

Tax Strategy

Approved by the Board of Directors

May 5, 2022



Purpose

This Tax Strategy outlines how TELUS Corporation, including its controlled subsidiaries (collectively referred to as “TELUS”), manages its tax affairs, i.e. income, indirect and property taxes (collectively referred to as “Tax(es)” or “Taxation”), in all jurisdictions where TELUS operates. TELUS Taxation’s business professionals deliver the best solutions for TELUS and our customers, managing TELUS’ Tax risk in a manner that is conservative, ethical, transparent and collaborative while complying with all applicable Tax laws and regulations.

Tone from the Top

At TELUS our goal is to demonstrate the highest level of ethics and integrity in our business dealings with all stakeholders (including our customers, shareholders, suppliers, colleagues, communities and governments). All members of the TELUS team are required to act honestly in all dealings, comply with laws and regulations governing our businesses and maintain an ethical working environment.¹



Team

TELUS:

- Hires qualified tax professionals who maintain an up to date knowledge of all relevant Tax law/jurisprudence and/or related Tax accounting pronouncements;
- Applies high ethical standards at all times in dealing with Taxation matters;
- Applies diligent professional care and judgement to arrive at well-reasoned conclusions. All advice and solutions should be clear, timely, relevant, business-focussed and value-added;
- Complies with all anti-bribery and anti-corruption laws;²
- Requires that all decisions are taken at an appropriate level and are supported with documentation that evidences the facts, conclusions and any significant risks involved. Our Tax Strategy is aligned with the business strategy and the tax function, operations and activities are aligned with the Tax Strategy;
- Maintains an efficient and effective legal and business structure, driven by commercial considerations aligned with business activities and which has genuine substance; and
- Provides the TELUS Taxation team with the necessary resources to execute this Tax Strategy.

At TELUS, we
not only do things
right, but we should
strive to do the
right things.



1. TELUS' Code of Ethics and Conduct can be found at <https://www.telus.com/en/about/policies-and-disclosures/code-of-ethics-and-conduct>

2. TELUS' Anti-Bribery and Corruption Policy can be found at https://assets.ctfassets.net/rz9m1rynx8pv/1U3eY6RkxRT9lpSYtQiq/2d2b33b2315c391cfff5484fda305e0e/TELUS_Anti-Bribery_and_Corruption_Policy.pdf

Tax Authorities

Wherever possible, we seek to develop an open and constructive working relationship by:

- Proactively manage the relationship with the tax authorities;
- Undertake all dealings with tax authorities, government officials, ministers and other third parties following established procedures and channels in a professional, transparent, courteous and timely manner; and
- Provide the tax authorities with timely access to all relevant facts regarding our Tax matters.

Tax Incentives

TELUS may seek to benefit from tax incentives in accordance with the relevant statutory framework by Government authorities to support investment, employment, social, environmental or economic development, e.g. Scientific Research and Experimental Development claims.

Supporting Effective Tax Systems

TELUS supports effective tax systems by engaging with both local and international dialogue with industry groups, governments and other international organizations to contribute to the development of sustainable and effective tax systems, regulations and administration.

Business Structure

TELUS pays taxes on its profits according to where value is created in the normal course of commercial activity. TELUS will not seek to create a wholly owned legal entity in a “tax haven” country. There is no commonly accepted definition of a “tax haven”. We define a “tax haven” as a country that only shares limited or no financial information with foreign tax authorities and has a statutory general corporate taxation rate of less than 10%. We will not transfer value created to a legal entity located in a “tax haven”.

Tax Risk Management

To manage its Tax risk, TELUS:

- Pays its fair share of Taxes by paying the amount of Tax legally due in accordance with the laws and jurisprudence at the time and seeks to file all tax returns and related information returns on an accurate and timely basis;
- Monitors changes to Tax law and jurisprudence to ensure continued compliance;
- Manages the Tax function centrally headed by a Vice President, Taxation to maintain a consistent standard to mitigate Tax risk;
- Maintains internal controls over financial reporting of Taxes to assure there are no deficiencies or material weaknesses in the financial reporting of Taxes;
- The TELUS Taxation team actively engages with the business to ensure compliance and mitigate Tax risk, carrying out clear risk management procedures and assessments before entering into any significant transaction or reorganization;
- Reviews the Tax Strategy annually with oversight and approval from the Board of Directors;
- Provides ongoing updates, via the Vice President, Taxation, regarding tax risks and adherence to the Tax Strategy to the Audit Committee on a quarterly basis, with oversight and direction from the Executive Vice-President and Chief Financial Officer and other members of management where appropriate;
- Communicates the Tax Strategy within the organization and actively manages adherence to the Tax Strategy, reporting any material risks to the Audit Committee;
- Considers the i) facts, ii) Tax law/ jurisprudence technical merits, iii) financial return/risk, iv) brand reputation, and v) corporate and social responsibility when deciding any Tax position. TELUS does not knowingly take a Tax position that is:
 - Not at the very least “more likely than not” to prevail in the courts, or
 - Designed to artificially reduce Tax, such as through abusive Tax shelters or other evasive practices;
- Adopts best practices in complying with the “arm’s length standard” in relation to transfer pricing laws/jurisprudence, as supplemented by the Organisation for Economic Co-operation and Development Transfer Pricing Guidelines to only apply transfer pricing as necessary to support business functions;
- Engages with tax authorities positively, in the event of any differences in opinion arising from inherent uncertainties in tax law, while defending our Tax positions where we believe we are applying the relevant law/ jurisprudence appropriately; and
- Seeks professional third-party Tax assistance to supplement our in-house team of professionals, including to provide expert opinions or to assist in dispute resolution and litigation when necessary.

