

# 2010 Alberta Capital Bonds - Terms and Conditions

Alberta Capital Bonds (the “Bonds”) will be issued by the Province of Alberta under the authority of an Order of the Lieutenant Governor in Council. The Bonds will be a direct obligation of the Province of Alberta.

The personal information you provide is collected by or on behalf of Alberta Finance and Enterprise (AFE) under the authority of section 33(a) and (c) of the Freedom of Information and Protection of Privacy Act and is protected by the privacy provisions of the Act. This information will only be used by AFE and the Registrar to administer the Bond program. If you have questions concerning the collection of this information, please see the contact information below.

## Terms and Conditions of the Bonds

### 1. Form and Denomination

The Bonds will be dated March 15, 2010. The Bonds are non-redeemable until maturity (see 8 below). All Bonds will be issued only in fully registered form. The Bonds shall be uncertificated, but the Registrar shall issue a written confirmation after purchase (the “Confirmation”) containing a unique identification number to each registered owner.

### 2. Limit on Holdings

The minimum purchase shall be \$1,000, with multiples of \$1 thereafter, and the maximum amount of 2010 Bonds that may be registered in the name, or on behalf, of each owner is \$25,000. When Bonds have joint ownership, the maximum is \$25,000 times the number of registered owners. The Province shall have the right to require redemption of any Bonds acquired in excess of the maximum dollar limit.

### 3. Eligibility at Time of Purchase

Eligible Owners must hold beneficial title to the Bonds and must be at least one of the following:

- (a) Individuals normally resident in Alberta, with an Alberta address at the time of purchase;
- (b) Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans, Registered Disability Savings Plans, Deferred Profit Sharing Plans and Tax-Free Savings Accounts, provided that a majority of the beneficiaries thereof are individuals resident in Alberta;
- (c) Corporations, and societies and other like organizations having permanent offices in Alberta; or
- (d) Estates and trusts where the beneficial interest in the estate or trust accrues principally to Alberta residents.

The Province shall have the right to cancel any Bonds by or for a beneficial owner who does not at the time of acquisition meet the ownership eligibility requirements.

### 4. Registrar

Subject to condition 10, the names and addresses of the registered owners of the Bonds will be kept in a register or registers at the principal office of the Registrar, Computershare Trust Company of Canada in the city of Calgary, Alberta or such other office or offices as the Minister of Finance and Enterprise may designate.

## **5. Transferability**

The Bonds are not transferable except:

- (a) When being transferred by an executor or administrator of a deceased individual's estate to that individual's beneficiary.
- (b) When transferred from an individual to an RRSP or vice versa provided beneficial ownership does not change.

## **6. Assignability**

The Bonds are not assignable.

## **7. Interest**

The Province will pay either simple interest or compound interest on the Bonds at the election of the purchaser (which election must be made at the time of purchase and may not change once made). Interest will be calculated on the principal amount. Simple interest will be paid in equal annual installments on March 15 of each year (hereafter March 15 is called an "Interest Payment Date") until maturity. The first payment will be paid or accrued on March 15, 2011. The interest rate to be paid on the Bonds will be set at least one day prior to February 16, 2010. Interest on compound interest Bonds shall be compounded annually and paid only at maturity. Interest payments will be made only by direct deposit to the account designated by the registered owner or his agent and will be credited on the Interest Payment Dates or Maturity Date, as the case may be. No further interest payment will be made after the Maturity Date. If an Interest Payment Date falls on a Saturday or Sunday or a day on which the Registrar is generally not open for business, the Interest Payment Date for the Bonds will be the next business day without adjustment for period end dates.

## **8. Redemption and Maturity**

The Bonds shall have a Maturity Date of March 15, 2015 and shall not be redeemable prior to maturity, except as herein provided. Redemption will be permitted at any time in the event of the death of the registered owner by endorsing and delivering the Confirmation to the Registrar with such other documentation as may be reasonably requested. In this case interest will be paid to the date of redemption. Bondholders who demonstrate to the Province that they are experiencing financial hardship will be able to redeem their Bonds prior to maturity. At the Maturity Date, the principal and any accrued and unpaid interest will be deposited to the account designated by the registered owner. If a Maturity Date falls on a Saturday or Sunday or a day on which the Registrar is generally not open for business, the Maturity Date for the Bonds will be the next business day.

## **9. Purchase Price**

During the Selling Period, Bonds may be purchased at par (i.e. \$1,000 in principal amount purchased). Cheques for the amount of Bonds purchased should be dated March 15, 2010 and made payable to the sales agent where the Bonds were purchased.

## **10. Book-based Holdings**

Where Bonds are issued to a participating selling agent as part of a book-based system:

- (a) No certificate will be issued for the Bonds so issued;
- (b) The register maintained by Computershare Trust Company of Canada as Registrar will record only aggregate amount of Bonds so issued to each participating Selling Agent;
- (c) Each participating Selling Agent will keep a record of the holdings of its clients;

- (d) The record so kept is deemed to be part of the register;
- (e) Each of the clients shown on the record is the beneficial owner of the Bonds so recorded, subject only to correction of demonstrated error;
- (f) All payments of interest and principal on the Bonds will be paid to the Selling Agent as trustee for the beneficial owners; and
- (g) The receipt by the Selling Agent of any such payment shall discharge the Province to the extent of such payment.

## **11. Applicable Law**

The Bonds shall be governed by and construed in accordance with the laws of the Province of Alberta and shall be treated in all respects as an Alberta contract.

## **12. Miscellaneous**

The terms and conditions of the Bonds shall survive the issuance of the Bonds. In the event of a conflict these terms and conditions shall prevail.

## **Additional Information**

### **A. Selling Period**

The Selling Period for the issue will be from February 16, 2010 to the close of business on March 1, 2010, but sales may be discontinued at the discretion of the Minister of Finance and Enterprise upon giving 24 hours notice.

### **B. Cancellation**

A purchase application may be cancelled by giving notice before the close of business on March 1, 2010, or the close of business on the day following the termination of the selling period, whichever is earlier, to the branch of the Sales Agent where the application was originally completed.

### **C. Changes in Banking Information**

Registered owners should advise the Registrar (see G below) of any change in mailing address as soon as possible and must advise the Registrar in writing of any changes in banking arrangements, including a copy of a void cheque at least five (5) business days prior to any Interest Payment Date or Maturity Date.

### **D. Social Insurance Number**

The Canada Revenue Agency requires that the Social Insurance Number of registered owners of Bonds must be collected by the Registrar for taxation purposes. If the registered owner does not have a Social Insurance Number, the local Service Canada Centre should be contacted and the financial institution and Registrar informed as soon as possible of the owner's number.

### **E. Lost, Stolen or Destroyed Confirmation**

Lost, stolen, or destroyed Confirmations will be replaced by contacting the Registrar at the contact information below.

**F. Estate Transfer**

In the case of death, the Executor of the Estate is to endorse the Confirmation(s) and submit them to the Registrar with specific transfer instructions. The request for transfer must include such documentation as may be reasonably requested by the Registrar.

**G. Other Questions**

In most cases the participating financial institutions will be able to answer any inquiries concerning the Bonds. If further information is required, please contact the Registrar:

Computershare Trust Company of Canada  
Attention: Alberta Capital Bond Co-ordinator  
9<sup>th</sup> Floor, 100 University Avenue  
Toronto, Ontario M5J 2Y1  
1-877-982-8761

Include the following in all correspondence: exact name of the registered owner, complete account number, and your return address.