

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA,
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NOVA SCOTIA, NEW
BRUNSWICK, NEWFOUNDLAND AND PRINCE EDWARD ISLAND

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE
RELIEF APPLICATIONS

AND

IN THE MATTER OF TELUS CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia New Brunswick, Newfoundland and Prince Edward Island (the "Jurisdictions") has received an application from TELUS Corporation ("TELUS") and its subsidiaries and controlled entities, including TELE-MOBILE Company ("TELE-MOBILE"), for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file and obtain receipts for a preliminary prospectus and a prospectus (the "Prospectus Requirements") shall not apply to the trades by TELUS of Non-Voting Shares (the "Shares") of TELUS to certain distributors and sales representatives of the products and services of TELUS and its subsidiaries in connection with the TELUS Channel Stock Incentive Plan (the "Plan");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the British Columbia Securities Commission is the principal regulator for this application;

AND WHEREAS TELUS and TELE-MOBILE have represented to the Decision Makers that:

1. TELUS was incorporated under the *Company Act* (British Columbia) on October 26, 1998;
2. TELUS' executive and registered offices are located at 21st Floor, 3777 Kingsway, Burnaby, British Columbia, V5H 3Z7;
3. TELUS is the second largest Canadian telecommunications provider, offering a full range of communication services;
4. the authorized capital of TELUS consists of 4,000,000,000 shares divided into 1,000,000,000 TELUS common shares, 1,000,000,000 TELUS Shares, 1,000,000,000 first preferred shares without par value and 1,000,000,000 second preferred shares without par value; as at August 31, 2001, 179,960,268 common shares, 118,157,010 Shares, no first preferred shares and no second preferred shares were issued and outstanding;

5. TELUS is a reporting issuer or its equivalent in each of the Jurisdictions, is not in default of any requirement under the Legislation, and is eligible to file a short form prospectus pursuant to National Instrument 44-101;

6. the TELUS Common Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE"); the Shares are listed and posted for trading on the TSE and the New York Stock Exchange;

7. for the year ended December 31, 2000, TELUS had consolidated revenue of 6,433,200,000 and has over 2 million wireless subscribers;

8. the TELUS Mobility network is operated by TELE-MOBILE; TELE-MOBILE is a partnership under the laws of Ontario which is wholly-owned by TELUS and its affiliates and is not a reporting issuer in any of the Jurisdictions;

9. the purpose of the Plan is to promote the interests of TELUS and its shareholders by increasing sales of various products and services by payment of additional compensation by the applicable TELUS subsidiaries, in the form of Shares, to distributors and sales representatives of certain products and services of TELUS and its subsidiaries;

10. under the Plan, TELUS may determine which subsidiary or partnership, the majority of partnership units of which are owned by TELUS, shall participate in the Plan; however any such subsidiary or partnership that participates in the Plan will be as committed to TELUS products and services as TELE-MOBILE;

11. under the Plan, TELUS will define criteria for the determination of distributors and sales representatives of a specified telecommunications service offered by TELE-MOBILE or a TELUS subsidiary that meets the requirements of paragraph 10 above who will be entitled to participate in the Plan based on volumes of subscriber units sold by them; distributors and sales representatives may apply to TELUS or a subsidiary for enrolment in the Plan and upon acceptance by TELUS or a subsidiary of such application, the distributor or sales representative shall become a participant of the plan (a "Participant");

12. TELE-MOBILE will establish a target number of active and good standing subscriber units (radio sets) to be sold by a Participant for determination of the number of Shares to be issued; if that target number is reached and those units are still active on the TELUS Mobility service for at least six months, one Share will be issued to the Participant for each target number of subscriber units, rounded down to nearest multiples of ten; Shares will be issued in blocks of five; with respect to any other telecommunications services provided by another subsidiary, that subsidiary will establish target numbers of services or equipment to be sold, the determination of the continued eligibility for entitlement to Shares thereunder and the number of Shares to be issued; the applicable TELUS entity will pay TELUS the issue price for such Shares which will be the weighted average trading price of the Shares on the TSE during five consecutive trading days before the trading date, and will provide such Shares to the Participant as additional compensation;

13. the Plan will only be offered to distributors and their sales representatives who provide ongoing support and service to TELUS products and services; the Plan will not be offered to retail-only distributors of TELUS products and services and their sales representatives;

14. initially, the Plan will be offered to certain distributors and sales representatives who sell specified radio units which will be mobilized on the TELUS Mobility network operated by TELE-MOBILE;

15. TELE-MOBILE has distributor agreements in place with the distributors, who in turn employ the sales representatives;

16. in order to sell TELUS products and services, the sales representatives are required to complete a training program designed to familiarize the sales representatives with the TELE-MOBILE business to aid in the sale of TELE-MOBILE products and services; as well, the distributors and sales representatives have access to information relating to TELUS' position in the industry through distributor rallies, distributor forums, training programs, regular marketing bulletins and visits from TELE-MOBILE channel managers;

17. the majority of the distributors and sales representatives will be devoted exclusively to the sale of TELE-MOBILE products and services; all of the distributors and sales representatives are dedicated to the communications industry with a particular focus on the wireless business;

18. under the Plan, TELUS may issue a maximum of 300,000 Shares;

19. no insiders of TELUS will be Participants in the Plan;

20. there is no cost to the Participants for receiving the Shares;

21. TELUS will mail to each Participant who receives Shares a letter explaining that TELUS discloses information to the public on a regular basis and that such disclosure can be obtained by accessing SEDAR or by contacting TELUS;

22. Participants who hold Shares will receive copies of all annual reports, proxy solicitation materials and other materials generally distributed to the holders of Shares; and

23. the TSE has conditionally approved the Plan and the reservation for issuance of up to 300,000 Shares thereunder;

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Registration Requirements and the Prospectus Requirements contained in the Legislation shall not apply to the trade by TELUS of Shares under the Plan provided that the first trade in Shares acquired under the Plan in a Jurisdiction shall be deemed to a distribution or primary distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") unless:

(a) at the time of the first trade, TELUS is and has been a reporting issuer or the equivalent under the Applicable Legislation for the 12 months immediately preceding the trade;

(b) if the seller is an insider or officer of TELUS, the seller has filed all records required to be filed under the Applicable Legislation and has no reasonable grounds to believe that TELUS is in default of any requirement of the Applicable Legislation;

(c) except in Qu_顛c, the first trade is not from the holdings of a person or company who holds a sufficient number of the voting rights attaching to the outstanding voting securities of TELUS to affect materially the control of TELUS, or each person or company in a combination of persons or companies, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of TELUS to affect materially the control of TELUS and, if a person or company or combination of persons or companies holds more than 20% of the voting rights attached to all outstanding voting securities of TELUS, the person or company or combination of persons or companies is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of TELUS;

(d) no unusual effort is made to prepare the market or create a demand for the Shares; and

(e) no extraordinary commission or other consideration is paid in respect of the trade.

DATED October 29, 2001.

"Brenda Leong"
Director

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the registration and prospectus requirements for trades in shares of an issuer to independent distributors and sales representatives of the issuer and its subsidiaries.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 48, 61 and 76