



Mandate

The mandate of the Pension Committee is to oversee the administration, financial reporting and investment activities of the Pension Plan for Management and Professional Employees of TELUS Corporation, the TELUS Edmonton Pension Plan, the TELUS Corporation Pension Plan, the TELUS Québec Defined Benefit Pension Plan, the TELUS Defined Contribution Pension Plan, the TELUS Health and TELUS Retail Pension Plan, any successor plans, any related supplemental retirement arrangements as mandated by the Board, and any related trust funds (collectively the Pension Plans). The Committee is responsible for reporting to the Board in respect of the actuarial soundness of the Pension Plans, the administrative aspects of the Pension Plans, our investment policy, the performance of the investment portfolios and compliance with government legislation. The Committee may, from time to time, recommend to the Board for approval fundamental changes in the nature of the pension arrangement for any Pension Plan and fundamental changes in the governance structure for the Pension Plans.

Membership

The current membership of the Committee is as follows:

Name	Independent
Stockwell Day (Chair)	Yes
Micheline Bouchard	Yes
Lisa de Wilde	Yes
John Manley	Yes

Prior to May 5, 2016, Don Woodley was a member of the Committee. On May 5, 2016, Lisa de Wilde became a member of the Committee and Don retired from the Board.

Meetings

The Committee meets at least once each quarter and reports to the Board on its meetings. Activities reviewed are based on its mandate and annual work plan. At each meeting, the Committee meets in-camera with the TELUS Treasurer and also in-camera without management present. The Committee also meets with Pension Plan auditors without management present at each quarterly meeting. The Committee held four meetings in 2016.

Highlights

The following sets forth highlights of the actions taken by the Committee in 2016.

Master trust account consolidation

The master trust account consolidation project, which was recommended by the Committee and approved by the Board on February 10, 2016, was completed effective April 1, 2016. The consolidation was made possible as the 2015 update to the asset liability study resulted in asset allocation glide paths being consistent across all the Plans and a common statement of investment policies and procedures. These developments eliminated the need for multiple master trusts at the asset class level and enabled the creation of a single master trust into which most Plan assets are commingled.

Commingling to one consolidated master trust has resulted in efficiencies in the investment management and administration of the assets along with cost savings in fees and reduced transaction volumes.

Governance

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 or approved, as required, the following:

- The Committee's terms of reference
- The defined benefit plans' goals and objectives and long-term asset mix policy
- The annual report of the defined contribution plans
- The Committee's annual work plan
- An annual report, including annual financial statements and audit reports prepared by the external auditors, for each of the Pension Plans
- An audit scope report

- An annual update on developments in pension law
- Reports from the actuary of each Pension Plan, including the assumptions and results
- Plan budgets, including Pension Plan expenses and peer plan results
- Quarterly and annual investment results measured against plan benchmarks and liabilities
- Plan insurance coverage
- Management's self-assessment of internal controls
- Reports confirming compliance with Pension Plan ethical standards, investment policies and procedures, derivative policies and legislation
- Investment manager performance assessments
- Reports on the investment strategy and risk assessment
- A report on the design, operations and procedural effectiveness of the governance structure for the Pension Plans
- A report on a pension survey to members of the defined contribution plans
- Presentations by service providers
- Management presentations on the topics of Ontario retirement plan initiatives, peer pension comparisons, real estate and mortgage investments, operations overview and performance measurement.

Signed, the members of the Pension Committee



Stockwell Day (Chair)



Lisa de Wilde



Micheline Bouchard



John Manley