption or repayment, in the case of payments of principal, and no further amount will be payable under the Note as a result of the cheque not being received by the Noteholder on the due date.

8.2 Payments to the Registrar

- (a) Subject to paragraph (b), and unless otherwise agreed between the Issuer and the Registrar, the Issuer must pay amounts due under each Note to a bank account in Sydney in the name of the Issuer operated by the Registrar on behalf of the Noteholders. Upon such payment by the Issuer, such amounts will be available for payment to Noteholders.
- (b) If a Note is lodged in the Austraclear System, payment must be made in a manner that is consistent with the Austraclear Regulations, to the exclusion of any requirements in paragraph (a) above.

8.3 Payment constitutes release

A payment made by or on behalf of the Issuer to the Registrar or within the Austraclear System in respect of an amount due under a Note constitutes for all purposes an absolute and unconditional release and discharge of the Issuer, to the extent of such payment, of all obligations and indebtedness in respect of the Note in relation to which such payment is made.

8.4 Business Days

Payments under a Note must be made on a Business Day. If a day on which payment is due under a Note is not a Business Day, the payment must be made on the Business Day which is determined by applying the Business Day Convention. No additional amount of interest will be payable due to delays (if any) in receipt of payment made in accordance with this paragraph on a day which is not a working day at the place of receipt.

8.5 Joint Holders

When a Note is held by two or more persons, payment will be made to the first of the joint holders as specified in the Register.

8.6 No deduction

- (a) To the extent permitted by law, each payment will be made without any set-off or counterclaim and free and clear of, and without deduction or withholding.

-
- (b) The Issuer will deduct tax on interest payments to any Noteholder who does not provide to the Issuer the Noteholder's tax file number or evidence of exemption, as required under the Tax Act. Austraclear as nominee Noteholder will deduct tax on interest payments to an Owner if the Owner does not provide such tax file number information in respect of a Note lodged in the Austraclear System.
 - (c) If an applicable law requires the Issuer (or its agent) to make a deduction or withholding in respect of Taxes from a payment to a Noteholder, the Issuer must notify the Noteholder of the obligation after it becomes aware of it and must deliver to the Noteholder proof of payment of the full amount of the deduction or withholding made by the Issuer. The Issuer (or its agent) is entitled to deduct or withhold such amounts as required by law (without limitation it will not be required by law to the extent set out in a notice under section 221YM of the Tax Act), and is under no obligation to compensate or reimburse, or pay any additional amounts to a Noteholder in respect of any such deduction or withholding.
 - (d) To the extent the Issuer becomes, due to a change in the Tax Act, entitled to a refund from the relevant government body in respect of any amounts it has deducted under the Tax Act, the Issuer must, upon written request from the relevant Noteholder, apply for such a refund and must pass through to the relevant Noteholder the amounts of such refund promptly upon receipt from the relevant government body, net of any offsets or costs.

8.7 Time for claims

A claim for payment by a Noteholder in respect of a Note must be made within 5 years of the due date for payment, otherwise the claim will be void.

9. NOTICES

9.1 To the Issuer

A notice or other communication in connection with a Note to the Issuer must be in writing and may be given by prepaid post or delivery to the Issuer at "APC-8, 203 Coward Street, Mascot, NSW 2020, Attention Treasurer, Capital Markets" or such other address notified to the Noteholders from time to time.

9.2 To Noteholders

A notice or other communication in connection with a Note to Noteholders must be in writing and may be given by prepaid post or delivery to the address specified to the Registrar in respect of each Note. In the case of joint holders, the address for the purpose of this clause shall be the address of the first of the joint holders as specified in the Register.

9.3 Effective receipt of notice

A notice or other communication is regarded as given and received within 3 Business Days after posting (or within 7 Business Days if posted to a place outside Australia).

10. MEETINGS AND VARIATIONS

10.1 Meetings

Meetings of Noteholders may be convened in accordance with the Meeting Rules to consider matters affecting the interests of Noteholders, including, without limitation, the variation of the Terms and Conditions and the granting of any approval, consent or waiver.

10.2 Variations

The Deed Poll and Terms and Conditions may be varied by the Issuer, and the Registry Agreement may be varied by the Issuer and the Registrar, after consultation with the Arranger and without the consent of any Noteholder:

- (a) for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions in either of those documents; or
- (b) in the case of the Terms and Conditions, in any manner which the Issuer deems, or in the case of the Registry Agreement, in any manner which the Issuer and the Registrar deem, necessary or desirable,

in either case, which does not, in the reasonable opinion of the Arranger, adversely affect the interests of the Noteholders.

The Terms and Conditions and Registry Agreement may otherwise be varied by the Issuer with the approval of the Noteholders pursuant to a resolution of Noteholders passed in accordance with the Meeting Rules. A variation to the Deed Poll will not be effective until a supplemental deed is executed by the Issuer in relation to the variation.

10.3 Registrar

Subject to the Registry Agreement, the Issuer may vary or terminate the appointment of the Registrar and appoint another Registrar at any time. If the Issuer does so, it must notify the Noteholders. A new Registry Agreement will be deemed to be a variation of the existing Registry Agreement for the purposes of clause 10.2(above) except in relation to new issues of Notes. A new Registry Agreement must be made available for inspection by the Programme Manager, the Dealers and the Lead Manager (as applicable) prior to any new issue of Notes.

11. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further Notes having the same Terms and Conditions as the MTNs (subject to consequential variations to any definitions), which may form a single Series with the MTNs.

12. GOVERNING LAW AND JURISDICTION

12.1 Governing law

The Notes are governed by the law in force in New South Wales.

12.2 Jurisdiction

The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.

Annexure A

Form of Deed Poll

Dated

BY: **QANTAS AIRWAYS LIMITED** (ACN 009 661 901)
(the "**Issuer**")

IN FAVOUR OF: EACH PERSON WHO IS FROM TIME TO TIME A NOTEHOLDER

RECITALS:

- A. The Issuer intends to issue Notes.
- B. The Notes will be issued in registered form by entries in the Register.

OPERATIVE PROVISIONS:

1. INTERPRETATION

1.1 Definitions

"Information Memorandum" means the information memorandum issued by the Issuer in relation to the Notes, and dated 17 March 1999.

"Interest" means, with respect to an MTN, the interest (if any) payable on the MTN in accordance with the Terms and Conditions.

"MTN" means a medium term note of the Issuer constituted by this deed poll and evidenced by an entry in the Register.

"Note" means an MTN or STN, as the context requires.

"Noteholder" means, with respect to a Note, a person specified in an entry in the Register in respect of the Note from time to time.

"Outstanding Principal Amount" means, with respect to a Note, the principal amount outstanding on the Note from time to time.

"Register" means a register of entries which specify the details of the relevant Notes, and the names, addresses and account details of the relevant Noteholders.

"Series Supplement" means a series supplement issued in relation to a series of MTNs in accordance with the Information Memorandum.

"STN" means a short term note of the Issuer constituted by this deed poll and evidenced by an entry in the Register.

"STN Terms Sheet" means a STN Terms Sheet issued by the Issuer in relation to a proposed issue of STNs in accordance with the Information Memorandum.

"Terms and Conditions" means the terms and conditions of the relevant Note set out in the Information Memorandum, as varied or supplemented by the relevant Series Supplement (in the case of MTNs) or the relevant STN Terms Sheet (in the case of STNs).

2. OBLIGATIONS OF THE ISSUER

2.1 Payment

The Issuer undertakes, with respect to each Note issued by it, to pay the Outstanding Principal Amount, Interest (if any) and any other amount payable under the Note in accordance with the Terms and Conditions.

2.2 The Register

The Issuer will ensure that the Register will be established and maintained in Sydney or Canberra and otherwise in accordance with the Terms and Conditions.

3. NOTEHOLDERS

3.1 Benefit

This deed is for the benefit of the Noteholders. Each Noteholder may enforce this deed, despite not being a party to this deed, even if the Noteholder does not exist at the time this deed is executed and delivered.

3.2 Enforcement

A Noteholder may enforce its rights under this deed independently from any other Noteholder.

3.3 Notice

A Noteholder is deemed to have notice of this deed and the Terms and Conditions.

4. GOVERNING LAW

This deed is governed by the law in force in New South Wales.

5. ATTORNEYS

Each attorney executing this deed states that he or she has no notice of the revocation of his or her power of attorney.

Executed as a deed

SIGNED, SEALED and DELIVERED for
QANTAS AIRWAYS LIMITED under power of
attorney in the presence of:

Signature of attorney

Signature of witness

Name of attorney

Name of witness

Date of power of attorney

Annexure B

Part 1

Form of Series Supplement

The Issuer may vary the form of Series Supplement from time to time without the consent of any party. The form of the Series Supplement (subject to any variations made by the Issuer) to be issued by the Issuer in relation to a Tranche of MTNs is set out below.

A Series Supplement may be issued under the A\$ debt securities programme for Qantas Airways Limited referred to in the Terms and Conditions referred to in the Deed Poll dated 17 March 1999, and it may supplement and vary those Terms and Conditions with respect to the MTNs specified in the Series Supplement.

SERIES SUPPLEMENT

[Date]

MTNs to be issued with terms and conditions set out below, and otherwise in accordance with the Conditions (as set out in the Information Memorandum dated 17 March 1999 and the Deed Poll. Terms not defined in this Series Supplement have the meanings given to them in the Conditions.

[Complete whichever of the following apply, tick box(es) where applicable and insert "N/A" opposite non-applicable items]

Overall MTN Details

Issuer: **Qantas Airways Limited**

Principal Amount (face amount) on the
Issue Date of each MTN: \$ _____

Number of MTNs to be issued: _____

Series No. _____

Tranche No. _____

Type of MTNs: Amortised Notes
 Fixed Rate Notes
 Floating Rate Notes
 Indexed Notes
 Structured Notes
 Zero Coupon Notes
 Other (specify) _____

Maturity Date: _____

Issued at: Par
Discount
Premium

Settlement Price: [Adjusted in accordance with next paragraph: Yes/No/Other – specify]

[In the event the Tenor of the MTN consists of a number of days which is not evenly divisible by the number of whole months in the Interest Period, the Settlement Price of the MTN will take into account the interest owed for days not in the Tenor of the MTN (in the event the number of months is rounded up) or interest not owed for days in the Tenor of the MTN (in the event the number of months is rounded down).]

Issue Date: _____

Total Principal Amount of Series: _____

Interest Calculation and Payment, Repayment

- (a) **Amortised Notes** (Give details, of interest rate(s), interest and redemption dates, Day Count Fraction, Business Day Convention, Redemption Amount etc).

- (b) **Fixed Rate Notes**

Interest Rate(s): _____ per centum per annum

Interest Payment Dates: _____

Day Count Fraction: [specify if not Bond Basis]

Business Day Convention: [specify if not Modified Following]

Redemption Amount:

- (c) **Floating Rate Notes**

Interest Rate(s): Floating Rate Basis plus Margin per centum per annum

Floating Rate Basis: Bank Bill Rate/specify other

Margin: +/- _____ per centum per annum

Reset Date: [specify if not the Interest Payment Dates]

Designated Interest Period: [specify if not 90 days]

Interest Payment Dates:

Redemption Amount:

Day Count Fraction: [Specify if not Actual/365 (Fixed)]

Business Day Convention: [Specify if not Modified Following]

(d) **Indexed Notes**

Index: _____

(Specify method of calculation): _____

Details to include:

- ◆ Source for index: _____
- ◆ Person responsible for calculations: _____
- ◆ Provision for calculation on early redemption, where reference to Index or formula is impossible or impracticable (specify): _____

Base Index Figure: \$ _____

Interest Payment Dates: _____

Business Day Convention: [Specify if not Modified Following]

[Redemption Amount]: _____

(e) **Structured Notes**

Describe characteristics: _____

(Give details including, as required, source, calculation arrangements, alternatives etc)

Business Day Convention: [Specify if not Modified Following]

(f) **Zero Coupon Notes**

Redemption Price: [Specify calculation – such as:
Redemption Amount x (100% - discount)
as at date of redemption).]

Amortisation Rate for Early Redemption: _____

Business Day Convention: [Specify if not Modified Following]

(g) **Other Options**

(Give details)

Business Day Convention: [Modified]Following other]

Other Issue Details

Special Issuance
Instructions: _____

Other special conditions including, as appropriate:

Events of Default: [Specify any variations to conditions]

Selling Restrictions: [Specify any variations to conditions upon the introduction of
Taxation Laws Amendment Bill no 4 1998]

Redemption at option of
the Issuer: [For taxation reasons]_____

Other variations to Conditions:

Refer to "no deductions" provision in Conditions if above
128F variation

Conforming for lodgment with Austraclear: Yes / No

The form of application form is attached, for completion by first applicant/Noteholder in
respect of the MTN.

***[Application form (in the form agreed by the Issuer and all the MTN Dealer(s) in
respect of the Series) to be attached].***

[Name of MTN Dealer]_____

By: _____
[Authorised Representative of MTN Dealer] [Date]

The above details are confirmed by the Issuer, in respect of:

ISSUE NUMBER:

[Authorised Officer of Issuer] [Date]

Annexure B

Part 2

STN Terms Sheet

[Date]

STNs to be issued with the terms and conditions set out below, and otherwise in accordance with the terms and conditions referred to in the Deed Poll dated 17 March 1999 (the **Conditions**). Terms not defined in this STN Terms Sheet have the meanings given to them in the Conditions.

[Complete whichever of the following apply, tick box(es) where applicable and insert "N/A" opposite non-applicable items]

Overall STN Details

Issuer: Qantas Airways Limited

Principal Amount (Face Amount) on the
Issue Date of each STN: \$ _____

Number and denominations of STNs to
be issued: _____

Maturity Date: _____

Issued at a discount – issue price: _____

Yield Rate (exclusive of
any STN dealer fees
payable): _____

Issue Date: _____

Purchase Price: _____

Total Principal Amount of Series: _____

Conforming for lodgment with Austraclear: Yes / No

The form of application form is attached, for completion by first applicant/Noteholder in respect of the STN.

[Application form (in the form agreed by the Issuer all and the STN Dealer(s) in respect of the STNs specified in this STN Terms Sheet) to be attached]

[Name of STN Dealer] _____

By:

[Authorised Representative of STN Dealer]

[Date]

[Note:

Yes/No

Have the STN Dealer and the Issuer agreed to issue the STNs without the
STN Dealer executing this STN Terms Sheet

If Yes, no signature required from STN Dealer. The above details are confirmed by the Issuer, in
respect of:

ISSUE NUMBER:

[Authorised Officer of Issuer]

[Date]

Annexure B

Part 3

Appendix to Series Supplement/STN Terms Sheet - ASL Special Terms

This Appendix is a part of the Series Supplement/STN Terms Sheet and as such it supplements and varies the Terms and Conditions with respect to the MTNs/STNs specified in the Series Supplement/STN Terms Sheet in relation to which ASL is Registrar (each a **Special Note**).

1. Despite Clause 2.7 of the Terms and Conditions, the Special Notes will first be issued to Austraclear as nominee for the Issuer, without receipt of any money.
2. Clause 4.1 of the Terms and Conditions is amended in respect of the Special Note by replacing the first sentence with: "For as long as ASL is Registrar (unless otherwise notified by the Issuer to the Programme Manager), a Special Note may be transferred only: (a) to the Issuer, for the purposes of the repurchase, redemption or cancellation of the Special Note by the Issuer; (b) to the Owner, for a Special Note which is an MTN and which has defaulted and may be uplifted from the Austraclear System; or (c) to the Owner, for a Special Note which may otherwise be uplifted from the Austraclear System".
3. For the purposes only of clauses 9.2, 10.1 and 10.2 of the Terms and Conditions, an Owner shall be deemed to be a Noteholder in respect of Special Notes and in respect of Terms and Conditions applying to, and other business relating to, Special Notes. Clause 2.3(d) of the Terms and Conditions is amended by replacing, at the end, "." with "and any express references in these Terms and Conditions to any "Owner"."

Annexure C

Meeting Rules

1. Interpretation

"**extraordinary resolution**" means a resolution voted for (at a meeting of the Noteholders convened and held in accordance with the provisions of these rules) by a majority of Noteholders holding not less than 75 per cent of the Outstanding Principal Amount for the time being of the Notes and "**ordinary resolution**" has the same meaning except the percentage is 50 per cent instead of 75 per cent.

"**Issuer**" means Qantas Airways Limited.

2. Convening

The Issuer may at any time convene a meeting of the Noteholders if it receives a written request by the Noteholders holding 10 per cent of the Outstanding Principal Amount for the time being of the Notes of any Series and is indemnified to its satisfaction against all costs, losses and expenses, the Issuer must convene a meeting of Noteholders of that Series. The time and place of the meeting must be specified by the Issuer in consultation with the Programme Manager.

3. Notice

At least 21 days' notice (exclusive of both the day on which the notice is served and the day on which the meeting is held) of any meeting must be given to the Noteholders specifying the place, day and time of a meeting and the resolutions to be proposed. The failure to give notice to, or non-receipt of any notice by, any Noteholder will not invalidate the proceedings of any meeting. If a meeting is called by less than 21 days' notice, the meeting will be validly called if so agreed by Noteholders constituting a quorum at the meeting.

4. Chair

A person nominated in writing by the Issuer is entitled to chair every meeting of Noteholders but if no nomination is made by the Issuer or the person nominated by the Issuer is not present and willing to take the chair within 15 minutes after the time appointed for holding the meeting, the Noteholders present at the meeting may choose any other person willing to act as chairman.

5. Quorum

At any meeting Noteholders present in person or by proxy or representative or attorney and representing not less than 25 per cent (or 50 percent for a meeting considering an Extraordinary Resolution) of the Outstanding Principal Amount for the time being of the Notes of any Series will form a quorum for the transaction of business in respect of Notes of that Series. If the business at the meeting involves all Notes, then the quorum required is as set out in this paragraph except the percentage of Outstanding Principal Amount

must be in respect of all Notes. No business may be transacted at a meeting without the requisite quorum.

6. Persons with right to attend and speak

Noteholders and the Issuer (through their respective representatives) may attend any meeting of Noteholders and speak. No other person may attend or speak at the meeting.

7. Adjournment

- (a) If within half an hour from the time appointed for any meeting of Noteholders a quorum is not present the meeting will, if convened by requisition of Noteholders, be dissolved. In any other case it will be adjourned to the same day in the next week (or if that day is not a Business Day, the next Business Day) at the same time and place and if no quorum is present within 15 minutes of the time approved for this adjourned meeting, the meeting will be dissolved. At any adjourned meeting the quorum shall be the same as required under paragraph 5 of these Rules except the percentage required will be only 10 per cent (or 25 per cent for an adjourned meeting considering an Extraordinary Resolution) of the Outstanding Principal Amount for the time being of the Notes of the Series or, if the business of the meeting involves all Notes, of the Outstanding Principal Amount of all Notes.
- (b) The chairman may with the consent of any meeting adjourn the meeting to any time or place.

8. Powers of Noteholders

In addition to the powers given in the deed, Noteholders have the following powers exercisable by extraordinary resolution:

- (c) power to approve any release, modification, waiver or compromise of any of the rights of the Noteholders (however arising) against the Issuer, except they do not have powers to affect rights in respect of payments of interest payable on the relevant Notes or the maturity dates of the relevant Notes.
- (d) subject to the Conditions and the Deed Poll, power to authorise the Issuer to modify, alter, amend or add to the provisions contained in the Transaction Documents and power to ratify and adopt any such modification, alteration, amendment or addition;
- (c) power to approve any scheme of reconstruction of the Issuer or for the amalgamation of Issuer with any other company or corporation.

9. Voting Procedures

- (a) Unless a poll is demanded:
 - (i) a question put to the vote of a meeting of the Noteholders will be decided by a show of hands. A simple majority constitutes an ordinary resolution and a vote of not less than three quarters constitutes an extraordinary resolution; and

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- (ii) a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority is conclusive evidence of that fact.
 - (b) A poll demanded on the election of a chairman other than the nominee of the Issuer or on a question of adjournment must be taken at the meeting without adjournment. A poll demanded on any other question must be taken in the manner and either at once or after an interval or adjournment as the chairman directs. The result of the poll will be deemed to be the resolution of the meeting at which the poll was directed or demanded.

10. Entitlement to vote

- (a) No person other than Noteholders will be entitled to vote (in person or by proxy, attorney or by representative) in respect of the Notes.
- (b) At every meeting each Noteholder present in person or by proxy, attorney or representative is, on a show of hands, entitled to one vote only, and, on a poll, entitled to one vote in respect of each Note held. A Noteholder may vote differently in respect of the Note(s) held by it.
- (c) The chairman of any meeting is entitled to a casting vote in addition to the votes (if any) to which the chairman is entitled as a Noteholder, proxy, attorney or representative only if there is otherwise an equality of votes which on a show of hands or a poll;
- (d) If two or more persons are registered as joint Noteholders of any Notes, only one of the joint Noteholders is entitled to vote at a meeting in respect of the Notes either personally or by proxy, attorney, or representative.
- (e) If more than one of the joint Noteholders is present at any meeting personally or by proxy, attorney or representative, the joint holder whose name stands first on the Register is entitled to vote in respect of the Notes.
- (f) Several executors or administrators of a deceased Noteholder in whose name any Notes stand are for the purpose of this clause treated as joint Noteholders of those Notes.

11. Proxies

- (a) Every instrument appointing a proxy or representative must be in a form approved by the Issuer, and in writing signed by the appointor, delivered at least 48 hours before the meeting to the place specified in the notice of the meeting, or if no place is stated, then the Registrar.
- (b) A proxy or representative need not be a Noteholder.
- (c) Any holder of a proxy has the right to be heard. The proxy is deemed to include the right to demand or join in demanding a poll.
- (d) The Registrar and any officer of the Registrar may be appointed a proxy or representative (except ASL and its officers will not be available as proxies or representatives without their prior written consent).

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- (e) A proxy whether in the usual or common form or not will, unless the contrary is stated on the proxy, be valid for any adjournment of the meeting as well as for the meeting to which it relates and need not be witnessed.
 - (f) A vote given in accordance with the terms of an instrument of proxy is valid despite the death or incapacity of the appointor.

12. Resolution in writing

A resolution in writing sent to the Noteholders in the manner provided by this deed for the giving of notices and signed or executed so as to indicate approval by the Noteholders holding not less than 75 per cent of the Outstanding Principal Amount of the Notes, or in the case of an ordinary resolution, 50 per cent of the Outstanding Principal Amount of the Notes, is sufficient to pass that resolution as an extraordinary resolution or ordinary resolution (as the case may be).

13. Passing of resolutions

A resolution passed in accordance with these rules is binding on the Noteholders and each of the Noteholders is bound to give effect to it accordingly. The passing of any resolution is conclusive evidence that the circumstances justified the passing of the resolution without the right of appeal to any court or tribunal.

Directory

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Programme Manager

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STN Dealers

Australia and New Zealand Banking Group Limited

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Banque Nationale de Paris

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Commonwealth Bank of Australia

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National Australia Bank Limited

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255 George Street
Sydney NSW 2000

MTN Dealers

Commonwealth Bank of Australia

ACN 123 123 124

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Sydney NSW 2000

Westpac Banking Corporation

ARBN 007 457 141

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Registrar

Austraclear Services Limited

ACN 002 060 773

7 Macquarie Place
Sydney NSW 2000