

# Corporate Governance Committee report

## Mandate

The mandate of the Corporate Governance Committee is to assist the Board in fulfilling its oversight responsibilities to ensure that TELUS has an effective corporate governance regime. The Committee is responsible for monitoring corporate governance developments, emerging best practices and the effectiveness of our corporate governance practices.

The Committee is also responsible for identifying, recruiting and recommending nominees for election as directors, providing ongoing education and development for directors, and overseeing Board and director evaluations. The Committee assesses and makes recommendations to the Board for its determination of the independence, financial literacy, financial expertise, and accounting or related financial management expertise of directors, as defined under corporate governance rules and guidelines. In addition, as part of its expanded risk oversight role, the Committee is responsible for monitoring and reviewing insurance, claims and property risks, corporate social responsibility and environmental matters, and recommending to the Board for approval environmental policies and procedure guidelines or material changes to such policies.

## Membership

The current membership of the Committee is as follows:

Name	Independent
John Manley (Chair)	Yes
Lisa de Wilde	Yes
John Lacey	Yes
Sabi Marwah	Yes

Prior to May 11, 2017, Mary Jo Haddad was a member of the Committee. On May 11, 2017, Mary Jo stepped down from the Committee and John Lacey became a member of the Committee.

## Meetings

The Committee meets at least once each quarter and reports on its activities to the Board. Activities reviewed are based on its mandate and annual work plan. At each meeting, it holds an in-camera session without management present. The Committee held four meetings in 2017.

## Highlights

The following sets forth highlights of the actions taken by the Committee in 2017.

### Commitment to corporate governance

The Committee undertook the following initiatives as part of its commitment to best practices in corporate governance:

- Conducted an annual review of the *TELUS Board Policy Manual*, including all of the terms of reference contained therein, to ensure the information remained appropriate and recommended changes to the Board for approval
- Reviewed and approved the Committee's annual work plan
- Received and considered with management regular updates on changing laws, rules and regulations in both Canada and the United States, corporate governance initiatives taken by Canadian and U.S. securities regulators and other stakeholders, and emerging best practices and their implications for the Company
- Reviewed reports on corporate social responsibility.

### Say on pay and Shareholder engagement

The Committee undertook the following initiatives with respect to Shareholder engagement:

- Evaluated the adequacy of our say-on-pay policy and Shareholder engagement practices
- Reviewed and recommended to the Board for approval housekeeping changes to the shareholder engagement policy
- Received quarterly reports on shareholder base and ownership changes
- Reviewed and reported on Shareholder communications received in the Board inbox ([board@telus.com](mailto:board@telus.com)) on a quarterly basis, as well as any correspondence from the Board or committees sent in response to such communications.

### Director search

In 2017, the Committee engaged an external recruitment specialist to assist with the Committee's director recruitment process. Furthermore, the Committee oversaw the recruitment of Kathy Kinloch and Claude Mongeau, who were elected as directors at the 2017 annual general meeting, as well as Marc Parent, who was appointed as a director in November 2017. Currently, we are actively seeking to add another female director to our Board before the end of 2018. See pages 33 and 36 for further details on our director nomination and director orientation processes.

### Risk management and oversight

The Committee undertook the following initiatives relating to risk management and oversight:

- Monitored our environmental risk management activities and results
- Conducted its annual review of our directors' and officers' liability insurance program and approved the annual renewal thereof
- Reviewed the adequacy of our insurance coverage, including property insurance coverage, monitored ongoing developments in the insurance industry and reviewed our property risk management program.

### Initiatives relating to directors

The Committee undertook the following additional initiatives relating to directors:

- Reviewed and recommended to the Board for approval changes to the composition of the committees, including the appointment of a new chair for the Human Resources and Compensation Committee
- Conducted an annual review of the succession planning process for the Chair and committee chairs
- Reviewed and approved the 2017 Board evaluation process and surveys for evaluating Board performance, as well as a peer evaluation, and reviewed the results of the surveys
- Reviewed and approved changes to the director compensation comparator group

- Reviewed the results of the annual market benchmarking of directors' compensation prepared by Meridian Compensation Partners LLC (Meridian)
- Approved the engagement agreement with Meridian, and reviewed Meridian's independence letter
- Conducted an annual review of the Board diversity policy
- Continued the ongoing education program for all directors
- Conducted an annual review of director eligibility criteria
- Conducted an annual review of the skills matrix and gap analysis of the Board
- Conducted an annual assessment of the independence and financial literacy of directors and made recommendations to the Board, which made the final determinations.

### Other initiatives

The Committee also reviewed the report on charitable donations and political contributions made in 2016 and approved the 2017 charitable donation and political contribution budgets.

Signed, the members of the Corporate Governance Committee



John Manley (Chair)



John Lacey



Lisa de Wilde



Sabi Marwah