

Telus CEO is the king of telecom executive pay by a wide margin by David Milstead and Alexandra Posadzki - The Globe and Mail - April 02, 2021:

- <https://www.theglobeandmail.com/business/article-telus-ceo-is-the-king-of-telecom-executive-pay-by-a-wide-margin/>



A big raise for Telus Corp.'s [T-I](#) +0.24% increase Darren Entwistle made him the top-paid Canadian telecom CEO in 2020 by a wide margin.

Mr. Entwistle, the longest-serving chief executive officer among Canada's three biggest telecoms, saw his total compensation jump to \$16.04-million, a 24-per-cent increase from 2019's pay of \$12.92-million, according to the company's proxy circular filed on Thursday.

At Rogers Communications Inc. [RCI-B-T](#) +0.89%increase, CEO Joe Natale made \$11.22-million, compared with \$11.70-million in 2019. BCE Inc.'s [BCE-T](#) +0.42%increase new CEO, Mirko Bibic, had total compensation of \$9.48-million, nearly double what he made the prior year as chief operating officer, but less than the \$12.64-million that his predecessor George Cope made in 2019.

At Rogers and BCE, annual bonuses fell after the COVID-19 pandemic caused both companies to miss financial targets. Telus tells its shareholders in its proxy circular that it “significantly outperformed our national peers (Bell and Rogers) across several financial and operational metrics.”

BCE and Rogers each reported single-digit revenue declines in 2020, while Telus recorded a revenue gain of 5.5 per cent. The measures of EBITDA, or earnings before interest, taxes, depreciation and amortization, used by Rogers and BCE fell in 2020, while Telus eked out a small increase.

Mr. Entwistle’s annual bonus increased to \$855,980, from \$727,765. The big driver of his pay increase was a boost in option and share awards, climbing to \$12.86-million in 2020 from \$9.98-million in 2019. The board increased the award “given the corporate performance in 2020 and Darren’s exceptional leadership,” according to the circular.

Telus also cites Mr. Entwistle’s “leadership in establishing the strategy that culminated in Telus International’s successful February, 2021 IPO” as part of the reason for the pay boost.

Telus says it revised its performance goals after the first quarter of the year to reflect the COVID-19 pandemic. Its “COVID-revised scorecard,” in place for the final three quarters of the year, shifted emphasis from financial goals and placed more emphasis on “culture and brand” and “customers first.” It also removed financial metrics for mobile network revenue and strategic growth, focusing solely on an increased goal for cash flow. (Telus ultimately missed the increased cash-flow goal.)

After the tweaking, Telus said it closed the year with a final bonus multiplier of 1.05, meaning the corporate-performance portion of bonuses were paid at 5 per cent above the target.

Mr. Entwistle, who became president and CEO of Telus in 2000, donated a quarter of his salary last year to pandemic-related causes, resulting in an effective salary of \$1,031,250, versus \$1.375-million the prior year.

Telus said that from 1999 to 2021, it had a total shareholder return of 600 per cent, well ahead of the 273-per-cent return for the S&P/TSX Composite Index and the MSCI World Communication Services Index return of 56 per cent.

Rogers disclosed in its recently filed proxy circular that Mr. Natale received a bonus of \$941,551 in 2020, down from \$1.5-million the previous year.

Mr. Natale and other top executives at Rogers also took a 20-per-cent salary cut for the 10 weeks from May to July of last year to pay into a wellness fund that provides services such as mental-health counselling to employees. Four other Rogers executives took home smaller bonuses, as well.

Bonuses fell as a result of financial performance, the company said. Rogers's board arrives at a "company multiplier" as part of the annual bonus formula, but does not disclose the actual financial, customer-service and employee-engagement goals or results that go into the final calculation.

Rogers acknowledged that its financial performance "fell short of the targets set at the beginning of the year due to the immense challenges faced against the backdrop of COVID-19," but said the board arrived at a 70-per-cent performance score, which effectively cut bonuses 30 per cent from their target. It "was appropriate given our performance during the year, and relative to other [companies]," the board said in a letter to shareholders.

BCE executives also took home smaller bonuses, aside from its new CEO Mirko Bibic, who took the reins at the start of 2020. Mr. Bibic's total compensation of \$9.48-million included a \$1.61-million bonus, up from \$1.18-million in 2019.

At BCE, financial goals make up a little more than half of the "corporate performance index" that drives bonus payouts. And since BCE missed all of its goals, it recorded zeros for the financial portion. The remainder of the index is based on strategic goals and individual performance, and BCE said executives got full bonuses for strategy and more than double their targets for individual performance.