

Edgar Filing: TELUS CORP - Form 6-K

TELUS CORP  
Form 6-K  
April 11, 2003

Form 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of  
the Securities Exchange Act of 1934

For the month of April 2003

(Commission File No. 000-24876)

TELUS Corporation  
(Translation of registrant's name into English)

21st Floor, 3777 Kingsway  
Burnaby, British Columbia V5H 3Z7  
Canada  
(Address of principal registered offices)

Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F:

Form 20-F \_\_\_\_\_ Form 40-F X

Indicate by check mark whether the registrant by furnishing the information  
contained in this Form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of  
1934.

Yes \_\_\_\_\_ No X

This Form 6-K consists of the following:

TELUS Corporation Information Circular  
Dated March 14, 2003

evolving our business  
delivering on our strategy

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notice of annual and special general meeting  
information circular 2003

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notice of annual and  
    special general meeting

Notice is hereby given that the annual and special general meeting (the "meeting") of the holders of the common shares and/or non-voting shares of TELUS Corporation (the "Company" or "TELUS") will be held on Wednesday, April 30, 2003 at 10:00 a.m. (Mountain Daylight Savings Time) at the TELUS Convention Centre, North Building, Second floor, Exhibition Hall C, 136 - 8th Avenue S.E., Calgary, Alberta. The purpose of the meeting is to:

1. receive the Company's 2002 audited consolidated financial statements together with the reports of the auditors on those statements;
2. elect directors of the Company for the next year;
3. appoint Deloitte & Touche LLP as auditors for the next year;
4. consider and, if thought fit, pass a special resolution authorizing

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- amendment of the Articles of the Company to allow a committee of directors to fill a vacancy of the auditors;
5. consider and, if thought fit, pass a special resolution authorizing amendment of the Articles of the Company respecting the quorum requirements for general meetings;
  6. consider and, if thought fit, pass, with or without variation, an ordinary resolution reconfirming and approving an amended and restated shareholder rights plan; and
  7. transact other business as may properly come before the meeting or any adjournment thereof.

The British Columbia Registrar of Companies has approved the Company's application to hold this meeting outside British Columbia. A copy of this order may be obtained upon request to TELUS' Corporate Secretary. Also, pursuant to the Company Act (British Columbia), advance notice of the meeting was published in the Vancouver Sun on February 14, 2003.

Dated at Vancouver, B.C. this 14th day of March, 2003.  
By order of the Board of Directors

James W. Peters  
Executive Vice-President, Corporate Affairs and Chief  
General Counsel and Corporate Secretary

Holders of common shares and/or non-voting shares of the Company who are unable to attend the meeting may vote by proxy. Simply sign and return a paper proxy or submit a telephone or Internet proxy by following the instructions in the information circular accompanying this notice.

To be valid, proxies must be received by TELUS' Corporate Secretary, c/o Computershare Trust Company of Canada at 9th floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, by 5:00 p.m. (local time) on April 28, 2003 or, if the meeting is adjourned, by 5:00 p.m. (local time) on the second-last business day prior to the date on which the meeting is reconvened.

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information  
circular

invitation to shareholders

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On behalf of the TELUS Board of Directors, management and employees, we invite you to join us at TELUS' annual and special general meeting (the "meeting"). This year, the meeting will be held:  
Date: Wednesday, April 30, 2003  
Time: 10:00 a.m. (Mountain Daylight Savings Time)  
Place: TELUS Convention Centre  
North Building, 2nd floor, Exhibition Hall C  
136 - 8th Avenue S.E., Calgary, Alberta

At the meeting, holders of common shares and/or non-voting shares ("shareholders") of TELUS will be asked to approve the business items in the notice of annual and special general meeting and this information circular. We will also update you on how TELUS is continuing to execute on its strategy and give you an update on the Company's current financial outlook. At the end of the meeting, a question and answer session will take place. At the reception following the meeting, you will have an opportunity to personally meet your directors and executives.

As a shareholder, your vote is very important to us and we encourage you to

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participate either in person or by proxy. If you cannot attend the meeting in person, we invite you to view our live Web cast at [telus.com/agm](http://telus.com/agm) at 10 a.m. on April 30.

We look forward to seeing you.

Sincerely,

Brian A. Canfield  
Chairman of the  
Board of Directors

Darren Entwistle  
President &  
Chief Executive Officer

March 14, 2003

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frequently asked  
questions on voting

Q Am I entitled to receive notice of the meeting and attend the meeting?

A Yes, if you are a shareholder as of March 14, 2003, which is the record date for the meeting. All shareholders, as of the close of business on that date, are entitled to receive notice of, attend and be heard at the meeting.

Q Am I entitled to vote and what am I voting on?

A If you were a holder of common shares as of the close of business on March 14, 2003, you are entitled to vote one vote per common share on the resolutions relating to:

- (i) electing directors for the next year;
- (ii) appointing the auditors for the next year;
- (iii) amending the Company's Articles to allow a committee of directors to fill a vacancy of the auditors;
- (iv) amending the Company's Articles respecting the quorum requirements for general meetings; and
- (v) reconfirming and approving the amended and restated shareholder rights plan.

If you were a holder of non-voting shares, as of the close of business on March 14, 2003, you are entitled to vote one vote per non-voting share on the resolution to reconfirm and approve the amended and restated shareholder rights plan, as your interests could be affected.

Q How can I vote my shares?

A You can vote your shares by either attending and voting your shares at the meeting or, if you cannot attend the meeting, by having your shares voted by proxy. How you exercise your vote depends on whether you are a registered or non-registered shareholder.

- \* You are a registered shareholder if you have a share certificate registered in your name.
- \* You are a non-registered shareholder if: (i) your shares are registered in the name of an intermediary (for example, a bank, a trustee or investment dealer) or the name of a clearing agency of which the intermediary is a participant, or (ii) you hold common shares through the Employee Share Purchase Plan.

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### Voting by attending the meeting

If you are a registered shareholder, you are entitled to attend the meeting and cast your vote in person.

If you are a non-registered shareholder, you are entitled to attend the meeting and cast your vote in person, provided you have submitted a properly executed proxy, inserting your name in the blank space provided and returning it in the envelope provided. When you arrive at the meeting, advise the registration staff that you are a proxy appointee. If you have received a voting instruction form, please follow the instructions on the form.

Royal Trust Corporation of Canada (the "Trustee") is the trustee of all shares (the "employee shares") held on behalf of members of the TELUS Employee Share Purchase Plan of the Company. Holders of employee shares are treated in the same manner as non-registered shareholders. If you hold employee shares, you are entitled to attend the meeting and cast your vote in person, provided you have submitted a properly executed proxy, inserting your name in the blank space provided and returning it according to the instructions on the form. When you arrive at the meeting, advise the registration staff that you are a proxy appointee.

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### Voting by proxy

How you vote by proxy depends on whether you are a registered shareholder, a non-registered shareholder or a holder of employee shares.

#### 1. Voting by proxy-registered shareholder

If you are a registered shareholder, you may vote your proxy in one of three ways:

- \* by paper proxy to be returned by mail or delivery,
- \* by telephone, or
- \* by Internet.

Whichever method you choose, your proxy must be received by TELUS' Corporate Secretary, c/o Computershare Trust Company of Canada (9th floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1), no later than 5:00 p.m. (local time) on April 28, 2003 or, if the meeting is adjourned, by 5:00 p.m., local time, on the second-last business day prior to the date on which the meeting is reconvened.

#### Proxy and voting by mail or delivery

To vote by mail or delivery, your paper proxy must be completed, signed and returned in accordance with the instructions on the paper proxy.

#### Proxy and voting by telephone

To vote by telephone, call the toll-free number shown on the proxy form provided. Using a touch-tone telephone to select your voting preferences, follow the instructions of the "vote voice" and refer to your holder account number and proxy access number provided on the proxy that was delivered to you by mail or e-mail.

Note that voting by telephone is not available if you wish to appoint a person as a proxy other than the persons named on the proxy form or if you wish to exercise your cumulative voting rights regarding the election of directors. In either of these instances, your proxy should be voted by mail, delivery, or Internet.

#### Proxy and voting by Internet

To vote your proxy by Internet, visit the Web site address as shown on the proxy form provided. Follow the on-line voting instructions given to you over the Internet and refer to your holder account number and proxy access number provided on the proxy that was delivered to you by mail or e-mail.

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### 2. Voting by proxy-non-registered shareholder

If you are a non-registered shareholder and you receive these materials through an investment dealer or other intermediary, complete and return the materials entitling you to vote, in accordance with the instructions provided to you by investment dealer or other intermediary.

If you hold employee shares, use one of the three voting procedures outlined above (mail, telephone or Internet) to direct the Trustee as to how your employee shares are to be voted at the meeting. The Trustee will deliver the proxy forms for use at the meeting for all votes to be cast at the meeting as indicated on all paper, telephone or Internet proxies. Computershare has agreed to act as the recipient of voting instructions by holders of employee shares received by proxy and will tabulate the results for the Trustee.

The voting rights attached to employee shares will be voted for or against or withheld from voting only in accordance with the specifications made by the employees. If a proxy is not received by Computershare on behalf of the Trustee according to the above procedures, the employee shares will not be voted by the Trustee.

For employee shares to be voted at the meeting by the Trustee or a duly appointed proxy, proxies must be received by TELUS' Corporate Secretary, c/o Computershare, (9th floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1) no later than 5:00 p.m. (local time) on April 28, 2003 or, if the meeting is adjourned, by 5:00 p.m. (local time) on the second-last business day prior to the date on which the meeting is reconvened.

If an employee holds common and non-voting shares (other than employee shares), another proxy must be completed to vote the shares, unless such employee attends the meeting and votes the shares in person.

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Q Who votes my shares?

A Each person named in the proxy to represent shareholders at the meeting is a director and/or officer of the Company. You can appoint someone else to represent you at the meeting; however, you must appoint that person by either paper proxy or Internet proxy by inserting his name in the appropriate space on the proxy form, or completing another acceptable paper proxy. The person you appoint does not need to be a shareholder but must attend the meeting in order for your vote to be cast.

Q How will my shares be voted if I return a proxy?

A By completing and returning a proxy, you are authorizing the person named in the proxy to attend the meeting and vote your shares on each item of business you are entitled to vote on, according to your instructions. If there are no instructions with respect to your proxy, common shares will be voted in favour of:

1. electing each person nominated by management as a director;
2. appointing Deloitte & Touche LLP as auditors of the Company;
3. amending the Articles of the Company to allow a committee of directors to fill a vacancy of the external auditors;
4. amending the Articles of the Company respecting the quorum requirements for general meetings; and,
5. reconfirming and approving the amended and restated shareholder rights plan.

If there are no instructions with respect to your proxy, your non-voting shares will be voted in favour of reconfirming and approving the amended and restated shareholder rights plan.

Q Can I revoke a proxy?

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A Yes, if you are a registered shareholder and have voted by paper, telephone or Internet proxy, you may revoke it by delivering a duly executed proxy by paper, telephone or Internet with a later date or a form of revocation of proxy. Paper proxies can be delivered to the registered office of the Company, c/o TELUS' Corporate Secretary, 3777 Kingsway, Burnaby, B.C. V5H 3Z7, any time up to and including April 29, 2003, or if the meeting is adjourned, on the business day preceding the date of the adjourned meeting.

Alternatively, you may revoke your proxy and vote in person, by delivering a form of revocation of proxy to the Chairman of the meeting at the meeting or any adjournment thereof. You may also revoke your proxy in any other manner permitted by law.

If you are a non-registered shareholder, you may revoke your proxy or voting instructions by contacting the individual who serves your account.

As a holder of employee shares, if you have provided your proxy (by paper, telephone or Internet) you may revoke it by delivering another proxy (by paper, telephone or Internet) with a later date or a form of revocation of proxy, at any time up to and including the second last business day preceding the day of the meeting or any adjournment thereof.

Q Who has discretionary authority to vote on amendments or variations to any of the business items and on any other matter that may properly come before the meeting?

A Your voting instructions provided by paper, telephone or Internet proxy give discretionary authority to the person you appoint to vote as he sees fit on any amendment or variation to any of the matters identified in the notice of meeting and any other matters that may properly be brought before the meeting. As of March 14, 2003, neither the Board of directors nor management of the Company is aware of any variation, amendment or other matter to be presented for a vote at the meeting.

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Q Is my vote by proxy confidential?

A Yes, your vote by proxy is confidential. Proxies are received, counted and tabulated by our transfer agent, Computershare Trust Company of Canada ("Computershare"), in a way that preserves the confidentiality of individual shareholders' votes, except:

- \* as necessary to meet the applicable legal requirements;
- \* in the event of a proxy contest; or
- \* in the event a shareholder has made a written comment on the proxy.

Q Who is soliciting my proxy?

A Your proxy is being solicited on behalf of TELUS management. The solicitation of proxies will be made either by mail to your latest address shown on the register of shareholders or by electronic mail to your e-mail address that you provided.(1)

The cost of solicitation is paid for by the Company.

Q What are the quorum requirements for the meeting and how many common shares and non-voting shares are outstanding?

A A quorum at the meeting will consist of at least two persons present and/or represented by proxy, being shareholders that hold not less than 1/20 (5 per cent) of the issued and outstanding shares entitled to be

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voted at the meeting. One of the items of business is to amend these quorum requirements. On February 28, 2003, the Company had 188,114,132 common shares and 158,899,604 non-voting shares issued and outstanding.

Q Does any shareholder beneficially own 10 per cent or more of the common shares and/or non-voting shares that are outstanding?

A Yes, Verizon Communications Inc. ("Verizon"), through Anglo-Canadian Telephone Company ("Anglo- Canadian") owned 48,551,972 common shares representing approximately 25.8 per cent of the issued and outstanding common shares and 24,908,020 non-voting shares representing approximately 15.7 per cent of the issued and outstanding non-voting shares on February 28, 2003. Anglo-Canadian is 100 per cent directly and indirectly beneficially owned and controlled by Verizon. To the knowledge of the directors and senior officers of TELUS, on February 28, 2003, no other persons beneficially own, directly or indirectly, or exercise control or direction over, common shares or non-voting shares carrying more than 10 per cent of the voting rights attached to all common shares or non-voting shares entitled to be voted at the meeting.

Q What if I have a question?

A If you have any questions regarding the meeting, please contact Computershare:

\* by phone: 1-800-558-0046 (toll-free within North America)  
1-514-982-7270 (outside North America)  
\* by fax: (416) 263-9394  
\* by e-mail: [telus@computershare.com](mailto:telus@computershare.com)  
\* by mail: Computershare Trust Company of Canada  
9th floor, 100 University Avenue  
Toronto, Ontario, M5J 2Y1

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### Restriction on ownership of shares

On October 25, 1994, the Canadian Telecommunications Common Carrier Ownership and Control Regulations (the "Telecommunications regulations") were adopted under the Telecommunications Act (Canada) (the "Telecommunications Act"). To maintain the eligibility of certain of its subsidiaries which are Canadian common carriers under the Telecommunications Act, the level of non-Canadian ownership of the common shares cannot exceed 33 1/3 per cent and the Company must not be otherwise controlled by non-Canadians. The Telecommunications regulations give carrier-holding corporations of Canadian common carriers certain powers to monitor and control the level of non-Canadian ownership of voting shares. As a carrier-holding corporation, the powers and constraints of the Telecommunications regulations have been incorporated into the Articles of the Company. The powers include the right to: refuse to register a transfer of voting shares to a non-Canadian; require a non-Canadian to sell any voting shares; convert voting shares to non-voting shares; and suspend the voting rights attached to the voting shares. The Company monitors the level of non-Canadian ownership of its common shares and periodically reports thereon to the Canadian Radio-television and Telecommunications Commission.

### Non-voting shares

Subject to the prior rights of the holders of first preferred shares and second preferred shares of the Company, holders of non-voting shares are entitled to participate equally with the holders of common shares with respect to the payment of dividends and the distribution of assets of the Company on the liquidation, dissolution or winding up of the Company. The non-voting shares cannot be subdivided, consolidated, reclassified or otherwise changed unless the common shares are changed in the same manner. Generally, the holders of



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non-voting shares are entitled to receive notice of, attend and be heard at all general meetings of the Company and are entitled to receive all notices of meetings, information circulars and other written information from the Company that the holders of common shares are entitled to receive from the Company, but are not entitled to vote at such general meetings unless otherwise required by law. The holders of non-voting shares are entitled to vote at the meeting on the resolution to ratify, reconfirm and approve the amended and restated shareholder rights plan because their interests could be affected. To ensure that the holders of non-voting shares can participate in any offer made to holders of common shares (but that is not made to the holders of non-voting shares on the same terms), the offer must, by reason of applicable securities legislation or the requirements of the stock exchanges on which the common shares are listed, be made to all or substantially all the holders of common shares who are in any province of Canada to which such requirements apply (an "exclusionary offer"). Each holder of non-voting shares will, for the purposes of the exclusionary offer only, be permitted to convert all or part of the non-voting shares held into an equivalent number of common shares during the applicable conversion period. In certain circumstances (namely, the delivery of certificates, at specified times, by holders of 50 per cent or more of the issued and outstanding common shares to the effect that they will not, among other things, tender to such exclusionary offer or make an exclusionary offer), these conversion rights will not come into effect. If the Telecommunications Act and Telecommunications regulations are changed so that there is no restriction on non-Canadians holding common shares, holders of non-voting shares will have the right to convert all or part of their non-voting shares into common shares on a one-for-one basis. The Company will have the right to require holders of non-voting shares who do not make such an election to convert such non-voting shares into an equivalent number of common shares.

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business of  
the meeting

1. Report of the directors and consolidated financial report  
The report of management and the audited consolidated financial statements for the year ended December 31, 2002, including management's discussion and analysis (MD&A), are contained in the Annual Report of the Company which accompanies this information circular.

2. Election of directors

### General

The current directors were elected by the holders of common shares on May 1, 2002. Michael T. Masin and Fares F. Salloum were both Verizon nominees on the TELUS Board, and each of them resigned as a director of TELUS when he resigned from his position at Verizon. Alfred C. Giammarino was appointed by the Board of directors to replace Michael T. Masin, effective October 4, 2002. Daniel C. Petri was appointed by the Board of directors to replace Fares F. Salloum on October 30, 2002. Also, Geraldine B. Sinclair and Pierre Choquette resigned as directors of TELUS, effective November 10, 2002 and November 19, 2002, respectively, due to the demands of their other business interests. Currently, there are 13 directors on the TELUS Board. Lawrence A. Pentland has decided not to stand for re-election to the TELUS Board. G.N. (Mel) Cooper has reached the retirement age for directors and will not be standing for re-election.

TELUS thanks all of the directors who have resigned or will not be standing for re-election for their hard work, dedication and contributions to the TELUS Board.

The Articles of the Company provide for cumulative voting in respect of the election of directors. The Board has determined that the number of directors should be set at 12. Accordingly, at the meeting, each holder of common shares can cast the number of votes for election of directors equal to

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the number of common shares held by him multiplied by 12, being the number of directors to be elected. Each holder of common shares may cast all such votes in favour of one candidate or distribute the votes among the candidates in any manner. If a holder of common shares votes for more than one candidate without specifying the distribution of the votes among the candidates, the votes will be distributed equally among the candidates voted for by that holder of common shares. If at the meeting, the number of candidates nominated for directors exceeds the number of directors to be elected, the candidate who receives the least number of votes will be eliminated until the number of candidates remaining equals the number of positions to be filled. Unless the holder of common shares specifies that the proxy be withheld from voting on the election of all or any of the directors, or indicates that such holder wishes to exercise cumulative voting rights, the persons named in the accompanying proxy (the "management proxyholders") intend to vote for the election of all nominees for directors whose names are set forth in the table on pages 9 to 11. If a holder of common shares wishes to distribute votes other than equally among the candidates for whom the holder of common shares has directed the person designated in the proxy to vote, the holder of common shares must do so personally at the meeting or by another paper or Internet proxy, providing clear instructions on how the holder's votes are to be allocated.

Management believes that all nominees are able to serve as a director. If, prior to the meeting, any nominee is unable or unwilling to serve, the management proxyholders, unless directed to withhold the common shares from voting for the election of directors, reserve the right to vote for another nominee or nominees in their discretion if additional nominations are made at the meeting. Unless his office is vacated in accordance with applicable law or the Articles of the Company, each director elected at the meeting will hold office until the next annual meeting or until his successor is elected or appointed. The Board of directors intends to further enhance diversity on the Board by adding one more director but does not expect to conclude a director search in this regard until after the meeting.

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The following table provides the name and background information of each nominee, including present principal occupation, principal occupations during the past five years and positions held with the Company.

-----  
R.H. (Dick) Auchinleck  
Calgary, Alberta  
Age: 52  
Director Since(1): New Nominee  
Shareholdings(2): 400/6000  
DSUs(3): 0/0  
Options(4): 0/0

R.H. (Dick) Auchinleck was employed by Gulf Canada, an oil and gas company, for 25 years, retiring in 2001 as President and Chief Executive Officer of Gulf Canada Resources after the sale of the company to Conoco Inc. He continues an association with the company as a member of the Conoco-Philips Board. From 1999 to 2001, he was the President and Chief Executive Officer of Gulf. From 1995 to 1999 he held the position of Senior Vice-President and Chief Operating Officer of Gulf. He is also a member of the Board of Directors of Sonic Mobility and Plurion Systems. He received a Bachelor of Applied Science in Chemical Engineering from the University of British Columbia. Dick is expected to serve on the TELUS Audit Committee ("Audit Committee").

-----  
R. John Butler  
Edmonton, Alberta  
Age: 59  
Director Since(1): 1995

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Shareholdings(2): 984/3,423  
DSUs(3): 0/0  
Options(4): 2,487/3,050/2,700

R. John Butler, Q.C. is counsel to Bryan & Company, a law firm. John served on the Board of ED TEL (Edmonton Telephones) prior to its acquisition by TELUS Corporation, and on the Board of TELUS prior to its 1999 merger with BC TELECOM. He is a member of the Board of Directors of Trans Global Insurance Company, Trans Global Life Insurance Company and Edmonton Eskimos Football Club. John currently is Chair of the TELUS Pension Committee and a member of the TELUS Corporate Governance Committee ("Governance Committee").

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Brian A. Canfield(5)  
Point Roberts, Washington  
Age: 64  
Director Since(1): 1993  
Shareholdings(2): 9,718/5,509  
DSUs(3): 4,279/0  
Options(4): 245,800/175,585/5,400

Brian A. Canfield is the Chairman of TELUS Corporation. His career with BC TEL spans nearly 47 years, including four years as Chairman and Chief Executive Officer of BC TELECOM, and three years as President and Chief Operating Officer. He also served as President and Chief Executive Officer of TELUS on an interim basis from September 1999 to July 2000, after which he resumed his role as Chairman. He is a member of the Board of Directors of BC Gas Inc., Terasen Pipelines (Trans Mountain) Inc., Suncor Energy Inc. and the Toronto Stock Exchange. In 1997, Brian was named an honorary Doctor of Technology by the British Columbia Institute of Technology, and in 1998 was appointed to the Order of British Columbia. Brian currently serves on the TELUS Pension Committee ("Pension Committee").

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Peter D. Charbonneau  
Ottawa, Ontario  
Age: 49  
Director Since(1): 2001  
Shareholdings(2): 3,658/0  
DSUs(3): 0/0  
Options(4): 0/0/2,700

Peter D. Charbonneau is a partner in Skypoint Capital, an Ottawa-based venture capital firm focused on early-stage investments in telecommunications technology companies. Peter began his career with Deloitte & Touche. He then joined Newbridge Networks as Chief Financial Officer in 1987. He subsequently became President and Chief Operating Officer in 1996, and Vice Chairman from June 1998 to May 2000. Peter served as Executive Vice-President of March Networks from June 2000 to January 2001, and retains an advisory role with the company. He is a chartered accountant and has an MBA from the University of Western Ontario. Peter currently serves on the Audit Committee.

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Darren Entwistle  
Vancouver, British Columbia  
Age: 40  
Director Since(1): 2000  
Shareholdings(2): 11,050/71,468  
Options(4): 350,000/758,280  
RSUs(6): 148,579

Darren Entwistle assumed the position of President and Chief Executive Officer of TELUS Corporation on July 10, 2000. He began his career at Bell Canada in 1988 and joined Mercury Communications Ltd. in 1993 in the UK, holding key positions in corporate finance and strategy. He then moved to Cable & Wireless

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plc as Merger Director and implemented the largest merger in UK history and the world's first four-way merger, involving cable-TV and telecom companies. He subsequently was Managing Director, Business of Cable & Wireless Communications plc from May 1997 to August 1999, Chief Commercial Officer of Cable & Wireless, UK & Europe, from August 1999 to April 2000, and President, Global Services of Cable & Wireless, UK & Ireland, from May 2000 to July 2000. Darren holds an MBA in finance from McGill University and a diploma in network engineering from the University of Toronto. Darren is a member of the Board of Directors of The Toronto-Dominion Bank and the Vancouver 2010 Bid Corporation.

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Alfred C. Giammarino(5)  
Wilton, Connecticut  
Age: 47  
Director Since(1): 2002  
Shareholdings(2): 0/0  
DSUs(3): 0/0  
Options(4): 0/0

Alfred C. Giammarino is the Senior Vice-President and Chief Financial Officer of Verizon International and Verizon Information Services, subsidiaries of Verizon Communications Inc., a holding company of a consolidated group of telecommunications companies. In addition, he is responsible for the management of Verizon Airfone and oversees all of Verizon's investments in Europe and Asia. Before the merger of GTE and Bell Atlantic to form Verizon in June 2000, Al served as Senior Vice-President-International Finance, Planning and Business Development for GTE Corporation since July 1998. Prior to that, he served as Vice-President of Finance and Planning for GTE Telecommunications Products and Services. He is a member of the Board of Directors of the following international affiliates of Verizon: Telecomunicaciones de Puerto Rico Inc., Compania Anonima Nacional Telefonos de Venezuela, Grupo Iusacell, S.A. de C.V. (Mexico) and Vodafone Omnitel, N.V. (Italy). Al currently serves on the Audit Committee.

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Iain J. Harris  
Vancouver, British Columbia  
Age: 57  
Director Since(1): 1997  
Shareholdings(2): 750/250  
DSUs(3): 4,717/7,313  
Options(4): 0/3,050/2,700

Iain J. Harris is Chairman of BC Gas Inc. and Chairman and Chief Executive Officer of Summit Holdings Ltd., a private holding and investment company. From 1982 to 1995, he was President and Chief Executive officer of AirBC Limited. Prior to that, he was Vice-President of Finance and Administration of the Jim Pattison Group, one of the largest private companies in Canada. He is a recipient of the Governor General's Commemorative Medal for his community and public service. Iain currently is Chair of the Audit Committee.

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John S. Lacey  
Don Mills, Ontario  
Age: 59  
Director Since(1): 2000  
Shareholdings(2): 8,044/0  
DSUs(3): 0/0  
Options(4): 0/0/2,700

John S. Lacey became the Chairman of the Board of Directors of Alderwoods Group, Inc. (emergent company of Loewen Group), an organization operating funeral homes and cemeteries within North America and the UK, on January 2,

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2002. From January 1999 to January 2002, John was the Chairman of the Board of Directors of Loewen Group, of which he was a director from December 1998. From July 1998 to November 1998, he was President and Chief Executive Officer of The Oshawa Group Ltd. in Toronto, Ontario. From November 1996 to July 1998, he was President and Chief Executive Officer of WIC Western International Communications in Vancouver, British Columbia. Prior to that, John served as President and Chief Executive Officer of Scott's Hospitality Inc. from 1990 to 1996. In addition to TELUS, he is an Advisory Board Member of Tricap, a director of Cancer Care Ontario and is currently the Chairman of Doncaster Racing Inc. and Doncaster Consolidated Ltd. John currently is the Chair of the TELUS Human Resources and Compensation Committee ("Compensation Committee") and a member of the Governance Committee.

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Brian F. MacNeill  
Calgary, Alberta  
Age: 63  
Director Since(1): 2001  
Shareholdings(2): 1,000/0  
DSUs(3): 0/5,270  
Options(4): 0/0/2,700

Brian F. MacNeill retired as Chief Executive Officer of Enbridge Inc. on January 1, 2001. He directed Enbridge as Chief Executive Officer from 1990 until his retirement. Prior to that he was Executive Vice-President and Chief Operating Officer of Interprovincial Pipe Line Inc. (now Enbridge Inc.). Brian has also held financial positions with Interhome Energy Inc., Home Oil Company Limited and Hiram Walker Resources Ltd. He is currently Chairman of Petro-Canada and a director of The Toronto-Dominion Bank, Dofasco Inc., Western Oil Sands Inc., West Fraser Timber Co. Ltd., Veritas DGC Inc. and Sears Canada Inc. He is a member of the Governance Committee and Pension Committee.

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Daniel C. Petri(5)  
Bedford, New York  
Age: 54  
Director Since(1): 2002  
Shareholdings(2): 0/0  
DSUs(3): 0/0  
Options(4): 0/0

Daniel C. Petri is Group President, International, for Verizon Communications Inc., the holding company of a consolidated group of telecommunications companies. Verizon was formed by the merger of GTE and Bell Atlantic in June 2000. He is responsible for Verizon's wireless and wireline operations in Mexico, Venezuela, the Dominican Republic, Puerto Rico and Canada. Prior to this appointment, Dan served as President, International-Europe and Asia from July 2000 to October 2002 and was responsible for wireless and wireline operations in those markets. During his telecommunications career of more than 30 years, Dan has held a number of key positions in domestic and international operations. He is a member of the Board of Telecom Asia, Iusacell, Codetel, CANTV, and is the Chair of the Business Council for International Understanding. Dan currently serves as a member of the Compensation Committee.

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Ronald P. Triffo  
Edmonton, Alberta  
Age: 63  
Director Since(1): 1995  
Shareholdings(2): 1,567/522  
DSUs(3): 6,128/12,415  
Options(4): 2,487/4,100/2,700

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Ronald P. Triffo is the Chairman of Stantec Inc., an engineering and international professional services company where he served in various executive management positions for more than 20 years. He is a past President of the Consulting Engineers of Alberta and the Association of Consulting Engineers of Canada. He served as a director and board chairman of ED TEL prior to its acquisition by TELUS Corporation. He is currently Chairman and director of Alberta Treasury Branches. Ron is the private-sector Co-Chair of the Alberta Economic Development Authority. He also serves on the Board of the Alberta Ingenuity Fund, the Advisory Councils of the Faculties of Business and Medicine at the University of Alberta, the Council of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, and the Board of Governors of Junior Achievement of Northern Alberta. Ron is currently the Vice Chairman of TELUS, and Chair of the Governance Committee and a member of the Pension Committee.

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 Donald P. Woodley  
 Mono Township, Ontario  
 Age: 57  
 Director Since(1): 1998  
 Shareholdings(2): 3,668/437  
 DSUs(3): 0/0  
 Options(4): 0/3,050/2,700

Donald P. Woodley is the President of The Fifth Line Enterprise, a privately held company providing strategic advisory services to the Canadian IT industry. From February 1997 to September 1999, he was President of Oracle Corporation Canada Inc. and from 1987 to February 1997, President of Compaq Canada Inc. He currently serves on the Board of Directors of DataMirror Corporation, Onx Enterprise Solutions Inc. and several private companies. Don is a member and Past Chair of the Board of Governors of ITAC (Information Technology Association of Canada) and is currently Chair of the Board of Governors of The Stratford Festival of Canada, and a member of the Development Council of the Toronto Hospital for Sick Children. He holds a Bachelor of Commerce from University of Saskatchewan and an MBA from the University of Western Ontario. Don currently serves as a member on the Compensation Committee and Pension Committee.

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Board and committee meetings held and attendance by directors for the year ended December 31, 2002

Number of Board and  
committee meetings held

Attendance of directors

-----  
 Board of Directors: 11

|                               | Director                    | Board mee<br>attended |
|-------------------------------|-----------------------------|-----------------------|
| (a) Audit Committee: 4        | Brian A. Canfield(Chairman) | 11 of 11              |
| (b) Governance Committee: 6   | R. John Butler(a, d)        | 11 of 11              |
| (c) Compensation Committee: 6 | Peter D. Charbonneau(a)     | 10 of 11              |
| (d) Pension Committee: 6      | G.N. (Mel) Cooper(b, d)     | 11 of 11              |
|                               | Darren Entwistle            | 11 of 11              |
|                               | Alfred C. Giammarino(a)     | 1 of 2(3)             |
|                               | Iain J. Harris(a-Chair, b)  | 11 of 11              |
|                               | John S. Lacey(a, c-Chair)   | 9 of 11(              |
|                               | Brian F. MacNeill(b, c)     | 10 of 11              |
|                               | Lawrence A. Pentland(c)     | 11 of 11              |
|                               | Daniel C. Petri(c)          | 2 of 3(6              |

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Ronald P. Triffo(a, b-Chair)

11 of 11

Donald P. Woodley(a, d)

11 of 11

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3. Appointment of auditors

Arthur Andersen LLP was appointed auditors of the Company on May 1, 2002 at the annual general meeting of the Company. On June 3, 2002, Arthur Andersen LLP ceased practising public accounting in Canada and the partners and staff of Arthur Andersen LLP in Canada joined Deloitte & Touche LLP.

Upon the recommendation of the Audit Committee, the Board of Directors appointed Deloitte & Touche LLP to fill the vacancy. Upon the recommendation of the Audit Committee, holders of common shares will be asked at the meeting to approve the appointment of Deloitte & Touche LLP as auditors. This re-appointment will become effective only if approved by at least a majority of the votes cast by the holders of common shares present in person or by proxy, entitled to vote at the meeting.

The management proxyholders intend to vote for the appointment of Deloitte & Touche LLP, Chartered Accountants, as auditors of the Company, unless the holder of common shares specifies that his proxy be withheld from voting.

Summary of billings and services by the external auditors

The two tables below provide for greater disclosure of the services provided by the Company's external auditors, separating the services into the four categories of work performed.

The fees for non-audit services performed by Arthur Andersen while they were the Company's external auditors constituted a minor portion of the overall fees paid to them. With regard to the non-audit fees paid to Deloitte & Touche LLP and Deloitte Consulting, a substantial portion of those fees were paid pursuant to contracts entered into before Deloitte & Touche LLP became the auditors of the Company. Since October 2002, the Company has adopted a procedure to ensure that the future engagement of its external auditors for non-audit services is subject to pre-approval by the Audit Committee in accordance with the proposed process and fundamental principles articulated by the Securities and Exchange Commission (SEC) to further ensure auditor independence.

Tax fees of \$146,165 paid in 2002 to the auditors of the Company, Arthur Andersen LLP and Deloitte & Touche LLP, were related to legal entity restructuring, appeals and litigation and shareholder-related matters, and all other fees of approximately \$1.7 million were substantially related to fees paid to Deloitte Consulting for information systems integration and consulting services related to the design and implementation of a new Siebel based integrated trouble-ticket management system. Deloitte & Touche LLP has announced its intention to separate from Deloitte Consulting. The following table is a summary of billings by Arthur Andersen LLP and Deloitte & Touche LLP, for their respective periods as auditors of TELUS, during the period from January 1, 2001 to December 31, 2002:

Summary of billings for TELUS for the period January 1 to December 31, 2002

| Type of work | Deloitte & Touche(1) | Arthur Andersen(2) | Sub-total | Deloitte Consulting |
|--------------|----------------------|--------------------|-----------|---------------------|
|--------------|----------------------|--------------------|-----------|---------------------|

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|                    |             |           |             |            |
|--------------------|-------------|-----------|-------------|------------|
| Audit fees         | \$1,224,500 | \$270,750 | \$1,495,250 | -          |
| Audit-related fees | 124,435     | 33,500    | 157,935     | -          |
| Sub-total          | \$1,348,935 | \$304,250 | \$1,653,185 | -          |
| =====              |             |           |             |            |
| Tax fees           | 77,390      | 68,775    | 146,165     | -          |
| All other fees     | 60,250      | 45,800    | 106,050     | 1,611,83   |
| Total              | \$1,486,575 | \$418,825 | \$1,905,400 | \$1,611,83 |

Summary of billings provided by Arthur Andersen LLP for the period from January 1 to December 31,

| Type of work       | Fees       |
|--------------------|------------|
| Audit fees         | \$1,453,25 |
| Audit-related fees | 585,99     |
| Sub-total          | \$2,039,24 |
| =====              |            |
| Tax fees           | 695,20     |
| All other fees     | 52,45      |
| Total              | \$2,786,89 |

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4. Amendment to the Articles of the Company to allow a committee of directors to fill a vacancy of the auditors

Canadian and U.S. corporate governance regulatory bodies have recently proposed that to enhance the independence of the external auditors, the audit committee should be responsible for the engagement, evaluation and termination of the external auditors, subject to shareholder ratification as required by applicable corporate legislation. In the past, TELUS has acted consistently with the intent of this approach as our external auditors were selected by the Board based on the recommendation of its Audit Committee and then brought forward before you as shareholders for approval.

Article 17.1 of the Articles of the Company currently prohibits the Audit Committee from having the authority to hire the external auditors if a vacancy were created.

Article 17.1 states that:

"The Directors may by resolution appoint one or more committees consisting of such member or members of their body as they think fit and may delegate to any such committee between meetings of the Board such powers of the Board subject to such conditions as may be prescribed in such resolution. Notwithstanding the foregoing, no committee of Directors shall have authority to:

(b) fill a vacancy among the Directors, any committee or the Auditor."

The Board of directors unanimously recommends to the shareholders the removal of this prohibition by adopting the special resolution set out below, so that the Board may delegate to the Audit Committee the authority to fill a vacancy of the external auditor.

Accordingly, the Board requests the approval at the meeting of the special resolution set out below:

BE IT RESOLVED, as a special resolution, THAT:

Article 17.1(b) of the Articles of the Company be amended and replaced with the following: "The Directors may by resolution appoint one or more committees consisting of such member or members of their body as they think fit and may delegate to any such committee between meetings of the Board such powers of the Board subject to such conditions as may be prescribed in such resolution. Notwithstanding the foregoing, no committee of Directors shall have authority to:



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(b) fill a vacancy among the Directors or any committee."

To be effective, the special resolution must be approved by not less than 3/4 of the votes cast by holders of common shares present in person or by proxy, who are entitled to vote at the meeting on the special resolution.

The management proxyholders intend to vote for the special resolution approving the amendment to the Articles of the Company to remove the prohibition that a committee of directors may not be delegated authority to fill a vacancy of the external auditors, unless the holder of common shares specifies that those common shares be voted against the special resolution.

5. Amendment to the Articles of the Company to amend quorum requirements for general meetings

Article 10.3 of the Articles of the Company currently states that:

"Save as herein otherwise provided, a quorum shall be two persons present and being, or representing by proxy, members holding not less than 1/20 of the issued shares entitled to be voted at the meeting. The Directors, the Secretary, or, in his or her absence, an Assistant Secretary, and the solicitor of the Company shall be entitled to attend at any general meeting but no such person shall be counted in the quorum or be entitled to vote at any general meeting unless he or she shall be a member or proxyholder entitled to vote thereat."

The Company desires to strengthen the presence of Canadians at general meetings by changing the quorum requirements for general meetings, to more strongly demonstrate its continued compliance with foreign ownership requirements under the Telecommunications Act and Radiocommunication Act (Canada). For further information on the foreign ownership requirements that TELUS is subject to, see section on Restrictions on ownership of shares on page 7.

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Accordingly, the Board unanimously recommends that the quorum be changed from two persons holding not less than 1/20 (5 per cent) of the issued shares entitled to be voted at the meeting, to two "Canadians" holding not less than that same number of shares entitled to vote, while foreign ownership rules remain, by the approval of the special resolution set out below:

BE IT RESOLVED, as a special resolution, THAT:

1. Article 10.3 of the Articles be deleted and replaced with the following: "Save as herein otherwise provided, a quorum shall be two persons present and being, or representing by proxy, members holding not less than 1/20 of the issued shares entitled to be voted at the meeting; provided that until such time that the Radiocommunication Act and regulations are changed so that the Company and its subsidiaries are not required to be "Canadian-owned and controlled" to be eligible to hold licences issued thereunder, a quorum shall be two persons present and being, or representing by proxy, members who are Canadians holding not less than 1/20 of the issued shares entitled to be voted at the meeting. The Directors, the Secretary, or, in his or her absence, an Assistant Secretary, and the solicitor of the Company shall be entitled to attend at any general meeting but no such person shall be counted in the quorum or be entitled to vote at any general meeting unless he or she shall be a member or proxyholder entitled to vote thereat." and,
2. Article 1.2 of the Articles of the Company be amended to add the following definitions:  
"Canadian-owned and controlled", for the purpose of the quorum requirement, has the meaning set forth in the Radiocommunication

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Regulations.

"Canadian", for the purpose of the quorum requirement, has the meaning set forth in the Radiocommunication Regulations.

"Radiocommunication Act" means the Radiocommunication Act (Canada), as amended from time to time.

"Radiocommunication Regulations" means the Radiocommunication Regulations pursuant to the Radiocommunication Act, as amended from time to time.

To be effective, the special resolution must be approved by not less than 3/4 of the votes cast by holders of common shares present in person or by proxy, who are entitled to vote at the meeting on the special resolution.

The management proxyholders intend to vote for the special resolution approving the amendment to the Articles of the Company to amend the quorum requirements for general meetings, unless the holder of common shares specifies that those common shares be voted against the special resolution.

### 6. Reconfirmation and approval of an amended and restated shareholder rights plan

Shareholders will be asked at the meeting to reconfirm and approve the Company's shareholder rights plan, as it is proposed that it be amended and restated.

The Company first adopted a shareholder rights plan in March 2000. In May 2000, shareholders approved the Company's current shareholder rights plan (the "current rights plan"), which takes the form of an agreement between the Company and the rights agent, Montreal Trust Company of Canada (now Computershare Trust Company of Canada). The purpose of the current rights plan is to provide shareholders with sufficient time to assess a takeover bid for the Company, if such bid were to be made, and to provide the Board the opportunity to explore and develop alternatives to any bid that are in the best interests of the Company and its shareholders. The current rights plan will terminate unless it is reconfirmed at the meeting. The Board, as discussed below, has considered and concluded that the continuation of the current rights plan, subject to certain minor amendments thereto which the Board proposes be adopted, would be in the best interests of the Company and its shareholders.

Many public companies in Canada continue to have shareholder rights plans in effect. While securities legislation in Canada now typically requires a takeover bid to be open for at least 35 days, the Board is of the view that this is not sufficient time to adequately assess a takeover bid, if such a bid were to be made, and if the Board deems appropriate, to explore and develop alternatives that are in the best interests of the Company and its shareholders.

The current rights plan is not intended to prevent a takeover bid or to deter offers for the shares. It is designed to encourage any bidder to provide shareholders with equal treatment in a takeover and full value for their investment.

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### Board review

The Board, as part of its most recent review and analysis of the continuation of the current rights plan, considered matters including:

- \* developments in shareholder rights plans since the current rights plan was ratified by the holders of shares in May 2000;
- \* the terms and conditions of rights plans recently adopted by other Canadian companies;
- \* recent experience involving rights plans in the context of takeover bids; and
- \* the commentary of the investment community on these plans.

Based upon this review, the Board is proposing the approval of minor amendments to the current rights plan to ensure that it both remains consistent with the

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latest generation of Canadian rights plans and addresses the concerns of investment industry commentators on a basis consistent with the objectives of these agreements. The proposed amended and restated version of the current rights plan (the "amended and restated rights plan") is not being proposed in response to, or in anticipation of, an acquisition or takeover bid. It is not the intention of the Board, in proposing that the amended and restated rights plan be reconfirmed, to secure the continuance in office of the existing members of the Board or management or to avoid an acquisition of control of the Company in a transaction that is fair and in the best interests of the shareholders. The rights of shareholders under existing law to seek a change in management of the Company or to influence or promote action of management in a particular manner will not be affected by the amended and restated rights plan. The reconfirmation of the amended and restated rights plan does not affect the duty of the Board to act honestly and in good faith with a view to the best interests of the Company and the shareholders.

### Amendments to the current rights plan

The proposed amendments to the current rights plan are limited in number and effect. The main amendment is to the definition of a permitted "Lock-up Agreement". The definition currently provides that persons who have entered into an agreement to tender their Voting Shares (as defined in the current rights plan) to a particular takeover bid must be allowed to withdraw their Voting Shares in order to tender them to an offer that provides for an offer price which exceeds the original offer price by a specified percentage. The amended definition of a "Lock-up Agreement" now also makes clear that a person must be allowed to withdraw Voting Shares in order to tender them to an offer which provides for the purchase of a number of Voting Shares that exceeds the number of Voting Shares to be purchased under the original offer by more than a specified percentage. In addition, the amended definition of "Lock-up Agreement" clarifies that such an agreement may provide for break-up fees within certain specified parameters.

Other minor amendments include changes to the following definitions:

- (i) "Affiliate" - The definition has been modified to address only entities controlled by corporations, as other entities in which a corporation has a non-controlling interest and that need to be captured for purposes of triggering the rights plan are captured through the definition of "acting jointly or in concert";
- (ii) "Beneficial Ownership" - The exemption for Investment Managers set out in this definition has been amended to make clear that Investment Managers will not trigger the plan by virtue of holding securities that are in non-discretionary accounts held on behalf of clients; and
- (iii) "Competing Permitted Bid" - This change has been made to make clear that a Competing Permitted Bid must include a provision that no Voting Shares will be taken up under such a bid unless more than 50 per cent of the Voting Shares held by the parties other than the bidder making such a bid and those acting in concert with that bidder have been tendered to the bid.

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### Summary of the rights plan

The following is a summary of the principal terms of the amended and restated rights plan which is qualified in its entirety by reference to the text of the amended and restated rights plan. Copies of the complete TELUS amended and restated rights plan are available from the Corporate Secretary.

### Effective date

The effective date of the rights plan is March 20, 2000 (the "Effective Date").

### Term

Ten years, subject to reconfirmation at this meeting and at the sixth annual meeting following the adoption of the current rights plan.

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### Issue of Rights

On the Effective Date, one Series A right (a "Series A Right") was issued and attached to each common share outstanding at one minute after the Effective Date (the "Record Time") and will attach to each common share issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the expiration of the amended and restated rights plan (the "Expiration Time"). Additionally, on the Effective Date, one Series B right (a "Series B Right") was issued and attached to each non-voting share outstanding at the Record Time and will attach to each non-voting share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time.

### Rights Exercise Privilege

The Series A Rights and the Series B Rights will separate from the common shares and non-voting shares and will be exercisable eight trading days (the "Separation Time") after a person has acquired, or commences a takeover bid permitted by the amended and restated rights plan (a "Permitted Bid"). The acquisition by any person (an "Acquiring Person") of more than 34.2 per cent of the Voting Shares, other than by way of a Permitted Bid, is referred to as a "Flip-in Event." Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Eight trading days after the occurrence of the Flip-in Event, each Series A Right (other than those held by the Acquiring Person), will permit the purchase of \$320 worth of common shares for \$160 (i.e. at a 50 per cent discount) and each Series B Right (other than those held by the Acquiring Person) will permit the purchase of \$320 worth of non-voting shares for \$160 (i.e. at a 50 per cent discount).

The issue of the Rights is not initially dilutive. However, upon a Flip-in Event occurring and the Rights separating from the Shares, reported earnings per share on a fully diluted or non-diluted basis may be affected. Holders of Rights not exercising their Rights upon the occurrence of a Flip-in Event may suffer substantial dilution.

The Flip-in threshold was set at 34.2 per cent in order to respect the terms of the Long-Term Relationship Agreement entered into between GTE Corporation ("GTE"), Anglo-Canadian and the Company at the time of the merger between BC TELECOM and TELUS. In particular, that agreement provides that Anglo-Canadian may increase its approximate 26.7 per cent interest in the Company, held at the time of the agreement, by no more than 7.5 per cent without prior approval of a majority of the Company's independent directors (i.e. directors who are neither GTE designees nor members of Company management).

### Certificates and Transferability

Prior to the Separation Time, the Rights will be evidenced by a legend imprinted on certificates for common shares and non-voting shares issued from and after the Effective Date and will not be transferable separately from such shares. From and after the Separation Time, the Rights will be evidenced by Rights certificates which will be transferable and traded separately from the Shares.

### Permitted Bid Requirements

The requirements for a Permitted Bid include the following:

- (i) the takeover bid must be made by way of a takeover bid circular;
- (ii) the takeover bid must be made to all holders of Voting Shares;
- (iii) the takeover bid must be outstanding for a minimum period of 60 days and Voting Shares tendered pursuant to the takeover bid may not be taken up prior to the expiry of the 60-day period and only at such time if more than 50 per cent of the Voting Shares held by shareholders other than the bidder, its affiliates and persons acting jointly or in concert (the "Independent Shareholders") have been tendered to the takeover bid and not withdrawn;

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- (iv) the Voting Shares deposited pursuant to the takeover bid may be withdrawn until taken up and paid for; and
- (v) if more than 50 per cent of the Voting Shares held by Independent Shareholders are tendered to the takeover bid within the 60-day period, the bidder must make a public announcement of that fact and the takeover bid must remain open for deposits of Voting Shares for an additional 10 business days from the date of such public announcement.

The amended and restated rights plan allows for a competing Permitted Bid (a "Competing Permitted Bid") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that it may expire on the same date as the Permitted Bid, subject to the statutory requirement that it be outstanding for a minimum period of 35 days.

### Waiver and Redemption

The Board may, prior to a Flip-in Event, waive the dilutive effects of the amended and restated rights plan in respect of a particular Flip-in Event resulting from a takeover bid made by way of a takeover bid circular to all holders of Voting Shares, in which event such waiver would be deemed also to be a waiver in respect of any other Flip-in Event occurring under a takeover bid made by way of a takeover bid circular to all holders of Voting Shares. The Board may also waive the amended and restated rights plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered such Flip-in Event reduces its beneficial holdings to 34.2 per cent or less of the outstanding Voting Shares within 14 days or such other period as may be specified by the Board. With the majority consent of holders of Shares or Rights holders at any time prior to the occurrence of a Flip-in Event, the Board may redeem all, but not less than all, of the outstanding Rights at a price of \$0.0001 each.

### Exemptions for Certain Holders

Investment advisors or managers (for client accounts), trust companies (acting in their capacities as trustees and administrators), statutory bodies managing investment funds (for employee benefit plans, pension plans, insurance plans or various public bodies), administrators or trustees of registered pension funds, plans or related trusts and Crown agents or agencies acquiring greater than 34.2 per cent of the Voting Shares are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making a takeover bid.

### Recommendation of the Board

The Board has determined that the amended and restated rights plan is in the best interests of the Company and its shareholders. The Board unanimously recommends that shareholders vote at the meeting in favour of the resolution to ratify, reconfirm and approve the amended and restated rights plan.

In order to be effective, the resolution will require the approval of a majority of votes cast by holders of common and non-voting shares, voting together, who vote by person or proxy in respect of the resolution at the meeting. The text of the proposed resolution is as follows:

#### BE IT RESOLVED THAT:

The continued existence of the rights plan as amended and restated (the "Amended and Restated Rights Agreement"), and the Rights therein, be and are hereby, approved and the Amended and Restated Rights Agreement is hereby ratified, reconfirmed and approved by the holders of the shares of the Company.

A similar shareholder reconfirmation process must occur at the Company's annual meeting in 2006 in order for the amended and restated rights plan to remain in effect until March 2010.

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Failing such reconfirmation, the current rights agreement and all outstanding Rights thereunder will terminate.

The management proxyholders intend to vote for the special resolution reconfirming and approving the amended and restated rights plan, unless the holder of shares specifies that those shares be voted against the ordinary resolution.

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mandate and report of  
the corporate governance committee

The mandate of this Committee (the "Governance Committee") is to provide a focus on corporate governance that will enhance corporate performance and ensure on behalf of the Board and shareholders that the Company has an effective corporate governance regime. As at December 31, 2002, the Committee was comprised of Ron P. Triffo (Chair), R. John Butler, G.N. (Mel) Cooper, Iain J. Harris and Brian F. MacNeill. The current Committee members were appointed on February 28, 2003. The Governance Committee's responsibilities include a duty to assess and, where appropriate, recommend changes to enhance Board effectiveness. The Committee is also responsible for identifying, recruiting, appointing and re-appointing directors and providing ongoing development for directors. Furthermore, the Governance Committee assesses and ensures the independence from management of the Board and Board committees.

The Governance Committee is comprised of members who are all unrelated, independent and non-management directors as defined by applicable securities regulators. In-camera sessions, without management present, are regularly held as part of each Committee meeting.

The Company is reviewing the terms of reference of the Governance Committee with a view to include further enhancements, and expects to make available the revised terms of reference on TELUS' Web site at telus.com when the review is completed. Current terms of reference of the Governance Committee are available upon request from the Company's Corporate Secretary.

TELUS already has in place many practices that are now mandated or recommended by regulatory requirements or guidelines, and in 2002 has reviewed and where appropriate further enhanced its corporate governance program. The Governance Committee is committed to effective corporate governance at TELUS. The following are highlights of some of the initiatives taken by the Governance Committee in the past year:

- \* Enhanced the Board, committee and director evaluation processes  
This involved extensively re-designing the Board and committee survey (which is conducted on an annual basis) to provide directors an opportunity to evaluate the mechanisms in place for the Board to not only operate effectively and make decisions in the best interests of the Company, but also to be a strategic asset of the Company. The result is a solid measure of the contributions made by the Board, both collectively and individually, for the long-term success of TELUS.
- \* Enhanced and renewed commitment to corporate governance  
Regular updates were received throughout 2002 on corporate governance initiatives taken by securities regulators and others. The Company also held a joint Corporate Governance/Audit Committee meeting in January 2003 to educate directors on current corporate governance proposals by securities regulators and ensure TELUS continues to institute best practices in corporate governance and financial reporting (also, see Mandate and report by the Audit Committee on page 21).
- \* Reduced the size of the Board to enhance effectiveness  
The Governance Committee recommended a reduction in Board size from 15 to further enhance the Board's effectiveness (See Election of directors on page 8).

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\* Recommended against granting options to directors in 2003 and recommended a review of total compensation in 2003  
 The Governance Committee recommended against the granting of options to directors in 2003. The Governance Committee will review in 2003 both the form and quantum of director compensation in order to ensure it is appropriate. The Governance Committee will also review the sufficiency of the current requirement that directors own at least \$100,000 in TELUS equity within five years of joining the TELUS Board.

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TELUS' statement of corporate governance practices, attached as Appendix A to this information circular, further discloses the Board's continued commitment and efforts to be at the forefront of corporate governance. It highlights the corporate governance systems in place at TELUS and reviews its systems against the Toronto Stock Exchange corporate governance guidelines ("TSX guidelines").

Signed, the members of the Corporate Governance Committee

R.P. Triffo - Chair

R.J. Butler

G.N. Cooper

J.S. Lacey

B.F. MacNeill

Director compensation

Each director of the Company who is not an employee of the Company, other than Alfred C. Giammarino and Daniel C. Petri, receives an annual fee for acting as a director on the Board and each committee served, plus a further fee for each Board and committee meeting attended. (1) The following sets out the fees paid to directors for the year ending December 31, 2002:

-----  
 Board retainers and meeting fees  
 for non-management directors  
 -----

Vice Chair's retainer fee  
 Directors' retainer fee  
 Directors' meeting fee  
 (including Vice Chair)  
 Chair's meeting fee  
 -----

Committee retainers and meeting  
 fees for non-management directors  
 -----

Directors' retainer fee  
 Directors' meeting fee  
 Chair's retainer fee  
 Chair's meeting fee  
 -----

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Chairman

Total retainer (instead of Board and committee retainers and meeting fees)

\$

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Directors who are requested by the Chairman to perform additional tasks or assignments on behalf of the Board may in certain circumstances receive an additional \$1,200 per diem fee for such services.

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mandate and report of  
the audit committee

Although the Company's management has the primary responsibility for the financial reporting process, the Audit Committee is responsible for overseeing the Company's financial reporting process and ensuring its integrity. The Committee also assumes specified responsibilities beyond those of overseeing the reporting process as delegated by the Board. As at December 31, 2002, the Committee was comprised of Iain J. Harris (Chair), Peter D. Charbonneau, Alfred C. Giammarino, John S. Lacey and Donald P. Woodley. The current Committee members were appointed on February 28, 2003.

As required by mandate, the Audit Committee discusses with the external auditors the scope of their examination, monitors the progress of the independent audit and ensures the adequacy of accounting controls.

The Audit Committee receives quarterly reports on internal audit program results and an evaluation of internal control systems and risk assessment updates, including legal and regulatory claims, environmental issues, disaster recovery plans, financial derivatives and other exposures. It also receives an annual update on insurance coverage.

The Audit Committee reviews any changes or adoption of significant accounting policies and estimates impacting the current and future financial statements of the Company. The Audit Committee also regularly reviews updates to the financing plan and policy as well as indemnities and guarantees. The Audit Committee meets at least quarterly and reports on its activities to the Board on a quarterly basis. At each quarterly meeting, the Committee meets separately, in-camera, with both the internal auditor and external auditors.

The Audit Committee reviews and, if satisfied, recommends to the Board for approval, the public release and filing of any annual audited consolidated financial statements and quarterly unaudited consolidated financial statements of the Company and any subsidiary whose financial statements are publicly filed, including related news releases and management's discussion and analysis (MD&A).

TELUS is firmly committed to full and fair financial disclosure. The Company is widely recognized as a leader for the quality of its reporting and comprehensiveness of its disclosure. In fact, we have a long history of recognized excellence with eight consecutive years of medal wins (six of them gold) in the telecommunications industry at the Corporate Reporting Awards, a program sponsored by the Canadian Institute of Chartered Accountants (CICA) and the National Post.

As part of the Company's commitment to remaining best-in-class in financial reporting, the Audit Committee has implemented a number of initiatives that enhance our corporate reporting and provide clear communication to our shareholders. While some of these improvements have recently become mandatory under the rules of various regulators and accounting bodies, many of our measures go beyond those required. The following are some of the Audit Committee's initiatives implemented in 2002, as well as several which are targeted for implementation in 2003:

\* Audit Committee oversees the CEO and CFO certification process



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New requirements under the Sarbanes-Oxley Act ("SOX") in the U.S. require both the CEO and CFO to personally certify to the effect that they:

- \* have reviewed and will certify that certain reports, including the annual audited financial statements, MD&A, this information circular and the annual information form, based upon their knowledge, are materially accurate and not misleading;

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- \* are responsible for establishing and maintaining disclosure controls and procedures; have designed those controls and procedures to ensure material information is made known to them; have evaluated the effectiveness of those controls and procedures; and have presented their conclusions about the effectiveness of those controls and procedures in the annual report;
- \* have disclosed to the Audit Committee and external auditors all significant deficiencies and material weaknesses in the design or operation of internal controls as well as any material weaknesses in the internal controls; have disclosed any fraud that involves anyone with a significant role in internal controls; and have indicated any significant changes in internal controls or other factors that could significantly affect internal controls.

TELUS already has in place an extensive and robust set of procedures and controls including a conflict-of-interest disclosure checklist and quarterly legal and regulatory complaint questionnaires. To lend additional support to the certification, TELUS enhanced and formalized a more vigorous internal process that provides the necessary due diligence and investigation to allow the CEO and CFO to sign these certificates with confidence.

- \* **Financial reporting and disclosure control checklist**  
Comprehensive checklists have been developed to provide validation and assurance of financial reporting and proper disclosure controls. These have been cascaded through the organization to senior managers in each of the business units as well as those employees with key roles within the financial and disclosure process. These checklists are based on Guidance on Control issued by the Criteria of Control (CoCo) Board at the CICA and guidance from other accounting and securities regulating bodies.
- \* **Improvements to risk management process**  
Under the direction of a newly appointed Vice-President, Risk Management and Chief Auditor, TELUS has conducted a thorough enterprise-wide risk assessment to support the certification process. In September 2002, TELUS implemented an extensive risk assessment survey of management employees across TELUS. TELUS conducted the survey for the second time in January 2003. The survey results provide an internal controls assessment of the entire organization and individual business units. A report of the risk assessment and survey findings was presented to the Audit Committee and the executive leadership team in the fourth quarter of 2002. Individual executive leadership team members have taken responsibility to address risk mitigation efforts and the risk assessment results drove the development of the 2003 TELUS internal audit plan. The survey is based on the Internal Control - Integrated Framework, published by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. This model represents the U.S. integrated framework for internal control.
- \* **Management's discussion & analysis enhancements reviewed with the Audit**

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### Committee

Beginning with the disclosure of the second quarter results in 2002, off-balance sheet arrangements and contractual liabilities are now part of the MD&A. Under the recently issued CICA guidelines, this change was not mandatory until the end of 2002. As part of the MD&A changes, contingent liabilities and contractual obligations are now included in TELUS' financial report.

### \* TELUS ethics policy

In 2002, TELUS updated its ethics policy, which applies to the Company's directors, officers and all employees. It was introduced to employees through an on-line interactive course, which all employees were required to complete by early 2003. The Board is responsible for monitoring compliance of the TELUS Ethics Policy and granting any waivers from compliance for directors and officers of the Company. The TELUS Ethics Policy is available on TELUS' website at [telus.com](http://telus.com) and upon request to the Company's Corporate Secretary.

### \* Whistle Blower ethics hotline

As part of its Ethics Policy, the Company's whistle blower hotline allows employees and others to anonymously raise accounting, internal controls and ethical issues or complaints. (Hotline phone number: 1-866-515-6333)

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### \* External auditors independence and pre-approval of non-audit and audit services

The Audit Committee considers the independence of the Company auditors to be critical to the integrity of its financial reporting and a key to maintaining best practices in corporate governance. One initiative adopted by the Audit Committee in October 2002 to enhance the independence of the Company's auditors, and to proactively comply with rules proposed by the SEC, was to institute a process to identify, monitor and approve all non-audit and audit services provided by its external auditors.

### \* Amendments to the Audit Committee's terms of reference

The Company is reviewing the terms of reference of the Audit Committee with a view to include further enhancements and changing regulatory requirements, and expects to make available the revised terms of reference on TELUS' Web site at [telus.com](http://telus.com) when the review is completed. Current terms of reference of the Audit Committee are available upon request from the Company's Corporate Secretary.

Signed, the members of the Audit Committee

I.J. Harris - Chair

P.D. Charbonneau

A.C. Giammarino

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mandate and report of the  
human resources and compensation committee

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The Human Resources and Compensation Committee (the "Compensation Committee") of the Board of directors is responsible for developing the compensation philosophy and guidelines for executive and management compensation, and for reviewing executive compensation. The Compensation Committee annually reviews and reports to the Board on the Company's organization structure, management's succession plans for the executive leadership team, including specific development plans and career planning for potential successors. It administers Board approved option plans and employee benefit plans (other than pension plans) and recommends option grants to the Board for approval.

Committee members and non-management directors are not eligible to participate in any of the Company's compensation programs for employees, except for the Share Option and Compensation Plan, which contains separate provisions related to the grant of options, purchase of shares and issuance of deferred share units to non-employee directors. There are no interlocking relationships between the members of the Committee and executives of the Company. As of December 31, 2002, the Committee was composed of John S. Lacey (Chair), Brian MacNeill, Lawrence A. Pentland and Daniel C. Petri. Michael T. Masin (former Committee Chair), Pierre Choquette (former Committee Chair replacing Michael T. Masin) and Geraldine B. Sinclair were members of the Committee during 2002 but resigned prior to December 31, 2002 (October 4, 2002, November 19, 2002 and November 10, 2002, respectively). The current Committee members were appointed on February 28, 2003.

The Company is reviewing the terms of reference of the Compensation Committee with a view to including further enhancements and expects to make available the revised terms of reference on TELUS' Web site at [telus.com](http://telus.com) when the review is completed. Current terms of reference of the Compensation Committee are available upon request from the Company's Corporate Secretary.

### Report on executive compensation

One of the Compensation Committee's roles is to design a compensation arrangement for the Company's executives that will allow the Company to attract and retain the key talent necessary to achieve the business objectives approved by the Board and to enhance the growth and profitability of the Company.

### Compensation objectives and principles

The goal is to create a clear linkage between compensation and the achievement of business goals in the short term, medium term and long term by providing appropriate components of fixed compensation, compensation at risk and future income security.

The Compensation Committee has approved a performance management philosophy that provides a direct linkage between short-, medium- and long-term compensation at risk and the execution strategies required to achieve the goals of continuous growth, excellent customer service and operational excellence while providing a workplace of choice. In establishing the appropriate compensation levels, the Committee receives, the expert advice of outside consultants who conduct surveys and provide competitive data, and recommendations from management.

The Compensation Committee relates total compensation levels for executives to the compensation paid to executives of two comparator groups: general Canadian industry with revenue similar to that of the Company and Canadian telecommunications companies. The Compensation Committee approves the selection of external consultants, and from time to time reviews the selection of companies used for compensation comparison purposes.

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### Performance management

For 2002, the Compensation Committee has approved a rigorous, comprehensive and holistic approach towards the assessment of the performance of the executive leadership team. Each executive leadership team member is evaluated using the following assessment tools:

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- \* personal value-add assessment model
- \* individual, business unit and corporate balanced scorecards
- \* strategic staffing model.

The personal value-add assessment model is used to assess and rate an executive leadership team member's achievement of results, leadership skills, retention criticality and value to achieving strategy. These ratings, in conjunction with competitive market compensation data and the balanced scorecard results, are used to determine an executive leadership team member's annual variable pay, and restricted share unit and share option grants.

The strategic staffing model is a comprehensive assessment tool used to assess each executive leadership team member's development and is relied on to develop and regularly update succession plans for executive positions.

### Compensation mix

The key elements of the Company's executive compensation program are base salary and at-risk compensation, which comprises annual variable pay, allocations of restricted share units and long-term incentives. These key elements are addressed separately below. The Compensation Committee has adopted a market-based approach to ensure that the Company provides competitive compensation. Total compensation is generally targeted to be at the 75th percentile of the two comparator groups. The Compensation Committee will also consider all elements of an executive's total compensation including health and welfare benefits, retirement programs, perquisites and severance arrangements. This philosophy results in base salary comprising less than 50 per cent of total compensation.

### Base salary

In accordance with its market-based approach, the Compensation Committee has targeted base salaries to be at approximately the 50th percentile of the comparator groups. Individual base salaries are adjusted by the Compensation Committee to recognize varying levels of responsibility, prior experience, breadth of knowledge, overall individual performance and internal equity issues, as well as the pay practices of companies in the comparator groups.

### At-risk incentive pay

The Compensation Committee is a proponent of linking compensation directly to the ultimate achievement of business objectives. As a result, the target at-risk incentive pay for executives is greater than the base salary. The Company adopts three strategies for at-risk incentive pay:

#### 1. Annual variable pay plan

This annual plan implements the Company's pay-for-performance philosophy by providing executives with direct financial incentives in the form of an annual cash award based on the achievement of corporate, strategic business unit and individual performance goals. The actual achievement of annual business plans as reflected through performance measurement and quantifiable goals will ultimately determine the annual variable compensation received.

Specific targets were established using a balanced scorecard approach with 2002 corporate targets tied to profitable growth, targeted market revenue growth, business efficiency and employee engagement. Balanced scorecard targets were also set for each strategic business unit. The awards payable to the executive leadership team members are determined based on meeting the corporate targets and their strategic business unit targets, as set out in the corporate balanced scorecard and their respective strategic business unit balanced scorecards, and achieving the results set out in their personal performance objectives. Results at less than target would result in a reduced or zero award.

Corporate and strategic business unit scorecard objectives were tied to the strategic imperatives of TELUS, which are as follows:

- \* provide integrated solutions;
- \* build national capabilities across data, IP, voice and mobility;

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- \* partner, acquire and divest as necessary;
- \* focus relentlessly on growth markets;
- \* go to the market as one team; and,
- \* invest in internal capabilities.

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The weighting generally given to corporate results, strategic business unit (SBU) results and personal results and their respective target awards for each executive leadership team member is set out in the following table:

| Position                    | Component weighting |                 |                                     | P |
|-----------------------------|---------------------|-----------------|-------------------------------------|---|
|                             | Corporate results   | SBU results     | Average customer facing SBU results |   |
| President & CEO             | 30%                 | 20% (composite) | 30%                                 | 2 |
| EVP - Customer facing SBU   | 50%                 | 30%             | n/a                                 | 2 |
| EVP - Business enabling SBU | 30%                 | 20%             | 30%                                 | 2 |

The award for the Executive Vice-President of a business enabling strategic business unit such as Finance and Human Resources is based in part on the success of the Company's customer facing strategic business units to ensure direct line of sight to the achievement of line objectives. The award for the President & CEO is based in part on the average results of all the strategic business units.

The personal performance of each member of the executive leadership team (other than the President & CEO) is assessed by the President & CEO, and the performance of the President & CEO is assessed by the Compensation Committee. The personal performance scorecard component is then determined based on the following table:

### Personal Performance

| Rating            | Performance rating | Multiplier       |
|-------------------|--------------------|------------------|
| Below expectation | 2                  | 0.0              |
| Needs improvement | 3-4                | 0.2-0.6          |
| Contributing      | 5-6-7              | 0.7-1.0          |
| Superior          | 8-9                | 1.1-1.5          |
| Distinguished     | 10                 | Greater than 1.5 |

This approach ensures that payouts reflect performance levels that require truly outstanding results to deliver multipliers greater than 1.0.

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For 2002, the TELUS corporate balanced scorecard result was 76% of target, while the overall annual variable pay plan results for the executive leadership team members were below target, with the exception of the result for the Executive Vice-President & President & CEO of TELUS Mobility.

### 2. Mid-term incentives

In 2002, the Compensation Committee approved a reduction in the cash component of annual variable pay ranges and substituted it with the implementation of a mid-term incentive plan in the form of Restricted Share Units (RSUs) for executive leadership team members. The purpose of this plan is to link a portion of the at-risk compensation to both the achievement of performance targets and total shareholder return, and to promote the retention of executives. The amount and terms of any allocation are determined by the Compensation Committee.

Generally, the number of RSUs allocated to an executive is based on the achievement by the executive of performance targets in the preceding year. For 2002, Darren Entwistle received an additional award of RSUs in lieu of a full grant of share options (award split between 60% RSUs and 40% share options). Each RSU is equal in value to one non-voting share calculated in the manner provided in the respective RSU plans. Dividends on non-voting shares are credited to a participant's account and are recorded as additional RSUs during the three-year life of each allocation. In order to protect and further align the executive leadership team's interests with shareholders' interests, the value of the award is linked to the share price on non-voting shares.

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The 2001 RSU plan provided that RSUs were allocated at a value equal to the weighted average trading price per non-voting share on the Toronto Stock Exchange on the day preceding the date of allocation. Unless otherwise determined with respect to any particular allocation, the RSU plan implemented in 2002 (the "RSU II plan") provides that the RSUs are allocated at the value of the non-voting shares at the beginning or end of the year preceding the year of allocation, whichever is higher. For the implementation year of the RSU II plan, the beginning of the year was set at May 1, 2002 rather than January 1, 2002. The value of the non-voting shares is calculated on the basis of the weighted average trading price of the non-voting shares of the Toronto Stock Exchange for the 15 business days preceding the date of allocation. For example, for the RSUs allocated in 2004, the RSUs will be allocated based on the trading values of the non-voting shares determined in the above manner at January 1, 2003 or December 31, 2003, whichever is higher.

Retention is promoted through the vesting of RSUs. Under the 2001 RSU plan, the allocated RSUs vest on October 18, 2004 and are paid out prior to that year-end. The allocated RSUs under the RSU II plan vest and become payable in equal installments over a three-year period. All RSUs must be paid out before the end of the third year. The value of the RSUs at pay-out is based on the value of non-voting shares at that time, calculated in the manner required by the applicable plan. Payments under the 2001 RSU plan may be in cash or in non-voting shares purchased in the market and under the RSU II plan may be in cash or non-voting shares purchased in the market, or, subject to all necessary corporate and regulatory approvals, in non-voting shares issued from treasury.

### 3. Long-term incentives

Long-term incentives are provided under the Share Option and Compensation Plan. The value of long-term incentives was established using a similar methodology to that used for the annual incentive plan of the Company. The purpose of the plan is to align the interests of shareholders with those of executives and non-employee directors and to provide incentive compensation based on the appreciation in value of the common shares and non-voting shares. This strategy provides an opportunity for executives to acquire, through share options, an increased proprietary interest in the Company.

The amount and terms of any grant as determined by the Compensation

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Committee will be consistent with the overall compensation philosophy and objectives as set out above. As noted previously, share option grants are based on two main factors: competitive market compensation considerations and each executive leadership team member's personal value-add assessment model ratings.

Share options will be granted at an exercise price not less than the market value of the non-voting shares, on the last business day before the grant date as determined pursuant to the plan. For 2002, primary grants were issued with graduated vesting over three years. One named executive was granted options with possible vesting no later than two years after the grant. Prior option grants are not taken into account in determining whether and, if so, how many new options would be granted.

### Compensation of CEO

The principles used for determining the compensation of the President & CEO, Darren Entwistle, were identical to those established for the other executives, other than noted previously.

### Share ownership guidelines

Share ownership guidelines have been introduced to provide a further link between executive share ownership and that of our shareholders, thereby demonstrating our executives' ongoing alliance with our shareholders.

The share ownership targets provide for a value of at least three times annual base salary for the President & CEO and one times annual base salary for the executive leadership team. The share ownership can be a mix of common and non-voting shares and is to be acquired over a five-year period (i.e. by the end of 2007). Certain executives already have significant shareholdings and meet or exceed these targets.

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### Executive shareholdings summary table

The following table provides information concerning the total TELUS shareholdings held by each named executive (as set out in the Executive compensation summary table on page 29), dollar value of shareholdings and share ownership level (based on dollar value) to executive base salary ratio, as at December 31, 2002 (see share ownership guidelines on page 27).

| Name             | TELUS Shareholdings<br>(common shares/non-voting<br>shares/restricted share units for<br>non-voting shares) | Dollar value of<br>shareholdings (\$) (1) |
|------------------|---|---|
| Darren Entwistle | 10,723/71,468/28,626  | 1,803,639                                 |
| George Cope      | -/165,048/-   | 2,665,525                                 |
| John Maduri      | 6,743/-/-   | 117,665                                   |
| Robert McFarlane | 0/176,829/13,397  | 3,072,154                                 |
| Barry Baptie     | 8,648/526/11,330  | 342,380                                   |

### Conclusion

The Compensation Committee believes that the various components of compensation are appropriately balanced to provide direction and motivation for the executives to make a positive contribution to the Company's overall success and to deliver growth and synergy opportunities, thereby enhancing the value of the Company for our shareholders.

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Signed, the members of the Human Resources  
and Compensation Committee

J.S. Lacey - Chair

B.F. MacNeill

L.A. Pentland

D.C. Petri

D.P. Woodley

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### Executive compensation summary table

In accordance with executive compensation reporting requirements of applicable securities regulations, the following table provides information concerning the total compensation paid during the last three fiscal years to the CEO of the Company in the year ended December 31, 2002 and the four other executive officers employed by the Company as at December 31, 2002 who had the highest individual aggregate annual salary and bonuses during 2002 (collectively, the "named executives"). The figures shown for each of the three years represent those amounts paid by the Company or its predecessors to the named executives.

The amounts shown in the following tables may include the issuance of options, and options given under the former option plan of Clearnet Communications Inc., adjusted in number to take into consideration the conversion of such options into options for Company shares pursuant to an option plan adopted only for this purpose, in addition to the options granted under the Company's Share Option and Compensation Plan.

### ----- Compensation

|                                | Annual Compensation       | Long Term      | Other            | Number of                              | Restrict                                     |                               |
|--------------------------------|---------------------------|----------------|------------------|--|--|-------------------------------|
| Name and<br>principal position | Year ended<br>December 31 | Salary<br>(\$) | Bonus(1)<br>(\$) | annual<br>compen-<br>sation(2)<br>(\$) | securities<br>under<br>options<br>granted(3) | shares<br>restrict<br>share u |
| Darren Entwistle               | 2002                      | 785,000        | 371,305          | 97,247 (4)                             | 163,255                                      | 1,824,0                       |
| President & Chief              | 2001                      | 785,000        | 510,250          | 109,075 (5)                            | 380,000                                      | 510,2                         |
| Executive Officer              | 2000                      | 335,000        | 279,390          | -                                      | 215,025                                      | -                             |
| (2000-07-10 to present)        |                           | -              | -                | -                                      | 350,000                                      | -                             |
| George Cope                    | 2002                      | 600,000        | 636,000          | -                                      | 95,000                                       | -                             |
| Executive Vice-President       | 2001                      | 560,080        | 596,858          | -                                      | 208,335                                      | -                             |
| & President & CEO,             | 2000                      | 70,278         | 127,417          | -                                      | 352,824                                      | -                             |



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TELUS Mobility

(2000-11-15 to present)

|                           |      |         |         |              |         |         |
|---------------------------|------|---------|---------|--------------|---------|---------|
| John Maduri               | 2002 | 360,000 | 138,060 | 171,260 (11) | 80,000  | 138,000 |
| Executive Vice-President  | 2001 | 360,000 | 361,080 | 368,479 (12) | 75,000  | -       |
| & President,              |      | -       | -       | -            | -       | -       |
| Business Solutions        | 2000 | 240,000 | 166,800 | -            | 31,758  | -       |
| (2000-05-01 to present)   |      | -       | -       | -            | 142,820 | -       |
| Robert McFarlane          | 2002 | 400,000 | 183,600 | -            | 50,000  | 191,300 |
| Executive Vice-President  | 2001 | 400,000 | 238,800 | -            | 50,000  | 238,800 |
| & Chief Financial Officer |      | -       | -       | -            | -       | -       |
| (2000-11-06 to present)   | 2000 | 61,111  | 92,667  | -            | 44,109  | -       |
|                           |      |         |         |              | 128,958 | -       |
| Barry Baptie              | 2002 | 350,000 | 153,125 | 32,462 (14)  | 50,000  | 159,700 |
| Executive Vice-President, | 2001 | 350,000 | 201,950 | 27,481 (14)  | 60,000  | 201,900 |
| Technology & Operations   |      | -       | -       | -            | -       | -       |
| (1977-08-22 to present)   | 2000 | 320,154 | 222,507 | 18,378 (14)  | 38,595  | -       |
|                           |      | -       | -       | -            | -       | -       |

Options granted for the most recently completed financial year

A change in the timing of share option grants to executives occurred for the 2001 fiscal year. In the prior years, the executives received share option grants in the same fiscal year as the year for which such options were awarded. In 2001, share option grants for 2001 performance were not awarded until 2002. Accordingly, for this transition year only and in order to provide shareholders with the most recent and complete information, two tables are published below. The first table is for option grants made in February 2003 for fiscal year 2002 performance, and the second table is for option grants made in February 2002 for fiscal year 2001 performance.

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The following option grants to the named executives were made in February 2003 in respect of 2002 performance:

| Name             | Securities under options granted(1)<br>(#) | % of total options granted to employees in financial year(1) | Exercise or base price (\$/security) (2) | Market value of securities underlying on the date of grant (\$/security) |
|------------------|--|--|--|--|
| Darren Entwistle | 163,255                                    | 3.41   | \$14.86                                  | \$15.16  |
| George Cope      | 95,000                                     | 1.98   | \$14.86                                  | \$15.16  |
| John Maduri      | 80,000                                     | 1.67   | \$14.86                                  | \$15.16  |
| Robert McFarlane | 50,000                                     | 1.04   | \$14.86                                  | \$15.16  |
| Barry Baptie     | 50,000                                     | 1.04   | \$14.86                                  | \$15.16  |

The following option grants were made to the named executives in 2002

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in respect of 2001 performance:

| Name             | Securities under options granted(1) (#) | % of total option granted to employees in financial year(1) | Exercise or base price (\$/security) (2) | Market value of securities underlying on the date (\$/security) |
|------------------|---|---|--|---|
| Darren Entwistle | 380,000                                 | 7.93  | 24.00                                    | 18.15   |
| George Cope (4)  | -                                       | -   | -  | -   |
| John Maduri      | 75,000                                  | 1.57  | 24.00                                    | 18.15   |
| Robert McFarlane | 50,000                                  | 1.04  | 24.00                                    | 18.15   |
| Barry Baptie     | 60,000                                  | 1.25  | 24.00                                    | 18.15   |

Aggregated options exercised during the most recently completed financial year and financial year-end option values for the named executives

| Name             | Securities acquired on exercise (#) | Aggregate value realized (\$) | Unexercised options at FY-end(1)                       |  |
|------------------|-------------------------------------|-------------------------------|--|--|
|                  |                                     |                               | common shares/<br>non-voting shares<br>(#) exercisable | common shares/<br>non-voting shares<br>(#) unexercisable |
| Darren Entwistle | -                                   | -                             | 0/71,675   | 350,000/523,350  |
| George Cope      | -                                   | -                             | 0/234,824  | 261,852/268,983  |
| John Maduri      | -                                   | -                             | 65,586/10,586  | 87,820/96,172  |
| Robert McFarlane | -                                   | -                             | 51,060/178,303   | 77,898/79,403  |
| Barry Baptie     | -                                   | -                             | 13,765(3)/17,100/12,865                                | 26,945/85,730  |

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SAR grants during the most recently completed financial year  
The following RSU allocations were made to the named executives in February 2003 in respect of 2002:

| Name             | Securities under SARs granted (#) | % of total SARs granted to employees in financial year(1) | Base price (\$/security) (2) | Market value of securities underlying the date (\$/security) |
|------------------|-----------------------------------|---|------------------------------|--|
| Darren Entwistle | 23,048                            | 11.42%  | \$16.11                      | \$14.86  |
|                  | 96,640 (4)                        | 47.89%  | \$14.86 (4)                  | \$14.86  |

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|                  |        |       |         |         |
|------------------|--------|-------|---------|---------|
| George Cope      | -      | -     | -       | -       |
| John Maduri      | 8,570  | 4.25% | \$16.11 | \$14.86 |
| Robert McFarlane | 11,397 | 5.65% | \$16.11 | \$14.86 |
| Barry Baptie     | 9,505  | 4.71% | \$16.11 | \$14.86 |

The following RSU allocations were made to the named executives in 2002 in respect of 2001:

| Name             | Securities under SARs granted (#) | % of total SARs granted to employees in financial year(1) | Base price (\$/security) (2) | Market of security underlying the date (\$/secu |
|------------------|-----------------------------------|---|------------------------------|---|
| Darren Entwistle | 27,596                            | 29.65%  | \$18.49                      | \$18.49   |
| George Cope      | -                                 | -   | -                            | -   |
| John Maduri      | -                                 | -   | -                            | -   |
| Robert McFarlane | 12,915                            | 13.88%  | \$18.49                      | \$18.49   |
| Barry Baptie     | 10,922                            | 11.73%  | \$18.49                      | \$18.49   |

Aggregated SARs exercised during the most recently completed financial year and financial year-end SAR values for the named executives

S>

| Name             | Securities acquired on exercise (#) | Aggregate value realized (\$) | Unexercised SARs at FY-end (#) exercisable/unexercisable(1) |
|------------------|-------------------------------------|-------------------------------|---|
| Darren Entwistle | -                                   | -                             | -/148,314   |
| George Cope      | -                                   | -                             | -/-   |
| John Maduri      | -                                   | -                             | -/ 8,570  |
| Robert McFarlane | -                                   | -                             | -/24,794  |
| Barry Baptie     | -                                   | -                             | -/20,835  |

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TELUS pension plan

The TELUS Supplementary Retirement Arrangement ("SRA") establishes an overall retirement income benefit which provides supplemental pension benefits to be paid to a retired executive in addition to the pension income under the existing registered company pension plans.

Named executives, other than George Cope, participate in the Company's contributory registered pension plans. The SRA for the named executives supplements these plans by providing a total benefit at retirement determined as two per cent of a person's highest consecutive three years' average pensionable remuneration times the total number of years of credited service to

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a maximum of 35. (Pensionable remuneration is base salary increased by 50 per cent for annual variable compensation payments to the named executives other than the CEO, and by 60 per cent for the CEO). The following table shows the total of the annual retirement benefits, payable from both the SRA and registered pension plans, assuming retirement at age 60 or over:

Pension Plan table 2002

|                   | Years of service |         |         |         |
|-------------------|------------------|---------|---------|---------|
| Remuneration (\$) | 15               | 20      | 25      | 30      |
| 175,000           | 52,500           | 70,000  | 87,500  | 105,000 |
| 200,000           | 60,000           | 80,000  | 100,000 | 120,000 |
| 225,000           | 67,500           | 90,000  | 112,500 | 135,000 |
| 250,000           | 75,000           | 100,000 | 125,000 | 150,000 |
| 300,000           | 90,000           | 120,000 | 150,000 | 180,000 |
| 350,000           | 105,000          | 140,000 | 175,000 | 210,000 |
| 400,000           | 120,000          | 160,000 | 200,000 | 240,000 |
| 450,000           | 135,000          | 180,000 | 225,000 | 270,000 |
| 500,000           | 150,000          | 200,000 | 250,000 | 300,000 |
| 550,000           | 165,000          | 220,000 | 275,000 | 330,000 |
| 600,000           | 180,000          | 240,000 | 300,000 | 360,000 |
| 650,000           | 195,000          | 260,000 | 325,000 | 390,000 |
| 700,000           | 210,000          | 280,000 | 350,000 | 420,000 |
| 750,000           | 225,000          | 300,000 | 375,000 | 450,000 |
| 800,000           | 240,000          | 320,000 | 400,000 | 480,000 |
| 850,000           | 255,000          | 340,000 | 425,000 | 510,000 |
| 900,000           | 270,000          | 360,000 | 450,000 | 540,000 |
| 950,000           | 285,000          | 380,000 | 475,000 | 570,000 |
| 1,000,000         | 300,000          | 400,000 | 500,000 | 600,000 |
| 1,050,000         | 315,000          | 420,000 | 525,000 | 630,000 |
| 1,100,000         | 330,000          | 440,000 | 550,000 | 660,000 |
| 1,150,000         | 345,000          | 460,000 | 575,000 | 690,000 |
| 1,200,000         | 360,000          | 480,000 | 600,000 | 720,000 |
| 1,250,000         | 375,000          | 500,000 | 625,000 | 750,000 |
| 1,300,000         | 390,000          | 520,000 | 650,000 | 780,000 |
| 1,350,000         | 405,000          | 540,000 | 675,000 | 810,000 |
| 1,400,000         | 420,000          | 560,000 | 700,000 | 840,000 |
| 1,450,000         | 435,000          | 580,000 | 725,000 | 870,000 |

The years of credited service as of December 31, 2002 for pension plan purposes for the named executives other than George Cope are as follows: Darren Entwistle, two years and six months; John Maduri, four years and four months; Robert McFarlane, two years and two months; and Barry Baptie, twenty-five years and four months.

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### Employment agreements

TELUS has entered into executive employment agreements with an indefinite term with Darren Entwistle and Barry Baptie. Pursuant to these agreements, the executive's base salary for 2002 was established and an incentive compensation

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target of 50 per cent of base salary in 2002 was set. At the commencement of his employment, Darren Entwistle received a \$250,000 interest-free forgivable loan net of tax obligations under his contract, of which \$50,000 was forgiven in each of 2001 and 2002.

Each agreement provides that if the employment of the executive were terminated at any time other than for just cause or by reason of death, disability or retirement, the executive will be paid a severance payment equal to two times his annual compensation and will be provided with continued benefit coverage and continued accrual of pensionable service for two years following the date of termination. Each agreement contains a prohibition on the improper disclosure or use of confidential information and a one-year non-competition restriction after termination.

TELUS has entered into an agreement with John Maduri which is similar to the agreements with Darren Entwistle and Barry Baptie, except that the agreement with John Maduri provides that if the employment of the executive were terminated other than for just cause or by reason of death, disability or retirement, he will be paid a severance payment equal to one and one-half times his annual compensation and will be provided with continued benefit coverage and continued accrual of pension plan rights for 18 months following the date of termination. John Maduri received a \$300,000 interest-free forgivable loan net of tax obligations under his contract, of which \$200,000 was forgiven in 2001 and \$100,000 was forgiven in 2002. Under his agreement, John Maduri is entitled to credit under the SRA of two years of pension service for each full year of employment during the first five years.

TELUS has entered into an agreement with George Cope which is similar to the agreements with Darren Entwistle and Barry Baptie, except that the agreement with George Cope is for a fixed term expiring on December 31, 2004 and he does not participate in the pension plans of TELUS. George Cope's stock option grant is structured to vest on December 31, 2004, subject to the terms of his agreement. The agreement provides that if the employment of the executive were terminated at any time prior to expiry of the term other than for just cause or by reason of death or disability, he will be entitled to his salary for the balance of the term of his agreement. In addition, if his employment were terminated, with the result that the one-year competition restriction becomes effective, the executive will be entitled to one year of annual compensation.

TELUS has entered into an agreement with Robert McFarlane which is similar to the agreements with Darren Entwistle and Barry Baptie, except that the agreement with Robert McFarlane provides that if the employment of the executive were terminated during the first three years other than for just cause or by reason of death, disability or retirement, he will be paid a severance payment equal to one and one-half times his annual compensation and will be provided with continued benefit coverage and continued accrual of pension plan rights for 18 months following the date of termination. In addition, if his employment were terminated with the result that the one-year competition restriction becomes effective, he will be entitled to one year of annual compensation.

### Indebtedness of directors and officers

No director or officer of the Company or proposed nominee for election as a director of the Company, or any associate thereof, is or has been indebted to the Company or its subsidiaries since January 1, 2002 except with respect to loans as noted below. The Company provided assistance by way of loans to certain officers to minimize financial exposure associated with their acceptance of a position with the Company or to assist with housing costs. The aggregate amount of all indebtedness to the Company or to any of its subsidiaries from directors or officers as at February 28, 2003 was \$450,000. The following table, presented in accordance with applicable securities laws, shows the details of certain indebtedness owed by directors and officers of the Company. All such indebtedness was incurred prior to July 30, 2002, the enactment date of the Sarbanes-Oxley Act (SOX). In compliance with that legislation, no new personal loans to directors and executive officers were

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made or arranged, and no pre-existing personal loans were renewed or modified, since July 30, 2002.

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| Name and principal position  | Involvement of issuer or subsidiary | Largest amount outstanding during 2002 (\$) |
|--|-------------------------------------|---|
| Darren Entwistle<br>President & CEO  | Loan from Issuer(1)                 | 200,000                                     |
| Joseph Grech<br>Executive Vice-President<br>& President, Partner Solutions | Loan from Issuer(2)                 | 300,000                                     |
| John Maduri<br>Executive Vice-President<br>& President, Business Solutions | Loan from Issuer(3)                 | 100,000                                     |

Performance graph

The following graph compares the yearly change over the past five years in the cumulative total shareholder return on the common shares and non-voting shares of TELUS(1) with the cumulative total return on the S&P/TSX Composite Index, assuming a \$100 investment on December 31, 1997 and re-investment of dividends.

[PERFORMANCE GRAPH]

|                  | Dec 31 1997 | Dec 31 1998 | Dec 31 1999 | Dec 31 2000 |
|------------------|-------------|-------------|-------------|-------------|
| TELUS common     | 100         | 101         | 88          | 108         |
| TELUS non-voting | 100         | 101         | 88          | 102         |
| S&P/TSX Index    | 100         | 97          | 126         | 133         |

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Directors' and officers' insurance and indemnification

To the extent permitted by law, the Company has entered into an indemnification agreement with each of its directors and officers. The Company has directors' and officers' liability insurance which, subject to the provisions and exclusions contained in the policy, protects the directors and officers, as such, against any claims made during the term of their office against any of them for a wrongful act, provided they acted honestly and in good faith with a view to the best interests of the Company. Such insurance provides for a total of \$125 million coverage for both directors and officers as a group. The policy carries a \$500,000 per-event deductible for each claim made under the

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indemnification liability coverage of the Company with a premium of \$959,000 for the term from July 1, 2002 to July 1, 2003. A separate deductible of \$1,000,000 per event applies to any action brought by Verizon.

### Additional matters and information

Additional information about the Company is contained in the Company's annual information form and the audited financial statements of the Company for the year ended December 31, 2002. Copies of these documents are available upon request from TELUS' Corporate Secretary at 21st Floor, 3777 Kingsway, Burnaby, British Columbia, V5H 3Z7.

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board

approval

The Board of directors has approved in substance the contents of this information circular and the sending of this information circular to the holders of common shares and non-voting shares.

### Certificate

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Darren Entwistle  
President &  
Chief Executive Officer

Robert G. McFarlane  
Executive Vice-President  
& Chief Financial Officer

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appendix a: statement of  
TELUS' corporate governance practices

We at TELUS are committed to adopting effective and best practices in corporate governance. TELUS consistently assesses and adopts emerging best practices, and never more so than in 2002. In a year of significant turmoil and regulatory focus on corporate governance, the following are the most noteworthy corporate governance measures taken by securities regulators that will impact TELUS:

- \* proposed amended guidelines issued by the TSX ("proposed TSX guidelines");
- \* Sarbanes-Oxley Act ("SOX") passed by the U.S. legislature in July 2002 and various rules adopted by the Securities and Exchange Commission ("SEC rules") under SOX;
- \* proposed New York Stock Exchange ("NYSE listing standards"); and
- \* proposed bills by the Ontario Government, Keeping the Promise for a Strong Economy Act, 2002 and Investor Protection Act, which are expected to be proclaimed effective in the first quarter of 2003, and will provide the Ontario Securities Commission with additional power to make rules with respect to corporate governance.

TELUS is committed to an ongoing process of robust disclosure of its corporate governance practices in comparison with the TSX guidelines. TELUS has disclosed its corporate governance practices in relation to the TSX guidelines since the TSX adopted them in 1995. In the following section, TELUS has endeavoured to include in its disclosure against the current TSX guidelines its practice or changes in practices in relationship to SOX and SEC rules, and the proposed TSX guidelines and NYSE listing standards, where appropriate.

As a continued listing requirement of the TSX, TELUS has disclosed in the next

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section its approach to corporate governance with reference to the current TSX guidelines. TELUS is in full compliance with the current and proposed continued listing requirements outlined in the proposed TSX guidelines.

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disclosure of TELUS' practices  
with reference to the current TSX guidelines

| Toronto Stock Exchange Guideline  | TELUS Alignment with TSX Guidelines |   | TELUS' Practices   |
|---|-------------------------------------|---|--|
| Guideline 1: The Board explicitly assumes responsibility for stewardship of the Company             | yes                                 | * | The Board of Directors has assumed responsibility for Company by overseeing the management and operations of Company and supervising management, which is responsibility of the business.  |
|   |                                     | * | The TELUS Board Policy Manual was developed to assist in fulfilling their obligations, both individually and sets out guidelines and expectations for the Board as a whole, individual directors, the Chairman, Vice-Chair and expectations for each of the committees through their reference. It serves as a road map for the Board to handle responsibilities in the most effective manner possible.  |
|   |                                     | * | To further delineate the responsibilities of the Board, Delegation of Decisions from the Board to executive management June 1999. The framework provides guidance to the Board requiring Board approval including major acquisitions or any other specific transaction. To help the Board define duties and responsibilities under this framework, the Board delegates duties and responsibilities to committees to ensure fulfillment. The terms of reference of the committees outline the matters and activities performed by the committees. The Board reports to the Board on their activities on a regular basis, and reports to the Board for its approval. |
| Guideline 1(a): The Board assumes responsibility for the adoption of the strategic planning process | yes                                 | * | The Board has assumed responsibility for adoption of the strategic planning process. It ensures there are long-term goals. Goals and strategies are prepared and reviewed together with the Board on an annual basis and are a primary component of the agenda. The Board as a whole participates in discussions taking into account the opportunities and risks of the company. appropriate, approves the strategies and implementation management.   |

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- \* At least one extensive Board strategic planning session comprehensive and interactive strategic planning session with external advisors took place in September 2002 at which current issues faced by TELUS and the telecommunications industry were discussed.
- \* The Board provides periodic guidance throughout the year of corporate strategies based on the strategic plan and also reviews any changes to corporate strategies or the



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|  |     |   |  |
|--|-----|---|--|
|  |     |   | necessary in light of any new developments that impact   |
|  |     | * | At least quarterly, the Board monitors the performance relation to both the strategic objectives and operational annual budget.  |
| -----  |     |   |  |
| Guideline 1(b): The Board assumes responsibility for the identification of the principal risks of the Company's business and ensures implementation of appropriate risk management systems | yes | * | The Board has assumed responsibility for identifying the Company's business and for ensuring the implementation to manage these risks, as set out in the terms of reference committees. The Board determines the principal risks of business, based on the Board's knowledge of the telecommunication regulatory and competitive environment, general economic conditions provided by management. For a detailed summary of the risks of the Company, see the risks and uncertainties section of the annual report.  |
|  |     | * | The Audit Committee is responsible for reviewing and evaluating risk management systems in place to mitigate the Company's risks. The Audit Committee reviewed the 2002/2003 risk assessment process including proposed changes, annual risk assessment flow, benefits and timeline. In October, the Audit Committee reviewed the 2002/2003 TELUS risk assessment process which identified key risk owners tasked with mitigating the risks, and internal controls. The Audit Committee provides assurance to the Audit Committee regarding the risk data. |
|  |     | * | The Audit Committee receives quarterly reports on internal control results and evaluation of internal control systems and internal control plans, including legal and regulatory claims, environmental and social issues, current accounting policies, financial derivatives and other matters.  |
|  |     | * | The Audit Committee receives a compliance report on management's obligations based on a quarterly compliance survey conducted with senior management and an annual report on the relationship between the Company and regulatory bodies, including the accuracy and timeliness of regulatory filings.  |
|  |     | * | The Audit Committee has overseen the process for signing off on the risk-management processes across the Company. A Vice President and Chief Auditor was appointed in May 2002, who has since been appointed both the CFO and the Chair of the Audit Committee. In January 2003, an extensive risk assessment survey of the Company was conducted across TELUS, the results of which were reported to the Audit Committee. The results provided the Audit Committee with an assessment of the entire organization and individual business units.           |
| -----  |     |   |  |
| Guideline 1(c): The Board assumes responsibility for succession planning, including appointing, training and monitoring senior management  | yes | * | The Board assumes the responsibility for succession planning and delegates to the Compensation Committee the responsibility to oversee executive and management succession, development and compensation.  |
|  |     | * | The Compensation Committee periodically reviews the Company's compensation plan and structure.   |
|  |     | * | The Compensation Committee reviews, approves and reports on an annual basis, or more frequently as required, succession planning for executive management and senior management, including specific career planning for potential successors.  |
|  |     | * | The performance of executive management is annually measured against present objectives.   |
| -----  |     |   |  |
| Guideline 1(d): The Board assumes responsibility for a communications policy   | yes | * | The Board has implemented appropriate structures to promote timely and effective communications between TELUS, its subsidiaries and regulatory agencies. Through the Audit Committee all information is reviewed and recommended to the Board for approval and disclosure.   |
|  |     | * | The Company is also preparing a Corporate Disclosure Statement which will be completed after regulatory requirements applicable to the Company will confirm in writing TELUS' existing policies and procedures.  |

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disclosure and confidentiality of information including  
 (i) how the Company interacts with analysts, investors and the public;  
 (ii) measures for compliance with disclosure obligations, including a disclosure committee (comprised of management), disclosure information, meeting timely disclosure obligations and a financial disclosure model.

\* Once finalized, this policy will be presented to the Board. Any changes to TELUS' practices and this policy, as approved by the Committee of the Company, will be reported back to the Board.

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Guideline 1(e): The Board assumes responsibility for the integrity of internal control and management information systems

yes

\* The Board ensures the integrity of internal control systems through its delegation to the Audit Committee. The Audit Committee quarterly reports on the internal audit activities and updates on the internal control systems. It also conducts an annual management survey designed to identify strengths and weaknesses of internal controls within the TELUS environment. This survey is conducted by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) environment and covers the following components of internal control environment ("Tone at the Top"), risk assessment, control procedures, information and communications systems and financial reporting systems.  
 \* The Audit Committee reviews and approves methods of accounting for assets and information systems. It also reviews on a quarterly basis the accounting policies including alternatives and potential adjustments or estimates or judgments. Furthermore, it oversees the Company's compliance with applicable accounting principles including generally accepted accounting principles (GAAP).

Guideline 2: The Board is constituted with a majority of "unrelated" directors

yes

\* Through the Corporate Governance Committee, the Board has determined which directors are considered "unrelated" as set out in the current and proposed TSX guidelines.  
 \* On rigorous application of these definitions, 8 of the 10 directors of the Company are considered "unrelated" to the Company.  
 \* The Company does not have a "significant shareholder" relationship with any current and proposed TSX Guidelines. Pursuant to the Agreement dated January 31, 1999 among the Company and Bell Canada Corporation and Anglo-Canadian Telephone Company, B.A. Canfield and D.C. Petri have been designated director nominees.

Guideline 3: Disclose whether each director is "unrelated" or "related" to the circumstances of each director and the analysis of the application supporting this conclusion

yes

\* The Board has reviewed and analyzed each of the proposed circumstances as they relate to TELUS. The Board has determined that A.C. Giammarino (Chairman), D. Entwistle (President & CEO), A.C. Giammarino and B.A. Canfield are "related" directors pursuant to the current and proposed TSX Guidelines. Messrs. Canfield, Entwistle, Giammarino and D.C. Petri are directors who are related directors.  
 \* D. Entwistle is the only director who is also a member of the Board of Directors of the Company. Consequently, by virtue of being a member of the Board of Directors of the Company, it was determined that a material business relationship exists between the Company and D. Entwistle.

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\* The Board has determined that A.C. Giammarino and D.C. Petri do not have a material business relationship with TELUS by virtue of Verizon and Verizon's relationship with TELUS. A.C. Giammarino and D.C. Petri are members of senior management of Verizon and Verizon has a material business relationship with TELUS pursuant to the Verizon Related Technology and Services Agreement.  
 \* B.A. Canfield would be considered a "related" director pursuant to the current and proposed TSX guidelines. He was CEO of BC TELECOM, predecessor of TELUS, from July 1997 to July 1999. He also served as CEO from September 1999 to July 2000.

therefore, has not satisfied the "cooling off period" "independence" from management. The Board acknowledges the Board is a "related" director under the proposed assess this as part of the Chair succession plan.

- \* There is no material relationship existing between an directors and the Company, either directly or as a pa of an organization that has a relationship with the C TELUS securities; such holdings are disclosed in this 8, Election of directors.
- \* The Board has made such determinations based on a com questionnaire completed by each director.
- \* Additional disclosure on Board members, including the and backgrounds, can be found in Election of director circular, the annual information form, the annual rep telus.com.

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Guideline 4: The Board has a committee responsible for appointment/ assessment of directors, composed exclusively of non-management /unrelated directors

yes

- \* The Governance Committee, all of whose members are "u responsible for assessing and making recommendations and for establishing a process for identifying, recru re-appointing and providing ongoing education and dev
- \* The Governance Committee undertook an extensive disci determine, in light of the opportunities and risks fa competencies, skills and personal qualities it should add value to the Company. The Governance Committee re for a director search, and undertook a process for ad proposed slate of directors. Prospective director can and the CEO.
- \* Annually, the Governance Committee reviews and recomm approval the long-term plan for composition of the Bo into consideration the current strengths, skills and appropriate retirement criteria and the strategic dir

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Guideline 5: The Board has implemented a process for assessing the effectiveness of the Board, its committees and the contribution of individual directors

yes

- \* The Governance Committee, in conjunction with the Cha annual assessment process that monitors the effective Board and committee processes, and the Board's relati
- \* A director peer evaluation program was implemented to with feedback from director peers on his performance. suggestions for improving his or her effectiveness as to the Board.
- \* Going forward, each committee will also conduct its o which will be added to its terms of reference.
- \* The Board also notes the disclosure on attendance at meetings by the directors, as set out in the Election information circular, and confirms that each director record.

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Guideline 6: The Company, as an integral part of the process for appointing new directors, has an orientation and education program for new directors

yes

- \* The TELUS Board Policy Manual was established to assi Board members in understanding the role of the Board, and the contribution individual Board members are exp commitment of time and energy that the Company expect is subject to periodic review and approval by the Gov Board, and is updated from time to time.
- \* The Governance Committee reviews, approves and report directors' orientation process and plans for the ongo Board members.
- \* During 2002, A.C. Giammarino and D.C. Petri were appo vacancy of directors created by M. Masin and F. Sallo Board. The new directors went through an extensive or includes each of them receiving a large information p most current annual information form and the annual r

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attended an orientation session where key management discussed the TELUS organization structure, TELUS' strategy and performance, the strategic financial plan and the TELUS/Verizon relationship.

- \* In addition, the committee Chairs ensure there is a continuous process in place for any directors newly appointed to the Board.
- \* As part of the strategic planning session in September 2003, the Chairman and CEO, in conjunction with the Chairman, selected speakers for a presentation and discussion at the strategic planning session on the business and regulatory environment, new technology and the telecommunications sector in general.

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|--|-----|---|
| Guideline 7: The Board has examined the size of Board, and has undertaken a program to reduce the number of directors with a view to improve effectiveness | yes | <ul style="list-style-type: none"> <li>* An appropriate number of Board members representing a range of backgrounds and business experience have been nominated for election to the Board to function more effectively.</li> <li>* The Governance Committee has completed a comprehensive review for Board composition and Board size and recommended that the Board be reduced from 15.</li> <li>* The Board has also approved the Governance Committee's recommendation to reduce the size of the committees to enhance ongoing effectiveness.</li> </ul> |
|--|-----|---|

|   |     |   |
|---|-----|---|
| Guideline 8: The Board has reviewed the adequacy and form of compensation of directors in light of the risks and responsibilities of being a director | yes | <ul style="list-style-type: none"> <li>* The Governance Committee, which is comprised of "unrelated" directors, reviews and recommends to the Board the compensation of directors. In this regard, the Committee analyses market data, trends and compensation by other similar organizations and the responsibilities of directors. For details, see Director compensation on page 20.</li> <li>* The Company will also align the Board with the interests of shareholders through the promotion of increased share ownership by directors. Performance-based, long-term equity-based incentive compensation is provided to directors. The Board has approved a minimum equity ownership level of 1% of TELUS shares, to be acquired within five years of joining the Board. As of 2003, 6 of the 12 proposed directors have reached the level. As well, the Company adopted a Share Option and Restricted Share Plan. Under separate provisions are maintained for share compensation to this plan, a minimum level of the annual board retainer, bonus or purchase of TELUS shares, or paid in the form of deferred compensation, until an appropriate level is reached. Pursuant to the plan, a portion of directors' compensation is also delivered through options and restricted shares which are determined by market factors.</li> <li>* The Compensation Committee, which is comprised of a majority of "unrelated" directors, is responsible for ensuring the Company has appropriate compensation and management compensation, development and retention. Compensation for executive compensation has been provided by the Compensation Committee on Mandate and report of the Human Resources Department on page 24 in this information circular.</li> </ul> |
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|--|-----|--|
| Guideline 9: Committees should generally be composed of non-management directors and the majority of committee members should be unrelated | yes | <ul style="list-style-type: none"> <li>* Each TELUS committee is comprised of a majority of "unrelated" directors, all of whom are non-management directors.</li> <li>* The Governance Committee is comprised solely of "unrelated" directors, other than "non-management" directors.</li> <li>* The Audit Committee is comprised solely of "unrelated" directors, other than A.C. Giammarino, who is considered a "non-management" director. If securities regulators mandate that the Committee should be comprised solely of "unrelated" directors, TELUS intends to comply with their requirement.</li> <li>* The Compensation Committee is comprised solely of "unrelated" directors, other than D. Petri who is considered a "non-management" director. If securities regulators mandate that the Compensation Committee should be comprised solely of "unrelated" directors, TELUS intends to comply with their requirement.</li> </ul> |
|--|-----|--|

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- \* "non-management" directors, TELUS intends to comply with
- \* The President and CEO and Chairman of the Board may attend
- \* meetings. The President and CEO is not a member of any
- \* of the Board is only a member of the Pension Committee
- \* At the end of committee meetings, the committee member
- \* "in-camera" without management present. Generally, the
- \* presides over these sessions.
- \* The Board encourages attendance by executive management
- \* committee meetings to provide additional insight into
- \* exposure to executive management.

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|   |     |   |   |
|---|-----|---|---|
| Guideline 10: Appoint a committee responsible for determining the Company's approach to corporate governance issues and the Company's response to these governance guidelines | yes | * | <ul style="list-style-type: none"> <li>* The Governance Committee is responsible for governance</li> <li>* recommending to the Board for approval the Company</li> <li>* to these guidelines;</li> <li>* annually reviewing all terms of reference;</li> <li>* periodically reviewing Board and committee composition</li> <li>* ensuring, on behalf of the Board, that the corporation</li> <li>* effectively supports the discharge of the Board's</li> </ul> |
|---|-----|---|---|

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|---|-----|---|---|
| Guideline 11: The Board, together with the CEO, has developed position descriptions for the Board and CEO, including defining limits to management's responsibilities. The Board had approved the corporate objectives the CEO is responsible for meeting | yes | * | <ul style="list-style-type: none"> <li>* The Board has a broad responsibility for supervising</li> <li>* business and affairs of the Company. This responsibility</li> <li>* Board's terms of reference in the TELUS Board Policy</li> <li>* Board approved a Framework for Delegation from the Board</li> <li>* which further defines the authority of executive management</li> <li>* decisions involving the operations of the Company and</li> <li>* The TELUS Board Policy Manual also includes terms of</li> <li>* and CEO. As well, his annual performance objectives,</li> <li>* and approved by the Compensation Committee, supplement</li> <li>* define the responsibilities of management. The Compensation</li> <li>* performance of the President and CEO against his annual</li> <li>* back to the Board. For further details, see Mandate and</li> <li>* Resources and Compensation Committee on page 24.</li> </ul> |
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| Guideline 12: The Board has implemented structures and procedures to enable the Board to function independently of management, including separate roles of the Board Chair and CEO | yes | * | <ul style="list-style-type: none"> <li>* The Board recognizes that its independence from management</li> <li>* fulfilling its duties. The Board is committed to the</li> <li>* accountability. Management is accountable to the Board</li> <li>* the stakeholders of the Company while at all times for</li> <li>* of the Company and the enhancement of shareholder value</li> <li>* of the business. Refer to disclosure on Guideline 1 for</li> <li>* Board structures and processes to ensure the effectiveness</li> <li>* The Governance Committee is responsible for establishing</li> <li>* processes to enable the Board to function independent of</li> <li>* prospective candidates fully understand the role of the</li> <li>* they are expected to make.</li> <li>* The independence of the Board is further enabled through</li> <li>* the positions of Chairman, Vice-Chair and President and</li> <li>* Vice-Chair are non-management directors.</li> <li>* At the end of each meeting the Board meets without management</li> <li>* the CEO, followed by an "in-camera" session without management</li> <li>* presides over these "in-camera" sessions of the Board</li> <li>* Upon notice to the Governance Committee, each committee</li> <li>* authority to retain external advisors.</li> <li>* Members of the Board can request, at any time, a meeting</li> <li>* non-management members of the Board for the purpose of</li> <li>* independently of management</li> </ul> |
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|  |     | * The Board also encourages attendance by executive management, who are subject matter experts, at Board further the Board's exposure to management and knowle   |
| -----  |     |  |
| Guideline 13: The Audit Committee has a specifically defined mandate, with all members being outside directors, including direct communication channels with the internal and external auditors and oversight for management reporting on internal control | yes | <p>* The Audit Committee is comprised of a majority of "un</p> <p>* "independent" directors.</p> <p>* The Board believes that all current Audit Committee m</p> <p>* P. Charbonneau and A.C. Giammarino are "financially l</p> <p>* or related financial experience", as defined under th</p> <p>* are "audit committee financial experts" as defined un</p> <p>* The Corporate Governance Committee agreed, as a gener</p> <p>* Committee members will not sit on any other Board com</p> <p>* dedicated attention to increased responsibilities of</p> <p>* plans to review compensation for Audit Committee memb</p> <p>* The Audit Committee has direct communication channels</p> <p>* external auditors to discuss and review specific issu</p> <p>* forward, the Audit Committee will have sole authority</p> <p>* auditors and the external auditors will report direct</p> <p>* The Vice-President, Risk Management and Chief Auditor</p> <p>* function and reports directly to both the CFO and the</p> <p>* The Audit Committee meets separately "in-camera" at e</p> <p>* meeting, with both the external auditors and internal</p> <p>* present.</p> <p>* The Audit Committee is responsible for reviewing the</p> <p>* functions and financial statements, and reviewing and</p> <p>* release to the Board all public disclosure informatio</p> <p>* statements, quarterly reports, financial news release</p> <p>* management's discussion and analysis and prospectuses</p> <p>* The Audit Committee is responsible for overseeing the</p> <p>* control function and ensuring that management has eff</p> <p>* systems in place. It reviews the scope of responsibil</p> <p>* internal audit group, including internal audit report</p> <p>* relationship with the external auditors.</p> <p>* The Audit Committee is also responsible for overseein</p> <p>* external auditors including discussing and reviewing:</p> <p>* the scope of their examination, the audit plan an</p> <p>* the fees involved;</p> <p>* factors that might impair, or be perceived to imp</p> <p>* the external auditors, including pre-approval of</p> <p>* fees related thereto;</p> <p>* any problems found in performing the audit, such</p> <p>* restrictions imposed by management or situations</p> <p>* opinion on a significant accounting issue;</p> <p>* major positive and negative observations of the a</p> <p>* of the audit;</p> <p>* the Company's major accounting policies, includin</p> <p>* alternative accounting policies and key managemen</p> <p>* could materially affect the financial results;</p> <p>* emerging accounting issues and their potential im</p> <p>* financial reporting.</p> <p>* The Audit Committee terms of reference explicitly set</p> <p>* oversight responsibility of the Audit Committee. For</p> <p>* Mandate and report of the Audit Committee on page 21</p> |
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| Guideline 14: The Board has implemented a system to enable individual directors to engage outside  | yes | * In addition to the authority of the Board and committ advisors in connection with their responsibilities, i outside advisors at any time, subject to the approval to provide advice with respect to a corporate decisio  |

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advisers, at the  
Company's expense

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: April 10, 2003

TELUS Corporation

\_\_ "James W. Peters"\_\_  
Name: James W. Peters  
Title: Corporate Secretary