

TRANSALTA CORP
Form F-10
March 01, 2019

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As filed with the Securities and Exchange Commission on February 28, 2019

Registration No. 333-

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-10
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TransAlta Corporation

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English (if applicable))

Canada

(Province or other jurisdiction of incorporation or organization)

4911

(Primary Standard Industrial Classification Code Number (if applicable))

Not Applicable

(I.R.S. Employer Identification Number (if applicable))

110-12th Avenue S.W., Station "M", Calgary, Alberta, Canada, T2P 2M1, (403) 267-7110

(Address and telephone number of Registrant's principal executive offices)

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TransAlta Centralia Generation LLC
913 Big Hanaford Road, Centralia, Washington 98531-9101, (360) 330 8128

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Copies to:

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New York, NY 10019-6964
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Approximate date of commencement of proposed sale of the securities to the public:
From time to time after the effective date of this registration statement.

Province of Alberta, Canada

(Principal jurisdiction regulating this offering (if applicable))

It is proposed that this filing shall become effective (check appropriate box)

- A. upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).
- B. at some future date (check the appropriate box below)
 - 1. pursuant to Rule 467(b) on (date) at (time) (designate a time not sooner than 7 calendar days after filing).
 - 2. pursuant to Rule 467(b) on (date) at (time) (designate a time 7 calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on (date).
 - 3. pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
 - 4. after the filing of the next amendment to this Form (if preliminary material is being filed).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)(3)	Proposed maximum offering price per unit(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee(3)
Common Shares(4)				
First Preferred Shares				
Debt Securities				
Subscription Receipts				
Warrants				

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Units

Total U.S.\$0 100% U.S.\$0 U.S.\$0

- (1) There are being registered under this registration statement on Form F-10 such indeterminate number of common shares, first preferred shares, debt securities, subscription receipts, warrants and units of TransAlta Corporation (the "Registrant") as shall have an aggregate initial offering price not to exceed U.S.\$2,000,000,000. Any securities registered under this registration statement may be sold separately or as units with other securities registered under this registration statement.
- (2) Estimated solely for the purposes of calculating the amount of the registration fee pursuant to Rule 457(o) of the United States Securities Act of 1933, as amended (the "Securities Act"). The proposed maximum initial offering price per security will be determined, from time to time, by the Registrant in connection with the sale of the securities registered under this registration statement.
- (3) Pursuant to Rule 429 under the Securities Act, the prospectus contained herein relates to an aggregate of U.S.\$2,000,000,000 common shares, first preferred shares, debt securities, subscription receipts, warrants and units, consisting of U.S.\$0 being registered hereby and U.S.\$2,000,000,000 unsold common shares, first preferred shares, debt securities, subscription receipts and warrants that were previously registered under the Registrant's registration statement on Form F-10 (File No. 333-215608) initially filed with the U.S. Securities and Exchange Commission (the "Commission") on January 18, 2017.
- (4) Includes associated common share purchase rights.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registration statement shall become effective as provided in Rule 467 under the Securities Act or on such date as the Commission, acting pursuant to Section 8(a) of the Securities Act, may determine.

Pursuant to Rule 429 under the Securities Act, the prospectus contained in this registration statement relates to registration statement 333-215608.

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PART I INFORMATION REQUIRED TO BE DELIVERED TO OFFEREES OR PURCHASERS

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

Subject to Completion, Dated February 28, 2019

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

February 28, 2019

TRANSALTA CORPORATION
US\$2,000,000,000

Common Shares
First Preferred Shares
Warrants
Subscription Receipts
Debt Securities
Units

We may from time to time offer and issue (i) common shares ("**Common Shares**"), (ii) first preferred shares ("**First Preferred Shares**"), (iii) warrants to purchase Common Shares, First Preferred Shares or other securities ("**Warrants**"), (iv) subscription receipts that entitle the holder thereof to receive upon satisfaction of certain release conditions, and for no additional consideration, Common Shares ("**Subscription Receipts**"), (v) debt securities ("**debt securities**"), any combination of such securities or units ("**units**") comprised of one or more of such securities (the Common Shares, First Preferred Shares, Warrants, Subscription Receipts, debt securities and units are collectively referred to herein as the "**Securities**") with an aggregate initial offering price not to exceed US\$2,000,000,000 (or its equivalent in any other currency or currency unit used to denominate the Securities at the time of offering) during the 25 month period that this short form base shelf prospectus (the "**Prospectus**"), including any amendments hereto, remains valid. The debt securities may consist of debentures, notes or other types of debt and may be issuable in one or more series. The basis for calculating the dollar value of debt securities distributed under this Prospectus will be the aggregate principal amount of debt securities that we issue hereunder except in the case of any debt securities that are issued hereunder at an original issue discount, the dollar value of which will be calculated on the basis of the gross proceeds that we receive pursuant to such issuance(s).

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY UNITED STATES STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY UNITED STATES STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

We are permitted, under the multijurisdictional disclosure system adopted in the United States, to prepare this Prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. The financial statements incorporated herein by reference have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") and are subject to Canadian auditing and auditor independence standards. As a result, such financial statements may not be comparable to financial statements of United States companies. See "*About this Prospectus*".

Prospective investors should be aware that the acquisition of the Securities may have tax consequences both in the United States and Canada. Such tax consequences for investors who are resident in, or citizens of, the United States may not be described fully herein or in any applicable Prospectus Supplement (as defined herein). You should read the tax discussion under "*Certain Income Tax Considerations*" and in any relevant Prospectus Supplement.

The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation (as defined herein) is incorporated and organized under the laws of Canada, that most of TransAlta's officers and directors are residents of Canada, that some or all of the underwriters or experts named in this Prospectus or a Prospectus Supplement may be residents of Canada, and that all or a substantial portion of the assets of the Corporation and said persons may be located outside the United States.

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The Securities offered hereby have not been qualified for sale under the securities laws of any province or territory of Canada (other than the Province of Alberta) and will not be offered or sold in Canada or to any resident of Canada.

The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions and other factors. The specific terms of any offering of Securities will be set forth in a prospectus supplement or supplements (each, a "**Prospectus Supplement**") which will accompany this Prospectus. We reserve the right to include in a Prospectus Supplement specific terms pertaining to the Securities being offered that are not within the options and parameters set forth in this Prospectus. You should read this Prospectus and any applicable Prospectus Supplement before you invest in any Securities.

Our Common Shares are listed on the Toronto Stock Exchange ("**TSX**") and on the New York Stock Exchange. Our outstanding First Preferred Shares are listed on the TSX.

The Securities may be sold to or through underwriters or dealers purchasing as principals, directly to one or more purchasers or through agents. See "*Plan of Distribution*". The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent engaged in connection with the offering and sale of the Securities, and will set forth the terms of the offering of such Securities, including the method of distribution, the proceeds to us and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of an offering of such Securities. The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis the Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers, in which case the price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the distribution period.

Our head and registered office is located at 110 - 12th Avenue S.W., Calgary, Alberta, T2R 0G7.

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ABOUT THIS PROSPECTUS

In this Prospectus, in any Prospectus Supplement and in documents incorporated by reference in this Prospectus, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. "U.S. dollars" or "US\$" means lawful currency of the United States. Our consolidated financial statements have been prepared in accordance with IFRS and are stated in Canadian dollars. Unless otherwise indicated, all financial information included and incorporated by reference in this Prospectus has been determined using IFRS. Except as set forth under "*Description of Debt Securities*" or unless the context otherwise requires, all references in this Prospectus and any Prospectus Supplement to "**TransAlta**", the "**Corporation**", "**we**", "**us**" and "**our**" mean TransAlta Corporation and its consolidated subsidiaries including any consolidated partnerships of which the Corporation or any of its subsidiaries are partners.

We may, from time to time, sell any combination of the Securities described in this Prospectus in one or more offerings with an aggregate initial offering price not to exceed US\$2,000,000,000. This Prospectus provides a general description of the Securities that we may offer. Each time we offer and sell Securities under this Prospectus, we will provide you with a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before investing in any Securities, you should read both this Prospectus and any applicable Prospectus Supplement together with the additional information described below under "*Documents Incorporated by Reference*" and "*Certain Available Information*".

All information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements. Each Prospectus Supplement will be incorporated

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by reference into this Prospectus for purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

You should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement and on the other information included in the registration statement on Form F-10 of which this Prospectus forms a part. References herein to this "Prospectus" include documents incorporated by reference herein. We have not authorized anyone to provide you with different or additional information. We are not making an offer to sell these Securities in any jurisdiction where the offer or sale is not permitted by law. You should not assume that the information in this Prospectus, any applicable Prospectus Supplement or any documents incorporated by reference in this Prospectus or any applicable Prospectus Supplement is accurate as of any date other than the date on the front of those documents as our business, operating results, financial condition and prospects may have changed since that date.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents of TransAlta, filed with the Alberta Securities Commission and filed with or furnished to the SEC, are specifically incorporated by reference in, and form an integral part of, this Prospectus:

- (a) our consolidated audited annual financial statements, comprising the consolidated statements of financial position as at December 31, 2018 and 2017 and the consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2018 and the notes thereto ("**Annual Financial Statements**") and the auditors' report thereon and the auditors' report on our internal control over financial reporting;
- (b) our management's discussion and analysis of financial condition and results of operations ("**Annual MD&A**") in respect of our Annual Financial Statements;
- (c) our annual information form dated February 26, 2019 (the "**Annual Information Form**") for the year ended December 31, 2018; and
- (d) our management proxy circular dated March 6, 2018 prepared in connection with TransAlta's annual and special meeting of shareholders held on April 20, 2018.

Any documents of the type required to be incorporated by reference in a short form prospectus pursuant to National Instrument 44-101 *Short Form Prospectus Distributions* ("**NI 44-101**") of the Canadian Securities Administrators, including any documents of the type referred to above, material change reports (excluding confidential material change reports), and business acquisition reports, and any updated earnings coverage ratio information that we file with the Alberta Securities Commission after the date of this Prospectus and prior to 25 months from the date hereof shall be deemed to be incorporated by reference into this Prospectus. These documents are available through the internet on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed at www.sedar.com. In addition, any similar documents that we file with or furnish to the SEC, including our current reports on Form 6-K or annual reports on Form 40-F and any other documents filed with or furnished to the SEC, pursuant to Sections 13(a), 13(c) or 15(a) of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), in each case after the date of this Prospectus, shall be deemed to be incorporated by reference into this Prospectus and the registration statement on Form F-10 of which this Prospectus forms a part, if and to the extent expressly provided in such filings. Our U.S. filings are electronically available from the SEC's Electronic Document Gathering and Retrieval System, which is commonly known by the acronym EDGAR and may be accessed at www.sec.gov.

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Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute or be deemed to constitute a part of this Prospectus, except as so modified or superseded.

Any "template version" of any "marketing materials" (as those terms are defined in National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators) that is provided in connection with a distribution of Securities and filed by us with the Alberta Securities Commission after the date of the applicable Prospectus Supplement for the offering and before the termination of the distribution of such Securities will be deemed to be incorporated by reference into that Prospectus Supplement.

Upon a new annual information form and related annual audited comparative consolidated financial statements and accompanying management's discussion and analysis being filed by TransAlta with, and where required, accepted by, the Alberta Securities Commission during the term of this Prospectus, the previous annual information form, the previous annual audited financial statements and accompanying management's discussion and analysis, all interim financial statements and accompanying management's discussion and analysis and all material change reports that we filed prior to the end, and all information circulars and business acquisition reports that we filed prior to the beginning, of the financial year in respect of which our new annual information form and related annual audited comparative consolidated financial statements and accompanying management's discussion and analysis are filed, shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new information circular in connection with an annual general meeting being filed by TransAlta with the Alberta Securities Commission during the term of this Prospectus, any information circular prepared in connection with a prior annual general meeting of TransAlta shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon interim financial statements and accompanying management's discussion and analysis being filed by TransAlta with the Alberta Securities Commission during the term of this Prospectus, all interim financial statements and accompanying management's discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

Information has been incorporated by reference in this Prospectus from documents filed with the Alberta Securities Commission and filed with or furnished to the SEC. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of TransAlta at P.O. Box 1900, Station "M", 110 - 12th Avenue S.W., Calgary, Alberta, T2P 2M1; telephone (403) 267-7110.

CERTAIN AVAILABLE INFORMATION

We have filed with the SEC under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), a registration statement on Form F-10 relating to the Securities and of which this Prospectus forms a part. This Prospectus does not contain all of the information set forth in such registration statement, certain items of which are incorporated by reference in or contained in the

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exhibits to such registration statement as permitted or required by the rules and regulations of the SEC. See "*Documents Filed as Part of the Registration Statement*". Statements made in this Prospectus as to the contents of any contract, agreement or other document referred to are only summaries, and in each instance, reference is made to the exhibit, if applicable, for a more complete description of the relevant matter, each such statement being qualified in its entirety by such reference. Items of information omitted from this Prospectus but contained in the registration statement on Form F-10 may be inspected and copied at the public reference facilities maintained at the offices of the SEC described below.

We are subject to the information requirements of the U.S. Exchange Act and, in accordance therewith, file reports and other information with the SEC. Under the multijurisdictional disclosure system adopted in the United States and Canada, such reports and other information may be prepared in accordance with the disclosure requirements of Canada, which requirements are different from those of the United States. We are exempt from the rules under the U.S. Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the U.S. Exchange Act. Under the U.S. Exchange Act, we are not required to publish financial statements as promptly as United States companies. Such reports and other information may be inspected without charge, and copied upon payment of prescribed fees, at the public reference room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549 and are also available on the SEC's EDGAR system, accessible at www.sec.gov.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including certain documents incorporated by reference herein, contains "forward-looking information", within the meaning of applicable Canadian securities laws, and "forward-looking statements", within the meaning of applicable United States securities laws, including the *United States Private Securities Litigation Reform Act of 1995* (collectively referred to herein as "**forward-looking statements**"). All forward-looking statements are based on the Corporation's beliefs as well as assumptions based on information available at the time the assumption was made and on management's experience and perception of historical trends, current conditions and expected further developments as well as other factors deemed appropriate in the circumstances. These forward-looking statements are not facts, but only predictions and generally can be identified by the use of statements that include phrases such as "may", "will", "believe", "expect", "anticipate", "intend", "plan", "foresee", "potential", "enable", "continue" or other words or phrases of similar import. Similarly, statements that describe the Corporation's objectives, plans or goals also are forward-looking statements. These forward-looking statements are subject to known and unknown risks, uncertainties and other important factors, many of which are beyond the Corporation's control, that could cause actual events, outcomes or results to differ materially from those expressed or implied in the forward-looking statement. Although the Corporation believes that the assumptions and expectations conveyed by such forward-looking statements are reasonable based on information available on the date they are made, there can be no assurance that such assumptions and expectations will prove to be correct. In addition to the forward-looking statements contained in certain documents incorporated by reference herein, this Prospectus contains, without limitation, forward-looking statements pertaining to certain terms of the Securities and any offering made under this Prospectus.

The forward-looking statements contained in this Prospectus are based on many assumptions including, but not limited to, the following: no significant changes to applicable laws and regulations, including any tax and regulatory changes in the markets in which we operate; no material adverse impacts to the investment and credit markets; our proportionate ownership of TransAlta Renewables Inc. not changing materially; no decline in the dividends to be received from TransAlta Renewables Inc.; the expected life extension of the coal fleet and anticipated financial results generated

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on conversion; assumptions regarding the ability of the converted units to successfully compete in the Alberta capacity market; and assumptions regarding the our current strategy and priorities, including as it pertains to our current priorities relating to the coal-to-gas conversions, growing TransAlta Renewables Inc. and being able to realize the full economic benefit from the capacity, energy and ancillary services from our Alberta hydro assets once the applicable power purchase arrangement has expired. Additional assumptions on which we have based our 2019 guidance are disclosed with such guidance in the Annual MD&A.

Certain factors that could materially affect these forward-looking statements are described below and are incorporated by reference in this Prospectus, as described under "*Risk Factors*". Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on these forward-looking statements and to not use future-oriented information or financial outlooks for anything other than their intended purpose. The forward-looking statements included in this document are made only as of the date of this Prospectus and the Corporation does not undertake to publicly update these forward-looking statements to reflect new information, future events or otherwise, except as required by applicable laws. In light of these risks, uncertainties and assumptions, the forward-looking events might or might not occur. The Corporation cannot assure you that projected results or events will be achieved.

Factors that may cause the Corporation's actual plans, actions or results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements include risks relating to: fluctuations in market prices; changes in demand for electricity and capacity and our ability to contract our generation for prices that will provide expected returns and replace contracts as they expire; the legislative, regulatory and political environments in the jurisdictions in which we operate; environmental requirements and changes in, or liabilities under, these requirements; changes in general economic or market conditions including interest rates; operational risks involving our facilities, including unplanned outages at such facilities; disruptions in the transmission and distribution of electricity; the effects of weather and other climate-change related risks; unexpected increases in cost structure and disruptions in the source of fuels, water or wind required to operate our facilities; failure to meet financial expectations; natural and man-made disasters, including those resulting in dam or dyke failures; the threat of domestic terrorism and cyberattacks; equipment failure and our ability to carry out or have completed the repairs in a cost-effective manner or timely manner; commodity risk management and energy trading risks; industry risk and competition; the need to engage or rely on certain stakeholder groups and third parties; fluctuations in the value of foreign currencies and foreign political risks; the need for and availability of additional financing; structural subordination of securities; counterparty credit risk; changes in credit and market conditions; changes to our relationship with, or ownership of, TransAlta Renewables Inc.; risks associated with development projects and acquisitions, including capital costs, permitting, labour and engineering risks, and delays in the construction or commissioning of projects or delays in the closing of acquisitions; increased costs or delays in the construction or commissioning of pipelines to converted units; changes in expectations in the payment of future dividends, including from TransAlta Renewables Inc.; inadequacy or unavailability of insurance coverage; downgrades in credit ratings; our provision for income taxes; legal, regulatory and contractual disputes and proceedings involving the Corporation, including as it pertains to establishing commercial operations at the South Hedland Power Station; reliance on key personnel; and labour relations matters. The foregoing risk factors, among others, are described in further detail under the heading "*Risk Factors*" in this Prospectus and in the documents incorporated by reference in this Prospectus, including the Annual MD&A and the Annual Information Form. **The Corporation cautions that the foregoing list of factors that may affect future plans, actions or results is not exhaustive.** The forward-looking statements contained and incorporated by reference in this Prospectus are expressly qualified by this cautionary statement.

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TRANSALTA CORPORATION

TransAlta is a corporation amalgamated under the *Canada Business Corporations Act*. The registered office and principal place of business of TransAlta is located at 110 - 12th Avenue S.W., Calgary, Alberta, Canada, T2R 0G7. For further information on the intercorporate relationships among TransAlta and its subsidiaries, please refer to our most recent annual information form.

TransAlta and its predecessors have been engaged in the development, production and sale of electric energy since 1909 and are among Canada's largest non-regulated electric generation and energy marketing companies. We are focused on generating and marketing electricity in Canada, the United States and Western Australia through our diversified portfolio of facilities fuelled by coal, natural gas, diesel, hydro, wind and solar.

TransAlta Corporation is the majority owner of TransAlta Renewables Inc. ("**TransAlta Renewables**"), with an approximate 61 per cent direct and indirect ownership interest as of the date of this Prospectus. TransAlta Renewables is one of the largest generators of wind power and among the largest publicly traded renewable power generation companies in Canada. TransAlta Renewables, or one or more of its wholly-owned subsidiaries, directly own certain of our wind, hydro and natural gas facilities. TransAlta Renewables also owns an economic interest in a number of our other facilities. TransAlta Corporation provides all management, administrative and operational services required for TransAlta Renewables to operate and administer its assets and to acquire additional assets pursuant to certain agreements.

CONSOLIDATED CAPITALIZATION

There have been no material changes in our share and loan capital, on a consolidated basis, since December 31, 2018 to the date of this Prospectus.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds from the sale of the Securities will be used for general corporate purposes, which may include the repayment of indebtedness, the financing of our long-term investment plan and growth projects. The amount of net proceeds expected to be received from the sale of Securities, and each of the principal purposes for which we will use those net proceeds, will be set forth in the applicable Prospectus Supplement. We may, from time to time, issue securities (including Securities) other than pursuant to this Prospectus.

EARNINGS COVERAGE RATIOS

Information regarding our earnings coverage ratios will be provided in the applicable Prospectus Supplement relating to any offering of debt securities having a term to maturity in excess of one year or Preferred Shares pursuant to this Prospectus as required by applicable securities laws.

DESCRIPTION OF SHARE CAPITAL

General

As of the date of this Prospectus, the Corporation's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of First Preferred Shares, issuable in series.

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Common Shares

The following description is subject to, and qualified by reference to, the terms and provisions of the Corporation's articles and by-laws.

Each Common Share of the Corporation entitles the holder thereof to one vote for each Common Share held at all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares are entitled to vote, to receive dividends if, as and when declared by the board of directors, subject to prior satisfaction of preferential dividends applicable to any First Preferred Shares and any other class of shares of the Corporation ranking prior to the Common Shares, and to participate rateably in any distribution of the assets of the Corporation upon a liquidation, dissolution or winding up, subject to prior rights and privileges attaching to the First Preferred Shares and any other class of shares of the Corporation ranking prior to the Common Shares. The Common Shares are not convertible and are not entitled to any pre-emptive rights. The Common Shares are not entitled to cumulative voting.

The Common Shares offered pursuant to this Prospectus may include Common Shares issuable upon conversion or exchange of any First Preferred Shares of any series or upon exercise of any Warrants or upon conversion of any Subscription Receipts.

First Preferred Shares

TransAlta is authorized to issue an unlimited number of First Preferred Shares, issuable in series and, with respect to each series, the board of directors (the "**Board**") is authorized to fix the number of shares comprising the series and determine the designation, rights, privileges, restrictions and conditions attaching to such shares, subject to certain limitations.

The First Preferred Shares of all series rank senior to all other shares of TransAlta with respect to priority in payment of dividends and with respect to distribution of assets in the event of liquidation, dissolution or winding up of the Corporation, or a reduction of stated capital. Holders of First Preferred Shares are entitled to receive cumulative quarterly dividends on the subscription price thereof as and when declared by the Board at the rate established by the Board at the time of issue of shares of a series. No dividends may be declared or paid on any other shares of TransAlta unless all cumulative dividends accrued upon all outstanding First Preferred Shares have been paid or declared and set apart. In the event of the liquidation, dissolution or winding up of the Corporation, or a reduction of stated capital, no sum shall be paid or assets distributed to holders of other shares of the Corporation until the holders of First Preferred Shares shall have been paid the subscription price of their shares, plus a sum equal to the premium payable on a redemption, plus a sum equal to the arrears of dividends accumulated on the First Preferred Shares to the date of such liquidation, dissolution, winding up, or reduction of stated capital, as applicable. After payment of such amount, the holders of First Preferred Shares shall not be entitled to share further in the distribution of the assets of the Corporation.

The Board may include in the share conditions attaching to a particular series of First Preferred Shares certain voting rights effective upon the Corporation failing to make payment of six quarterly dividend payments, whether or not consecutive. These voting rights continue for so long as any dividends remain in arrears. These voting rights are the right to one vote for each \$25 of subscription price on all matters in respect of which shareholders vote, and additionally, the right of all series of First Preferred Shares, voting as a combined class, to elect two directors of the Corporation if the Board then consists of less than 16 directors, or three directors if the Board consists of 16 or more directors. Otherwise, except as required by law, the holders of First Preferred Shares shall not be entitled to vote or to receive notice of or to attend at any meeting of the shareholders of TransAlta.

Subject to the share conditions attaching to any particular series providing to the contrary, TransAlta may redeem First Preferred Shares of a series, in whole or from time to time in part, at the

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redemption price applicable to each series and has the right to acquire any of the First Preferred Shares of one or more series by purchase for cancellation in the open market or by invitation for tenders at a price not to exceed the redemption price applicable to the series.

The Prospectus Supplement will set forth the following terms relating to the First Preferred Shares being offered:

the maximum number of First Preferred Shares;

the designation of the series;

the offering price;

the annual dividend rate and whether the dividend rate is fixed or variable, the date from which dividends will accrue, and the dividend payment dates;

the price and the terms and conditions for redemption, if any, including redemption at TransAlta's option or at the option of the holder, including the time period for redemption, and payment of any accumulated dividends;

the terms and conditions, if any, for conversion or exchange for shares of any other class of TransAlta or any other series of First Preferred Shares, or any other securities or assets, including the price or the rate of conversion or exchange and the method, if any, of adjustment;

whether such First Preferred Shares will be listed on any securities exchange;

the voting rights, if any; and

any other rights, privileges, restrictions, or conditions.

First Preferred Shares will be fully paid and non-assessable upon issuance. The First Preferred Shares of any series may be represented, in whole or in part, by one or more global certificates. If First Preferred Shares are represented by a global certificate, each global certificate will:

be registered in the name of a depository or a nominee of the depository identified in the applicable Prospectus Supplement; and

be deposited with such depository or nominee or a custodian for the depository.

Related Party Articles Provisions

The articles of the Corporation contain provisions restricting the ability of the Corporation to enter into a "**Specified Transaction**" with a "**Major Shareholder**". A Specified Transaction requires the approval of a majority of the votes cast by holders of voting shares of the Corporation, as well as the approval of a majority of the votes cast by holders of such voting shares, excluding any Major Shareholder. A Major Shareholder generally means the beneficial owner of more than 20% of the outstanding voting shares of the Corporation. The articles contain a broad definition of beneficial ownership, and in particular, a person is considered to beneficially own shares owned by its associates and affiliates, as those terms are defined in the articles. Transactions which are considered to be Specified Transactions include the following: a merger or amalgamation of the Corporation with a Major Shareholder; the furnishing of financial assistance by the Corporation to a Major Shareholder; certain sales of assets or provision of services by the Corporation to a Major Shareholder or vice versa; certain issuances of securities by the Corporation which increase the proportionate voting interest of a Major Shareholder; a reorganization or recapitalization of the

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Corporation which increases the proportionate voting interest of a Major Shareholder; and the creation of a class or series of non-voting shares of the Corporation which has a residual right to participate in earnings of the Corporation and assets of the Corporation upon dissolution or winding up.

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Shareholder Rights Plan

The Corporation implemented a shareholder rights plan (the "**Rights Plan**") pursuant to a Shareholder Rights Plan Agreement (the "**Rights Plan Agreement**") dated as of October 13, 1992, as amended and restated as of April 22, 2016, between the Corporation and AST Trust Company (Canada) (the successor to CST Trust Company). The Shareholder Rights Plan was last confirmed at our annual and special meeting of shareholders on April 22, 2016 and will expire at the close of business on the date of our 2019 annual meeting of shareholders, unless ratified and extended by a further vote of the shareholders. For further particulars, reference should be made to the Rights Plan Agreement, as amended and restated. A copy of the Rights Plan Agreement may be obtained by contacting the Corporate Secretary, TransAlta Corporation, 110 - 12th Avenue S.W., Calgary, Alberta T2P 2M1; telephone: (403) 267-7110; or by email: corporate_secretary@transalta.com. A copy of the Rights Plan Agreement is also available electronically on SEDAR under our profile, which can be accessed at www.sedar.com, and on the SEC's EDGAR system at www.sec.gov.

DESCRIPTION OF WARRANTS

General

The Corporation may issue Warrants independently or together with other securities, and Warrants sold with other securities may be attached to or separate from the other securities. Warrants will be issued under and governed by the terms of one or more warrant agreements or indentures that the Corporation will enter into with one or more banks or trust companies acting as warrant agent or trustee that will be named in the applicable Prospectus Supplement.

Selected provisions of the Warrants and the warrant agreements or indentures are summarized below. This summary is not complete. The statements made in this Prospectus relating to any warrant agreement or indenture and Warrants to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement or indenture.

A description of the material terms of any Warrants that we offer, and the extent to which the general terms and provisions described in this section apply to those Warrants, will be set out in the applicable Prospectus Supplement. The Prospectus Supplement will describe some or all of the following terms relating to the Warrants being offered:

the designation of the Warrants;

the aggregate number of Warrants offered and the offering price, if any;

the designation, number and terms of the Common Shares, First Preferred Shares or other securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;

the exercise price of the Warrants;

the dates or periods on, after or during which the Warrants are exercisable;

the designation and terms of any securities with which the Warrants are issued and the number of Warrants that will be issued with each such security;

if the Warrants are issued as a unit with another security, the date on and after which the Warrants and the other security will be separately transferable;

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the currency or currency unit in which the offering price, if any, and exercise price are denominated;

any minimum or maximum amount of Warrants that may be exercised at any one time;

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whether such Warrants will be listed on any securities exchange;

any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;

whether the warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions; and

any other terms of the Warrants.

Warrant certificates will be exchangeable for new warrant certificates of different denominations at the office indicated in the Prospectus Supplement. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the securities subject to the Warrants.

Modifications

The Corporation may amend the warrant agreements or indentures and the Warrants, without the consent of the holders of the Warrants, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of the outstanding Warrants. Other amendment provisions shall be as indicated in the Prospectus Supplement.

Enforceability

The warrant agent or trustee, as applicable, will act solely as the Corporation's agent. The warrant agent or trustee, as applicable, will not have any duty or responsibility if the Corporation defaults under the warrant agreements or indentures or the warrant certificates. A Warrant holder may, without the consent of the warrant agent or trustee, as applicable, enforce by appropriate legal action on its own behalf the holder's right to exercise the holder's Warrants.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The Corporation may issue Subscription Receipts, independently or together with other securities, and Subscription Receipts sold with other securities may be attached to or separate from the other securities. Subscription Receipts will be issued under one or more subscription receipt agreements that we will enter into with one or more escrow agents. If underwriters or agents are involved in the sale of Subscription Receipts, one or more of such underwriters or agents may also be parties to the subscription receipt agreement governing those Subscription Receipts. The relevant subscription receipt agreement will establish the terms of the Subscription Receipts.

A Subscription Receipt is a security of the Corporation that will entitle the holder to receive upon satisfaction of one or more release conditions, and for no additional consideration, a specified number of Common Shares. A description of the material terms of any Subscription Receipts that we offer, and the extent to which the general terms and provisions described in this section apply to those Subscription Receipts, will be set out in the applicable Prospectus Supplement. The Prospectus Supplement will describe some or all of the following terms relating to the Subscription Receipts being offered:

the designation of the Subscription Receipts;

the aggregate number of Subscription Receipts offered and the offering price;

the currency or currency unit in which the Subscription Receipts will be offered;

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the terms, conditions and procedures for which the holders of Subscription Receipts will become entitled to receive Common Shares;

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the number of Common Shares that may be obtained upon the conversion of each Subscription Receipt, the anti-dilution provisions that will result in the adjustment of that number and the period or periods during which any conversion must occur;

the designation and terms of any other securities with which the Subscription Receipts will be offered and the number of Subscription Receipts that will be offered with each security;

the gross proceeds from the sale of such Subscription Receipts, including (if applicable) the terms applicable to the escrow agent holding in escrow all or a portion of the gross proceeds from the sale of such Subscription Receipts, plus any interest earned thereon, pending satisfaction of the release conditions;

the material income tax consequences of owning, holding and disposing of such Subscription Receipts;

whether such Subscription Receipts will be listed on any securities exchange;

procedures for the refund by the escrow agent to holders of Subscription Receipts of all or a portion of the subscription price for their Subscription Receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the release conditions are not satisfied;

any entitlement of ours to purchase the Subscription Receipts in the open market by private agreement or otherwise;

whether we will issue the Subscription Receipts as global securities and, if so, who the depository will be;

provisions as to modification, amendment or variation of the subscription receipt agreement or any rights or terms attaching to the Subscription Receipts;

any terms, procedures and limitations relating to the transferability, exchange or conversion of the Subscription Receipts;
and

any other material terms and conditions of the Subscription Receipts.

DESCRIPTION OF UNITS

We may issue units comprised of one or more of the other Securities described in this Prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a unit is issued may provide that the Securities included in the unit may not be held or transferred separately, at any time or at any time before a specified date.

A description of the material terms of any units that we offer, and the extent to which the general terms and provisions described in this section apply to those units, will be set out in the applicable Prospectus Supplement. The Prospectus Supplement will describe some or all of the following terms relating to the units being offered:

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the designation and terms of the units and of the Securities comprising the units, including whether and under what circumstances those Securities may be held or transferred separately;

any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the Securities comprising the units; and

whether the units will be issued as global securities and, if so, who the depositary will be.

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DESCRIPTION OF DEBT SECURITIES

In this section, the terms "Corporation" and "TransAlta" refer only to TransAlta Corporation without its subsidiaries through which it operates. The following description of debt securities sets forth certain general terms and provisions of the debt securities that may be offered under this Prospectus and in respect of which a Prospectus Supplement may be filed. The Corporation will provide particular terms and provisions of a series of debt securities and a description of how the general terms and provisions described below may apply to that series in a Prospectus Supplement. Prospective investors should rely on information in the applicable Prospectus Supplement if it is different from the following information.

This Prospectus does not qualify the distribution of debt securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, the debt securities that may be distributed under this Prospectus include debt securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a United States federal funds rate.

Unless otherwise specified in the applicable Prospectus Supplement, the debt securities will be issued under an indenture (the "**Indenture**") dated as of June 25, 2002 between TransAlta and The Bank of New York Mellon (formerly known as The Bank of New York) as trustee (the "**Trustee**"). The Indenture is subject to, and governed by, the *U.S. Trust Indenture Act of 1939*, as amended. The Indenture has been filed as an exhibit to the registration statement on Form F-10 of which this Prospectus is a part and is available as described above under "*Certain Available Information*". The following is a summary of the Indenture. Whenever there are references to particular provisions of the Indenture, those provisions are qualified in their entirety by reference to the Indenture. References in parentheses are to section numbers of the Indenture.

The Corporation may issue debt securities and incur additional indebtedness other than through the offering of debt securities pursuant to this Prospectus.

General

The Indenture does not limit the aggregate principal amount of debt securities which may be issued under the Indenture. It provides that debt securities may be issued from time to time in one or more series and may be denominated and payable in U.S. dollars or any other currency. Material Canadian and United States federal income tax considerations applicable to any debt securities, and special tax considerations applicable to the debt securities denominated in a currency or currency unit other than Canadian or U.S. dollars, will be described in the Prospectus Supplement relating to the offering of debt securities.

The Prospectus Supplement will set forth the following terms relating to the debt securities being offered:

the specific designation and any limit on the aggregate principal amount of the debt securities;

the extent and manner, if any, to which payment on or in respect of the debt securities will be senior or will be subordinated to the prior payment of other liabilities and obligations of TransAlta;

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the percentage or percentages of principal amount at which the debt securities will be issued;

the date or dates on which the principal (and premium, if any) on the debt securities will be payable;

the rate or rates (whether fixed or variable) at which the debt securities will bear interest, if any (or the manner of calculation thereof) and the date or dates from which such interest will accrue;

the dates on which any interest will be payable and the regular record dates for the payment of interest on debt securities in registered form;

the place or places where the principal of (and premium, if any) and interest, if any, on the debt securities will be payable and each office or agency where the debt securities may be presented for registration of transfer or exchange;

the currency or currency unit in which the debt securities are denominated or in which payment of the principal of (and premium, if any) and interest, if any, on such debt securities will be payable;

whether debt securities will be issuable in the form of one or more global securities and if so the identity of the depository for the global securities;

any mandatory or optional sinking fund provisions;

the period or periods, if any, within which, the price or prices at which, the currency or currency unit in which, and the terms and conditions upon which the debt securities may be redeemed or purchased by TransAlta;

the terms and conditions, if any, upon which TransAlta or the purchaser may redeem debt securities prior to maturity and the price or prices at which and the currency or currency unit in which the debt securities are payable;

any index used to determine the amount of payments of principal of (and premium, if any) or interest, if any, on the debt securities;

the terms, if any, on which the debt securities may be converted or exchanged for other securities of TransAlta or other entities;

whether and under what circumstances TransAlta will pay additional amounts on the debt securities in respect of certain taxes (and the terms of any such payment) and, if so, whether TransAlta has the right to redeem the debt securities of any series rather than pay the additional amounts (and terms of any such right);

whether debt securities are to be listed on any securities exchange;

whether the debt securities of the series are to be issuable as registered securities, bearer securities (with or without coupons) or both;

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if other than denominations of US\$1,000 and any integral multiple thereof, the denominations in which any registered securities of the series shall be issuable and, if applicable, the denomination of any bearer securities; and

any other terms of the debt securities including covenants and Events of Default which apply solely to a particular series of debt securities being offered which do not apply generally to the debt securities, or any covenants or Events of Default generally applicable to debt securities which do not apply to a particular series of debt securities (Section 3.1).