

People, Culture and Compensation Committee report



The Board has determined that all members of the People Committee meet the compensation committee independence requirements of the New York Stock Exchange (NYSE).

This Committee has a formal policy limiting the number of currently serving CEOs of other public companies on the Committee to no more than one-third of its members.

4

meetings in 2022

96% attendance

At each meeting, the Committee meets in-camera with the Executive Vice-president (EVP), People & Culture and Chief Human Resources Officer and also in-camera without management present. The Committee also meets with the executive compensation consultant without management present at each meeting.

Committee members



Mary Jo Haddad (Chair) ✓	Ray Chan ✓	Hazel Claxton ✓	Kathy Kinloch ✓	Christine Magee ✓	John Manley ✓	Marc Parent ✓
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100% independent ✓

2022 Committee highlights

Performance assessment

For the 2022 performance year, we continued to use our amazing people performance development (APPD) model as our framework for individual performance assessment for the CEO and ELT (Executive Leadership Team – all EVPs who are appointed officers of the Company). This model, which we transitioned to in 2020, evaluates individual performance against each executive’s goals (*what* you do) and TELUS’ values (*how* you do it). For further details, see page 99.

We also continued to complement APPD with our talent summary approach for the CEO and ELT, which focuses on both the individual executive’s retention value and their future potential. These factors directly influence long-term incentive (LTI) grant allocations and drive each executive’s targeted compensation position relative to the peer group median. For further details, see page 89.

Succession planning

In 2022, the People Committee continued to invest significant time into CEO succession planning. The Committee identified and reviewed top talent and future leaders for ELT roles and in particular, had a strong focus on CEO succession candidates.

Top talent successors are candidates with extensive expertise, an understanding of our culture and proven track records in a number of key roles across our business. In line with our diversity and inclusiveness goals, the strong leadership pipeline for all senior roles across the organization also reflects the diversity of our customers, communities and team members.

The CEO succession plan and process, as well as the top internal candidates for the CEO role, were discussed with the entire Board extensively throughout the year. With Egon Zehnder’s support in applying best practices, CEO succession candidates continue to have enhanced, specific assessments and development plans. Candidates are being assessed on a number of Board-defined attributes, including their leadership capabilities, sustained operational results and proven ability to drive strategy. The CEO, the People Committee and the Board have discussed and are monitoring development opportunities, providing mentorship and enhancing responsibilities to support potential candidates’ growth. The Board’s review of the CEO succession plan is also discussed on page 43.

As CEO succession is one of the primary Board responsibilities, we will continue advancing our established process with Egon Zehnder and monitor the development of our top candidates in 2023.

Compensation philosophy

The Committee reviewed the compensation philosophy and guidelines for executives by assessing:

- Our comparator group used for CEO and ELT compensation benchmarking
- Our target pay positioning within the comparator group
- The linkage of our executive compensation philosophy and incentive plans to our financial and non-financial performance and business strategy
- The alignment of our compensation philosophy across all team members
- The mix of elements used to deliver CEO and ELT compensation.

People, Culture and Compensation Committee report (continued)

CEO compensation and performance

- Reviewed and approved the corporate goals and objectives relevant to CEO compensation
- Assessed the performance of the CEO, with input from the full Board
- Reviewed and recommended to the Board for approval the components of the CEO's compensation for 2022 (including base salary, performance bonus, and restricted share unit (RSU) and executive performance share unit (EPSU) grants), based on its evaluation of his performance and its review of the design and adequacy of CEO compensation, as well as a consideration of market trends and data.

ELT compensation and performance

- Reviewed the CEO's evaluation of the performance of each ELT member
- Reviewed and approved compensation for ELT members (base salary, performance bonus, and RSU and EPSU grants), after considering market trends and data.

Performance bonus plan

- Reviewed and approved the 2022 corporate scorecard performance targets, as well as the year-end scorecard multiplier
- Reviewed financial targets on the corporate scorecard for compensation purposes and validated the measures relative to financial reporting.

Equity plans

- Reviewed and approved the payout factors and the actual payouts to the ELT associated with the performance-contingent RSUs that were granted in 2020 and vested on November 20, 2022 (and recommended the same payout factors to the Board with respect to the CEO's performance-contingent RSUs)
- Reviewed and approved the performance criteria for the performance-contingent RSUs granted in respect of 2022 performance
- Reviewed and recommended to the Board for approval the total spend on annual grants of RSUs to management below the ELT level under the RSU Plan for 2022 performance
- Approved annual EPSU grants to ELT members and the total annual grants of management performance share units (MPSUs) to management under the PSU Plan for 2022 performance
- Reviewed and approved the replenishment of a discretionary pool of RSUs that the CEO has the authority to grant to non-executive management for reward, retention and recognition purposes, subject to the parameters specified by the People Committee
- Monitored the actual 2022 discretionary grants under the RSU Plan to certain members of non-executive management for reward, retention or recognition purposes
- Reviewed and approved an amendment of the performance period for the total shareholder return component of the performance-contingent RSUs to be granted in 2023
- Received updates on the share ownership of each ELT member relative to established ownership targets.

Governance

- Reviewed and approved the People Committee 2022 annual work plan, including the division of duties between the Board executive compensation advisor and management executive compensation advisor
- Reviewed and approved an independent assessment conducted by Meridian Compensation Partners Inc. (Meridian) of the key compensation parameters to determine the extent to which appropriate compensation risk mitigation safeguards are in place
- Reviewed and recommended to the Board for approval the proposed appointment of individuals as ELT members and as executive officers of the Company
- Reviewed and approved the annual work plan, budget, engagement agreement and independence letter for Meridian
- Received regular updates from management and Meridian on compensation matters, and considered proposed and new Canadian and U.S. regulatory requirements, as well as evolving best practices on executive compensation

People, Culture and Compensation Committee report (continued)

- Received reports on a quarterly basis on business ethics and the workplace environment at the Company. The workplace environment report is produced by our Respectful Workplace Office and includes an overview of relevant education and training activities and an analysis of complaints related to discrimination, harassment (including sexual harassment) and bullying
- Reviewed reports on team member well-being and health and safety programs, as well as gender pay practices
- Reviewed regular people strategy updates from management, covering topics such as diversity and inclusion, labour relations, vaccination policy and our Work Styles® program
- Received quarterly updates from management on the Company's ESG achievements in relation to performance against the 2022 corporate scorecard
- Reviewed an internal audit of the Company's sales incentive program.

Public disclosure

- Reviewed and approved for publication this report of the People Committee, and the compensation discussion and analysis that follows.

Signed, the members of the People, Culture and Compensation Committee



Mary Jo Haddad (Chair)



Ray Chan



Hazel Claxton



Kathy Kinloch



Christine Magee



John Manley



Marc Parent