

## Pension Committee report



# 4

meetings in 2022

100% attendance

At each meeting, the Committee meets in-camera with the Senior Vice-president and Treasurer, and also in-camera without management present. The Committee also meets annually with Pension Plan auditors without management present.

### Committee members



Ray Chan (Chair)



Lisa de Wilde



Thomas Flynn<sup>1</sup>



Christine Magee



Marc Parent



100% independent ✓

### 2022 Committee highlights

#### Asset liability study

An asset liability study is to be conducted every three to five years. The last study was completed in 2018. The Committee approved the engagement of actuaries to conduct the study for the four main defined benefit pension plans: TELUS Corporation Pension Plan; TELUS Edmonton Pension Plan; Pension Plan for Management and Professional Employees of TELUS Corporation; and the TELUS Quebec Defined Benefit Pension Plan (DB Plans).

The study assessed the risks associated with each of the DB Plans and recommendations were provided to develop an appropriate asset mix, funding policy and de-risking strategies on a go-forward basis. These recommendations will be implemented over the next few years.

#### Internal controls audit

An internal audit is to be conducted every three to five years. The last audit was conducted in 2017. The Committee approved the engagement of an external audit firm to assess the adequacy and effectiveness of the internal control structure for the DB Plans. Based on the external auditor's review of relevant documentation, assessment of controls, detailed testing and interviews with management, it was determined that the DB Plans have an effective system of internal controls in place.

#### Governance and oversight of Pension Plans

In accordance with its mandate, the Committee approved the appointments of the auditor and actuary for the Pension Plans. As well, the Committee received, reviewed, approved or recommended for Board approval, as required, the following:

- Terms of reference of the Pension Committee
- An annual report, including annual financial statements and audit reports prepared by the external auditors, for each of the DB Plans
- An audit scope report
- An annual update on developments in pension law
- Reports from the actuary of the Pension Plans, including the plans' assumptions and results
- Pension Plan budgets, including plan expenses and peer plan results
- The Defined Benefit Pension Plans' Statement of Investment Policies and Procedures, investment strategy and quarterly and annual investment results measured against plan benchmarks and liabilities
- The Defined Contribution Pension Plan Statement of Investment Policies and Procedures, quarterly and annual investment results
- Pension Plan insurance coverage

<sup>1</sup> Thomas became a member of the Pension Committee on May 6, 2022.

## Pension Committee report (continued)

- Reports confirming compliance with Pension Plan ethical standards, investment policies and procedures, derivative policies and legislation
- Investment manager performance assessments
- Strategic risk assessments
- A cost-of-living adjustment for the TELUS Corporation Pension Plan
- Management presentation on funded status of DB Plans in 2021 and inflation impacts to DB Plans
- Presentation by service providers on impacts to capital accumulation plans and economic updates.

Signed, the members of the Pension Committee



Ray Chan (Chair)



Lisa de Wilde



Thomas Flynn



Christine Magee



Marc Parent