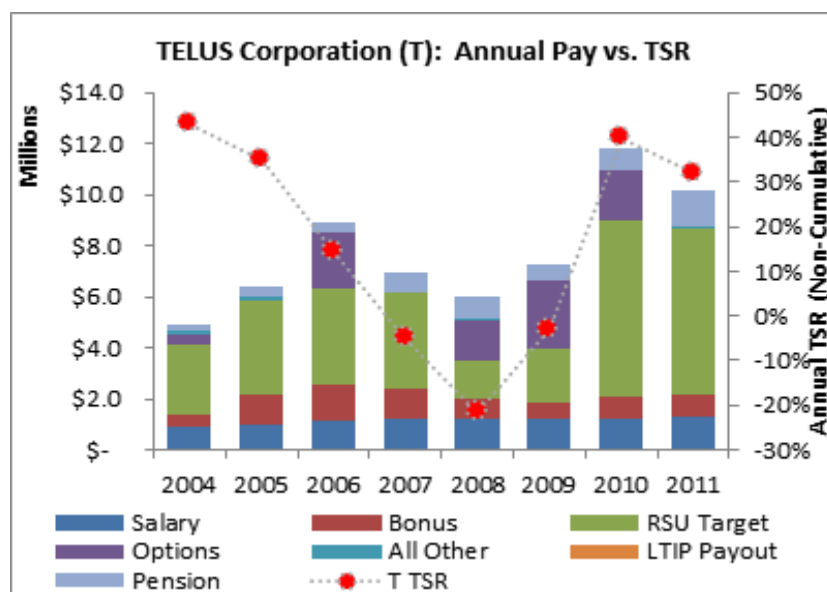
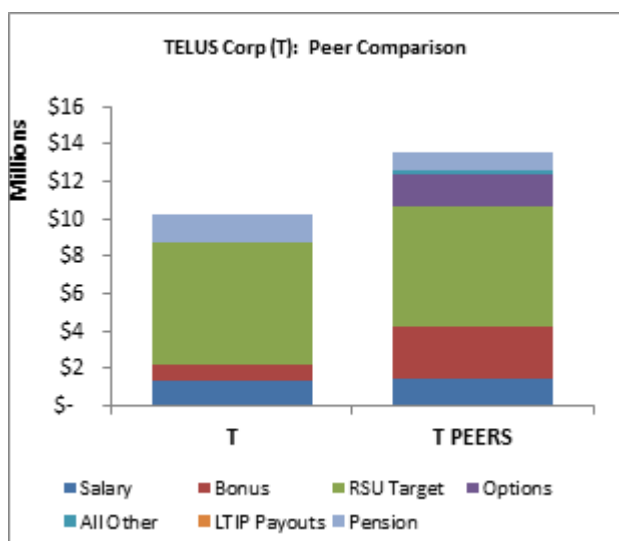


TELUS Corp (T): 2004-2011 Pay for Performance

PAY FOR PERFORMANCE SCORE				
1 YEAR = 1	4 YEAR = 2	6 YEAR = 5	8 YEAR = 8	TOTAL: 16/24

T's 2011 TSR of 32% ranked 1st out of 11 peers, making it two consecutive good years for shareholders coming out of the Financial Crisis. Most of T's year-over-year variance in total CEO pay is driven by changes in equity grants, which generally comprise between 60% and 80% of total pay. The size of equity grants is based partly on the CEO's personal performance and partly on market benchmarking. Over our observation period, **T has been quite successful in using equity grants to ensure that CEO pay and TSR move in the same direction on a year-by-year basis.** This alignment resulted in a very good Pay for Performance Score of 16/24. In 2011, T's total CEO pay ranked 6th out of 11 peers, and 4th out of 7 Canadian peers.



COMPANY'S DISCLOSED PEER FIRMS	
TICKER	NAME
TSE:RCI.B	Rogers Communications Inc.
TSE:SJR.B	Shaw Communications Inc
TSE:BCE	BCE Inc.
TSE:RIM	Research In Motion Limited
TSE:FTT	Finning International Inc.
TSE:QBR.B	Quebecor Inc.
NYSE:VZ	Verizon Communications
NYSE:S	Sprint Nextel Corporation
NDQ:DTV	DIRECTV Group
NDQ:WIN	Windstream Corporation

FY 2011 FINANCIAL PERFORMANCE RANKINGS						
#	PEER	TSR	PEER	ROE	PEER	ROA
1	TSE:T	32.1%	TSE:RCI.B	43.8%	NDQ:DTV	14.3%
2	TSE:BCE	26.7%	TSE:BCE	20.8%	TSE:RCI.B	8.5%
3	NYSE:VZ	18.1%	TSE:FTT	19.3%	TSE:RIM	8.4%
4	TSE:RCI.B	17.9%	TSE:SJR.B	19.0%	TSE:FTT	6.5%
5	NDQ:DTV	7.1%	TSE:T	16.2%	TSE:T	6.1%
6	NDQ:WIN	6.4%	TSE:QBR.B	14.1%	TSE:BCE	5.7%
7	TSE:SJR.B	5.9%	TSE:RIM	11.4%	TSE:SJR.B	5.6%
8	TSE:QBR.B	-6.7%	NDQ:WIN	9.3%	NDQ:WIN	5.4%
9	TSE:FTT	-16.3%	NYSE:VZ	6.7%	TSE:QBR.B	2.2%
10	NYSE:S	-42.2%	NYSE:S	-25.3%	NYSE:VZ	1.0%
11	TSE:RIM	-79.0%	NDQ:DTV	-84.0%	NYSE:S	-5.9%

CEO COMPENSATION RANKINGS AGAINST COMPANY'S DISCLOSED PEER FIRMS										
	PEER	TOTAL PAY	PEER	SALARY	PEER	BONUS	PEER	TOTAL CASH	PEER	TOTAL EQUITY
1	NYSE:VZ	\$28,660,865	TSE:RIM	\$2,070,305	NYSE:S	\$5,611,577	NYSE:S	\$6,798,460	NYSE:VZ	\$22,872,345
2	TSE:SJR.B	\$13,952,163	TSE:SJR.B	\$2,025,411	TSE:SJR.B	\$4,675,000	TSE:SJR.B	\$6,700,411	TSE:RIM	\$10,289,000
3	TSE:RIM	\$12,388,475	NYSE:VZ	\$1,788,567	NDQ:DTV	\$3,857,370	NDQ:DTV	\$5,358,548	TSE:T	\$6,500,000
4	NYSE:S	\$12,188,944	NDQ:DTV	\$1,501,179	NYSE:VZ	\$3,018,206	NYSE:VZ	\$4,806,773	NDQ:WIN	\$6,481,367
5	TSE:BCE	\$10,584,951	TSE:T	\$1,300,000	TSE:BCE	\$2,445,313	TSE:BCE	\$3,695,313	TSE:BCE	\$6,269,514
6	TSE:T	\$10,191,041	TSE:QBR.B	\$1,300,000	TSE:QBR.B	\$1,850,527	TSE:QBR.B	\$3,150,527	NYSE:S	\$5,297,225
7	NDQ:WIN	\$9,701,439	TSE:BCE	\$1,250,000	NDQ:WIN	\$1,719,246	NDQ:WIN	\$2,699,413	TSE:RCI.B	\$4,667,894
8	TSE:RCI.B	\$7,884,674	TSE:RCI.B	\$1,200,000	TSE:RCI.B	\$1,468,500	TSE:RCI.B	\$2,668,500	TSE:FTT	\$1,725,870
9	NDQ:DTV	\$5,874,382	NYSE:S	\$1,186,883	TSE:T	\$889,206	TSE:T	\$2,189,206	TSE:QBR.B	\$1,593,699
10	TSE:QBR.B	\$4,766,811	NDQ:WIN	\$980,168	TSE:FTT	\$500,000	TSE:RIM	\$2,070,305	TSE:SJR.B	\$825,000
11	TSE:FTT	\$4,246,231	TSE:FTT	\$947,115	TSE:RIM	\$0	TSE:FTT	\$1,447,115	NDQ:DTV	\$0

PAY FOR PERFORMANCE SCORING

For 2012, the Clarkson Centre for Board Effectiveness (CCBE), prepared a Pay for Performance report for each firm currently listed on the TSX 60 Index that has at least 8 years of historical compensation or share price data available. The CCBE's Performance Score measures how closely CEO pay and TSR are aligned over four different time horizons. Compensation data is gathered from the firm's public filings, and valued at the time of grant. Options are valued using the binomial tree fair value method, and PSUs are valued at the grant date value of the target payout. TSR is calculated using a 30-day average start and end date share price, and assumes the reinvestment of dividends.

CCBE collected pay and performance data for up to ten peer companies for each TSX 60 constituent. Peer companies were selected from each TSX 60 constituent's performance benchmarking peer group, as disclosed in its most recent Management Information Circular. If a performance peer group was not disclosed, the CCBE collected information on the disclosed constituents of the total pay benchmarking peer group. If a peer group had more than 10 constituents, we randomly selected ten from among the disclosed list.

Our Pay for Performance Score takes into account alignment between change in CEO pay and TSR in 1-, 4-, 6- and 8-year observations. CEO pay change is 'smoothed' to account for outlying years. For example, in our 8-year observation we calculate CEO pay change as the percent change of the sum of total CEO pay from 2004-2007 against the sum of total CEO pay from 2008-2011. This helps to normalize our longer observations for unusual events like CEO turnover and large one-time payouts. The Pay for Performance Score gives significantly more weight to longer-term observations than shorter ones.

1-YEAR SCORE	4-YEAR SCORE	6-YEAR SCORE	8-YEAR SCORE
A = 3	A = 4	A = 7	A = 10
B = 3	B = 3	B = 5	B = 8
C = 2	C = 2	C = 3	C = 5
D = 1	D = 1	D = 1	D = 3
E = 0	E = 0	E = 0	E = 0

