



# Legal Terms and Conditions for Government of Canada Domestic Nominal Bonds

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March 30, 2015

## Description

Domestic Nominal Bonds (the “Bonds”) are securities issued by the Government of Canada pursuant to Part IV of the Canadian *Financial Administration Act*. In addition to these general terms and conditions (the “Legal Terms and Conditions”), the Bonds are subject to the characteristics (the “Specific Terms”) indicated by the associated International Securities Identification Number (the “ISIN”).

## Status

The Bonds constitute direct, unsecured, and unconditional obligations of Her Majesty in right of Canada (“Canada”). Payments of principal of and interest on the Bonds are direct charges on, and payable out of the Consolidated Revenue Fund of Canada. The Bonds rank *pari passu* in all respects amongst themselves and with all other securities issued by Canada and presently outstanding.

## Interest

The Bonds shall accrue interest from the issuance date (“Issue”) to the date immediately prior to the maturity date (“Maturity”), as specified in the Specific Terms, inclusively. In accordance with the Specific Terms, interest shall be paid on the specific dates (the “Coupon Payment Dates”) and at the rate per annum (the “Coupon Rate”) determined upon Issue, semi-annually, in arrears and in two equal payments in each year until Maturity. Where interest is payable for a period of less than six months, it shall be calculated on the basis of a 365-day year. Interest will cease to accrue on the Bonds on Maturity.

## Redemption

Canada will redeem the Bonds at par on Maturity. The Bonds are not redeemable prior to Maturity.

## Registration

The Bonds are registered only in the name of CDS & Co., as nominee of CDS Clearing and Depository Services Inc. ("CDS"), and are held by CDS in its record entry securities clearing and depository system. The Bonds are not represented by physical certificates but only by book entries in the records maintained by CDS. Interests in the Bonds held by participants in the CDS system (each, a "CDS Participant") are represented through book entries in accounts established and maintained by CDS for each such CDS Participant, in accordance with the practices, rules, and agreements of CDS. CDS Participants may in turn maintain on behalf of other persons accounts in which such persons' interests in the Bonds may be recorded.

## **Title, Transfer**

Canada may treat CDS & Co. as the absolute owner of the Bonds for the purpose of receiving payment and for all other purposes. No beneficial owner of Bonds (each, a "Bondowner") will be shown on the records maintained by CDS other than a Bondowner who is a CDS Participant. The Bonds must be purchased, transferred, or sold directly or indirectly by or through a CDS Participant and all rights of Bondowners must be exercised through such CDS Participant.

## **Beneficial Interests**

Except in the limited circumstances described below, Bondowners will not be entitled to have Bonds registered in their names, will not receive or be entitled to receive certificates in definitive form representing Bonds, and will not be considered registered holders of Bonds. Neither Canada, nor any registrar, transfer agent, or paying agent duly appointed will have any responsibility or liability for maintaining, supervising, or reviewing any records of CDS relating to any interests in the Bonds or for any aspect of the records of CDS relating to payments made by CDS on account of such interests.

## **Condition of Issuing Definitive Bonds**

The Bonds constituting a particular issuance will be exchangeable, in whole but not in part, for Bonds in definitive form registered in the name of a Bondowner other than CDS or its nominee only if (i) CDS notifies Canada that it is unwilling or unable to continue as depository in connection with the particular issuance or (ii) Canada notifies CDS that it desires to issue the Bonds in definitive form. If, at any time, the Minister of Finance (the "Minister") determines that it is no longer practicable or appropriate to use CDS for the transfer and settlement of the interests of Bondowners in the Bonds, the Minister may select another depository for these purposes, or may direct that definitive individual certificates be made available to Bondowners in integral multiples of \$1,000.

## **Payment**

Payments of the principal and interest on the Bonds will be made to CDS & Co., as nominee of CDS in Canadian dollars in accordance with the customary method for making payments in Canadian dollars. Payment by Canada of any amount owing in respect of the Bonds to CDS & Co. in accordance with the Legal Terms and Conditions and the Specific Terms shall constitute a valid discharge, to the extent of the payment made, of Canada's obligations.Â

If any payment of the principal or interest falls due on a day which is not a Business Day, payment thereof shall be made on the next succeeding Business Day and no further interest or other payment shall be paid in respect of the delay in such payment. "Business Day" means a day other than a Saturday or a Sunday or a day recognized as a holiday by the laws of Canada or of the Province of Ontario.

## **Amendment**

Canada may make amendments to the Legal Terms and Conditions where the Minister, acting reasonably, determines that the amendment would not materially adversely affect the interest of the Bondowners.

Notice of any amendment shall be given forthwith to the Bondowners by publishing such notice on the Bank of Canada website.

## **Purchases**

Canada may, at any time, purchase Bonds in the open market, by tender, or by private contract at any price. Such Bonds purchased by Canada may be cancelled and Canada shall notify CDS & Co. of the cancellation. The aggregate principal of the particular issuance shall be reduced by the amount of the cancellation.

## **Governing Law**

The Bonds shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**Date modified:**

2015-03-30