

Pension Committee report

Committee members

Stockwell Day (Chair) ✓
 Ray Chan ✓
 Lisa de Wilde ✓
 John Manley ✓
 Marc Parent¹ ✓
 100% independent ✓

4 meetings in 2018

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

2018 Committee highlights

Orientation

- An orientation session was held for Marc Parent, which focused specifically on the roles and responsibilities of the Committee and its various governance practices.

Asset liability study

- Conducted an asset liability study of the Pension Plans to facilitate a better understanding of strategy and policy choices for funding, investment, risk transfers, contribution holidays and benefit enhancements
- The study made a number of recommendations, most notably (i) to have plan-specific asset allocations to be achieved through the creation of a second master trust, and (ii) to amend the funding policy for the defined benefit pension plans to improve the clarity on contribution and benefit decisions when in a funding surplus
- These recommendations will be implemented over the next few years.

Governance and oversight of Pension Plans

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

- The Defined Benefit Pension Plans' investment goals and objectives and long-term asset mix policy
- An annual report, including annual financial statements and audit reports prepared by the external auditors, for each of the Defined Benefit Pension Plans
- An audit scope report
- An annual update on developments in pension law
- Reports from the actuary of the Pension Plans, including the assumptions and results
- Pension Plan budgets, including Plan expenses and peer plan results
- Quarterly and annual investment results measured against plan benchmarks and liabilities and including an in-depth review of a feature asset class at each meeting
- Pension 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
- Review of the membership statistics and investment program for the Defined Contribution Pension Plans
- A cost of living adjustment grant for the TELUS Corporation Pension Plan
- Management presentations on the topics of Governance Survey and Pension Investment's four-year strategic plan
- Presentation by service providers on asset liability studies and the world economy.

Signed, the members of the Pension Committee


 Stockwell Day (Chair)


 Ray Chan


 Lisa de Wilde


 John Manley


 Marc Parent

¹ Marc Parent became a member of the Pension Committee effective November 6, 2018.