

TELUS Corporation (the “Company”) is the sponsor and administrator of the Pension Plan for Management and Professional Employees of TELUS Corporation, the TELUS Defined Contribution Pension Plan, the TELUS Edmonton Pension Plan, the TELUS Corporation Pension Plan, the TELUS Corporation Pension Plan for Employees of TELUS Communications (Québec) Inc., any successor plans, related supplemental retirement arrangements as mandated by the Board, and any related trust funds (the “Pension Plans”). The Board is responsible for the management and administration of the Pension Plans.

The Board has established a Pension Committee (the “Committee”) to oversee the administration, financial reporting and investment activities of 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, investment policy, the performance of the investment portfolios and compliance with government legislation.

**1. Membership**

- 1.1. The Committee will consist of a minimum of three members, including the Chair of the Committee. The Board, on the recommendation of the Corporate Governance Committee, will appoint and remove the members of the Committee by a majority vote. The members will sit on the Committee at the pleasure of the Board.
- 1.2. The Board, on the recommendation of the Corporate Governance Committee, will appoint the chair of the Committee from the Committee’s members by a majority vote. The chair of the Committee will hold such position at the pleasure of the Board.
- 1.3. A majority of the members of the Committee will be Independent Directors.

**2. Meetings**

- 2.1. The Committee will meet at least once each quarter and otherwise as necessary. Any member of the Committee may call meetings of the Committee.
- 2.2. All directors of the Company, including management directors, may attend meetings of the Committee provided, however, that no director is entitled to vote at such meetings and is not counted as part of the quorum for the Committee if he or she is not a member of the Committee.
- 2.3. The Corporate Secretary or his or her nominee will act as Secretary to the Committee.
- 2.4. The Committee should hold an in-camera session without management present, including management directors, as a regular feature of each regularly scheduled Committee meeting.
- 2.5. The Committee will report to the Board on its meetings and each member of the Board will have access to the minutes of the Committee’s meetings, regardless of whether the director is a member of the Committee.

**3. Quorum**

- 3.1. The quorum necessary for the transaction of business at Committee meetings will be a majority of the members of the Committee. A quorum once established is maintained even if members of the Committee choose to leave the meeting prior to conclusion.

**4. Duties**

Subject to the Articles of the Company and the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board in respect of each Pension Plan. These delegated powers and duties are subject to exceptions and limitations in certain instances where the Pension Plan documents concerned provide that certain powers and duties are assigned to various parties other than the Board or the Company, including but not limited to the trustees elected or appointed from time to time with respect to the TELUS Corporation Pension Plan.

**4.1. Plan Design**

- (a) Initiation, Change and Termination of Pension Plan – The Committee will review and recommend to the Board for approval all decisions to initiate, merge, terminate, and/or otherwise fundamentally change the nature of the pension arrangement for all Pension Plans.
- (b) Appointment of Trustee(s) – The Committee will review and recommend to the Board for approval the appointment of the trustee(s) for each Pension Plan.
- (c) Trust Agreement – The Committee will review and recommend to the Board for approval any trust agreement between the Company as the sponsor of a Pension Plan and the trustee(s).
- (d) Plan Text – The Committee will approve the plan text and any restatement of the plan text for all Pension Plans.
- (e) Plan Amendments - The Committee will approve all amendments to the Pension Plans that, in the opinion of the actuary, affect the cost of pension benefits. It may delegate the approval of other amendments that do not involve pension costs and/or are required to maintain the registration of the plans under applicable laws to the Management Committee.

**4.2. Pension Governance**

- (a) Governance Structure – The Committee will review at least every five years the governance structure for the Pension Plans which sets out the major decision-making bodies and the mandate, scope, duties and responsibilities of those decision-making bodies and recommend any amendments thereto to the Board for approval.

- (b) Terms of Reference of the Board – The Committee may review and recommend to the Corporate Governance Committee of the Board for its consideration and recommendation to the Board the Terms of Reference of the Board with respect to the management and administration of the Pension Plans.
- (c) Terms of Reference of the Pension Committee – The Committee will review at least annually, and evaluate the adequacy of, Appendix H - Terms of Reference for the Pension Committee and the Committee's performance and report its evaluation and any recommendations for change to the Corporate Governance Committee of the Board.
- (d) Terms of Reference of the Chief Financial Officer of the Company – The Committee will periodically review and approve the Terms of Reference of the Chief Financial Officer of the Company with respect to the management and administration of the Pension Plans.
- (e) Terms of Reference of the Management Pension Committee - The Committee will periodically review and approve the Terms of Reference of the Management Pension Committee, and monitor compliance of the Management Pension Committee with its Terms of Reference.
- (f) Terms of Reference of Pension Advisory Councils – The Committee will periodically review and approve the Terms of Reference of the pension advisory councils established by the Company and monitor compliance of the pension advisory councils with their Terms of Reference.
- (g) Monitoring and Reporting Framework – The Committee will establish a monitoring and reporting framework which specifies the major reports and documents that the various decision-making bodies will receive in order to fulfill their responsibilities with respect to the management and administration of the Pension Plans.

4.3. Valuation and Funding

- (a) Funding Policy – The Committee will review and recommend to the Board for its approval, at least every five years, a funding policy which sets out guidelines with respect to the valuation and funding of the liabilities of the defined benefit Pension Plans.
- (b) Major Actuarial Assumptions - The Committee shall review, at least annually, the major actuarial assumptions for the valuation and funding of the liabilities of the defined benefit Pension Plans, as approved by the Chief Financial Officer of the Company.

- (c) Pension Contributions – The Committee will review, at least annually, the contributions to the pension funds of defined benefit Pension Plans, as approved by the Chief Financial Officer of the Company.

4.4. Risk Management

- (a) Goals, Objectives and Asset Mix Policy for Defined Benefit Pension Plans – The Committee will establish, and periodically review, the goals, objectives and long-term asset mix policy for defined benefit Pension Plans, in terms of the proportion of the assets to be invested in various asset classes on average over the long term.
- (b) Goals, Objectives and Investment Program for Defined Contribution Pension Plans – The Committee will establish, and periodically review, the goals, objectives and investment program for defined contribution Pension Plans, in terms of the number and types of investment options to be offered to the members of the plans.

4.5. Investment Philosophy

- (a) Statement of Investment Principles and Beliefs – The Committee will establish, and periodically review, a Statement of Investment Principles and Beliefs (the “SIP&B”) which sets out the fundamental assumptions and rationale underlying the development of investment policies and the management of the assets of the defined benefit and defined contribution pension plans.

4.6. Investment Policies and Management

- (a) Statement of Investment Policies & Procedures - The Committee will review, at least annually, the Statement of Investment Policies and Procedures (the SIP&P”) for each Pension Plan approved by the Management Pension Committee for compliance with the investment principles and beliefs as set out in the SIP&B.

4.7. Communication and Education

- (a) Defined Contribution Pension Plan Member Communication and Education Policy – The Committee will review periodically the Member Communication and Education Policy approved by the Management Committee.

4.8. Operations and Implementation

- (a) Pension Expense Policy – The Committee will approve and periodically review a Pension Expense Policy which sets out guidelines for the payment of expenses incurred in the management and administration of the Pension Plans from the assets of the pension funds.

- (b) Internal Controls Policy – The Committee will establish and periodically review an Internal Controls Policy on the appropriate financial and operating controls and procedures necessary to safeguard the assets of the Pension Plans and maintain the integrity of pension payments. It will undertake an internal audit of these controls and procedures as required but in any event at least every three to five years and it will make such changes to the controls and procedures that the Committee determines are necessary as a result of the audit.
- (c) Pension Administration Policy – The Committee will periodically review the Pension Administration Policy approved by the Management Pension Committee, in order to ensure that it sets out appropriate guidelines for the effective administration of the Pension Plans.
- (d) Appointment of Auditor - The Committee will appoint the external auditor of the Pension Plans.
- (e) Appointment of Actuary – The Committee will appoint the actuary of the Pension Plans.

4.9. Review and Approval

- (a) The Committee will periodically review the Monitoring and Reporting Framework, as well as all documents, policies and appointments approved by the Committee and make any amendments or changes thereto.

4.10. Miscellaneous

- (a) The Committee will have such other duties and responsibilities that are delegated to it and review such other matters as are from time to time referred to it by the Board.

**5. Accountability**

- 5.1. The Committee in addition to its report to the Board as soon as practicable following every Committee meeting, will also submit an annual report which will contain audited financial statements and a summary of investment performance for each Pension Plan.

**6. Outside Advisors**

- 6.1. The Committee may engage outside advisors, at the expense of the Company, to provide advice with respect to a corporate decision or action.

**7. Authority**

- 7.1. The Committee, in fulfilling its mandate, will have the authority to:

## **APPENDIX H – TERMS OF REFERENCE FOR THE PENSION COMMITTEE**

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- (a) communicate directly with any member of Management as the Committee deems appropriate;
- (b) delegate tasks to Committee members or subcommittees of the Committee; and
- (c) access appropriate funding as determined by the Committee to carry out its duties.