



ALWAYS

HERE

Letter of Transmittal



Regina, Saskatchewan
June 29, 2022

To His Honour
The Honourable Russ Mirasty, S.O.M., M.S.M.
Lieutenant Governor of Saskatchewan
Province of Saskatchewan

May it please Your Honour:

I have the honour to submit herewith the Annual Report of SaskTel for the fiscal year ending March 31, 2022, in accordance with *The Saskatchewan Telecommunications Holding Corporation Act*.

The Financial Statements included in this annual report are in the form approved by Crown Investments Corporation of Saskatchewan as required by *The Financial Administration Act, 1993* and have been reported on by the auditors.

Respectfully submitted,

A handwritten signature in black ink that reads "Don Morgan". The signature is written in a cursive, slightly stylized font.

Honourable Don Morgan, Q.C.
Minister Responsible for Saskatchewan
Telecommunications

Always here. It's a promise we've carved into the province. We are here in our communities—with our employees, our technology, and our sponsorships—as much a part of the Saskatchewan landscape as the living sky.

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Highlights



FINANCIALS

Net Income	Revenue	Return on Equity	Capital Investment
\$104.4M	\$1,300.9M	8.8%	\$465.1M



CUSTOMER CONNECTIONS

Broadband Internet*	maxTV Service	Wireless	Fibre	Wireline Voice
+3.0%	(3.4%)	+1.3%	+11.9%	(5.5%)
Subscriber Growth	Subscriber Decline	Subscriber Growth	Subscriber Growth	Subscriber Decline
2021/22 863,358 2020/21 838,404	2021/22 110,192 2020/21 114,120	2021/22 647,765 2020/21 639,707	2021/22 167,678 2020/21 149,867	2021/22 273,856 2020/21 289,934

*Includes Rural Broadband Partnerships



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Sponsorships	SaskTel Pioneers	SaskTel TelCare Contributions	Supporting Saskatchewan	Customer Data Relief
\$2.9M	\$1.6M	\$0.2M	74.8%	21.2 PB
548 Non-profit & Charitable Organizations 144 Community Partnerships	Donations & Over 23,500 Volunteer Hours	47 Saskatchewan Organizations	Suppliers Located in Saskatchewan	Unlimited Wireless Data provided during the pandemic PB = Petabyte



INFRASTRUCTURE

50 Mbps Fixed Broadband	Fibre Footprint	Fibre to the Premises (Consumer and Business)	Wireless Data Usage
86.0%	63.0%	+11.1%	+12.6%
SK Coverage	SK Coverage	Total Passed Growth	Data Traffic Growth

Strategic Goals



Deliver an Exceptional Customer Experience

Our customers are at the centre of everything we do. We will deliver an exceptional customer experience at every touchpoint along their journey with SaskTel.



Lead the Market in Broadband Services

Broadband is essential to the lives of our customers. We will provide access to fast and reliable internet at any location—at home, work, and on the go.



Reinvigorate SaskTel through Digital Transformation

We will use technology to build new business capabilities, making it easier for our customers to do business with us and easier for our employees to serve the customer.



Empower a High-Performance Workforce

Together, our skilled workforce is committed to transforming SaskTel for the future and ensuring we deliver to our customers' expectations.



Maximize Long-Term Financial Sustainability

We will find creative solutions to position SaskTel for financial success, securing our ability to serve customers throughout the province of Saskatchewan for many years to come.

President's Message

Since our inception in 1908, SaskTel has been here to provide the best and most reliable communications services to Saskatchewan people. Today, our wireline and wireless networks reach every corner of the province, and we count more than 1.4 million individual customer accesses within the over 700 communities that we serve. But our growth has never just been about volume and geography.

SaskTel's networks and services enhance connections in our communities, keep businesses moving around the clock, and support a safer, stronger, and more innovative Saskatchewan. During this financial year, we focused on our roots and the path we're forging for Saskatchewan people.

In 2021/22, SaskTel's revenues were \$1,300.9 million, as we rolled out new products, expanded our networks, and built brand awareness in new markets.

This year, we also saw the wrap-up of one of our most ambitious rural programs, Wireless Saskatchewan, which had a tremendous impact in connecting more rural households and businesses. For its contribution, the initiative resulted in a total investment of \$107 million into the province through the construction of 106 small cell sites, 89 standard macro towers, improved wireless data capacity in 11 resort areas, as well as the expansion of our fusion Internet network to 34 new sites.

As that program successfully concluded, we turned to expanding and investing further capital into another initiative that is contributing immensely to improved connectivity throughout Saskatchewan, our Rural Fibre Initiative. Originally announced in 2020, the multi-phase program is on track to bring SaskTel *infiNET*[™] service to over 60,000 residents and businesses spread across 45 rural communities by the end of 2023.

Whether rural or urban, business or residential, our customers benefitted from the \$465.1 million of capital we invested into our networks, products, and services this year.

BUILDING UP FROM OUR GRASSROOTS

SaskTel provides communications services across multiple networks with different packages and options that allow our customers to select the bundles of services that suit them best. With our traditional voice access, television, 4G wireless, and Internet networks, our challenge remains to keep these networks resilient while meeting greater consumer demand for affordability, flexibility, and coverage.

In 2021/22, we carried out important work to deliver on our strategy to invest in rural broadband and strengthen our existing networks on both the wireless and wireline side. We introduced faster speeds to 23 rural and 13 Indigenous communities, and brought maxTV Stream to many more locations. We were also thrilled to launch DSL (Digital Subscriber Line) Internet service and maxTV Stream in three communities, including the northern hamlet of Timber Bay, for the very first time.

Now, with most of Saskatchewan's major centres almost fully connected to *infiNET*, we have begun turning out attention to extending the network into more rural and suburban communities.

With our Rural Fibre Initiative, we fulfilled Phase 1 of the program on plan and on budget. Today, the majority of homes in Balgonie, Biggar, Langham, and Pilot Butte can take advantage of the blazing fast speeds offered by fibre optic service. Construction in Phase 2, 3, and 4 communities is ongoing and we expect to have most residents and businesses in these remaining 41 communities connected to the network by the end of 2023.

At SaskTel, we also know that we have an important role to play in providing Saskatchewan's Indigenous communities with the tools, resources, and connectivity they need to succeed. In 2021/22, we continued to carry out important conversations with Indigenous communities across the province to discuss how we can help them reach their own social, economic and governance goals. One such conversation, with the Whitecap Dakota First Nation, resulted in an exciting collaboration and the launch of *infiNET* service within the community in fall 2021.

SaskTel competes in a rapidly changing industry which is often marked by disruption and evolving customer needs. Emerging from the COVID-19 pandemic, customers are now more connected and familiar with digital tools. More customers are also now asking for self-service and self-install options to reduce the need for in-home technical support.

Recognizing this intensifying trend, we strengthened our focus on our digital transformation and developed new ways to empower and make it easier for customers to do business with us. This included continued progress on our self-serve channels including mySASKTEL to allow a more seamless and straightforward experience for customers. SaskTel also now offers self-install options for our Internet and maxTV Stream services.

With more customers preferring to engage with us digitally and through mobile devices, it only felt natural to launch Lüm Mobile™, which is something we had been working on behind the scenes for quite some time. Innovative in its use of a membership-only model, the creation of this new fully digital wireless sub-brand and its integration into SaskTel's province-wide network promises to bring low-cost wireless service to a new level in the Saskatchewan market.

FUELLING INNOVATION AND COLLABORATION

Over the balance of the decade, we recognize that 5G and the ultra-low latency it offers will be a prerequisite to ensuring that Saskatchewan enterprises and the public sector have the tools they need to accelerate their digital transformation. For critical sectors such as agriculture, healthcare, and education, 5G networks and the real-time data they can provide have enormous potential to deliver dramatic improvements in productivity and efficiency.

After much anticipation and a lot of hard work, we were proud to announce the beginning of our Samsung powered 5G wireless network in December 2021. Now serving the communities of Regina and Saskatoon, we continue to make significant investments into this network that will enable us to rapidly expand our 5G footprint over the coming years.

As the sole vendor to supply SaskTel with the needed equipment for our 5G core network, Samsung is going beyond just providing the parts and is building relationships within Saskatchewan's innovation community that will pay dividends for years to come. In December 2021, we were pleased to announce with them the establishment of their new regional office in Regina to assist with the successful deployment of 5G and 5G solutions in the province. The local presence of expert and highly skilled personnel from a world technology leader such as Samsung will ensure Saskatchewan people will receive a world-class 5G experience.

As these achievements were being made, we continued to invest into our broader partner ecosystem to introduce new products and technologies that offer whole solutions

for our customers. Strategic partnerships with digital leaders such as Waterloo, Ontario's eleven-x and Australia's Smart Paddock are already supporting the growth and deployment of smart Internet of Things (IoT) technologies and data-driven resource monitoring solutions in the province.

As the telecommunications industry continues to be pressured by changing expectations, our goal will remain to explore and support concrete solutions that help organizations and communities meet their objectives. We know that SaskTel has the network, systems, and competencies to make a real difference.

ROOTED IN SASKATCHEWAN

Being a community-minded company involves more than just words. At SaskTel, we're rooted in Saskatchewan, and our actions bear witness to this commitment both as an employer and member of the community.

As Saskatchewan people pushed through another difficult wave of the COVID-19 pandemic in spring 2021, SaskTel once again temporarily waived data overage charges to further assist customers as they worked, learned, socialized, and accessed entertainment from home.

With regard to our community initiatives, the expansion of our Phones for a Fresh Start program to include youth transitioning from permanent or long-term foster care will ensure more young people in our province are able to stay connected to vital support as they pursue independence. We are excited to be working with the Ministry of Social Services to implement this expansion.

In 2021/22, employees also came together in the spirit of generosity and care to support local needs. Much like years past, SaskTel TelCare continued their time-honoured tradition of giving back. In 2021, the employee-driven fund donated nearly \$209,000 to 47 charitable and non-profit organizations operating across Saskatchewan.

As an employer that cares and believes in its people, our recognition on Forbes Canada's Best Employers 2022 list showed that the strength of our business goes hand-in-hand with employee engagement and efforts to create a positive and healthy work environment. SaskTel encouraged employees to take advantage of well-being presentations offered by the SaskTel Employees' Personal Problem Program throughout the year on such topics as stress and change management and the importance of mental health. For employees requiring one-on-one assistance navigating through difficult situations in their lives, the program remains a valuable tool that can ensure employees are connected with the best resources available in their community.

As we marked National Disability Employment Awareness Month in October, we also had a chance to take stock of our efforts to create a representative workforce, specifically providing job opportunities for individuals belonging to traditionally under-represented groups. We know that it pays to be inclusive, and employees who are part of our Supported Employment Program (SEP) are a vital part of SaskTel. Together with the Saskatchewan Association of Rehabilitation Centres (SARC), we will continue to look at ways we can provide opportunities to disabled workers and design inclusive workplaces.



With the environment top of mind for so many of us, we also took steps to increase our involvement and sponsorship of activities that have an environmental focus or assist in promoting environmental education. This important expansion of our Community Investment Program helped to solidify SaskTel's reputation as a sustainable company and resulted in recognition as one of Canada's Greenest Employers in 2021.

From keeping families connected and enabling youth to prepare for the future through online learning, to helping business owners and individuals stay productive while working, SaskTel continued to stand with our customers and communities in 2021/22, just as we have always done.

As Saskatchewan's homegrown provider, we remain focused on supporting our customers and the communities we serve. Looking to the future, we remain driven to deliver improved experiences to our customers. We are, and will forever be, always here.

Sincerely,
Doug Burnett,
President and Chief Executive Officer

Sharing Our Stories

HERE TO BE INCLUSIVE

SaskTel marks Disability Employment Awareness Month with commercial

In October, SaskTel marked Disability Employment Awareness Month with a commercial created in conjunction with the Saskatchewan Association of Rehabilitation Centres (SARC).

Featured in the commercial are employees who are part of SaskTel's Supported Employment Program (SEP) and are a vital part of SaskTel. The employees are Lindsay Ast, Nick Popowich, and Patrick Flaman, who appear along with Doug Burnett.

Lindsay has been with SaskTel since 2011 and is currently an Employee Development Centre Assistant. Nick, who started with SaskTel in 2010, was a Store Assistant at the SaskTel Store in Cornwall Centre in Regina for many years and is currently a Warehouse Assistant. Patrick was also at the Warehouse but is now prime on delivering all the mail at Head Office. His SaskTel career began in 2015.

"Every day, these employees show that once barriers are removed, individual skills shine through allowing them to make a meaningful contribution to our company," said Sharon Davis, HR Manager – Strategic Planning & Staffing.

"Our work with organizations such as SARC allows us to continuously learn and adjust our best practices. By doing so, it benefits our employees with differing abilities and ultimately benefits our business."

"SEP has proven to be a successful way for SaskTel to tap into a talent pool that may have been overlooked."

Since 2004, SaskTel has had a Representative Workforce Strategy in place with a goal to create a representative workforce specifically providing job opportunities for individuals belonging to traditionally under-represented equity groups.

The program, which came about through a partnership with the SARC, has enabled SaskTel to source and recruit a number of talented employees. SaskTel currently employs 15 employees under the program.

"At SaskTel, hiring people experiencing disability has provided us with a competitive advantage," said Doug Burnett, SaskTel President & CEO. "Creating an inclusive workforce has resulted in numerous benefits including increased job retention, more engaged employees, and a culture that values diversity, all of which have been critical to our success over the years."

"It pays to be inclusive!"



SaskTel employee Patrick Flaman and SaskTel President and CEO Doug Burnett during the filming of the SARC commercial.

HERE TO PROVIDE ILLÜMINATION

SaskTel launches Lüm Mobile™ Digital Mobile Service

Lüm (pronounced “loom”) is derived from “illumination,” which signifies shining a light on a change for mobile service and an important social cause.

“Lüm Mobile represents an exciting time for SaskTel. Customers will have a new way of accessing wireless service while enjoying the coverage of our network,” said Flora Horvath, Director – Marketing (Strategy, Brand, Communications & Digital Experience). “All this while exemplifying corporate social responsibility in our communities.”

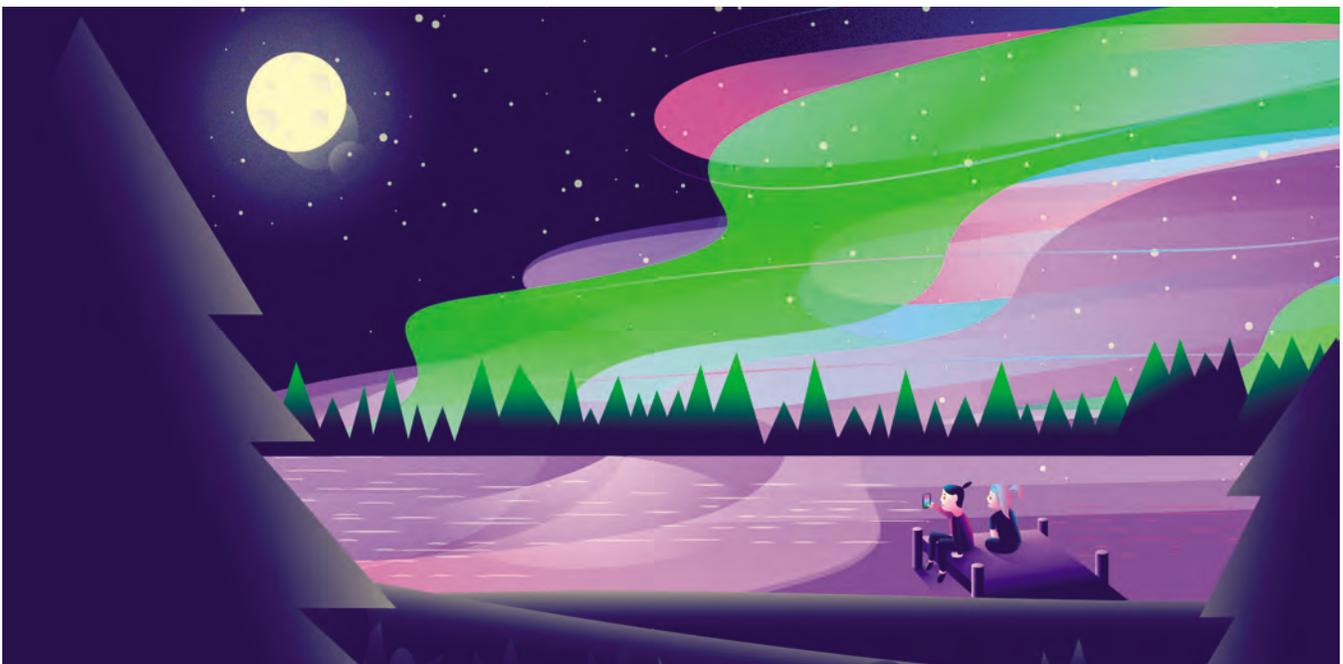
We live in a time that’s trending towards customers having control of their services. With the introduction of SaskTel’s new Lüm Mobile service, customers who prefer to manage their own service online will have a new option with affordable prices.

At the same time, “Lüm Mobile will be committed to inspire actions to help the environment in our province,” said Flora. “The cause will be branded ‘Bloom with Lüm.’ Customers’ SIM package will include local wildflower seeds along with an explanation on the benefit of planting the seeds.”

There will be topics promoted on Lüm’s social media about different environmental causes with topics about things like composting, recycling, sustainable living, and others that will be leveraged on social media to spark conversations with followers.

From a profitability standpoint, Lüm Mobile will deliver a lower operating cost structure. This is partially due to the fact that no physical stores or device sales are required, and because the service will be delivered in a low-cost way using a cloud-based billing platform.

Lüm Mobile is unique in that there are no monthly plans or monthly billing dates. “With Lüm, customers will buy a membership to get access to data at great rates that never expire,” said Flora. “This membership will mean customers will not have to worry about losing unused data every month and will only pay for the data, calls, and texts they actually use.”



Lüm Mobile will be a great option for customers that are seeking a more digital approach.

HERE TO DRIVE CHANGE

SaskTel sponsors Saskatoon Tribal Council Health Bus

It takes a community to make real change, and the Saskatoon Tribal Council (STC) Health Bus is driving forward to deliver life altering services for those who need it most.

Sponsored in part by SaskTel, the STC Health Bus hit the road in October 2021 to serve seven First Nation communities within the Saskatoon Tribal Council. The communities include: Kinistin Saulteaux Nation, Mistawasis First Nation, Muskeg Lake Cree Nation, Muskoday First Nation, One Arrow First Nation, Whitecap Dakota First Nation, and Yellow Quill First Nation.

Staffed with two paramedics, a dentist, one dental assistant as well as a mental health therapist, the program's RV trailer is equipped to provide on-site services for all community members with a fully functioning dental office, heated outdoor paramedic tent, and office meeting space.

"Thanks to the help of our sponsors, we've been able to build a world class health bus," said Craig Sled, SaskTel Director of Business Sales and Member of Synergy 8 Community Builders. "Our first focus is on youth on reserve, but anyone in the community has access to the services offered."

Operating five days a week during the school year, the bus will travel to the seven First Nations communities on a rotational schedule for the next five years. Additionally, during the summer months when the bus is under maintenance or on standby for community events, STC will offer a sports and recreational program for youth.

"We didn't want to lose that connection with the kids in those seven communities during summer, and the trailer will have all the equipment necessary to run epic camps for them," Craig said.

"We are proud to partner with such a community-minded group to help improve the quality of life for the residents of our province, especially our youth," said Jodine Smith, SaskTel Corporate Communications Manager. "This sponsorship elevates SaskTel's commitment to connecting Saskatchewan to what matters most to them, and we are excited to contribute to such a fantastic cause."

"We are going to make significant change in a lot of peoples' lives and, for that, it's not something you can put a value or a price tag on," Craig said. "There's going to be more of these (buses) across the country and certainly in Saskatchewan. It's a model that's going to get repeated, and we feel really good about that."



The Saskatoon Tribal Council Health Bus is sponsored in part by SaskTel.

HERE TO CROSS THE DIGITAL DIVIDE

SaskTel brings fibre optic internet to Whitecap Dakota First Nation

An internet connection has become essential to the fabric of our digital world and modern economy. Its importance is far reaching and allows for the overall success of Saskatchewan residents, communities, and the province as a whole.

This is especially true for Indigenous communities where residents may be more reliant on an internet connection to access critical resources, including economic opportunities, education, and social supports – just to name a few.

Thanks to funding from both the Provincial and Federal Governments—under the Investing in Canada Infrastructure Program—along with a partnership with SaskTel, the Whitecap Dakota First Nation (WDFN) recently became the first Indigenous community in Saskatchewan to be fully connected by fibre optic broadband infrastructure.

“The digital divide within the Indigenous communities is very real, and from a holistic perspective, broadband and technology have little value in a community unless they benefit everyone,” said Kevin Harris, SaskTel Indigenous Business Development Account Executive. “SaskTel was pleased to provide project management resources to bring fibre to the homes, as well as home installs when customers signed up for service.”

Located 26 kilometres south of Saskatoon, the WDFN is a modern and progressive nation with a proud culture and a strong sense of community. WDFN has approximately 600 members – many who live within the community – and has mandated leadership to implement a nation-building vision focused on building opportunity and strengthening community.

“I am thankful to both the federal and provincial governments for their contributions to this significant investment into our community,” said Whitecap Dakota First Nation Chief Darcy Bear. “With the COVID-19 pandemic, we have had to navigate through a number of challenges in how we provide services to our members. It has been a pleasure working with SaskTel to implement the solutions that work best for our community.”

As a result of this collaborative investment, the local primary health centre, band office, business park, public works, as well as over 160 households in the community can receive internet speeds significantly faster than what was previously available.



A view of the Dakota Dunes Resort, located on the Whitecap Dakota First Nation.

HERE TO PAVE THE WAY

SaskTel Brings 5G to Saskatchewan

SaskTel is committed to delivering leading edge communications services to our customers across Saskatchewan. But our province has never seen anything quite like this. SaskTel has taken wireless connectivity to a new level with the launch of our 5G wireless network in the province.

“5G is the direction our entire industry is headed towards, and we’re excited about what it means for SaskTel customers and for our province,” said Daryl Godfrey, SaskTel Chief Technology Officer. “5G will raise the standard for connectivity for the people of Saskatchewan and will pave the way for exciting technological innovations that will transform the way Saskatchewan connects to the world.”

Initially, 5G will mean extremely high speeds that are much faster than possible on 4G LTE networks. In the future, it will also mean huge network capacity that allows for significantly more IoT connected devices and wider adoption of smart technologies. It will also result in ultra-low latency (delays), delivering nearly instantaneous connections.

“Those are all significant aspects of 5G, but what has us really excited are the possibilities it will present for next level services that haven’t even been imagined yet,” said Daryl. “The full benefits of 5G will be realized over time as they were with 4G.”

5G has been introduced in portions of Saskatchewan’s two largest centres, Regina and Saskatoon. It is expected that the majority of both cities will be covered by 5G by the end of 2022. Following completion of 5G in Regina and Saskatoon, SaskTel will look to bring 5G service to the other seven major communities in the province (Moose Jaw, Prince Albert, Swift Current, Weyburn, Estevan, Yorkton, and The Battlefords) before expanding the service to smaller communities and other rural areas in Saskatchewan.

As the network matures, it will allow app creators, tech companies, and others to develop new and innovative technologies and solutions that were not possible with previous iterations of wireless technology. It will be the foundation that futuristic innovations like smart cities, self-driving cars, immersive virtual reality, and so many other things will be built upon.

SaskTel’s investments in 5G are part of its larger commitment to invest more than \$1.4 billion of capital across the province over the next five years. These investments will contribute to the economic growth of Saskatchewan by strengthening the networks and infrastructure that the people and businesses in our province rely on to compete and succeed in the modern world.



2021/22 Environmental, Social, and Governance Highlights

SaskTel's efforts in environmental, social and governance (ESG) areas have always reflected our commitment to finding answers to important issues and making our communities stronger and more resilient. In alignment with industry standards, SaskTel's reporting on ESG impacts continues to evolve from the historical annual Corporate Social Responsibility Report.

This past year, SaskTel stayed focused on evolving and adapting to support our customers during the ongoing COVID-19 pandemic. Broadband remained our North Star, as it is critical to our sustainable long-term growth. Our customers expect reliability, faster speeds, and better coverage, now more than ever, as people continued to work from home during the pandemic.

During a time of turbulence caused by the pandemic, the need to reach out to our customers was magnified even further. Our SaskTel Stores and eCommerce channels performed incredibly well, providing safe face-to-face interactions and self-serve technology that delivered exceptional online experiences. The growth of eCommerce persevered, with a consistent focus on implementing enhancements that contribute to and deliver on the key drivers of customer satisfaction.

SaskTel repeatedly worked to integrate ESG standards into all aspects of our business while also aligning those standards with our strategic goals of being a leader in broadband, empowering our employees, using digital transformation to deliver an exceptional customer experience, and maintaining our long-term financial sustainability. That is why today,

SaskTel is still recognized as the leading information and communications technology provider in Saskatchewan, with approximately \$1.3 billion in annual revenue and approximately 1.4 million customer connections, including more than 647,000 wireless accesses, 273,000 wireline network accesses, 293,000 internet and data accesses, 110,000 maxTV service subscribers, and 78,000 security monitoring customers.

ALWAYS CARING

SaskTel Cares remains a prominent piece of SaskTel's advertising and community efforts. The umbrella of SaskTel Cares includes our employee-driven volunteer and charitable organizations, the SaskTel Pioneers and SaskTel TelCare; initiatives such as Phones for a Fresh Start and Be Kind Online (BKO); our commitment to building networks across the province; as well as our environmental work and numerous sponsorships.

The SaskTel Pioneers saw an increase in volunteer hours this past year, with nearly 24,000 hours being logged. Several programs were affected by COVID-19, and as a



SaskTel Pioneers, family, and friends volunteer to sort and distribute books for First Book Canada.

result participation hours weren't as high as previous years. Their nearly 4,000 members still contributed an impressive \$302,096 in financial donations. Programs such as Computers for Schools and Books for Literacy continued to see a large number of items donated.

SaskTel employees demonstrated their generosity, with SaskTel announcing nearly \$209,000 in SaskTel TelCare donations, which included SaskTel's 50% match. This past year, 47 charitable and non-profit organizations operating across Saskatchewan were SaskTel TelCare recipients. Four schools in Swift Current received SaskTel TelCare support for their breakfast programs, and Teddy Bears Anonymous will be able to give 1,150 teddy bears to sick children in Saskatchewan hospitals, and to emergency medical services and air medevac services thanks to SaskTel TelCare.

The BKO program had a busy year for numbers of grants, with a total of \$17,600 awarded to youth-led initiatives in 2021/22. The program addresses bullying and cyberbullying in our communities and online, geared to promoting kindness. One of the many ways SaskTel endorses our anti-bullying message is by participating in Pink Shirt Day. BKO ran a contest in which participants uploaded Pink Shirt Day-themed videos, with a chance to win a prize of \$5,000, half of which they could pay forward to a deserving individual or organization.



Teddy Bears Anonymous provides teddy bears to children in Saskatchewan hospitals, or needing transportation to a hospital.

HERE TO MAKE A DIFFERENCE IN OUR COMMUNITIES

In 2021/22 SaskTel contributed \$2,882,921 to 548 non-profit and charitable organizations, community associations, venues, events, and partnerships in 144 communities throughout the province. This past year saw an increase of virtual events and programs, as organizations moved to online programming to accommodate gathering sizes and pandemic safety measures.

One such program was the sponsorship of Saskatoon Council on Aging's Socially Connecting Seniors Program. This program was designed to help older adults tackle the challenges brought on by pandemic isolation. SaskTel's sponsorship assisted seniors to take advantage of the valuable tools available through technology.

SaskTel and our employees participated in the 12 Days of Caring campaign for the second year in a row. This is another way for SaskTel to show support for the causes closest to our employee's hearts. SaskTel employees go above and beyond to support their communities across the province, and the stories from this campaign reinforce how special our employees really are.

RESPONSE TO COVID-19 AND CONFLICT IN UKRAINE

Throughout the last two years, SaskTel has consistently been there for our employees and customers. Our health and safety protocols remained in place to follow public health guidelines. SaskTel Stores also maintained appointment and curbside pickup options for the safety and well-being of our associates.

In spring 2021, SaskTel waived data overage charges for business and consumer customers on our postpaid wireless plans, noSTRINGS Prepaid Wireless plans, and fusion Internet plans. This offer was in place from April 12, 2021 until June 30, 2021.

The collective giving of SaskTel employees also made life easier for fellow Saskatchewanians during a time of greater food insecurity. In response to communities in need, SaskTel employees donated close to \$26,000 to the Food Banks of Saskatchewan. With an additional \$10,000 donated by the SaskTel Pioneers, and \$25,000 from SaskTel, a total of \$60,908 was provided to the Food Banks of Saskatchewan to feed 1,218 families for a week.

In February 2022, in response to the war in Ukraine, SaskTel announced that we would waive some fees to ensure that

our customers could connect with family and friends most impacted by the situation. Long distance charges for SaskTel wireless, landline and business calls, and international text messaging made from Canada to Ukraine were waived. Roaming charges for calls, texts, and data overages for customers currently in Ukraine were also waived.

In times of need, SaskTel recognizes that it's important for us to come together and support our communities, and those most impacted by events unfolding at home and afar.

NETWORKS HERE FOR YOU

Throughout 2021/22, SaskTel invested approximately \$465.1 million of capital expenditures to ensure that our customers enjoy some of the most advanced wireless, internet, television, data, and IP-based technologies and services available.

In September, SaskTel announced the successful completion of the Government of Saskatchewan's Wireless Saskatchewan initiative, with the launch of the final 10 macro cell towers that were constructed as part of the program. With more than 1,000 cell towers spread throughout the province, SaskTel provides Saskatchewan with the best wireless coverage in Western Canada. The new towers will bring 5G deeper into rural Saskatchewan, ensuring that rural residents and businesses benefit from the same technological advancements that customers in urban areas enjoy.

In addition to the macro towers, other investments and enhancements included:

- The completion of 25 cellular sites, including the 37 5G sites that are now in service.

- A continued expansion of maxTV Stream, along with interNET Extended 25 and 50. Dozens of rural communities saw their internet speeds increase, and maxTV Stream is now available in 428 communities throughout Saskatchewan.
- Across the province, Wireline High Speed Internet is available in 467 communities, with more than 361 communities having access to speeds of up to 50 Mbps or faster. SaskTel fusion Internet service is available from 106 wireless towers that serve more than 700 communities.
- *infiNET* service is currently available in 26 communities, and with another announcement of the Rural Fibre Initiative, SaskTel is planning to invest \$100 million to bring the service to approximately 60,000 rural families and businesses spread over 45 smaller communities by the end of 2023.

In March, 2022 SaskTel announced the rollout of our 5G wireless network in Saskatoon. We also expanded our 5G network to 15 additional towers in Regina. Powered by Samsung, SaskTel's 5G network will allow customers to connect faster than ever before, and once fully deployed, it will offer incredible capacity and ultra-low latency.

ENVIRONMENTAL FOCUS

For the thirteenth consecutive year, SaskTel was recognized as one of Canada's Greenest Employers by Mediacorp Canada Inc. As we carried on to achieve these accolades, it made perfect sense that environmental sustainability was added as a new focus/funding stream within SaskTel's Community Investment Program. Environmental responsibility is crucial,



Laura, a participant in the Socially Connected Seniors Program, learns how to use an iPad.

so the logical step was to increase the eligible focus areas to include events and programs that have a positive impact on the environment.

SaskTel's Phones for a Fresh Start program continued to keep wireless devices and accessories away from our landfills and recycled into profits that support the Provincial Association of Transition Houses and Services of Saskatchewan (PATHS). This past year, 675 cellular phones and \$12,000 worth of phone cards were provided to assist people fleeing domestic abuse. New to the program this year was the provision of phones to youth leaving the Ministry of Social Services' care.

Aiding in SaskTel's environmental conservation effort, this year saw the implementation of customer-friendly self-install options. This greatly reduced the number of truck rolls to a customer's premises, reducing environmental impact, and improving the speed of providing service.

In December 2021, SaskTel was excited to launch our digital mobile service, branded as Lüm Mobile. To support and contribute to the greater good of Saskatchewan, Lüm Mobile is committed to inspiring environmentally friendly measures. Promoting paperless interactions and time-saving efficiencies with customers, as well as the option to sign up with their own phone instead of purchasing a new one, Lüm Mobile offers our customers a new way of offering wireless service, all while enjoying the great coverage of SaskTel's existing network.

SaskTel will carry on with the progression of ESG reporting in subsequent annual publications as ESG standards and indicators continue to be adopted within the industry. The full publication of the ESG Report can be found here <https://www.sasktel.com/about-us/Community/ESG+Reports>, which greatly expands on the topics mentioned in this highlights section.



SaskTel's Phones for a Fresh Start program provides phones and phone cards to victims fleeing domestic abuse.

Management's Discussion and Analysis

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INTRODUCTION

The following management's discussion and analysis (MD&A) focuses on the strategies, business operations, consolidated financial position and results of operations of Saskatchewan Telecommunications Holding Corporation (SaskTel or the Corporation), including its major strategic business units and its subsidiaries. This MD&A should be read in conjunction with the Corporation's audited consolidated financial statements and accompanying notes on pages 58 to 100 of this report and includes information available to the Corporation up to May 26, 2022, unless otherwise stated.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Many sections of this discussion include forward-looking statements about SaskTel, its business outlook, objectives, plans and strategic priorities, the sources of liquidity we expect to use to meet our anticipated 2022/23 cash requirements, and our network deployment plans. A statement is forward-looking when it uses information known today to make an assertion about the future. Forward-looking statements typically include words such as anticipate, believe, could, expect, intend, may, should or will, although not all forward-looking information includes them. Since these forward-looking statements reflect expectations and intentions at the time of writing, actual results could differ materially from those anticipated if known or unknown risks and uncertainties impact the business, or if estimates or assumptions turn out to be inaccurate. As a result, SaskTel cannot guarantee that any of the predictions forecasted by forward-looking statements will occur. As well, forward-looking statements do not take into consideration the effect of transactions or non-recurring items announced or occurring subsequently.

Readers should not place undue reliance on forward-looking statements, as a number of factors could cause actual results to differ materially from estimates, predictions and assumptions. Factors that can influence performance include, but are not limited to: general economic and political conditions, interest and exchange rates, competition, and the regulatory environment. Given these uncertainties, assumptions contained in the forward-looking statements may or may not occur.

OUR BUSINESS

SaskTel is the leading provider of Information and Communications Technology (ICT) products, services, and solutions in Saskatchewan. We are building the most extensive and advanced broadband networks throughout the province for the benefit of our customers—the people and businesses of Saskatchewan. With approximately \$1.3 billion in annual revenue and over 1.4 million customer connections, SaskTel is a major contributor to Saskatchewan's economy.

Saskatchewan Telecommunications Holding Corporation

Saskatchewan Telecommunications Holding Corporation is a Saskatchewan Crown corporation that oversees four subsidiaries – SaskTel, SaskTel International, SecurTek, and Directwest. The Corporation has a workforce of approximately 3,300 full-time equivalents (FTEs), making it one of Saskatchewan's largest employers.



The Corporation's subsidiary companies offer the following extensive collection of ICT products, services, and solutions:

- Wireless services delivered on world-class Fifth Generation (5G), Fourth Generation (4G), and Long-Term Evolution (LTE) wireless networks providing high-quality and reliable voice and high speed data services in Saskatchewan
- SaskTel *infiNET* fibre optic network enabling speeds up to 1 Gbps in Balgonie, Biggar, Dundurn, Emerald Park, Estevan, Humboldt, Langham, Lloydminster, Martensville, Meadow Lake, Melfort, Melville, Moose Jaw, Nipawin, Prince Albert, Regina, Rosthern, Rosetown, Saskatoon, Swift Current, The Battlefords, Tisdale, Warman, Weyburn, White City, and Yorkton
- DSL-based SaskTel interNET 50 service in over 361 communities
- SaskTel fusion Internet – comprehensive fixed wireless rural broadband access network in 106 sites serving over 700 communities throughout Saskatchewan
- SaskTel selectWI-FI network at over 2,400 locations throughout the province

- SaskTel Optimum Wi-Fi, providing an optimized in-home Wi-Fi network
- SaskTel maxTV service with an extensive footprint throughout the province
- SaskTel maxTV Stream – streaming service allowing customers to watch live TV or on demand content anywhere in Canada
- Local access network throughout urban and rural Saskatchewan
- Lūm Mobile digital mobile service – a self-serve wireless offering
- Expansive data centre footprint and service capabilities
- Complementary portfolio of cloud-based communications and information technology services
- Professional and consulting services
- Directwest digital marketing services
- SecurTek commercial and residential security monitoring, including access control, SaskTel smarHOME and interactive services, as well as medical alert and lone worker services

SaskTel is highly competitive, achieving annual revenue of approximately \$1.3 billion with over 1.4 million customer connections, including more than 647,000 wireless accesses, 273,000 wireline network accesses, 293,000 internet and data accesses, 110,000 maxTV service subscribers, and 78,000 security monitoring customers.

INDUSTRY

ICT Industry Overview

The Canadian ICT industry is a major contributor to the country's economy. It plays a critical role in the country's innovation, day-to-day operations of businesses and lives of consumers. The industry is made up of the following four key segments¹:

1. Telecommunications Services
2. Hardware and Infrastructure as a Service (IaaS)
3. IT Services
4. Software

Business Environment and Industry Trends

The ICT industry successfully addressed the challenges of the COVID-19 pandemic over the past two years. There was moderate growth in spending and continued demand for the products and services provided by the industry. While the impact of the pandemic varied across the four key industry segments, the post-pandemic outlook for the industry is solid, if a return to positive economic growth in Canada encourages both businesses and consumers to continue spending on technology and connectivity solutions². The current business environment is characterized by:

- A global semiconductor shortage that is negatively impacting the supply of devices and network equipment
- Economic uncertainty driven by an increase in inflation not seen in the last thirty years coupled with the geopolitical and economic uncertainties unleashed by the conflict in Ukraine
- Accelerating business and consumer adoption of technology solutions and accelerated private and public investment in digital infrastructure



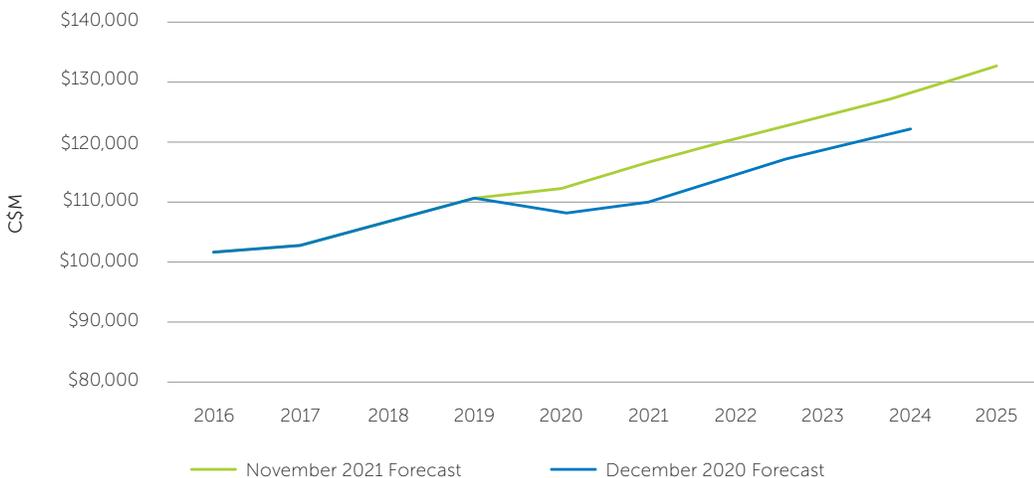
The newly renovated SaskTel store in Weyburn will now have all the features enjoyed by the 11 SaskTel Store locations.

1 IDC Market Forecast: *Canadian ICT Forecast, 2021–2025*, November 2021, Pg. 1.
2 *Ibid.*, Pg. 2.

- Growth in areas such as cloud computing, cyber security, digital transformation, artificial intelligence (AI), automation solutions, and new 5G services including edge computing and the Internet of Things (IoT)
- Continued government and regulatory pressures for the delivery of faster broadband speeds, increased coverage, and lower rates
- Greater numbers of remote workers throughout the industry, potentially sparking greater competition for talent
- Growth in the digital economy that is driving growth in and intense competition for digital skill sets and experience in the ICT workforce
- Continued spending on and demand for higher broadband speeds that facilitate remote work, remote education, home entertainment (streaming services and gaming), and an increasing number of connected devices
- Demand for access to fast and reliable broadband services in rural and remote areas continues to increase
- Infrastructure spending that remains strong as capital investment continues to be made in fibre builds and 5G network builds
- 5G, which is expected to be the primary driver of mobile growth over the next decade as the number of connected objects and applications proliferate³
- Mobile Private Networks (MPN) that are becoming more popular, and competition is intensifying as 5G rolls out
- Increasing cybersecurity and data privacy risks as attacks become more sophisticated, the number of connected devices multiply, and geopolitical uncertainties motivate state-sponsored actors
- Demand for high speed Internet access services that remains solid while that for traditional TV services is subdued, leading traditional TV providers to move into streaming services
- Continued decline in wireline voice subscribers and related revenue
- Industry players continuing to expand their product and service offerings and enter adjacent market segments and industries, creating new opportunities and increased competition
- The telecommunications segment of the industry remains highly concentrated in Canada with Bell, Telus, and Rogers accounting for over 87 per cent of total revenue
- The launch of Mobile Virtual Network Operator (MVNO) services which is likely to result in increased competition for mobile services throughout Canada
- Ongoing technological innovation, change, and disruption, making it necessary for firms within the industry to seek partnerships with each other as it is now impossible for one company to offer everything that customers are demanding
- Hyperscalers (Microsoft, Google, Amazon, etc.) and telecom firms, which are developing partnerships for the effective delivery of advanced 5G applications and services, especially in the areas of cloud and edge computing

Technological change, economic uncertainty, and changes in consumer behaviour and demands are resulting in the need for ICT companies to continually adopt new ways of working and delivering new products and services. Those companies that can effectively leverage new technologies to facilitate faster decision making and implement new digital solutions are positioned for success. In the face of these ongoing changes, incumbent firms within the industry will need to continue to transform their internal operations and how they serve customers.

Canadian ICT Spending 2016–2025: Comparison of November 2021 and December 2020 Forecasts



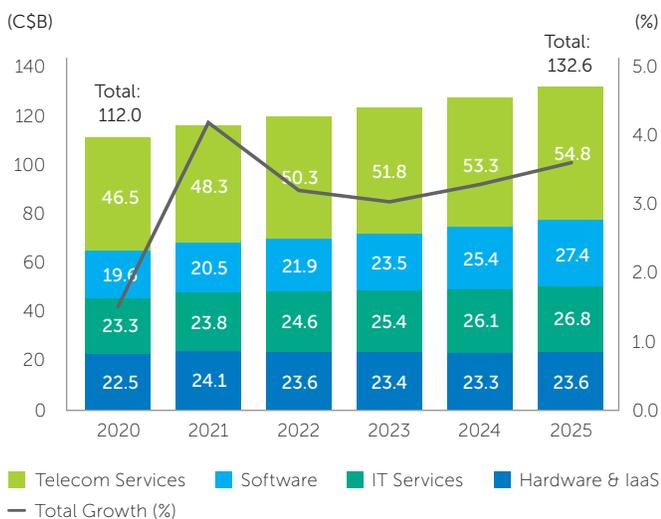
Note: See *Canadian ICT Forecast, 2020-2024* (IDC #CA45058320, December 2020) for prior forecast.
Source: IDC, 2021

ICT Spending Growth Forecast

According to industry research firm International Data Corporation (IDC), spending on ICT products and services in Canada stood at approximately \$112 billion at the end of 2020, growing 1.3% compared with 2019 – despite the COVID-19 pandemic changing the industry trajectory. ICT spending grew stronger in 2021, reaching approximately \$117 billion by the end of that year⁴. This stronger growth was a result of the impact of the pandemic on the economy and enterprise and consumer spending on IT and telecom services. In particular, the acceleration of digital service requirements in many organizations spurred IT spending to a level greater than originally expected⁵. The Canadian market for ICT products and services is expected to grow from 2020 to 2025 by a compound annual growth rate (CAGR) of 3.4%⁶.

The following table and graph illustrate IDC’s CAGR projections for spending in the four ICT market segments: Hardware and IaaS, Software, Telecom Services, and IT Services⁷.

2020–2025 Canadian ICT Spending with Growth



Selected Segment Growth Rate	Total Market CAGR
▲ Hardware and IaaS CAGR 1.0%	3.4%
▲ IT Services CAGR 2.8%	
▲ Software CAGR 6.9%	
▲ Telecom services CAGR 3.3%	

Note: Chart legend should be read from left to right, starting with the top row.
Source: IDC Canada Market Model. October 2021

Telecommunications Services

The Telecom Services segment of the industry continues to be highly concentrated, with the three largest national carriers remaining the top companies by revenue.

Within this context, the telecom segment is expected to see a return to growth of approximately 3.0% through 2023⁸. This view is based on renewed Average Revenue per User (ARPU) growth (due to roaming recovery, up-tiering, 5G) and postpaid wireless market expansion (due to immigration, international workers/students, device proliferation, younger demographics, and prepaid conversion). Underpinning wireline revenue forecasts are continued growth in internet access subscribers (due to increased penetration, broadband footprint expansion) and internet ARPU (due to up-tiering, price increases) offset by steady telephony and television substitution⁹.

TOP COMPANIES BY REVENUE

(2020; \$ billions)

BCE Inc.	22.9
TELUS Corporation	15.5
Rogers Communications Inc.	13.9
Shaw Communications Inc.	5.4
Quebecor (Videotron)	3.6
COGECO Inc.	2.4
SaskTel	1.3

Sources: The Conference Board of Canada; corporate financial statements; Financial Post¹⁰

4 IDC Market Forecast: Canadian ICT Forecast, 2021–2025, Nov. 2021, Pg. 2.

5 Ibid., Pg. 8, 9.

6 Ibid., Pg. 2.

7 Ibid., pg. 1-4.

8 RBC Capital Markets, Canadian Telecommunications Services 2022 Outlook and Q4/21 Preview: A Reshuffling of the Competitive Landscape, Jan. 7, 2022, pg. 7.

9 Ibid., Pg. 7.

10 Companies listed have different year end dates.

It is expected that capital expenditures will remain high in Canada throughout 2022/23 as operators continue to make network investments in areas such as expanded fibre, 5G, DOCSIS 4.0, and network footprint expansion (including rural)¹¹. These investments remain critical to maintaining competitiveness in the technology-driven telecom segment. While capital investment pressure is expected to ease once 5G networks are in place, the relentless march of technological change and innovation will result in subsequent rounds of required investment. Indeed, the standards for 6G wireless networks are already under development by the 3GPP (3rd Generation Partnership Project).

Information Technology (IT), Hardware and Infrastructure as a Service (IaaS) and Software

The IT Services segment is on the front line of helping customers adapt and change their business operations to remain competitive and enhance productivity. Building on their strength in advisory services, IT services firms are well positioned to capture a new wave of growth through innovative products and services. IDC expects the IT segment to grow at a CAGR of 2.8% out to 2025¹². During the pandemic, consulting and integration services had been limited by the absence of large transformational projects in many sectors and the decision to look for extremely rapid Return on Investment (ROI) on those projects. Outsourcing is holding relatively constant overall with some segments seeing growth because of hosted and network services.

Spending on hardware was driven up during the pandemic because of the trends of working, schooling, and entertaining at home. This created increased demand for laptops and tablets starting in 2020. Networking equipment sales were also driven by a shift in work habits, which created new requirements for bandwidth. Sales of servers and storage solutions were driven up by larger-than-anticipated growth in cloud services. IDC has forecast that the ongoing shift of compute and storage capacity to the cloud will result in a five-year CAGR of 16.1% for IaaS¹³.

IDC expects the Canadian software market end-user spend to grow at a CAGR of 6.9% to a total of \$27.4 billion by 2025¹⁴. This forecast includes spending by businesses for on-premises and cloud software offerings. Canadian organizations continue to allocate a greater percentage of their IT budget toward cloud services.

Regulatory Environment

Federal government entities such as the Canadian Radio-television and Telecommunications Commission (CRTC) and Innovation, Science and Economic Development Canada (ISED) have significant regulatory oversight over the industry. Regulatory decisions can impact the operations and financial performance of service providers.

The CRTC released a decision requiring major wireless service providers, including SaskTel, to introduce a new service providing wholesale access to MVNOs. The details of this service are still being finalized. This decision also required the introduction of certain low-cost wireless plans, which is complete.

In another directive, the CRTC established new measures to protect Canadians from nuisance calls. The Commission is requiring service providers to implement additional technologies to further address these calls. SaskTel has implemented changes that address nuisance calls made using IP-based voice technology within our secured network. We will continue to increase our ability to manage other forms of nuisance calls.

The CRTC is also exploring its authority to have ISPs act against botnets, which spread malicious information on the internet. This may result in incremental implementation costs for SaskTel.

Various mandate letters from the Prime Minister to successive Ministers of Innovation, Science and Industry (ISED) established expectations that included reducing the average cost of cellular phone bills by 25%. This was to be measured based on certain specific data levels and has been acknowledged by the Federal Government as complete.

The Federal Government announced the Rural Strategy and the Rural High Speed Internet Strategy for Canada in June 2019, setting a target of 95% of Canadian homes and businesses having access to internet speeds of at least 50 Mbps download and 10 Mbps upload by 2026, and to the hardest to reach Canadians by 2030. Various funds have been created to achieve these objectives, with different funds being overseen by the CRTC and ISED.

In January 2020, the Broadcasting and Telecommunications Legislative Review Panel presented their final report. The report made 97 recommendations on modernizing the legislative and regulatory framework governing the communications sector in Canada, including: bringing all entities providing media content services to Canadians (online and conventional, domestic, and foreign providers) within the scope of the Broadcasting Act and under the

11 Scotiabank Global Equity Research: Telecommunications Services & Cable Converging Networks Report, *Sharing Investment is Becoming Critical*, Feb. 22, 2022, pg. 1.

12 IDC, *Market Forecast: Canadian ICT Forecast, 2021-2025*, Nov. 2021, pg. 5.

13 Ibid., Pg. 5.

14 Ibid., Pg. 5.

jurisdiction of the CRTC; and accelerating the rollout of advanced wireline and wireless networks, including 5G. The Federal Government has now introduced Bill C-11, the *Online Streaming Act*, to amend the *Broadcasting Act* to include online streamers under the *Broadcasting Act*. The Federal Government has also indicated that it plans to introduce additional legislation to deal with broadcasting recommendations.

With the completion of the 3500 MHz spectrum auction ISED is consulting on the 3800 MHz spectrum licensing framework; and the specific auction details and rules have not been finalized. These spectrums are important to future 5G networks.

Regulators will also need to determine whether to approve the proposed acquisition of Shaw by Rogers—a \$26 billion deal that will give Rogers a national cable footprint in addition to its existing national wireless network. The deal has the potential to reshape the competitive landscape in Western Canada. It appears likely that Rogers will be required to divest itself of at least a portion of Freedom Mobile.

As a federally regulated entity, SaskTel is now subject to the *Accessible Canada Act*, which seeks to remove barriers for persons with disabilities by 2040. The Act requires entities to publish Accessibility Plans after consultations with persons with disabilities, that outline the entities' plans to remove barriers that have been identified, in addition to establishing new feedback processes.

OUR STRATEGY

VISION

Be the best at connecting people to their world

MISSION

To provide an exceptional customer experience

VALUES

Honesty, Integrity, Respect

OUR NORTH STAR: BROADBAND

Broadband is SaskTel's North Star and core service. Our mission to provide an exceptional customer experience begins with delivering fast and reliable broadband throughout Saskatchewan, at any location—at home, work, and on the go.

STRATEGIC GOALS



Deliver an Exceptional Customer Experience



Lead the Market in Broadband Services



Reinvigorate SaskTel through Digital Transformation



Empower a High-Performance Workforce



Maximize Long-Term Financial Sustainability

ALIGNMENT WITH OUR SHAREHOLDER

SaskTel is a provincial Crown corporation, owned by the people of Saskatchewan. Our strategic goals have been developed to ensure the company continues to transform, achieve shareholder expectations, and provide our customers with an exceptional customer experience today and in the future.

Shareholder direction is established for the Crown sector by Crown Investments Corporation (CIC) of Saskatchewan. CIC's Board of Directors develops Crown Sector Strategic Priorities to articulate shareholder expectations and broad policy direction to SaskTel and the CIC Crown sector.

Seven Crown Sector Strategic Priorities were established for 2021/22:

- Customer Focus
- Skilled Labour Force
- Financial Sustainability
- Priority Investments
- Private Sector Engagement
- Technology and Innovation
- Crown Collaboration

SaskTel's strategic plan is also influenced by *Saskatchewan's Growth Plan: The Next Decade of Growth 2020-2030*. The *Growth Plan* serves as a roadmap to building a strong economy and a better life for the people of Saskatchewan. This includes SaskTel continuing to invest, grow, and improve the province's ICT infrastructure. To achieve this, SaskTel will further expand our broadband networks (including our fibre and 5G networks) throughout the province as we move toward our North Star goal of achieving one million broadband accesses by 2025.

SaskTel's Board of Directors and Executive Team strive to ensure the development of our strategic plans maintain alignment with shareholder expectations, along with the competitive situation and constant change occurring within our industry. The CIC Board of Directors provides final approval of SaskTel's annual strategic plan, including balanced scorecard measures and targets.

PERFORMANCE MANAGEMENT

As a competitive Crown corporation, SaskTel is responsible to the people of Saskatchewan to provide exceptional products, services, and support at fair prices while delivering solid financial results. SaskTel continuously monitors performance against its strategic goals through the company's balanced scorecard.

Balanced Scorecard

SaskTel uses a balanced scorecard to measure and monitor performance. It is a widely accepted performance measurement system that is used throughout the provincial Crown sector.

The targets included in the scorecard are the foundation on which progress toward our strategic goals are measured. A rigorous process is used to develop these measures and targets, ensuring that they are aligned with the direction provided by CIC and the shareholder. Targets are set annually to challenge the company and drive high performance.

The measures are monitored throughout the year, allowing us to make operational adjustments when required. Results are reported to the SaskTel and CIC Boards on a quarterly basis.

For competitive reasons, some measures in our balanced scorecard are not reported in the annual report.

DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE

Our customers are at the centre of everything we do. We will deliver an exceptional customer experience at every touchpoint along their journey with SaskTel.

Customer expectations and preferences are evolving. SaskTel is focused on changing with our customers and continuously improving customer interactions. We will serve customers how and where they want, making it easy to do business with us. To achieve this, it is important that we continue to modernize our channels to market and utilize business intelligence and data analytics to deliver proactive and personalized service. We strive to do things right the first time and deliver an exceptional customer experience from initial contact and beyond.

As employees of a local company with strong customer relationships, we take pride in knowing what our customers value. Residing in communities throughout Saskatchewan, SaskTel employees are proud to provide the communications, entertainment, and information technology services that our neighbours need, helping to make the province a better place for everyone.

Our customer experience strategic goal is aligned with the following Crown Sector Strategic Priorities: Customer Focus and Technology and Innovation.

PATH TO SUCCESS

- Strengthen customer experience
- Accelerate customer self-serve
- Use business intelligence to understand our customers
- Accelerate self-installs

Balanced Scorecard

Our delivery of an exceptional customer experience is measured with a composite score of customer survey results taken at key touchpoints. Consumer and business customers are reported separately. A 10-point scale is used.

Measure	2020/21 Result	2021/22 Approved Target	2021/22 Result	2022/23 Target
Customer Satisfaction				
Customer experience – consumer	8.4	8.5	8.4	8.5
Customer experience – business	8.5	8.6	8.4	8.5

Customer Satisfaction Performance

The customer experience score for the consumer market was maintained at the 2020/21 result but was 1% below the 2021/22 target. Consumer market experience was buoyed in 2021/22 by the strong and steady performance of our Stores, Customer Services Technicians (CSTs), and First Call Resolution performance late in the year. Improvements going forward will be focused on the areas of eCommerce and Technical Support.

The result for the business market came in 1% below the 2020/21 result and 2% below the 2021/22 target. Scores for Customer Services Technicians (CSTs) were also strong in the business market. Areas for improvement include a renewed focus on First Call Resolution and a renewed focus on understanding customer needs.

Despite falling slightly below target, overall customer experience scores remain high, and SaskTel consistently performs at or above its competitors.

Achievements in 2021/22

- Maintained industry leading wireless market share, churn, and ARPU
- Continued to support our customers and community through the COVID-19 pandemic:
 - » Waived data overage charges for postpaid Wireless plans, noSTRINGS Prepaid wireless plans or SaskTel fusion Internet plans for customers from April 12 – June 30, 2021 to further assist customers with online learning or those still working remotely
 - » 9,998 customers enrolled in the Crown Utility Payment Deferral Program which allowed customers to defer their payments interest free
 - » Waived fees to ensure that customers could connect with family and friends most impacted by the conflict in Ukraine
- Launched Lüm Mobile on December 7, 2021 to provide customers a fully digital self-serve experience for their wireless needs
- Working to offer self-install for more services including maxTV Stream and some *infiNET* services

LEAD THE MARKET IN BROADBAND SERVICES

Broadband is essential to the lives of our customers, stimulates economic growth, and enhances the quality of life in Saskatchewan. We will provide access to fast and reliable internet at any location—at home, work, and on the go.

Broadband is SaskTel’s core service. High-performance fixed and mobile broadband services are indispensable to our customers—enabling them to work, do business, learn, connect with friends and family, and enjoy online entertainment. SaskTel understands how important broadband is to our customers and Saskatchewan’s economy. We are continually focused on improving the coverage, capacity, reliability, and speed of our networks.

The broadband market is competitive, and customers continue to consume more data and demand faster speeds. SaskTel will satisfy current and future customer broadband needs by continuing to improve and expand our network using the most appropriate technology solutions, whether it be fibre, DSL, 5G, LTE, fixed wireless, or Wi-Fi. We are also transforming our broadband delivery processes and enabling improved broadband speeds in rural and remote Saskatchewan through partnerships.

Our broadband service strategic goal is aligned with the following Crown Sector Strategic Priorities: Customer Focus; Financial Sustainability; Priority Investments; Private Sector Engagement; and Technology and Innovation.

PATH TO SUCCESS

- Build fixed and mobile broadband networks
- Enable broadband in rural and remote Saskatchewan
- Maximize broadband accesses
- Broadband process transformation

Balanced Scorecard

SaskTel’s success in broadband is measured through the progress toward our North Star through growth in the number of broadband accesses. We also measure performance through network advancements to provide Saskatchewan homes and businesses with access to higher broadband speeds. Our performance delivering higher broadband speeds throughout the province is demonstrated by measures capturing the percentage of homes and businesses that have access to at least 50 Mbps fixed broadband and at least 300 Mbps fixed broadband.

Measure	2020/21 Result	2021/22 Approved Target	2021/22 Result	2022/23 Target
Broadband Connections				
Total broadband accesses	832,490	847,805	857,432	907,801
Network Advancements				
SK homes and businesses with access to at least 50 Mbps fixed broadband	85.0%	87.0%	86.0%	89.0%
SK homes and businesses with access to at least 300 Mbps fixed broadband	60.0%	66.0%	63.0%	69.0%

Broadband Connections Performance

SaskTel continued to see strong performance in the growth of broadband connections. The number of accesses grew by approximately 25,000 connections over our 2020/21 result and exceeded our 2021/22 target by approximately 10,000 connections. We are once again excited by the growth in broadband seen throughout the past year as this brings us closer to our goal of 1 million broadband connections by 2025.

Network Advancement Performance

SaskTel continued to expand fibre and DSL services to new communities throughout 2021/22. As smaller communities are covered in future phases, the percentage of homes and businesses continues to increase, but at a slower rate. This had an impact on our performance to target for the year.

In 2021/22, SaskTel once again increased provincial coverage of homes and businesses with access to at least 50 Mbps fixed broadband download speeds from 85.0% to 86.0%. This was 1% below our target for 2021/22 but still moved us closer toward our 2022/23 target of 89.0%. We also increased our provincial coverage of homes and businesses with access to at least 300 Mbps fixed broadband from 60.0% to 63.0%. While this was below our 2021/22 target, it also moved us closer toward our 2022/23 target of 69.0%.

Achievements in 2021/22

- Invested \$465.1 million in capital expenditures, including:
 - » \$105.3 million for network growth and modernization
 - » \$78.3 million for Fibre-to-the-X
 - » \$47.0 million for 5G network modernization
 - » \$145.2 million for spectrum
- 5G network launched in Regina and Saskatoon
- Samsung Prairie Regional office opened in Regina to support SaskTel’s 5G network implementation in Saskatchewan
- Completed the Wireless Saskatchewan program with the launch of the final 10 macro cell towers at Aberdeen, Candle Lake, Carrot River, East Fairwell, Kuroki, Makwa, Marean Lake, Mount Pleasant, Prince Albert and Shaunavon. Originally announced in 2017, the Wireless Saskatchewan program improved wireless connectivity and high speed internet services through:
 - » Small cell sites that enhanced wireless coverage in 106 rural communities
 - » 89 new 107-metre macro towers to improve coverage in busy provincial parks, along highways, and in rural areas
- » Enhancing existing cell towers to improve wireless data capacity in 11 resort communities
- » Expanding fusion Internet network to 34 new towers
- Invested \$4.3 million in improving 4G LTE data capacity by up to 300% in 25 rural communities spread throughout the province
- *infiNET* 600 and *infiNET* 1 Gig launched in 24 communities, bringing ultra-high speeds to households and businesses
- interNET Extended 25 and 50 were launched in Elk Ridge Resort, Denzil, Luseland, and Vanguard
- interNET Extended 25 and 50 and maxTV Stream were launched in Abbey, Eastend, Gull Lake, Prelate, Raymore, Sceptre, and Semans
- Completed a collaborative project with the Provincial Government, the Government of Canada, and Whitecap Dakota First Nation to bring *infiNET* service to the First Nation
- Announced that 24 rural communities will receive *infiNET* service as part of the fourth phase of SaskTel’s \$100.0 million Rural Fibre Initiative

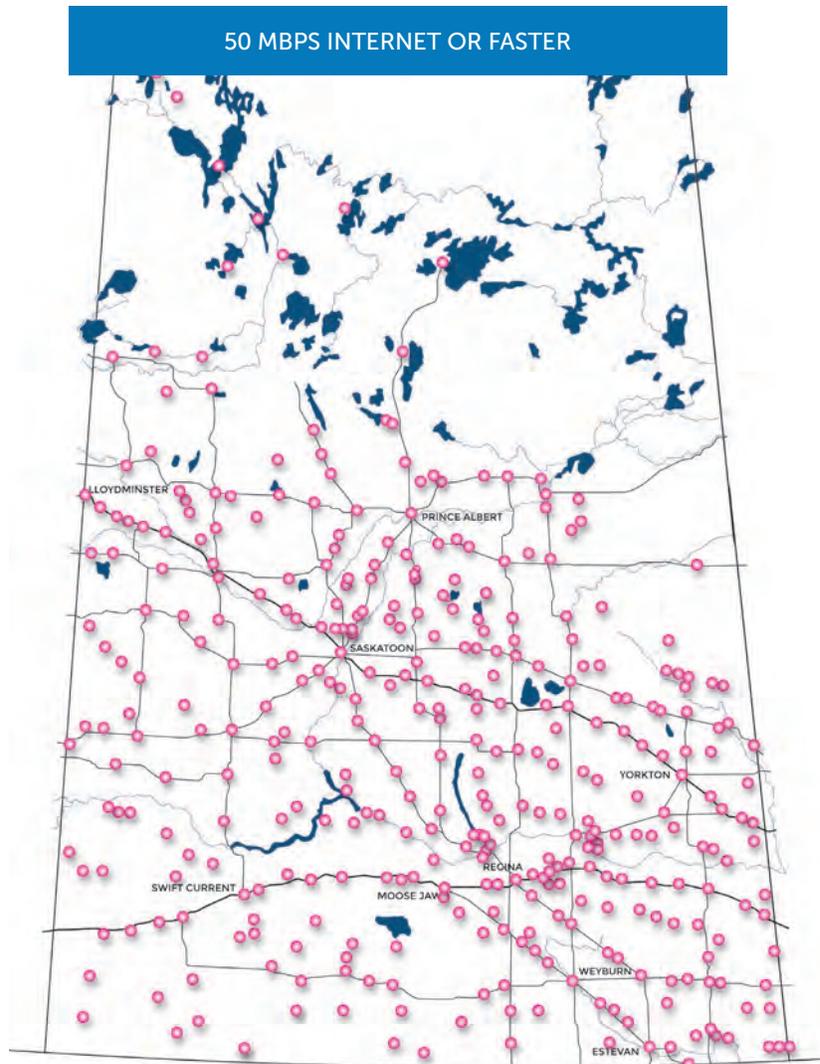
NEW *infiNET* 600 AND *infiNET* 1 GIG COMMUNITIES

Balgonie	Kindersley	North Battleford	Tisdale
Battleford	Langham	Nipawin	Warman
Biggar	Martensville	Pilot Butte	Weyburn
Emerald Park	Melfort	Prince Albert	White City
Estevan	Melville	Rosthern	Whitecap Dakota First Nation
Humboldt	Moose Jaw	Swift Current	Yorkton

- Established the Rural Broadband Partnership Program to bring advanced broadband connectivity to underserved farms, acreages, Indigenous communities and other hard to serve rural communities:
 - » WoodRiver Controls: Elbow, Muscowpetung First Nation, Peepeekisis First Nation, Last Mountain Lake
 - » H and K Rural Networks: Wakaw Lake
- Participated in Connecting Families 2.0, the Government of Canada's program to provide low-income seniors and families access to affordable broadband
- Invested \$3.7 million with the Government of Canada through the Connect to Innovate program to provide faster internet services to Northern Saskatchewan, including the communities of Black Point, Jeannette Lake, Michel Village, and Timber Bay

RURAL FIBRE INITIATIVE: PHASE 4 COMMUNITIES

Assiniboia	Dundurn	La Loche	Preeceville
Buffalo Narrows	Foam Lake	Lanigan	Regina Beach/Buena Vista/ Kinookimaw
Caronport	Gravelbourg	Macklin	Rocanville
Carrot River	Gull Lake	Osler	Shellbrook
Dalmeny	Île-à-la-Crosse	Outlook	Unity
Davidson	Kipling	Oxbow	Wadena



REINVIGORATE SASKTEL THROUGH DIGITAL TRANSFORMATION

We will use our technology to build new business capabilities, making it easier for our customer to do business with us and easier for employees to serve customers.

The world is rapidly becoming more digital, creating new challenges and opportunities. Consumers have more choices than ever and have rising expectations for products, services, online experiences, fulfillment speed, and customer supports. To address this, SaskTel will continue to improve how we serve and interface with our customers.

Our digital transformation places the customer at the centre of everything we do. We are focused on finding more effective ways of doing business and making it easier for employees to serve our customers. SaskTel is adopting new digital technologies, developing new skills in our employees, and simplifying processes. Business intelligence, automation, and customer self-serve and self-install options are furthering our ability to provide an exceptional customer experience. The company's digital transformation continues to make SaskTel more effective, efficient, agile, and responsive to customer needs.

Our digital transformation strategic goal is aligned with the following Crown Sector Strategic Priorities: Customer Focus; Financial Sustainability; Priority Investments; and Technology and Innovation.

PATH TO SUCCESS

- Simplify
- Automate
- Implement a digital-only model
- Transform initiatives from our exceptional customer experience goal

Balanced Scorecard

Success with SaskTel's digital transformation activities is critical to the company's future. Some of the benefits from digital transformation will be the result of new revenues while others will provide benefits from operational efficiencies as we streamline our work and make things easier for customers. SaskTel set a target of \$20.0 million in incremental benefits for 2021/22. These benefits will help maintain the company's financial sustainability over the long term in the face of a changing business environment.

EBITDA margin continues to be used to measure SaskTel's operational efficiency and profitability. It is a widely used financial ratio that measures operating profit (earnings before interest, taxes, depreciation, and amortization expense) as a percentage of revenue.

Measure	2020/21 Result	2021/22 Approved Target	2021/22 Result	2022/23 Target
Transformation				
Benefits realized from transformation initiatives (\$ millions)	\$15.4	\$20.0	\$27.0	\$32.0
Efficiency				
EBITDA margin	28.2%	28.0%	28.5%	28.4%

Transformation Performance

Transformation continues to be critical to SaskTel's future performance and competitiveness. In 2021/22 we realized \$27.0 million in benefits against our target of \$20.0 million. This was accomplished through initiatives that have carried forward from 2020/21, including revenue assurance, eBill adoption, CPE optimization, Broadband Process Transformation and Customer Delivery Evolution, simplification of the IT application portfolio, Optimum Wi-Fi, supply chain management, and reviews of our Contact Centres.

Efficiency Performance

The EBITDA margin is a key measure for our overall operational efficiency. Once again, we have exceeded our 2021/22 target. EBITDA margin exceeded target due to revenue growth, business simplification, and operational improvements.

Achievements in 2021/22

- Launched SaskTel's new digital mobile service, Lüm Mobile –a self-serve wireless offering for customers that prefer to manage their own service online
- Improving customer insights to proactively identify and address customer needs
- Employees continued to expand their use of digital collaboration tools, keeping employees safe and SaskTel functioning during the pandemic
- The Digital Workforce Transformation program has digitally upskilled employees and provided them with ongoing support as they move the business forward and transform the way they work.
 - » 100% of business units have participated in the program
 - » 450 employees have taken part in a 5-week sprint to learn digital transformation tools
 - » Over 100 employees have become champions for the tools by taking an additional 16-week training program to be able to assist others in developing digital skills

EMPOWER A HIGH-PERFORMANCE WORKFORCE

Together, our skilled workforce is committed to transforming SaskTel for the future and ensuring we deliver to our customers' expectations.

SaskTel's strength is its people. Technology, customer needs, and employee expectations continue to change in our industry. An engaged, skilled, and inclusive team of employees that is proud, accountable, innovative, respectful, focused on health and safety, and centred on customers is crucial to our future success.

SaskTel is committed to employee engagement, our corporate culture, learning and growth, new workforce practices, and diversity, equity, and inclusion. All of these factors contribute to ensuring SaskTel's competitiveness and our representation of the people of Saskatchewan in everything we do.

Our workforce strategic goal is aligned with the following Crown Sector Strategic Priorities: Skilled Labour Force; Financial Sustainability; and Technology and Innovation.

PATH TO SUCCESS

- Improve employee engagement
- Living our culture
- Lead SaskTel through digital transformation

Balanced Scorecard

Measures focused on employee engagement and learning and growth are used as key indicators of our progress on empowering a high-performance workforce. The results of these measures are determined by our annual employee survey. SaskTel uses an independent vendor to conduct and tabulate survey results. Employee engagement is an indicator of employees' dedication and willingness to go above and beyond in their work.

The learning and growth measure of employee perception of skill evolution uses a subset of survey questions to indicate the level of employee confidence that they have the skills to successfully perform their duties in alignment with the company's changing business needs.

Measure	2020/21 Result	2021/22 Approved Target	2021/22 Result	2022/23 Target
Employee Engagement				
Employee engagement score	73.0%	74.0%	72.0%	73.0%
Learning and Growth				
Employee perception of skill evolution	84.0%	85.0%	82.5%	83.5%

Employee Engagement Performance

After a significant increase in 2020/21, the employee engagement score remained stable, and all employee engagement survey factors also remained relatively stable. Given the considerable improvements to engagement achieved in 2020/21, SaskTel is very pleased that this high level of engagement remained throughout the past year.

Learning and Growth Performance

Learning and professional growth is an important driver of both employee engagement and preparing the workforce with the skills, knowledge, and confidence needed for the continuing transformation of SaskTel's business. Employee perception of skill evolution results came in 2.5 percentage points below the 2021/22 approved target. SaskTel's positive financial performance in 2021/22 is making it possible to offer more opportunities for training and professional development than has been possible in recent years. Action plans have been developed in response to the survey to identify and keep offering new and required training and growth opportunities for employees. This should have a positive impact on this indicator going forward.

Achievements in 2021/22

- Recognized by Mediacorp Canada Inc. as one of:
 - » Canada's Top 100 Employers 2022
 - » Saskatchewan's Top Employers 2022
 - » Canada's Top Employers for Young People 2022
 - » Canada's Best Diversity Employers 2022
 - » Canada's Greenest Employers 2021
- Named one of Forbes Canada's Best Employers 2022
- Provided employees with learning opportunities in a wide variety of areas. Some specific and relevant topics include:
 - » Cybersecurity
 - » Network transformation
 - » Business intelligence
 - » Digital transformation
 - » Remote working
 - » Change management
 - » Mental health and wellness

MAXIMIZE LONG-TERM FINANCIAL SUSTAINABILITY

We will find creative solutions to position SaskTel for financial success, securing our ability to serve customers throughout the province of Saskatchewan for many years to come.

Long-term challenges remain that are placing pressure on financial returns in our industry: technology is rapidly changing; customer needs are evolving with technology; legacy revenue sources are declining; barriers to market entry are falling; competition is increasing; significant capital investments are still required to stay competitive; and regulatory and economic conditions present further challenges beyond the control of any one company. Despite this, SaskTel has demonstrated resiliency in dealing with these issues coupled with the additional pressures created by the COVID-19 pandemic over the past two years.

SaskTel remains focused on keeping its broadband business competitive, developing new products and services that will generate new revenue, and improving our business processes to maintain a competitive cost structure. Our commitments to customers, digital transformation, effective investment prioritization, and skilled workforce work together to ensure that SaskTel is positioned for long-term financial sustainability and continuing contributions to the quality of life in Saskatchewan.

Our financial sustainability strategic goal is aligned with the following Crown Sector Strategic Priorities: Customer Focus; Financial Sustainability; Priority Investments Private Sector Engagement; Technology & Innovation; and Crown Sector Collaboration.

PATH TO SUCCESS

- Grow revenue and gross margin
- Create a competitive operating model

Balanced Scorecard

SaskTel's financial measures are focused on creating shareholder value, generating revenue and earnings, and effectively leveraging our capital investments. These measures provide important insight into our current financial performance and overall progress, enhancing our long-term financial sustainability.

Shareholder value is captured by the return on equity (ROE) and debt ratio measures. These track how we are meeting the shareholder's expectations to generate a financial return within a prescribed capital structure. ROE provides an indication of how effectively we are using our equity to generate profits. Debt ratio is an indicator of our capital structure. Both are commonly used financial ratios, allowing comparison to other companies and industry standards.

The revenue generation measure provides a view of SaskTel's total operating revenue from all product lines.

Net income is the primary measure of our profitability. Our net income allows us to return cash to the shareholder, funding important services for the people of Saskatchewan.

Building and maintaining competitive network infrastructure in our industry requires significant capital investment. The capital intensity measure indicates how effectively we are utilizing capital investments to generate revenue.

Measure	2020/21 Result	2021/22 Approved Target	2021/22 Result	2022/23 Target
Shareholder Value				
ROE	11.0%	8.6%	8.8%	8.8%
Debt ratio	50.4%	52.5%	54.6%	54.3%
Revenue Generation				
Total revenue (\$ millions)	\$1,317.7	\$1,298.6	\$1,300.9	\$1,317.2
Net Income				
Net income (\$ millions)	\$130.8	\$100.0	\$104.4	\$106.5
Capital Investment				
Capital intensity (excluding spectrum)	23.4%	24.9%	24.5%	25.6%
Crown Collaboration				
Crown Collaboration Savings (\$ millions)	N/A	\$50.0	\$48.9	\$55.0
Red tape reductions/Customer service enhancements	N/A	N/A	N/A	8 new initiatives
Investment attractions (\$ billions)	N/A	N/A	N/A	\$1.0

Shareholder Value Performance

SaskTel's ROE is above the target of 8.6%, largely due to exceeding our targeted net income for the year. SaskTel's debt ratio is 54.6% at March 31, 2022, above the target of 52.5% primarily due to increased debt to acquire 3500 MHz spectrum.

Revenue Performance

Revenue is above target, reflecting strong customer growth in broadband and wireless services. This customer growth, along with strong ARPU performance, more than offset declines in legacy wireline services.

Net Income Performance

Net income exceeded expectations due to strong revenue growth and favourable operational and finance expenses, partly offset by higher depreciation and amortization expense.

Capital Investment Performance

Capital investment came in lower than targeted. This is due to prudent management of capital spending within the capital program.

Crown Collaboration

The Crown Collaboration target is set by CIC. The target of \$50.0 million in savings for 2021/22 is for the Crown sector as a whole and not SaskTel specifically. The target for 2022/23 for the Crown sector includes \$55.0 million in savings achieved through past and new collaborations, 8 new initiatives that save money, time and/or improve customer service for individuals and businesses, and \$1.0 billion in new private sector investments in Saskatchewan.

Achievements in 2021/22

- Established a partnership with Smart Paddock, a leader in Australia's agtech sector to advance the deployment of livestock monitoring and GPS tracking solutions in Canada
- Expanded the partnership with eleven-x, a global supplier of smart city solutions for the management and operation of LoRaWAN gateways and the reselling of eleven-x's world-class wireless sensors and solutions to advance Saskatchewan's smart city initiatives
- Initiated Directwest and SecurTek transitions
- Released SaskTel's first Environmental, Social, and Governance (ESG) Report—an evolution in corporate governance and reporting in our industry
- SaskTel has contracted with SaskPower to jointly construct common utility trenches to provision telecommunication and electrical services. Construction costs are equally shared between SaskTel and SaskPower.

RATIONALE FOR THE SELECTION OF BALANCED SCORECARD PERFORMANCE MEASURES

Measures	Purpose
Customer Satisfaction Customer experience – consumer Customer experience – business	Delivering an exceptional customer experience at all touchpoints is a key strategic goal for SaskTel. Our industry is highly competitive, and customers have more choices than ever. Delivering high levels of satisfaction to all our customers is critical to our success. This measure allows SaskTel to evaluate the level of customer experience being provided and identify areas of opportunity.
Broadband Connections Total broadband accesses	Broadband is SaskTel's North Star and leading the market in broadband services is a key strategic goal. Broadband is our core service and critical to sustainable long-term growth. SaskTel aims to be the best broadband provider in Saskatchewan, providing reliable internet to as many customers as possible.
Network Advancements SK homes and businesses with access to: At least 50 Mbps fixed broadband At least 300 Mbps fixed broadband	Leading the market in broadband services is one of our key strategic goals. SaskTel is committed to delivering higher broadband speeds to customers throughout Saskatchewan. A download speed of 50 Mbps was the CRTC target speed for 90% of Canadians by the end of 2021. Access to at least 300 Mbps is reflective of customers' increasing speed requirements. It is aligned with the expansion of our fibre optic network infrastructure in the province, which is included in <i>Saskatchewan's Growth Plan: The Next Decade of Growth 2020–2030</i> .
Efficiency EBITDA margin	The EBITDA margin is used to monitor our improvements to operating efficiency and profitability. Digital transformation is a key strategy for SaskTel and as our initiatives are implemented, the financial impacts are reflected by this measure. It is a commonly used financial ratio that can be compared to industry standards.
Transformation Benefits realized from transformation initiatives	Reinvigorating SaskTel through digital transformation is one of our key strategic goals. This measure captures incremental benefits resulting from transformation initiatives that generate new revenue and/or improve our operational efficiency.
Employee Engagement Employee engagement score	Empowering a high-performance workforce is a key strategy for SaskTel. We measure employee engagement as an indicator of employees' connection and dedication to the organization and their role within it. An engaged team of employees leads to better customer experiences and improved overall corporate performance.
Learning and Growth Employee perception of skill evolution	Our industry is experiencing rapid technology change, elevating the importance of employee learning and growth. Skill evolution is a key component of employee enablement and a requirement for empowering a high-performance workforce. We use this measure to monitor our employees' confidence that they have the skills necessary to perform successfully.
Shareholder Value ROE Debt ratio	As a provincial Crown corporation, SaskTel has a responsibility to provide value to our shareholder, the Government and people of Saskatchewan. We use these two measures to evaluate our performance generating the financial return (return on equity) expected by our shareholder within a prescribed capital structure (debt ratio). ROE and debt ratio are widely used financial ratios, allowing comparisons to other companies.
Revenue Generation Total revenue	Revenue generation is an important indicator of our growth and financial sustainability. Total revenue is a common financial measure that can be compared to other companies.
Net Income	Net income is the primary measure of a competitive company's profitability and financial health. SaskTel's net income contributes to Saskatchewan's financial health as it is consolidated into the Province's financial statements.
Capital Capital intensity	SaskTel operates in an industry where significant capital investments are necessary to remain competitive. Capital intensity is used to measure how effectively SaskTel's capital investments are being utilized to generate revenue. Effective management of capital intensity will contribute to a healthy net income.
Crown Collaboration	Crown Collaboration is a key focus of the Government of Saskatchewan and Crown Investment Corporation (CIC). The Crown Collaboration metric represents cost savings for the public by participating Crowns and Treasury Board Crowns, agencies, and ministries.

ENTERPRISE RISK MANAGEMENT

SaskTel, like any business, is subject to uncertainty and risk that may have a material effect on its ability to achieve business objectives. Alternatively, risks may also create opportunities. The company manages risks to achieve a proper balance between risks incurred and potential returns. A Governance, Risk and Compliance (GRC) framework is in place to manage risk exposures in relation to business priorities and risk tolerance. It is an enterprise-wide approach aligning strategic planning, enterprise risk management (ERM), operations, and internal audit.

The ERM process (shown below) within the GRC framework is applied to identify and respond to key risks. Risks are identified through multiple ways and at different levels within the company. An approved risk matrix serves as a tool for evaluating risks against SaskTel's risk appetite. Appropriate risk responses may include any or all of the following: avoid, accept, transfer, or reduce through mitigations. Key corporate risks are regularly monitored and reported on. SaskTel's Internal Audit group uses an industry standard approach to audit the effectiveness of governance, risk management and control processes.

ENTERPRISE RISK MANAGEMENT FRAMEWORK



GOVERNANCE AND RESPONSIBILITIES

SaskTel uses the Institute of Internal Auditors' Three Lines Model to facilitate strong governance and apply an integrated approach that places accountability for effective risk management and internal control across the organization. Governance and oversight are provided by

SaskTel's Board of Directors, Audit and Risk Committee of the Board, and Executive Committee. All employees play a role in understanding and managing risk within the scope of their responsibilities. Management and operational leaders, including risk and compliance functions, perform the first- and second-line roles while independent assurance is provided through internal audit (third line). External assurance providers give additional assurance to satisfy legislative and regulatory expectations and complement internal sources of assurance.

GOVERNANCE

Board of Directors, Audit and Risk Committee of the Board, Executive Committee



KEY RISKS

The following risks are key strategic and core business risks and uncertainties facing SaskTel that may have a material effect on the business. Additional risks and uncertainties deemed to be lower risk or risks that are currently unknown may also impact the business. Any discussion about risks should be considered in conjunction with "Caution Regarding Forward-looking Information" on page 18.

STRATEGIC RISKS

Strategic risks are determined based on the ability to achieve strategic goals and financial targets outlined in the strategic plan. Realization of one or more of these risks may require SaskTel to modify its strategic direction.

Competitiveness

SaskTel has a complex operating environment built up over many years, which could restrict the company's ability to deliver a competitive customer experience. In addition, competitor intensity, including non-traditional competitors, industry consolidation, and disruptive technology could impact revenue and market share.

SaskTel has roadmaps and initiatives in place to evolve the operating environment and simplify and automate the business including a focus on self-serve and transforming

and modernizing systems and processes. This helps SaskTel stay competitive and offer a great customer experience. In addition, the company continuously evolves its products and services, looks for new market opportunities, deploys new technologies such as 5G and fibre, collaborates with partners, and leverages business intelligence to identify customer needs.

Regulatory

The Federal Government and CRTC continually make pronouncements and issue regulatory interventions that interfere with SaskTel's ability to conduct business and increases costs and complexity, impacting profitability and market share.

SaskTel actively participates in CRTC and other proceedings to ensure SaskTel's unique position is understood including its differences with respect to size and geography.

Alliances and Partnerships

SaskTel relies on agreements with other companies in the industry to provide products and services needed to operate the business. If factors emerged that negatively impact or end the relationship or contract, the ability to offer services or operate the business is at risk.

SaskTel works to ensure contractual obligations are met and future expectations are addressed to maintain mutually beneficial business relationships. For example, other telecom carriers rely on SaskTel networks and as such, it is important to ensure our networks continue to meet their needs.

CORE BUSINESS RISKS

Core business risks focus on the ability to execute business functions related to operational, financial, and compliance and legal risks.

Operational Risks

Operational risks consider areas such as business interruption, security, infrastructure, supply chain, resources, customer service and safety and environment.

Networks

SaskTel's networks are core to delivering SaskTel's services and if they were unavailable for an extended period, it could cause significant customer impacts.

Networks are designed and built to be highly available. Regular updates and maintenance, alarming of key components, redundancy, sparing of hardware, and testing in labs prior to implementation help reduce the occurrence, duration, and severity of outages. Networks are continuously evolving with legacy and end of life equipment and technology being replaced.

Systems

SaskTel relies on systems to conduct business such as billing, provisioning, and service delivery. If a key system was unavailable for an extended period, it could impact services and revenue.

Similar to networks, systems are built and designed to be highly available. Alarming of key components, redundancy, regular upgrades, maintenance and support contracts, extra hardware on site, testing in labs, disaster recovery protection, and change control processes help reduce the occurrence, duration, and severity of outages. A multi-year system architecture strategy and roadmap helps plan for future system needs.

Physical Infrastructure

Losing physical access or experiencing damage to a critical building or infrastructure could occur from a variety of events including nature, weather, fire, or vandalism, which could disrupt services and impact revenue.

Preventive measures are in place, such as ongoing maintenance routines, automated control systems, sprinklers, fire detection systems, site hardening and loss control techniques, security, temperature-controlled facilities, and infrastructure upgrades. If an event occurs, business continuity plans, and disaster recovery protocols come into effect.

Cyber Security

SaskTel, like any company, is subject to cyber-attacks or data breaches that could compromise information or disrupt service, and with cybercrimes becoming more frequent and sophisticated, the threat continues to increase. A significant event could impact reputation and finances.

SaskTel regularly assesses its environment and implements extensive controls and measures to protect information and mitigate against service disruption. Examples of controls include security standards, monitoring, processes, policies, governance, secure configurations, training, and anti-malware. An evolving multi-year roadmap and program is in place to increase maturity and address any vulnerabilities.

Financial Risks

Areas reviewed in this category include interest rate, foreign exchange, credit, financial misstatement, pension plan solvency, investments, public reporting, revenue assurance, fraud, and cash flow. No significant financial risks are reported at this time. Notes to Consolidated Financial Statements, Note 29 – *Financial instruments and related risk management*, highlights some financial exposures and mitigations.

Compliance and Legal Risks

Areas reviewed in this category focus on SaskTel's need to comply with laws and regulations, including contractual, professional, third party, statutory, environmental, governance, intellectual property, litigation, regulatory, and privacy.

Litigation

Every business is subject to lawsuits due to various activities undertaken, employees interacting with thousands of people daily and SaskTel's assets are numerous and visible. Exposures include contractual, professional, statutory, and third-party liability, which could negatively impact SaskTel's results and reputation.

Contracts, tariffs, in-house counsel, and due diligence contribute to mitigating the risk.

OPERATING RESULTS

FINANCIAL SUMMARY

Consolidated Net Income

For the year ended March 31,

(\$ millions)	2022	2021	Change	%
Revenue	\$ 1,300.9	\$ 1,317.7	\$ (16.8)	(1.3)
Other income	0.8	6.3	(5.5)	(87.3)
	1,301.7	1,324.0	(22.3)	(1.7)
Expenses				
Goods and services purchased	570.4	584.9	(14.5)	(2.5)
Salaries, wages, and benefits	352.1	355.7	(3.6)	(1.0)
Internal labour capitalized	(21.5)	(21.9)	0.4	(1.8)
Depreciation - property, plant and equipment	199.9	183.0	16.9	9.2
Depreciation - right-of-use assets	6.3	6.2	0.1	1.6
Amortization	33.7	31.8	1.9	6.0
Saskatchewan taxes	29.0	27.9	1.1	3.9
	1,169.9	1,167.6	2.3	0.2
Results from operating activities	131.8	156.4	(24.6)	(15.7)
Net finance expense	27.4	25.6	1.8	7.0
Net income	104.4	130.8	(26.4)	(20.2)
Other comprehensive loss	(5.2)	(6.5)	1.3	(20.0)
Total comprehensive income	\$ 99.2	\$ 124.3	\$ (25.1)	(20.2)

Consolidated Revenue

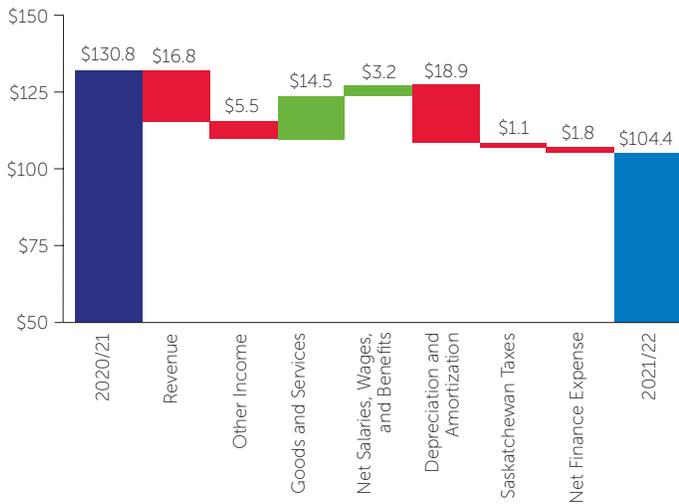
For the year ended March 31,

(\$ millions)	2022	2021	Change	%
Wireless network services and equipment	\$ 613.4	\$ 610.4	\$ 3.0	0.5
Fixed broadband and data services	284.0	274.6	9.4	3.4
Wireline communication services	177.4	196.2	(18.8)	(9.6)
maxTV service	100.6	104.3	(3.7)	(3.5)
Security monitoring services	35.4	34.7	0.7	2.0
Marketing services	24.3	25.2	(0.9)	(3.6)
Customer premise equipment	20.0	25.4	(5.4)	(21.3)
IT solutions services	13.4	12.2	1.2	9.8
International software and consulting services	10.4	9.3	1.1	11.8
Other services	22.0	25.4	(3.4)	(13.4)
	\$ 1,300.9	\$ 1,317.7	\$ (16.8)	(1.3)

NET INCOME

The Corporation provides strong returns to the Province of Saskatchewan by introducing competitive services and providing revenue growth in key business segments, including wireless, and fixed broadband and data, and by managing its costs and optimizing its legacy services. Net income was \$104.4 million, a decrease of \$26.4 million from the same period in 2020/21. Net income was impacted through increased depreciation and amortization of \$18.9 million and decreased revenue of \$16.8 million, partially offset by reduced goods and services purchased of \$14.5 million and reduced net salaries, wages, and benefits of \$3.2 million.

Net Income (\$ millions)



Net Income (\$ millions)



Operating Revenue

\$1,300.9M

Net Income

\$104.4M

Return on Equity

8.8%

EBITDA Margin

28.5%

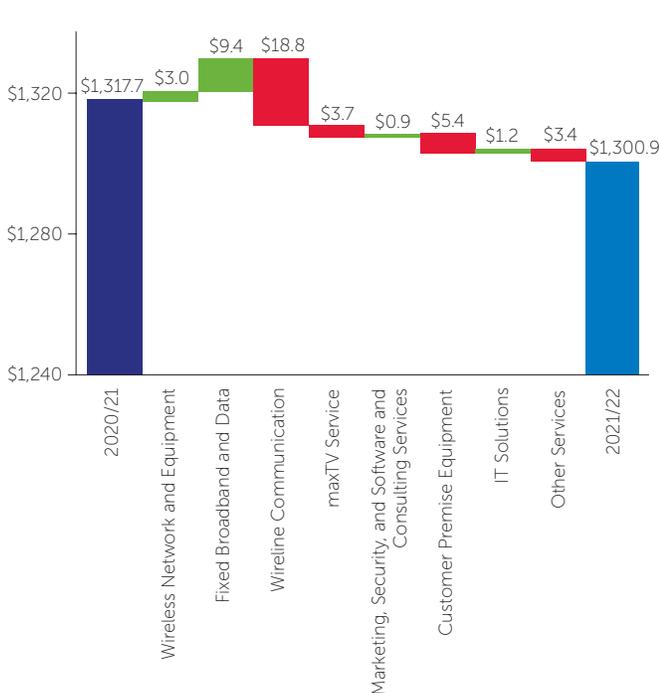
Debt Ratio

54.6%

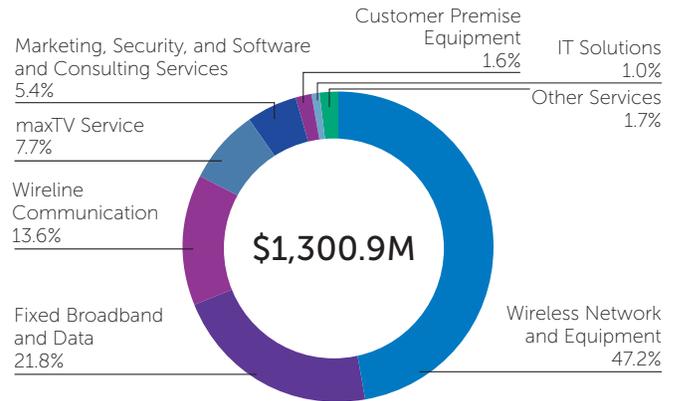
REVENUE

Revenue for the fiscal year ending March 31, 2022 was \$1,300.9 million, a decrease of \$16.8 million, reflecting ongoing declines in legacy wireline services and declines in customer premise equipment due to higher customer demand in the prior year related to the COVID-19 pandemic. This decline is partially offset by growth in fixed broadband and data revenues from a growing subscriber base and increased revenue per customers as customers opt for higher internet speeds and more services delivered over SaskTel's fibre network. The decline was also offset by increased wireless revenues, which resulted from a growing wireless subscriber base.

Revenue (\$ millions)



2021/22 Revenue Profile



CUSTOMER CONNECTIONS

Broadband Internet*

+3.0%

+24,954 vs 2020/21

maxTV Service

(3.4%)

(3,928) vs 2020/21

Wireless

+1.3%

+8,058 vs 2020/21

Fibre

+11.9%

+17,811 vs 2020/21

Wireline Voice

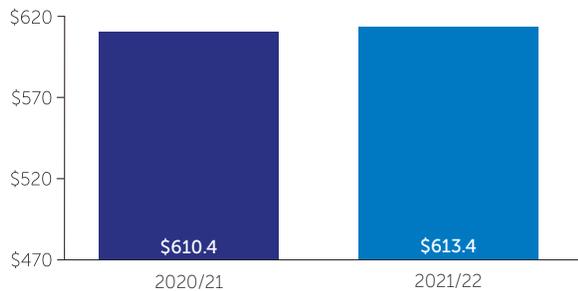
(5.5%)

(16,078) vs 2020/21

*Includes Rural Broadband Partnerships

SaskTel's revenue is composed primarily of wireless network services and equipment revenue (47.2%), fixed broadband and data (21.8%), wireline communication (13.6%), and maxTV service (7.7%). The ongoing decline of wireline communication revenue was partially offset by continued growth in broadband and wireless revenue. SaskTel offers its customers increasing internet bandwidth through improvements to its network infrastructure, including FTTP, fixed wireless and mobile broadband, and expansions of DSL and fibre internet to rural communities. SaskTel continues to expand its IT solutions services portfolio by offering innovative ICT solutions, including managed cloud, Tier III Data Centre services and remote network monitoring services to its customers.

Wireless Network and Equipment Revenue (\$ millions)

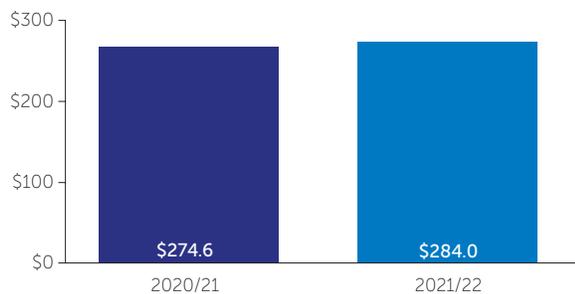


WIRELESS NETWORK SERVICE AND EQUIPMENT

Wireless revenue increased \$3.0 million (0.5%) in 2021/22, reflecting growth in our wireless retail subscriber base, increased wholesale revenues and a greater proportion of premium handsets in the sales mix. This growth was partially offset by decreased device sales driven by customers deferring upgrades due to increasing device costs and slower device evolution.

Our focus on customer-first initiatives and our leading network quality and coverage resulted in decreased wireless churn and an increase in year-over-year net subscriber additions of 8,058 or 1.3%.

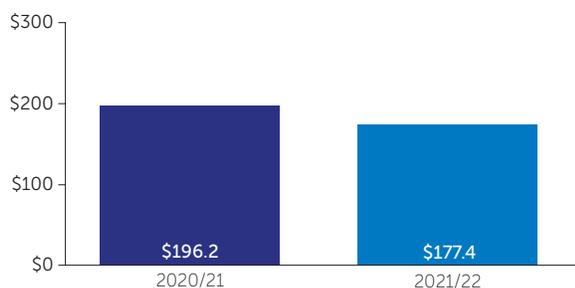
Fixed Broadband and Data Revenue (\$ millions)



FIXED BROADBAND AND DATA SERVICES

Fixed broadband and data services revenue increased by \$9.4 million (3.4%). This was driven by increased customer connections on our expanded Fibre-to-the-X footprint, enhanced retail offerings, and increased customer demand for our High Speed Internet service. Network traffic reached historic levels due to increased remote work, education, and at-home entertainment. SaskTel's *infiNET* fibre service access growth increased 11.9% and has addressed the demand for higher speeds, which has contributed to ARPU growth.

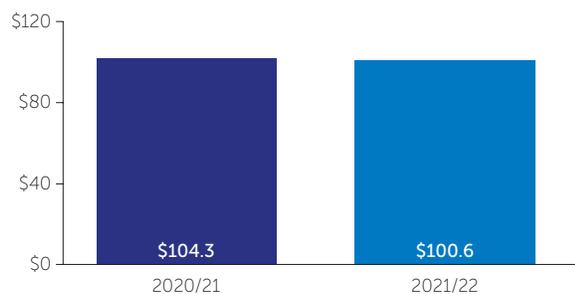
Wireline Communication Revenue (\$ millions)



WIRELINE COMMUNICATION SERVICES

Wireline communication services declined by \$18.8 million (9.6%) from 2020/21. Wireline network losses are slowing as migrations to wireless and internet-based services reach their peaks and new growth in IP based wireline services are realized. Integrated Business Communications, an IP based service, enables a remote workforce with the ability to connect, communicate and collaborate anywhere and with any device.

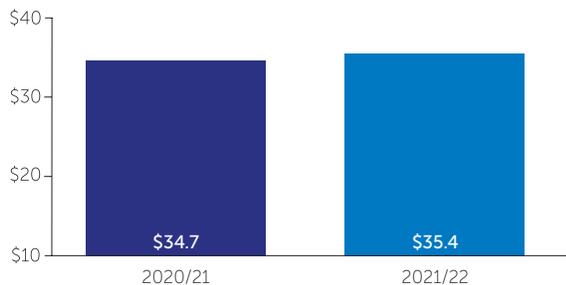
maxTV Revenue (\$ millions)



maxTV SERVICE

maxTV service revenue decreased by \$3.7 million (3.5%). This decrease resulted from the dissolution of a wholesale agreement to provide pay-per-view. This has been partially offset by continued growth of maxTV Stream service that allows customers to watch live TV or on demand content anywhere in Canada.

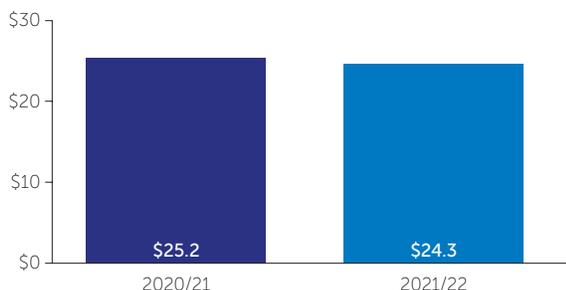
Security Monitoring Revenue (\$ millions)



SECURITY MONITORING SERVICES

Security monitoring services revenue increased \$0.7 million to \$35.4 million in 2021/22, due to increased monthly monitoring revenue as customers selected higher value-added features such as SaskTel's smartHOME security that provides interactive security, safety, cameras, and automation technology for residential and business consumers. SaskTel continues to actively seek out business growth both organically and through customer account acquisitions.

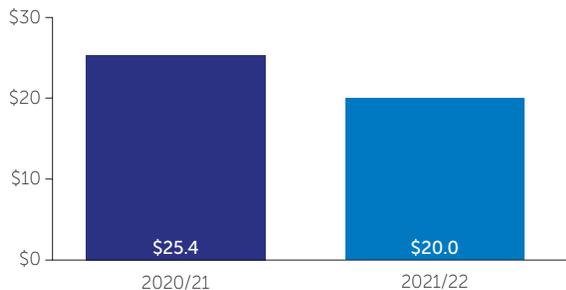
Marketing Revenue (\$ millions)



MARKETING SERVICES

Marketing services revenue decreased to \$24.3 million in 2021/22, from \$25.2 million in 2020/21, a decrease of \$0.9 million (3.6%) as the traditional directory industry continued to experience significant financial pressures. These declines have been partially offset by continued growth of the company's digital marketing services and digital out-of-home billboard media.

Customer Premise Equipment Revenue (\$ millions)



CUSTOMER PREMISE EQUIPMENT

Customer premise equipment revenue decreased by \$5.4 million due to decreased sales of business-grade communications systems. There was increased demand last year to meet remote work, education, and at-home entertainment in the wake of COVID-19 restrictions.

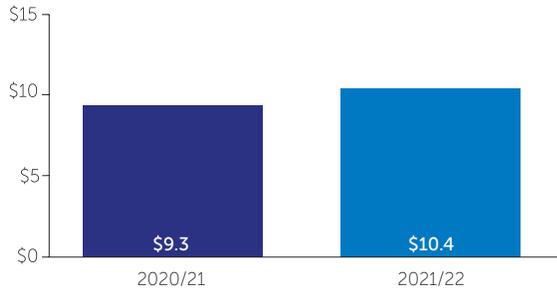
IT Solutions Revenue (\$ millions)



IT SOLUTIONS SERVICES

IT solutions services revenue increased \$1.2 million (9.8%), reflecting growth in our business customer segment and increased adoption of our data centre offerings and managed IT services such as cloud computing, cloud service, backup, and disaster recovery to business customers across Saskatchewan.

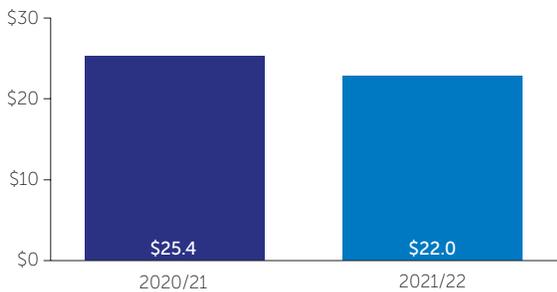
International Software and Consulting Revenue (\$ millions)



INTERNATIONAL SOFTWARE AND CONSULTING SERVICES

International software and consulting services revenue increased to \$10.4 million in 2021/22, an increase of \$1.1 million from the prior year, primarily due to higher implementation and professional services from contracts for the new suite of network management services.

Other Revenue (\$ millions)

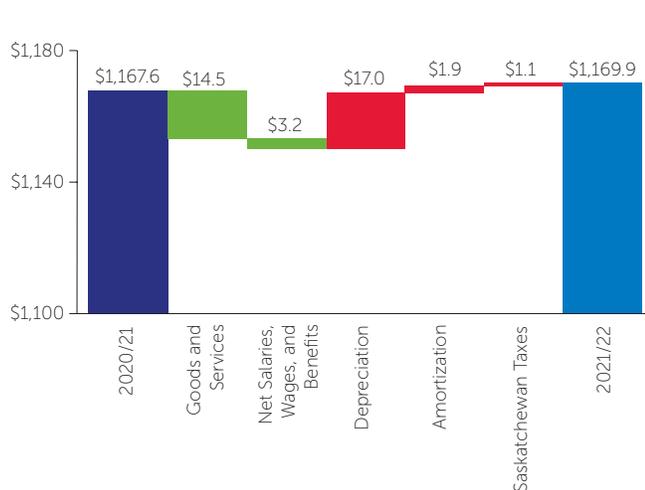


OTHER SERVICES

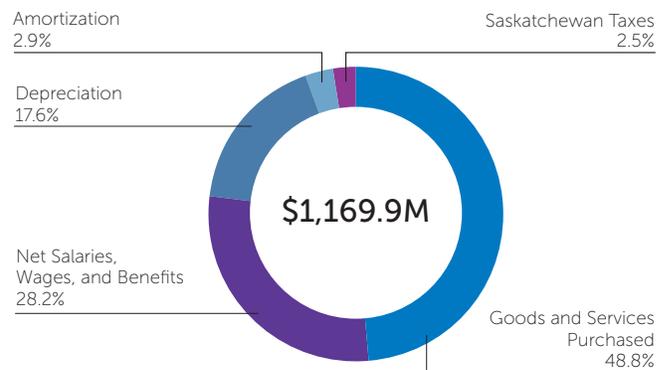
Other services revenue decreased \$3.4 million from 2020/21. In 2021/22, this portfolio saw decreased customer project work and reduced professional services revenue related to fewer business-grade equipment sales.

EXPENSES

Expenses (\$ millions)

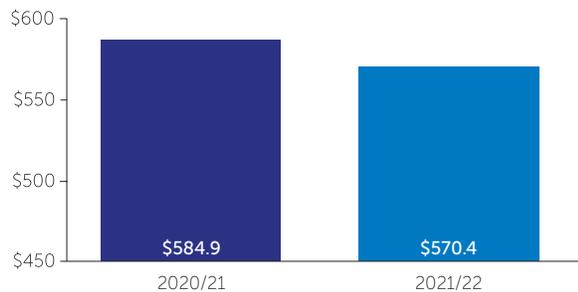


2021/22 Expense Profile



Expenses increased \$2.3 million from the previous year to \$1,169.9 million. This increase was led by increased depreciation and amortization due to growth in capital assets as we invested in network modernization through the implementation of the 5G network, capacity and coverage enhancements to support increased fixed and wireless demand, as well as investments in online fulfillment, and customer self-serve platforms. These increases were partly offset by reduced costs from lower wireless device and business grade equipment sales.

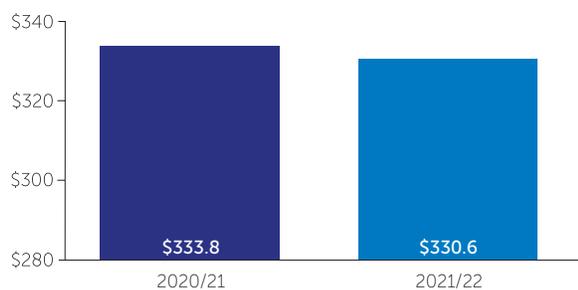
Goods and Services Purchased (\$ millions)



GOODS AND SERVICES PURCHASED

Goods and services purchased decreased by \$13.5 million (2.5%) to \$570.4 million, driven by lower cost of goods sold resulting from fewer business-grade equipment and wireless device sales. Bad debt expense decreased as customer defaults were lower than expected as a result of the Crown Utility Payment Deferral Program, which allowed customers to defer their payments interest free. These factors were partly offset by higher roaming expenses as customers travelled more with the removal of COVID-19 travel restrictions.

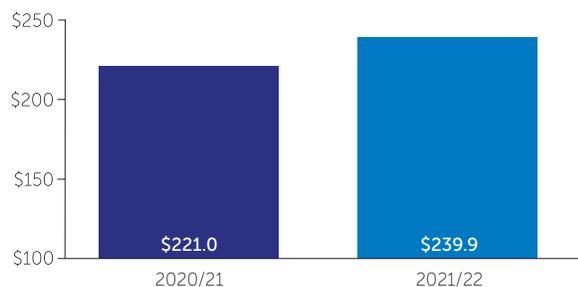
Net Salaries, Wages, and Benefits (\$ millions)



NET SALARIES, WAGES, AND BENEFITS (NET OF INTERNALLY CAPITALIZED LABOUR)

Net salaries, wages, and benefits decreased to \$330.6 million, down \$3.2 million due to workforce efficiency initiatives.

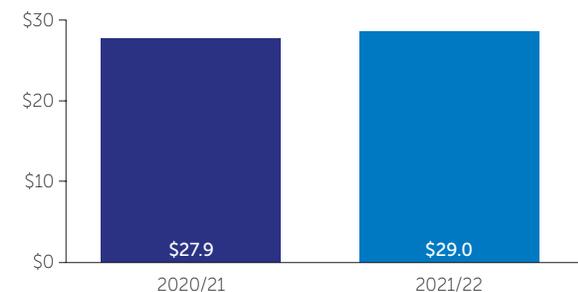
Depreciation and Amortization (\$ millions)



DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense increased to \$239.9 million up \$18.9 million, primarily due to increased investment in our fixed and wireless broadband networks, including large investments to launch the 5G network, expand SaskTel's fibre footprint and to increase wireless capacity, coverage, and speeds across the province, including Wireless Saskatchewan, which significantly improved service for thousands of rural families and businesses. The remainder of the increase is due to a change in the estimated useful lives of certain network assets.

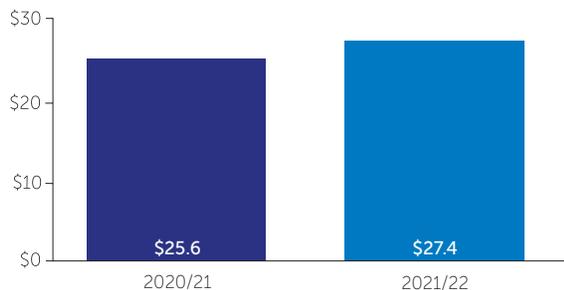
Saskatchewan Taxes (\$ millions)



SASKATCHEWAN TAXES

Taxes represent the payment of corporate capital tax to the Province of Saskatchewan and grants-in-lieu of taxes paid to cities, towns, villages, rural municipalities, and northern sites in Saskatchewan. Taxes were \$29.0 million in 2021/22, an increase of \$1.1 million from the prior year.

Net Finance Expense (\$ millions)

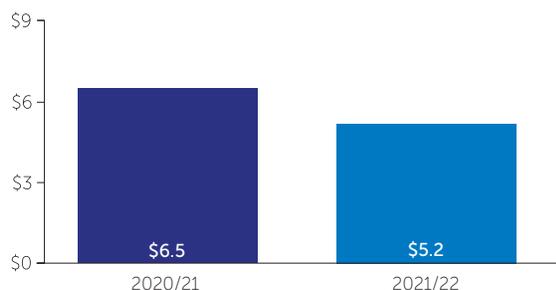


NET FINANCE EXPENSE

Net finance expense increased \$1.8 million year-over-year. Prior year included sinking fund earnings on debt maturities which did not occur in 2021/22. This was partially offset by decreased interest expense on long-term debt and increased customer interest charges resulting from the conclusion of the Crown Utility Deferral Payment Program which waived customer interest charges in the prior year.

OTHER COMPREHENSIVE LOSS

Other Comprehensive Loss (\$ millions)



OTHER COMPREHENSIVE LOSS

Other comprehensive loss of \$5.2 million is \$1.3 million less than the loss recognized in the previous year. The increase is a result of unrealized sinking fund gains and an actuarial gain on the retiring allowance due to a change in discount rate assumptions. The assumptions are disclosed in Note 25 – *Employee Benefits* of the consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

Dividends Declared

\$94.0M

Dividend Payout Policy

90.0%

Debt Ratio

54.6%

Investment in Broadband

\$377.0M

Cash Provided by
Operating Activities

\$55.2M

Year-over-year change

Cash Used in
Investing Activities

(\$157.6M)

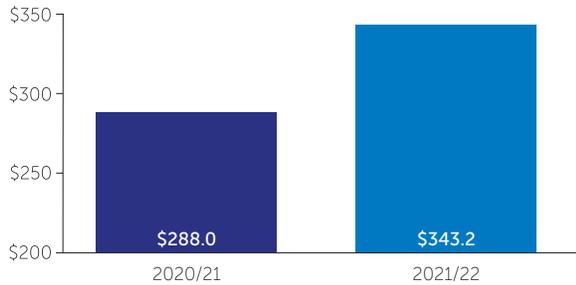
Year-over-year change

Cash Provided by
Financing Activities

\$92.9M

Year-over-year change

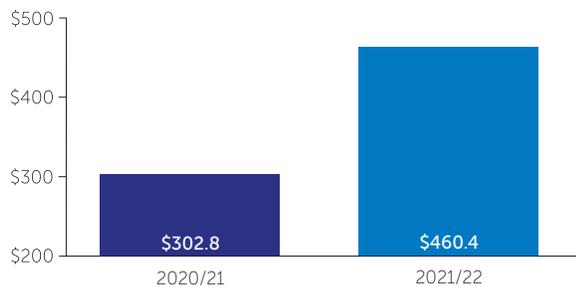
Cash Provided by Operating Activities (\$ millions)



CASH PROVIDED BY OPERATING ACTIVITIES

Cash provided by operating activities was \$343.2 million for the fiscal year ended March 31, 2022, an increase of \$55.2 million from the previous year primarily due to decreased working capital requirements.

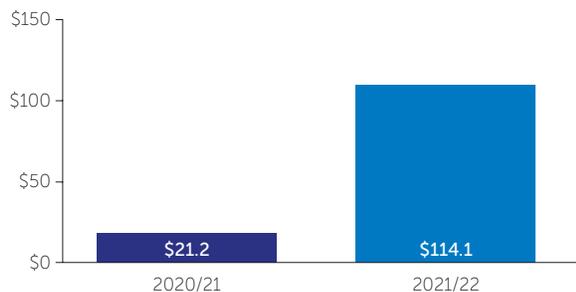
Cash Used in Investing Activities (\$ millions)



CASH USED IN INVESTING ACTIVITIES

Cash used in investing activities was \$460.4 million for the fiscal year ended March 31, 2022, an increase of \$157.6 million from the previous year. The increase was primarily due to the \$145.2 million acquisition of 3500 MHz spectrum licenses to enhance our wireless network. Additional details of the 2021/22 capital program are included in "Capital Expenditures" on page 52.

Cash Provided by Financing Activities (\$ millions)



CASH PROVIDED BY FINANCING ACTIVITIES

Cash provided by financing activities was \$114.1 million for the year ended March 31, 2022, an increase of \$92.9 million. This is primarily due to increased net borrowings to invest in our fixed and wireless networks including \$145.2 million on 3500 MHz spectrum. SaskTel paid dividends of \$100.2 million to CIC, a decrease of \$10.3 million from the previous year. During the last five fiscal years, SaskTel paid a total of \$524.1 million in dividends while maintaining a debt ratio within industry standards.

CAPITAL MANAGEMENT

(\$ millions)	March 31, 2022	March 31, 2021	Change	%
Long-term debt ¹	\$ 1,347.6	\$ 1,096.6	\$ 251.0	22.9
Short-term debt ¹	202.5	219.9	(17.4)	(7.9)
Less: Sinking funds	95.5	84.6	10.9	12.9
Cash	20.6	23.7	(3.1)	(13.1)
Net debt	1,434.0	1,208.2	225.8	18.7
Equity ²	1,193.7	1,188.5	5.2	0.4
Capitalization	\$ 2,627.7	\$ 2,396.7	\$ 231.0	9.6
Debt ratio	54.6%	50.4%	4.2	

1. Long-term and short-term debt exclude lease liabilities.

2. Equity for the purposes of calculating the debt ratio is defined as equity advances, accumulated other comprehensive income and retained earnings at the end of the period.

SaskTel's debt ratio increased to 54.6% at March 31, 2022, an increase of 4.2% from the previous year. The overall level of net debt increased \$225.8 million, primarily to fund continued investment in our fixed and wireless networks through investment in property, plant and equipment and intangible assets. Equity increased \$5.2 million after recording net income of \$104.4 million, other comprehensive loss of \$5.2 million and declaring dividends of \$94.0 million.

Debt Instruments

SaskTel's debt portfolio consists of short-term and long-term debt. Both are issued through, and guaranteed by, the Province of Saskatchewan. Short-term debt is issued at market rates in effect on the issue date. Long-term debt is at fixed interest rates.

The weighted average interest rate on SaskTel's fixed-rate debt was approximately 3.34% at March 31, 2022, and 3.40% at March 31, 2021. The weighted average interest rate of the short-term debt outstanding at March 31, 2022 was 0.63% and 0.13% at March 31, 2021.

The interest rate on SaskTel's debt depends on the credit rating of the Province of Saskatchewan, which issues debt on SaskTel's behalf. The following table lists the credit ratings of the Province at March 31, 2022.

	S&P	DBRS	Moody's
Long-term debt	AA (stable)	AA (low)	Aa1
Short-term liabilities	A-1+	R-1 (mid)	Not rated

Access to Capital

The primary uses of cash in 2022/23 will be property, plant and equipment and intangible asset expenditures, growth initiatives, and dividend payments.

The 2022/23 strategic plan assumes that funding of capital expenditures, growth initiatives, and dividend payments will be initially from operations. Additional funding will be accessed through short-term notes and long-term debt issued through the Province of Saskatchewan.

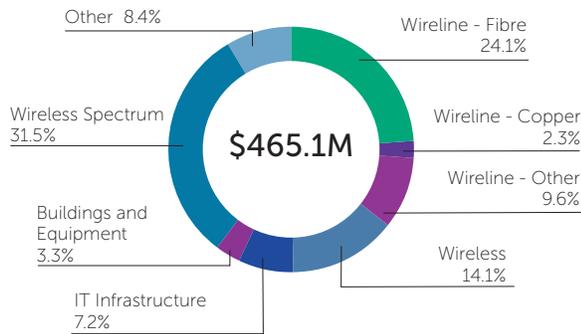
Credit facilities consist of up to \$500 million in combined lines of credit with financial institutions and advances from the Province of Saskatchewan. At March 31, 2022, SaskTel had accessed \$202.5 million of these facilities.

Besides this credit facility, SaskTel has authority to issue up to \$1.8 billion in combined short-term and long-term debt. Total outstanding debt was \$1,550.1 million at March 31, 2022, and \$1,316.5 million at March 31, 2021.

CAPITAL EXPENDITURES

SaskTel's mission to provide an exceptional customer experience begins with our North Star—broadband. We endeavour to deliver fast and reliable broadband service throughout Saskatchewan by continuing to invest in enhancements to improve the coverage, capacity, reliability, and speed of our networks. SaskTel invested \$465.1 million in capital expenditures during 2021/22 (2020/21 – \$308.2 million) to improve our customer's experience today and create opportunities to provide additional enhancements and capabilities in the future.

Capital Expenditures 2021/22

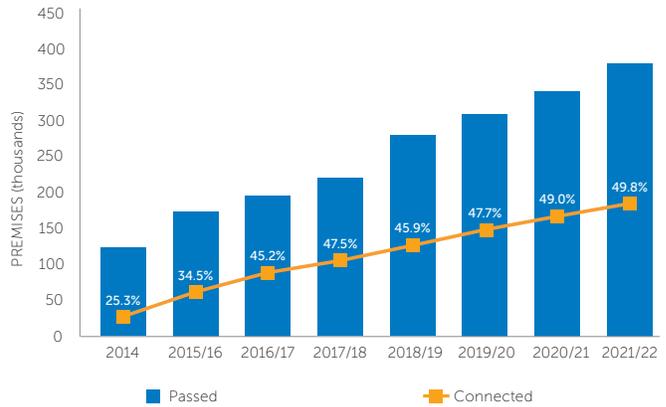


Of the \$465.1 million, \$295.2 million (2020/21 – \$283.9 million) was spent on property, plant and equipment, including Fibre to the Premises (FTTP), wireless networks (5G, LTE and Wi-Fi), Access Demand, and other network improvements while the remaining \$168.7 million (2020/21 – \$24.3 million) was spent on intangible assets such as 3500 MHz Wireless spectrum and customer self-serve systems, accounting reporting systems, and billing systems. The acquisition of 3500 MHz spectrum for \$145.2 million is critical to enabling the full potential of 5G to urban, rural, and remote communities across Saskatchewan.

Fibre to the Premises (2021/22 – \$78.3 million)

The Fibre to the Premises program is an ongoing program to upgrade broadband facilities and bring *infiNET*, SaskTel's fibre optic network, right to our customers' doors in the nine major Saskatchewan centres and 56 communities outside the nine majors. Powered by SaskTel's fibre optic network, *infiNET* service delivers near Gigabit per second (Gbps) speeds, allowing subscribers to surf, stream, and share however much content they want faster than ever before.

Fibre to the Premises (Consumer and Business)



LTE, 5G, and Wi-Fi (2021/22 – \$65.7 million)

Saskatchewan has the best wireless coverage in Western Canada, with over 99% of the population and 98% of the major roadways and highways being covered with LTE wireless service. SaskTel select Wi-Fi provides SaskTel customers unlimited free data in over 2,500 locations spread across 50+ communities in the province, making it the largest Wi-Fi network available in Saskatchewan. Our 5G network, the next generation of wireless technology, is available in Regina and Saskatoon with further deployment in Saskatchewan over the next few years. Our LTE network will be the backbone of our 5G network as it expands across Saskatchewan.

These ongoing investments result in increased data speeds and improved coverage that enhance customer experience and provide the speeds and capabilities to travel the internet, watch and listen to multimedia content, and access cloud-based services on their smartphone devices without delay. SaskTel's wireless network includes over 1,000 cell towers, over 700 of which are located in rural parts of the province.

Other Network Improvements (2021/22 – \$59.5 million)

SaskTel has invested in other areas of its network to increase capacity and modernize key components so that it may meet the needs of Saskatchewan residents and businesses and continue to support the growing economy. These improvements include capacity improvements to our wireline and wireless networks; improvements to our rural transport infrastructure to accommodate rural growth of fixed and mobile voice, video, and data services and expansion of northern fibre facilities, which will bring high speed bandwidth services to northern residents and businesses.

Access Network Demand (2021/22 – \$27.1 million)

The Access Network Demand program is an ongoing program to add infrastructure to new neighbourhoods and increases capacity in existing neighbourhoods so that customers may access all the services that SaskTel has to offer.

SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGMENTS

SaskTel's discussion and analysis of our financial position and results of operations are based on the consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Significant accounting policies, estimates, and judgments are contained in the consolidated financial statements. See *Note 2 – Basis of presentation* to the consolidated financial statements for accounting policies, estimates, and judgments applicable to the financial statements as a whole, as well as specific notes for more information about the accounting principles, estimates, and judgments that SaskTel uses for each applicable account in preparing its financial statements. Certain components of these policies could have a significant impact on financial results, including: the amount and timing of revenue from contracts with customers; determination of costs to obtain contracts; capitalization and depreciation or amortization of property, plant and equipment, and intangible assets; determination of right-of-use assets; determination of lease liabilities; impairment of assets and cash-generating units; assumptions related to pension obligations; estimation of the future liabilities for decommissioning and environmental remediation; and the fair value of financial instruments.

APPLICATION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Corporation did not adopt any amendments causing a material impact to the consolidated financial statements.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new standards, interpretations and amendments to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for annual accounting periods beginning after April 1, 2022, or later periods. The Corporation does not expect a significant impact of these pronouncements on its results and financial position.

FIVE-YEAR RECORD OF SERVICE

Consolidated Statement of Income and Other Comprehensive Income (Loss)

For the year ended March 31, (\$ millions)	2022	2021	2020	2019*	2018*†
Revenue	\$ 1,300.9	\$ 1,317.7	\$ 1,283.7	\$ 1,277.9	\$ 1,253.2
Other income	0.8	6.3	3.3	5.1	1.4
	1,301.7	1,324.0	1,287.0	1,283.0	1,254.6
Expenses					
Goods and services purchased	570.4	584.9	543.4	553.1	523.3
Salaries, wages, and benefits	352.1	355.7	359.0	370.3	377.7
Internal labour capitalized	(21.5)	(21.9)	(21.2)	(23.7)	(26.6)
Depreciation - property, plant and equipment	199.9	183.0	173.0	163.5	157.6
Depreciation - right-of-use assets	6.3	6.2	6.6	–	–
Amortization	33.7	31.8	33.4	34.4	40.2
Impairment loss	–	–	10.7	–	–
Saskatchewan taxes	29.0	27.9	27.2	27.1	26.8
	1,169.9	1,167.6	1,132.1	1,124.7	1,099.0
Results from operating activities	131.8	156.4	154.9	158.3	155.6
Net finance expense	(27.4)	(25.6)	(35.1)	(30.9)	(34.6)
Net income	104.4	130.8	119.8	127.4	121.0
Other comprehensive income (loss)	(5.2)	(6.5)	4.8	4.2	106.9
Total comprehensive income	\$ 99.2	\$ 124.3	\$ 124.6	\$ 131.6	\$ 227.9

Consolidated Statement of Financial Position

As at March 31, (\$ millions)	2022	2021	2020	2019*	2018*†
Current assets	\$ 364.3	\$ 365.4	\$ 423.3	\$ 278.1	\$ 214.7
Property, plant and equipment	2,087.8	2,000.4	1,904.7	1,854.7	1,779.5
Other long-term assets	631.4	490.7	479.3	529.3	495.7
Total assets	\$ 3,083.5	\$ 2,856.5	\$ 2,807.3	\$ 2,662.1	\$ 2,489.9
Current liabilities	\$ 471.5	\$ 497.3	\$ 712.2	\$ 446.2	\$ 408.1
Long-term debt	1,347.6	1,096.6	833.1	1,003.3	953.5
Other long-term liabilities	70.7	74.1	80.0	47.4	54.6
Province of Sask equity	1,193.7	1,188.5	1,182.0	1,165.2	1,073.7
Total liabilities and Province of Sask equity	\$ 3,083.5	\$ 2,856.5	\$ 2,807.3	\$ 2,662.1	\$ 2,489.9

Consolidated Statement of Cash Flows

For the year ended March 31, (\$ millions)	2022	2021	2020	2019*	2018*†
Cash, beginning of year	\$ 23.7	\$ 17.2	\$ 5.1	\$ 17.3	\$ 11.1
Cash provided by operating activities	343.2	288.0	292.6	292.3	332.7
Cash used in investing activities	(460.4)	(302.7)	(256.0)	(262.4)	(293.0)
Cash provided by (used in) financing activities	114.1	21.2	(24.5)	(42.1)	(33.5)
Increase (decrease) in cash from continuing ops	(3.1)	6.5	12.1	(12.2)	6.2
Cash, end of year	\$ 20.6	\$ 23.7	\$ 17.2	\$ 5.1	\$ 17.3

*Results excluding the adoption of IFRS 16

†Results excluding the adoption of IFRS 15

Financial Indicators

For the year ended March 31, (\$ millions)	2022	2021	2020	2019*	2018*†
Return on equity	8.8%	11.0%	10.2%	11.0%	11.9%
Debt ratio	54.6%	50.4%	47.8%	46.6%	46.2%
Dividends declared	\$ 94.0	\$ 117.7	\$ 107.8	\$ 114.7	\$ 108.9
Dividends paid	\$ 100.2	\$ 110.5	\$ 107.2	\$ 116.3	\$ 89.9
Capital expenditures	\$ 465.1	\$ 308.2	\$ 262.9	\$ 268.2	\$ 302.0

*Results excluding the adoption of IFRS 16

†Results excluding the adoption of IFRS 15

Consolidated Statement of Income and Other Comprehensive Income (Loss)

(\$ millions)	Q4 2021/22	Q3 2021/22	Q2 2021/22	Q1 2021/22	Q4 2020/21	Q3 2020/21	Q2 2020/21	Q1 2020/21
Revenue	\$ 325.9	\$ 341.7	\$ 322.1	\$ 311.2	\$ 328.4	\$ 347.1	\$ 333.6	\$ 308.6
Other income (loss)	(1.9)	1.8	0.7	0.2	0.9	1.5	1.3	2.6
	324.0	343.5	322.8	311.4	329.3	348.6	334.9	311.2
Expenses								
Goods and services purchased	145.6	161.2	135.3	128.3	149.8	168.9	146.0	120.2
Salaries, wages, and benefits	90.6	85.8	84.4	91.3	92.6	89.0	84.3	89.8
Internal labour capitalized	(5.2)	(6.3)	(4.9)	(5.1)	(5.2)	(5.8)	(5.2)	(5.7)
Depreciation - property, plant and equipment	49.7	50.4	51.5	48.3	47.6	47.6	43.9	43.9
Depreciation - right-of-use assets	1.6	1.7	1.5	1.5	1.6	1.5	1.6	1.5
Amortization	8.5	8.5	8.5	8.2	8.2	8.1	7.8	7.7
Saskatchewan taxes	6.2	6.5	6.8	9.5	5.3	6.1	6.9	9.6
	297.0	307.8	283.1	282.0	299.9	315.4	285.3	267.0
Results from operating activities	27.0	35.7	39.7	29.4	29.4	33.2	49.6	44.2
Net finance expense	(7.1)	(7.3)	(6.6)	(6.4)	(5.7)	(2.6)	(6.8)	(10.5)
Net income	19.9	28.4	33.1	23.0	23.7	30.6	42.8	33.7
Other comprehensive income (loss)	(5.7)	0.7	(0.7)	0.5	25.5	(13.7)	(26.2)	7.9
Total comprehensive income	\$ 14.2	\$ 29.1	\$ 32.4	\$ 23.5	\$ 49.2	\$ 16.9	\$ 16.6	\$ 41.6

Annual Operating Statistics

As at	March 31,				
	2022	2021	2020	2019	2018
Customer accesses					
Wireless†	647,765	639,707	624,679	615,471	612,073
Wireline*	273,856	289,934	308,719	333,643	356,958
Internet and data^	293,221	289,188	276,460	277,244	278,977
maxTV subscribers	110,192	114,120	111,382	112,583	110,881
Security monitoring subscribers	78,707	81,554	85,948	76,692	72,467
Total customer accesses	1,403,741	1,414,503	1,407,188	1,415,633	1,431,356

*Does not include SaskTel internal use †Includes M2M counts ^Includes Rural Broadband Partnerships

	2022	2021	2020	2019	2018
Employees and payroll					
Total FTEs	3,333	3,422	3,415	3,719	3,880
Salaries earned (000s)	\$ 300,136	\$ 305,188	\$ 308,003	\$ 317,096	\$ 325,095

GLOSSARY

4G (fourth generation): The generation of wireless technologies that includes HSPA+, LTE, and LTE advanced, as defined by the International Telecommunications Union.

5G (fifth-generation wireless): The proposed next generation of wireless telecommunications standards. We expect 5G technology to result in significantly reduced latency compared to LTE, improvements in signalling efficiency and coverage, and the ability to connect to more devices at once than ever before.

ARPU (average revenue per user): This business performance measure, expressed as a dollar rate per month, is predominantly used in the wireless and cable industries to describe the revenue generated per customer per month. ARPU is an indicator of a wireless or cable business' operating performance.

Bandwidth: Bandwidth can have two different meanings: (1) a band or block of radio frequencies measured in cycles per second, or Hertz; or (2) an amount or unit of capacity in a telecommunications transmission network. In general, bandwidth is the available space to carry a signal. The greater the bandwidth, the greater the information-carrying capacity.

Bps (bits per second): A measurement of data transmission speed used for measuring the amount of data that is transferred in a second between two telecommunications points or within network devices.

Kbps (kilobits per second) is thousands of bps; **Mbps (megabits per second)** is millions of bps; **Gbps (gigabits per second)** is billions of bps; and **Tbps (terabits per second)** is trillions of bps.

Broadband: Telecommunications services that allow the simultaneous high speed transmission of voice, data, and video at speeds of 1.5 Mbps and above on fixed and wireless networks.

CGU (cash-generating unit): The smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

CAGR (Compound Annual Growth Rate): The annualized average rate of revenue growth between two given years, assuming the growth takes place at an exponentially compounded rate.

Churn: This business performance measure is used to describe the disconnect rate of customers to a telecommunications service. It is a measure of customer turnover and is often at least partially reflective of service quality and competitive intensity. It is usually expressed as a percentage and calculated as the number of subscriber units disconnecting in a period divided by the average number of units on the network in the same period.

CPE (Customer Premise Equipment): Telecommunications hardware, such as a modem or set-top box, that is located at the home or business of a customer.

CRTC (Canadian Radio-television and Telecommunications Commission): The federal regulator for radio and television broadcasters, and cable TV and telecommunications companies in Canada.

Data centre: A facility for hosted applications and data storage and management.

Digital Transformation: The integration of digital technology into all areas of a business, fundamentally changing how that business operates and delivers value to customers.

Fibre network: Hair-thin glass fibres along which light pulses are transmitted. Optical fibre networks are used to transmit large amounts of data between locations.

FTTX (Fibre-to-the-X): A collective term for any broadband network architecture using optical fibre to replace all or part of the existing copper local loops. FTTH denotes fibre to the home, FTTP denotes fibre to the premises, and FTTN denotes fibre to the node or neighbourhood.

Hertz: A unit of frequency defined as one cycle per second. It is commonly used to describe the speeds at which electronics are driven in the radio industry. MHz (megahertz) is millions of hertz; GHz (gigahertz) is billions of hertz; and THz (terahertz) is trillions of hertz.

Hosting (Web Hosting): The business of housing, serving, and maintaining files for one or more websites or e-mail accounts. Using a hosting service allows many companies to share the cost of a high speed Internet connection for serving files, as well as other Internet infrastructure and management costs.

HSPA+ (high speed packet access plus): A 4G technology capable of delivering manufacturer-rated wireless data download speeds of up to 21 Mbps (typical speeds of 4 to 6 Mbps expected). HSPA+ dual-cell technology can double those download speeds.

Hyperscaler: Hyperscalers are massive companies like Google, Facebook, and Amazon that are making efforts to not only dominate the public cloud and cloud services industries, but to expand their business into numerous related verticals.

Internet of Things (IoT): A network of uniquely identifiable end points (or things) that interact without human intervention, most commonly over a wireless network. These systems collect, analyze, and act on information in real time and can be deployed to enable the creation of smart-connected businesses, homes, cars, and cities.

IP (Internet Protocol): A packet-based protocol for delivering data across networks.

IP-based network: A network designed using IP and quality of service technology to reliably and efficiently support all types of customer traffic, including voice, data, and video. An IP-based network allows a variety of IP devices and advanced applications to communicate over a single common network.

ISP (Internet Service Provider): A company that provides Internet connections and services to individuals and organizations.

IPTV (Internet Protocol television): A television service that uses a two-way digital broadcast signal sent through a network by way of a streamed broadband connection to a dedicated set-top box.

LTE (long-term evolution): A 4G mobile telecommunications technology that is the leading global wireless industry standard.

M2M (machine-to-machine): Technologies and networked devices that are able to exchange information and perform actions without any human assistance.

Metaverse: A virtual-reality space in which users can interact with a computer-generated environment and other users.

MPN (Mobile Private Network): A dedicated business network that allows businesses to interconnect people and things using 4G or 5G technology.

MVNO (mobile virtual network operator): A wireless communications service provider that does not own the wireless network infrastructure through which it provides services to its customers.

Over-the-top (OTT): Content, services, and applications in a video environment where the delivery occurs through a medium other than the established video delivery infrastructure.

Postpaid: A conventional method of payment for services where a subscriber is billed and pays for a significant portion of services and usage in arrears, after consuming the services.

Prepaid: A method of payment that allows a customer to prepay for a set amount of airtime and/or data in advance of actual usage.

Roaming: A service offered by wireless network operators that allows subscribers to use their mobile phones while in the service area of another operator.

Spectrum: The range of electromagnetic radio frequencies used in the transmission of voice, data, and video. The capacity of a wireless network is in part a function of the amount of spectrum licensed and used by the carrier.

Voice over LTE (VoLTE): A platform to provide voice services to wireless customers over LTE wireless networks.

Wi-Fi (wireless fidelity): Networking technology that allows any user with a Wi-Fi-enabled device to connect to a wireless access point or hot spot in high-traffic public locations.

NON-GAAP AND OTHER FINANCIAL MEASURES

Capital intensity: This measure provides a basis for comparing the level of capital expenditures to those of other companies of varying size within the same industry.

This measure is calculated as capital expenditures (excluding spectrum licences and non-monetary transactions) divided by total operating revenue.

Debt ratio: The debt ratio measures the capitalization of the Corporation. This measure allows for capital structure comparison with other companies in the same industry. It is defined as net debt divided by total capitalization. Net debt is defined as long-term and short-term debt minus cash and sinking funds. Total capitalization is defined as net debt plus period-end equity, including accumulated other comprehensive income (AOCI).

EBITDA (earnings before interest, taxes, depreciation, amortization and impairment): EBITDA is used as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric.

EBITDA is defined as operating revenue minus operating expenses. Operating revenue is defined as total revenue exclusive of other income. Operating expenses are defined as the sum of goods and services purchased, salaries, wages and benefits, and Saskatchewan taxes less internal labour capitalized.

EBITDA margin: EBITDA margin is the percentage of operating revenue available for debt coverage, capital investment, and return to the shareholder.

EBITDA margin is defined as EBITDA divided by operating revenue.

ROE (return on equity): ROE measures the return to the shareholder based on the equity, including AOCI, retained by the Corporation. The calculation is defined as net income divided by average equity for the fiscal period.

Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements, included in the annual report of Saskatchewan Telecommunications Holding Corporation for the fiscal year ended March 31, 2022, are the responsibility of Management and have been approved by the Board of Directors. Management has prepared the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board. The policies set out have been consistently applied to all the periods presented unless otherwise noted. The financial information presented elsewhere in this annual report is consistent with that in the consolidated financial statements.

To ensure the integrity and objectivity of the financial data, Management maintains a comprehensive system of internal controls, including written policies and procedures, an organizational structure that segregates duties, and a comprehensive internal audit program. These measures provide reasonable assurance that transactions are recorded and executed in compliance with legislation and required authority, assets are properly safeguarded, and reliable financial records are maintained.

The Board of Directors fulfills its responsibility with regard to the consolidated financial statements principally through its Audit and Risk Committee, consisting of outside directors, which meets periodically with Management as well as with the internal and external auditors. The Audit and Risk Committee is responsible for engaging or reappointing the services of the external auditor. Both the internal and external auditors have free access to this committee to discuss their audit work, their opinion on the adequacy of internal controls, and the quality of financial reporting. The Audit and Risk Committee has met with Management and the external auditor to review the Corporation's annual consolidated financial statements prior to submission to the Board of Directors for final approval.

The consolidated financial statements have been audited by the independent firm of KPMG LLP Chartered Professional Accountants, as appointed by the Lieutenant Governor in Council and approved by Crown Investments Corporation of Saskatchewan.



Doug Burnett

President and Chief Executive Officer

May 26, 2022



Charlene Gavel

Chief Financial Officer

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

I, Doug Burnett, the President and Chief Executive Officer of Saskatchewan Telecommunications Holding Corporation (SaskTel), and I, Charlene Gavel, the Chief Financial Officer of SaskTel, certify the following:

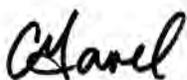
- a. That we have reviewed the financial statements included in the annual report of SaskTel. Based on our knowledge, having exercised reasonable diligence, the financial statements included in the Annual Report, fairly present, in all material respects the financial condition, results of operations, and cash flows, as of March 31, 2022, and for the periods presented in the financial statements.
- b. That based on our knowledge, having exercised reasonable diligence, the financial statements included in the annual report of SaskTel do not contain any untrue statements of material fact, or omit to state a material fact that is either required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made.
- c. That SaskTel is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable legislative authorities; and SaskTel has designed internal controls over financial reporting that are appropriate to the circumstances of SaskTel.
- d. That SaskTel conducted its assessment of the effectiveness of the Corporation's internal controls over financial reporting and, based on the results of this assessment, SaskTel can provide reasonable assurance that internal controls over financial reporting as of March 31, 2022, were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.



Doug Burnett

President and Chief Executive Officer

May 26, 2022



Charlene Gavel

Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To The Members of the Legislative Assembly, Province of Saskatchewan

We have audited the consolidated financial statements of Saskatchewan Telecommunications Holding Corporation ("the Corporation") which comprise:

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of income and other comprehensive loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the annual report as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

The logo for KPMG LLP, featuring the letters 'KPMG' in a large, bold, black font, with 'LLP' in a smaller, black font to the right. A horizontal line is drawn underneath the text.

Chartered Professional Accountants
Regina, Canada
May 26, 2022

Consolidated Statement of Income and Other Comprehensive Loss

For the year ended March 31, Thousands of dollars	Note	2022	2021
Revenue	3	\$ 1,300,887	\$ 1,317,660
Other income	4	857	6,318
		1,301,744	1,323,978
Expenses			
Goods and services purchased		570,439	584,872
Salaries, wages, and benefits		352,118	355,647
Internal labour capitalized		(21,522)	(21,852)
Depreciation - property, plant and equipment	13	199,838	182,961
Depreciation - right-of-use assets	14	6,304	6,167
Amortization	15	33,673	31,781
Saskatchewan taxes	5	29,022	27,950
		1,169,872	1,167,526
Results from operating activities		131,872	156,452
Net finance expense	6	27,438	25,631
Net income		104,434	130,821
Other comprehensive loss			
Items that will be reclassified to net income			
Unrealized losses (gains) on sinking funds		4,925	(1,379)
Reclassification to net income of realized gains on sinking funds	16	–	6,974
Net sinking fund market value losses		4,925	5,595
Items that will never be reclassified to net income			
Net actuarial losses on employee benefit plans	25	327	943
Total other comprehensive loss		5,252	6,538
Total comprehensive income		\$ 99,182	\$ 124,283

All net income and total comprehensive income are attributable to Crown Investments Corporation of Saskatchewan.

See Accompanying Notes

Consolidated Statement of Changes in Equity

Thousands of dollars	Equity advance	Accumulated other comprehensive income	Retained earnings	Total equity
Balance at April 1, 2021	\$ 237,000	\$ 102,666	\$ 848,866	\$ 1,188,532
Net income	–	–	104,434	104,434
Other comprehensive loss	–	(5,252)	–	(5,252)
Total comprehensive income	–	(5,252)	104,434	99,182
Dividends declared	–	–	93,990	93,990
Balance at March 31, 2022	\$ 237,000	\$ 97,414	\$ 859,310	\$ 1,193,724
Balance at April 1, 2020	\$ 237,000	\$ 109,204	\$ 835,784	\$ 1,181,988
Net income	–	–	130,821	130,821
Other comprehensive income	–	(6,538)	–	(6,538)
Total comprehensive income	–	(6,538)	130,821	124,283
Dividends declared	–	–	117,739	117,739
Balance at March 31, 2021	\$ 237,000	\$ 102,666	\$ 848,866	\$ 1,188,532

See Accompanying Notes

Consolidated Statement of Financial Position

As at March 31, Thousands of dollars	Note	2022	2021
Assets			
Current assets			
Cash	7	\$ 20,628	\$ 23,694
Trade and other receivables	8	174,697	183,194
Inventories	9	23,531	26,347
Prepaid expenses	10	49,054	46,343
Contract assets	11	76,257	66,567
Contract costs	12	20,111	19,224
		364,278	365,369
Contract assets	11	28,316	32,396
Contract costs	12	55,292	57,110
Property, plant and equipment	13	2,087,832	2,000,391
Right-of-use assets	14	43,225	41,706
Intangible assets	15	399,879	264,012
Sinking funds	16	95,447	84,619
Other assets	17	9,261	10,856
		\$ 3,083,530	\$ 2,856,459
Liabilities and Province's equity			
Current liabilities			
Trade and other payables	18	\$ 172,666	\$ 171,990
Dividend payable		26,467	32,688
Notes payable	19	202,468	219,892
Contract liabilities	20	58,291	56,629
Lease liabilities	24	6,578	5,774
Other liabilities	21	5,064	10,337
		471,534	497,310
Contract liabilities	20	249	489
Deferred income – government funding	22	15,057	17,234
Long-term debt	23	1,347,583	1,096,606
Lease liabilities	24	38,433	37,087
Employee benefit obligations	25	10,665	12,337
Provisions	26	6,285	6,864
		1,889,806	1,667,927
Commitments and contingencies	31		
Province of Saskatchewan's equity			
Equity advance	27	237,000	237,000
Accumulated other comprehensive income		97,414	102,666
Retained earnings		859,310	848,866
		1,193,724	1,188,532
		\$ 3,083,530	\$ 2,856,459

See Accompanying Notes

On behalf of the Board



Grant Kook
May 26, 2022



Alan Migneault

Consolidated Statement of Cash Flows

For the year ended March 31, Thousands of dollars	Note	2022	2021
Operating activities			
Net income		\$ 104,434	\$ 130,821
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	13, 14, 15	239,815	220,909
Net finance expense	6	27,438	25,631
Interest paid		(40,300)	(51,851)
Interest received		7,197	6,555
Amortization of government funding	22	(5,843)	(5,837)
Other		6,298	4,643
Net change in non-cash working capital	28a	4,209	(42,823)
		343,248	288,048
Investing activities			
Property, plant and equipment expenditures		(290,923)	(282,171)
Intangible asset expenditures – finite life		(24,258)	(21,116)
Intangible asset expenditures – indefinite life		(145,205)	–
Government funding	22	–	519
		(460,386)	(302,768)
Financing activities			
Proceeds from long-term debt	23, 28b	251,527	263,741
Repayment of long-term debt	23, 28b	–	(276,600)
Net proceeds (repayment) of notes payable	28b	(17,424)	31,041
Sinking fund redemptions	16, 28b	–	133,931
Payment of lease liabilities	24, 28b	(5,670)	(5,755)
Sinking fund instalments	16, 28b	(14,150)	(14,666)
Dividends paid	28b	(100,211)	(110,499)
		114,072	21,193
Increase (decrease) in cash		(3,066)	6,473
Cash, beginning of year		23,694	17,221
Cash, end of year		\$ 20,628	\$ 23,694

See Accompanying Notes

Notes to Consolidated Financial Statements

Note 1 – General information

Saskatchewan Telecommunications Holding Corporation (the Corporation) is a corporation located in Canada. The address of the Corporation's registered office is 2121 Saskatchewan Drive, Regina, SK, S4P 3Y2. The Corporation is a Saskatchewan Provincial Crown corporation operating under the authority of *The Saskatchewan Telecommunications Holding Corporation Act* and, as such, the Corporation and its wholly owned subsidiaries are not subject to Federal or Provincial income taxes in Canada.

By virtue of *The Crown Corporations Act, 1993*, the Corporation has been designated as a subsidiary of Crown Investments Corporation of Saskatchewan (CIC). Accordingly, the financial results of the Corporation are included in the consolidated financial statements of CIC, a Provincial Crown corporation.

One of the Corporation's subsidiaries, Saskatchewan Telecommunications (SaskTel) is regulated by the Canadian Radio-television and Telecommunications Commission (CRTC) under the *Telecommunications Act (Canada)*.

The Corporation markets and supplies a range of wireless, voice, entertainment, internet, data, equipment, marketing, security, software products, and consulting services.

Note 2 – Basis of presentation

Certain of the Corporation's accounting policies that relate to the consolidated financial statements as well as estimates and judgments the Corporation has made and how they impact amounts reported in the consolidated financial statements, are incorporated in this section. Where an accounting policy, estimate or judgment is applicable to a specific note to the accounts, the policy is described within that note. This note also describes new standards that were either effective and applied by the Corporation during the current year, or that were not yet effective.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on the historical cost basis, except for certain items that are not carried at historical cost as noted in specific accounting policies.

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

Accounting policies, estimates, and judgments

The accounting policies, estimates, and judgments included in this section relate to the consolidated financial statements as a whole. Estimates and judgments may impact reported amounts of revenue and expenses, reported amounts of assets and liabilities, and disclosure of contingencies.

Accounting policies have been applied consistently by the Corporation and its subsidiaries throughout all periods presented unless otherwise indicated.

Note 2 – Basis of presentation, continued

Basis of consolidation

Accounting policies

Business combinations

For acquisitions, the Corporation measures goodwill as the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in net income.

The Corporation elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Corporation incurs in connection with a business combination are expensed as incurred.

Subsidiaries

The consolidated financial statements include the financial statements of the Corporation and its subsidiaries.

A subsidiary is an entity that is controlled by another entity, known as the parent. The Corporation controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Separate audited financial statements for each of the undernoted wholly owned corporations, which are consolidated in these financial statements, are prepared and released publicly:

Subsidiary	Principal Activity
Saskatchewan Telecommunications (SaskTel)	Telecommunications
Saskatchewan Telecommunications International, Inc. (SaskTel International)	Telecommunications software solutions and consulting
Directwest Corporation (Directwest) ¹	Marketing services
SecurTek Monitoring Solutions Inc. (SecurTek)	Security monitoring

¹The Directwest legal entity was dissolved effective April 1, 2022, with its total net assets transferred to Saskatchewan Telecommunications at the dissolution date.

Throughout these consolidated financial statements, the phrase “the Corporation” is used to collectively describe the activities of the consolidated entity.

Transactions eliminated on consolidation

Inter-company balances and transactions, and any income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Accounting estimates and judgments

Judgment involves assessing control, which entails determining whether the Corporation has the power to direct the relevant activities of the investee. Consideration is given to: voting rights; the relative size and dispersion of the voting rights held by other shareholders; the extent of participation by those shareholders in appointing key management personnel or board members; the right to direct the investee to enter into transactions for the Corporation’s benefit; and the exposure, or rights, to variability of returns from the Corporation’s involvement with the investee.

Note 2 – Basis of presentation, continued

Impairment testing

Accounting policies

Assets that have an indefinite useful life (i.e., spectrum licences) or intangible assets that are not yet ready for use are not subject to amortization and are tested at least annually for impairment (typically in the third quarter), or more frequently if events or circumstances indicate there may be an impairment. At the end of each reporting period, the Corporation reviews the carrying amounts of its assets in use, including property, plant and equipment, right-of-use assets and identifiable intangible assets with finite lives, to determine whether there is any indication that they have suffered an impairment loss.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit or the CGU). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Corporation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized as a reduction in net income and a reduction in the carrying amounts of the assets in the unit (group of units) to which they pertain, on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Accounting estimates and judgments

Judgment involves identifying the appropriate asset or CGU; determining the appropriate discount rate for assessing value in use; and making assumptions about future cash flows and market conditions over the long-term life of the assets or CGUs.

The Corporation cannot predict if specific events that potentially trigger impairment will occur, when they may occur, or how they may affect reported asset amounts. Unexpected declines in future cash flow potential or significant unanticipated technology changes could impact carrying values and the potential for impairment.

Fair value

Accounting policies

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs. The Corporation's fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value.

The three levels of the fair value hierarchy are:

- Level 1 - Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 - Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3 - Values based on prices or valuation techniques that require inputs, which are both unobservable and significant to the overall fair value measurement.

Note 2 – Basis of presentation, continued

Accounting estimates and judgments

Fair value estimates are at a point-in-time and may change in subsequent reporting periods due to market conditions or other factors. Estimates can be determined using multiple methods, which can cause values (or a range of reasonable values) to differ. In addition, estimates may require assumptions about future price, volatility, liquidity, discount and inflation rates, defaults and other relevant variables. The estimates of fair value may not accurately reflect the amounts that could be realized. Determination of the hierarchy level is based on the Corporation's assessment of inputs that are significant to the fair value measurement and is subject to estimation and judgment.

Foreign currency transactions

Accounting policies

Transactions in foreign currencies are translated to the functional currency of the Corporation at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Reclassifications

Certain elements of the 2020/21 comparative information have been reclassified to conform with the financial statement presentation adopted for the current year.

Additional accounting policies

Additional significant accounting policies, estimates, and judgments are disclosed throughout the following notes with the related financial disclosures.

Note	Topic	Accounting Policies	Accounting Estimates and Judgments	Page
3	Revenue from contracts with customers	X	X	69
4	Other income			71
5	Saskatchewan taxes			71
6	Net finance expense	X		71
7	Cash	X		72
8	Trade and other receivables	X	X	72
9	Inventories	X	X	73
10	Prepaid expenses			74
11	Contract assets	X	X	74
12	Contract costs	X	X	75
13	Property, plant and equipment	X	X	75
14	Right-of-use assets	X	X	77
15	Intangible assets	X	X	79
16	Sinking funds	X		81
17	Other assets			81
18	Trade and other payables	X		82
19	Notes payable	X		82

Note	Topic	Accounting Policies	Accounting Estimates and Judgments	Page
20	Contract liabilities	X	X	82
21	Other liabilities			83
22	Deferred income – government funding	X	X	83
23	Long-term debt	X		84
24	Lease liabilities	X	X	85
25	Employee benefits	X	X	86
26	Provisions	X	X	91
27	Equity advance and capital disclosures		X	92
28	Consolidated statement of cash flows – supporting information			93
29	Financial instruments and related risk management	X		95
30	Related party transactions			99
31	Commitments and contingencies		X	100

Application of amendments to International Financial Reporting Standards

The Corporation did not adopt any amendments causing a material impact to the consolidated financial statements.

Note 2 – Basis of presentation, continued

New standards, amendments to standards, and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for annual accounting periods beginning after April 1, 2022 or later periods. The Corporation does not expect a significant impact of these pronouncements on its results and financial position.

Note 3 – Revenue from contracts with customers

Accounting policies

Revenue is measured based on the value of the expected consideration in a contract with a customer and excludes sales taxes and other amounts collected on behalf of third parties. Revenue is recognized when control of a product or service is transferred to a customer. When the Corporation's right to consideration from a customer corresponds directly with the value to the customer of the products and services transferred to date, the Corporation recognizes revenue in the amount to which the Corporation has a right to invoice.

For multiple element arrangements, the Corporation accounts for individual products and services when they are separately identifiable, and the customer can benefit from the product or service on its own. The total arrangement consideration is allocated to each product or service included in the contract with the customer based on its stand-alone selling price. Stand-alone selling prices are generally determined based on the observable prices at which the Corporation sells products separately without a service contract and prices for non-bundled service offerings with the same range of services, adjusted for market conditions and other factors, as appropriate. When similar products and services are not sold separately, the Corporation uses the expected cost plus margin approach to determine stand-alone selling prices. Products and services purchased by a customer in excess of those included in the bundled arrangement are accounted for separately.

A contract asset is recognized when the Corporation's right to consideration from the transfer of products or services to a customer is conditional on the obligation to transfer other products or services. Contract assets are transferred to trade receivables when the right to consideration becomes conditional only as to the passage of time. A contract liability is recognized when consideration is received in advance of the transfer of products or services to the customer. Contract assets and liabilities relating to the same contract are presented on a net basis.

The Corporation may enter into arrangements with subcontractors and others who provide services to customers. When the Corporation acts as the principal in these arrangements, the Corporation recognizes revenue based on the amounts billed to customers. Otherwise, the Corporation recognizes the net amount that the Corporation retains as revenue.

Incremental costs of obtaining a contract with a customer, principally comprised of sales commissions and prepaid contract fulfillment costs, are recognized in the consolidated statement of financial position. Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services.

Wireless revenue is principally generated from providing integrated digital wireless voice and data communications products and services to consumer and business customers.

Equipment revenue from the sale of wireless handsets and devices is recognized when a customer takes possession of the product. Wireless service revenue is recognized over time, as the services are provided. For multiple element arrangements, stand-alone selling prices are determined using observable prices adjusted for market conditions and other factors, as appropriate.

For wireless products and services that are sold separately, customers usually pay in full at the point of sale for products and on a monthly basis for services. For wireless products and services sold in multiple element arrangements, including device financing, customers pay monthly over a contract term of up to 24 months for consumer customers and up to 36 months for business customers.

Revenue is also generated from providing data, including internet access and internet protocol television (IPTV), local, long distance, and security services as well as other communications services and products to consumer and business customers. Revenue also includes amounts from the Corporation's wholesale business, which sells telecommunication services from or to resellers and other carriers. Revenue is recognized in the period earned, as services are provided, based on access to the Corporation's facilities. Services are paid on a monthly basis except where a billing schedule has been established. Payments received in advance are recorded as contract liabilities and recognized as revenue upon satisfaction of the related performance obligation.

Note 3 – Revenue from contracts with customers, continued

Revenue from the sale of equipment is recognized when a customer takes possession of the product. Service revenue is recognized over time, as the services are provided. Revenue on certain long-term contracts is recognized using output methods based on products delivered, performance completed to date, time elapsed, or milestones met. For multiple element arrangements, stand-alone selling prices are determined using observable prices adjusted for market conditions and other factors, as appropriate, or the expected cost plus margin approach for customized business arrangements.

For wireline customers, products are usually paid in full at the point of sale and services are paid on a monthly basis except where a billing schedule has been established with certain customers under long-term contracts that can generally extend up to five years.

Marketing revenue is generated from conventional, digital media, and out-of-home advertising. Revenue is earned through the sale of print, online, and out-of-home marketing services. Marketing service revenue is generally recognized, in accordance with the contractual terms with the advertisers, on a monthly basis over the life of the services, commencing with the display date. Amounts billed in advance for marketing services are deferred and recognized over the term of the contract. Customer payments are due monthly as the services are provided.

Revenue for perpetual licences is recognized on delivery or according to the terms of the licence agreement. Where the arrangement includes multiple elements, the elements are assessed to determine which elements are integral to the perpetual licence and which are separate performance obligations. Revenue is recognized in accordance with the assessment of performance obligations to be delivered. Fees for professional services, other than in the context of multiple element arrangements, are recognized as services are rendered. Support and maintenance fees are recognized over the term of the contract. Revenue for customized software projects and consulting services is recognized using the percentage-of-completion method. Amounts billed or paid in advance of services provided are recorded as contract liabilities. Customer payments are due in accordance with the terms of the contract with the customer: for perpetual licences, typically upon delivery of the related product or service; and for professional service contracts and multiple element contracts, either upon completion of the contract or based on specified deliverables within the contract.

Accounting estimates and judgments

The Corporation is required to make judgments and estimates that affect the amount and timing of revenue from contracts with customers, including estimates and judgments related to; determining the transaction price of products and services, determining the stand-alone selling prices of products and services, identification of performance obligations within a contract, including the determination of whether a promise to deliver goods or services is considered distinct, and the timing of satisfaction of performance obligations under long-term contracts. The determination of costs to obtain a contract including the identification of incremental costs also requires judgment. This includes determining whether the costs meet the deferral criteria and whether the costs will be recoverable.

Supporting information

Disaggregation of revenue

For the year ended March 31,	2022	2021
Thousands of dollars		
Revenue		
Wireless network services and equipment	\$ 613,401	\$ 610,401
Fixed broadband and data services	284,052	274,566
Wireline communication services	177,383	196,172
maxTV service	100,560	104,313
Security monitoring services	35,383	34,679
Marketing services	24,315	25,204
Customer premise equipment	19,965	25,380
IT solutions services	13,442	12,230
International software and consulting services	10,389	9,315
Other services	21,997	25,400
	\$ 1,300,887	\$ 1,317,660

Note 3 – Revenue from contracts with customers, continued

Future performance obligations

The table below shows the revenue that the Corporation expects to recognize in the future, related to unsatisfied or partially satisfied performance obligations as at March 31, 2022. The unsatisfied portion of the transaction price of the performance obligations relates to monthly services, which is expected to be recognized as follows:

As at March 31, Thousands of dollars	2022	2021
1 year or less	\$ 170,709	\$ 151,645
Between 1 and 3 years	70,042	71,015
Greater than 3 years	3,002	452
	\$ 243,753	\$ 223,112

The Corporation has elected to utilize the following practical expedients and not disclose:

- the unsatisfied portions of performance obligations related to contracts with a duration of one year or less; or
- the unsatisfied portions of performance obligations where the revenue the Corporation recognizes corresponds with the amount invoiced to the customer.

Note 4 – Other income

For the year ended March 31, Thousands of dollars	Note	2022	2021
Net loss on retirement or disposal of property, plant and equipment		\$ (6,502)	\$ (5,697)
Amortization of government funding	22	5,843	5,837
Other		1,516	6,178
		\$ 857	\$ 6,318

Note 5 – Saskatchewan taxes

For the year ended March 31, Thousands of dollars	2022	2021
Saskatchewan corporate capital tax	\$ 21,794	\$ 20,695
Grants-in-lieu of taxes	7,228	7,255
	\$ 29,022	\$ 27,950

Note 6 – Net finance expense

Accounting policies

Finance income is composed of interest income on funds invested, changes in fair value of financial assets classified as fair value through profit or loss, and net interest income on the net defined benefit asset.

Finance expenses are composed of interest expense on financial liabilities and lease liabilities measured at amortized cost, changes in the fair value of financial assets classified as fair value through profit or loss, the net interest expense on the net defined benefit liability, and accretion expense on provisions, less amounts capitalized. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense.

Note 6 – Net finance expense, continued

Supporting information

For the year ended March 31, Thousands of dollars	Note	2022	2021
Recognized in consolidated net income			
Interest on long-term debt		\$ 40,676	\$ 46,755
Interest on short-term debt		364	613
Interest capitalized		(5,106)	(4,951)
Net interest expense		35,934	42,417
Interest on lease liabilities	24	1,034	1,050
Net interest on defined benefit liability	25	(887)	(447)
Accretion expense	26	166	155
Finance expense		36,247	43,175
Sinking fund earnings			
Realized earnings	16	(1,603)	(4,015)
Reclassification of realized sinking fund market value gains	16	–	(6,974)
		(1,603)	(10,989)
Interest income		(7,206)	(6,555)
Finance income		(8,809)	(17,544)
Net finance expense		\$ 27,438	\$ 25,631
Interest capitalization rate		2.94%	3.62%

Note 7 – Cash

Accounting policies

The Corporation classifies cash at amortized cost using the effective interest method.

Note 8 – Trade and other receivables

Accounting policies

The Corporation initially recognizes trade and other receivables at fair value on the date that they are originated. Subsequent to initial recognition, trade and other receivables are measured at amortized cost using the effective interest method, less any provision for impairment losses of trade accounts receivable.

The allowance for doubtful accounts on trade and other receivables are always recorded at lifetime expected credit losses (ECL). When estimating lifetime ECL, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and informed credit assessment, including forward-looking information. The Corporation considers accounts receivable to be in default when the borrower is unlikely to pay its credit obligations to the Corporation in full.

Accounting estimates and judgments

Determining when amounts are deemed uncollectible requires judgment. Estimates of the allowance for doubtful accounts are based on the likelihood of collecting accounts receivable based on past experience, taking into consideration current and expected collection trends. If economic conditions or specific industry trends become worse than anticipated, the allowance for doubtful accounts will be increased by recording an additional expense.

Note 8 – Trade and other receivables, continued

Supporting information

As at March 31, Thousands of dollars	Note	2022	2021
Customer financing receivables ¹	29	\$ 33,367	\$ 36,239
Trade receivables			
Customer accounts receivable		84,896	85,608
Accrued receivables – customer	29	2,265	2,547
Allowance for doubtful accounts	29	(3,975)	(7,891)
Other	29	67,025	76,455
		183,578	192,958
Current portion		174,697	183,194
Long-term portion - disclosed within other assets	17	8,881	9,764
Total trade and other receivables	29	\$ 183,578	\$ 192,958

¹Customer financing receivables are amounts owed by customers under financing agreements that are yet to be billed.

Note 9 – Inventories

Accounting policies

Inventories for resale are valued at the lower of weighted average cost and net realizable value. Other materials and supplies inventories are valued at the lower of average cost and replacement cost.

In establishing the appropriate provision for supplies inventory obsolescence, management estimates the likelihood that supplies inventory on hand will become obsolete due to changes in technology. Other supplies are charged to inventory when purchased and expensed or capitalized when used.

Accounting estimates and judgments

Judgment involves determining the appropriate measure of net realizable value.

Supporting information

As at March 31, Thousands of dollars	2022	2021
Inventories for resale	\$ 19,880	\$ 25,748
Materials and supplies	3,651	599
	\$ 23,531	\$ 26,347

The cost of inventories recognized as an expense during the year was \$71.1 million (2020/21 – \$76.4 million).

For the year ended March 31, 2022, write-downs of inventory to net realizable value amounted to \$0.5 million (2020/21 – \$0.3 million).

Note 10 – Prepaid expenses

As at March 31, Thousands of dollars	2022	2021
Prepaid expenses	\$ 47,231	\$ 44,880
Short-term customer incentives	1,823	1,463
	\$ 49,054	\$ 46,343

Note 11 – Contract assets

Accounting policies

A contract asset is recognized when the Corporation's right to consideration from the transfer of products or services to a customer is conditional on the obligation to transfer other products or services. Contract assets are reclassified as trade receivables when the right to consideration becomes conditional only as to the passage of time, typically consistent with the pattern of delivery of the related goods or services. A contract liability is recognized when consideration is received in advance of the transfer of products or services to the customer. Contract assets and liabilities relating to the same contract are presented on a net basis.

Amortization is recognized in net income consistent with the pattern of delivery of the related goods and services, ranging from two to four years.

The allowance for impairment losses on contract assets is always recorded at lifetime expected credit losses (ECL). When estimating ECL, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and informed credit assessment, including forward-looking information. It is assumed that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Accounting estimates and judgments

The Corporation is required to make judgments and estimates that affect the amount and timing of revenue from contracts with customers, which also impacts the determination of contract assets and the amortization of these assets. Estimates and judgments include estimates of the stand-alone selling prices of products and services, the identification of performance obligations within a contract, including the determination of whether a promise to deliver goods or services is considered distinct, and the timing of satisfaction of performance obligations under long-term contracts. In addition, determining when amounts are deemed uncollectible requires judgment.

If economic conditions or specific industry trends become worse than anticipated, the impairment allowance will be increased by recording an additional expense.

Supporting information

As at March 31, Thousands of dollars	Note	2022	2021
Balance at April 1,		\$ 101,116	\$ 85,350
Contract assets recognized in the current period		98,162	101,563
		199,278	186,913
Amortization of contract assets		(86,118)	(79,250)
Contract terminations transferred to trade receivables		(7,206)	(6,547)
		105,954	101,116
Impairment allowance	29	(1,381)	(2,153)
		104,573	98,963
Current portion		76,257	66,567
Long-term portion		28,316	32,396
Balance at March 31,	29	\$ 104,573	\$ 98,963

Note 12 – Contract costs

Accounting policies

Incremental costs of obtaining a contract with a customer are recognized in the consolidated statement of financial position when the costs meet the criteria for deferral and it has been determined that the costs will be recoverable. The costs are principally composed of sales commissions and prepaid contract fulfillment costs.

Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services which is typically between two and 10 years.

Accounting estimates and judgments

The Corporation is required to make judgments and estimates that affect the amount and timing of costs to obtain a contract. The determination of costs to obtain a contract including the identification of incremental costs also requires judgment. This includes determining whether the costs meet the deferral criteria, whether the costs will be recoverable and the timing of satisfaction of performance obligations under related contracts.

Supporting information

As at March 31, Thousands of dollars	2022	2021
Balance at April 1,	\$ 76,334	\$ 75,084
Contract costs recognized in the current period	21,876	22,496
	98,210	97,580
Amortization included in goods and services purchased	(21,875)	(20,374)
Terminations	(932)	(872)
	75,403	76,334
Current portion	20,111	19,224
Long-term portion	55,292	57,110
Balance at March 31,	\$ 75,403	\$ 76,334

Note 13 – Property, plant and equipment

Accounting policies

Property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to bringing the assets to a working condition for their intended use. The cost of self-constructed assets includes materials, services, direct labour, and directly attributable costs. Borrowing costs associated with major capital and development projects are capitalized during the construction period. Assets under construction are recorded as in progress until they are operational and available for use, at which time they are transferred to the appropriate class of asset.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in net income as incurred.

When property, plant and equipment is disposed of or retired, the related cost and accumulated depreciation is eliminated from the accounts. Any resulting gain or loss, determined as the difference between the sale proceeds and the carrying amount of the asset, is reflected in net income for the year.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in net income on the straight-line basis over the estimated useful life of each part of an item of property, plant and equipment as follows:

Asset	Estimated useful life
Buildings and improvements	20–75 years
Plant and equipment	3–50 years
Office furniture and equipment	3–17 years

Depreciation methods, useful lives, and residual values are reviewed at each financial reporting date and adjusted if appropriate.

Note 13 – Property, plant and equipment, continued

Accounting estimates and judgments

Judgment involves determining: which costs are directly attributable (e.g., labour and related costs); appropriate timing for cessation of cost capitalization, considering the circumstances in which the asset is to be operated, normally predetermined by management with reference to functionality; the appropriate level of componentization (for individual components for which different depreciation methods or rates are appropriate); which repairs and maintenance constitute betterments, resulting in extended asset life or functionality; the estimated useful life over which such costs should be depreciated; and the method of depreciation.

Asset residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate, and are treated as changes in accounting estimates.

The Corporation assesses its existing assets and their useful lives in connection with the review of network operating plans at the end of each reporting period. When it is determined that assigned asset lives do not reflect the expected remaining period of benefit, prospective changes are made to their remaining useful lives.

Uncertainties are inherent in estimating the impact of future technologies. Changes in these assumptions could result in material adjustments to estimates, which could result in impairments or changes to depreciation expense in future periods, particularly if useful lives are significantly reduced.

Supporting information

Thousands of dollars	Plant and equipment	Buildings and improvements	Office furniture and equipment	Plant under construction	Land	Total
Cost						
Balance at April 1, 2021	\$ 3,704,946	\$ 613,989	\$ 133,101	\$ 199,286	\$ 41,275	\$ 4,692,597
Additions	82,062	–	28,833	183,712	577	295,184
Transfers	198,817	42,153	88	(241,058)	–	–
Retirements, disposals, and adjustments	(60,920)	(3,727)	(31,334)	–	(135)	(96,116)
Balance at March 31, 2022	\$ 3,924,905	\$ 652,415	\$ 130,688	\$ 141,940	\$ 41,717	\$ 4,891,665
Balance at April 1, 2020	\$ 3,639,106	\$ 587,515	\$ 153,572	\$ 145,124	\$ 39,723	\$ 4,565,040
Additions	45,898	–	22,131	214,332	1,561	283,922
Transfers	132,460	27,456	254	(106,170)	–	–
Retirements, disposals, and adjustments	(112,518)	(982)	(42,856)	–	(9)	(156,365)
Balance at March 31, 2021	\$ 3,704,946	\$ 613,989	\$ 133,101	\$ 199,286	\$ 41,275	\$ 4,692,597
Accumulated depreciation						
Balance at April 1, 2021	\$ 2,412,628	\$ 210,683	\$ 68,895	\$ –	\$ –	\$ 2,692,206
Depreciation	160,049	16,621	23,168	–	–	199,838
Retirements, disposals, and adjustments	(56,411)	(1,291)	(30,509)	–	–	(88,211)
Balance at March 31, 2022	\$ 2,516,266	\$ 226,013	\$ 61,554	\$ –	\$ –	\$ 2,803,833
Balance at April 1, 2020	\$ 2,376,967	\$ 195,695	\$ 87,723	\$ –	\$ –	\$ 2,660,385
Depreciation	143,712	15,606	23,643	–	–	182,961
Retirements, disposals, and adjustments	(108,051)	(618)	(42,471)	–	–	(151,140)
Balance at March 31, 2021	\$ 2,412,628	\$ 210,683	\$ 68,895	\$ –	\$ –	\$ 2,692,206
Carrying amounts						
At April 1, 2021	\$ 1,292,318	\$ 403,306	\$ 64,206	\$ 199,286	\$ 41,275	\$ 2,000,391
At March 31, 2022	\$ 1,408,639	\$ 426,402	\$ 69,134	\$ 141,940	\$ 41,717	\$ 2,087,832
At April 1, 2020	\$ 1,262,139	\$ 391,820	\$ 65,849	\$ 145,124	\$ 39,723	\$ 1,904,655
At March 31, 2021	\$ 1,292,318	\$ 403,306	\$ 64,206	\$ 199,286	\$ 41,275	\$ 2,000,391

Note 14 – Right-of-use assets

Accounting policies

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease, based on the Corporation's right to control the use of an identified asset for a specified period of time. Lease components within a contract are accounted for as a lease separately from the non-lease components of the contract. For contracts that contain one or more additional lease or non-lease components, the consideration is allocated to each component based on the stand-alone price of the lease and non-lease components.

Right-of-use assets are initially measured at cost. The cost of the right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- lease payments made at or before the commencement date, less any lease incentives received;
- initial direct costs incurred by the Corporation; and
- an estimate of costs to be incurred by the Corporation in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Corporation incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

After the initial recognition, the Corporation measures the right-of-use assets at cost less any accumulated depreciation and any accumulated impairment losses; adjusted for any remeasurement of the lease liability due to lease modifications or revised in-substance fixed lease payments.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the asset or the end of the lease term, unless the Corporation expects to obtain ownership of the asset at the end of the lease term. The lease term consists of the non-cancellable lease term, renewal options that are reasonably expected to be exercised and termination options that are not reasonably expected to be exercised.

Accounting estimates and judgments

The Corporation is required to make estimates and judgments that affect or impact the determination of right-of-use assets and the related depreciation.

Judgments include determining whether a contract contains an identifiable asset, assessing control of assets in a contract, determining the lease term, including the assessment of renewal and cancellation terms, and determining whether lease modifications result in changes to existing leases or new leases.

Estimation involves determination of the lease payments to be included in the lease liability; the incremental borrowing rate or implicit lease rate as appropriate; additional amounts to be included in the calculation of the right-of-use asset; and the useful lives of right-of-use assets.

Note 14 – Right-of-use assets, continued

Supporting information

Thousands of dollars	Plant and equipment	Buildings and improvements	Land	Total
Cost				
Balance at April 1, 2021	\$ 16,223	\$ 29,264	\$ 8,789	\$ 54,276
Additions	2,531	1,256	3,828	7,615
Retirements and adjustments	(407)	(63)	302	(168)
Balance at March 31, 2022	\$ 18,347	\$ 30,457	\$ 12,919	\$ 61,723
Balance at April 1, 2020	\$ 13,298	\$ 27,724	\$ 8,879	\$ 49,901
Additions	2,985	1,602	124	4,711
Retirements and adjustments	(60)	(62)	(214)	(336)
Balance at March 31, 2021	\$ 16,223	\$ 29,264	\$ 8,789	\$ 54,276
Accumulated depreciation				
Balance at April 1, 2021	\$ 6,302	\$ 4,965	\$ 1,303	\$ 12,570
Depreciation	3,057	2,514	733	6,304
Retirements and adjustments	(321)	(56)	1	(376)
Balance at March 31, 2022	\$ 9,038	\$ 7,423	\$ 2,037	\$ 18,498
Balance at April 1, 2020	\$ 3,314	\$ 2,578	\$ 658	\$ 6,550
Depreciation	3,060	2,399	708	6,167
Retirements and adjustments	(72)	(12)	(63)	(147)
Balance at March 31, 2021	\$ 6,302	\$ 4,965	\$ 1,303	\$ 12,570
Carrying amounts				
At April 1, 2021	\$ 9,921	\$ 24,299	\$ 7,486	\$ 41,706
At March 31, 2022	\$ 9,309	\$ 23,034	\$ 10,882	\$ 43,225
At April 1, 2020	\$ 9,984	\$ 25,146	\$ 8,221	\$ 43,351
At March 31, 2021	\$ 9,921	\$ 24,299	\$ 7,486	\$ 41,706

Note 15 – Intangible assets

Accounting policies

Intangible assets are defined as being identifiable, able to bring future economic benefits to the Corporation, and controlled by the Corporation. An asset meets the identifiability criterion when it is separable or arises from contractual rights.

Intangible assets are recorded initially at cost of acquisition or development and relate primarily to software and spectrum licences. Internally generated intangible assets relate primarily to software. An intangible asset is recognized when it is probable that the expected future economic benefits attributable to the asset will flow to the Corporation and the cost of the asset can be measured reliably.

Software development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Corporation intends to and has sufficient resources to complete development and to use or sell the asset. The expenditures capitalized include the cost of materials, direct labour, and related costs that are directly attributable to preparing the asset for its intended use. Borrowing costs related to the development of qualifying assets are capitalized. Other development expenditures are recognized in net income as incurred.

Capitalized software is measured at cost less accumulated amortization and any accumulated impairment losses.

Costs associated with maintaining software as well as expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized as an expense as incurred.

Amortization is recognized in net income on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Asset</u>	<u>Estimated useful life</u>
Software	1–10 years

Accounting estimates and judgments

Judgment is applied to determine expenditures eligible for capitalization, the method of amortization, the appropriate timing for cessation of cost capitalization, and classification of certain intangible assets as indefinite-life intangible assets.

Spectrum licences have been classified as indefinite-life intangible assets due to the current licencing terms, the most significant of which are minimal renewal fees and no regulatory precedent of material licence revocation. Should these factors change, the classification of indefinite-life will be reassessed. Spectrum licences have been recorded at directly attributable cost less any accumulated impairment losses.

Estimation is applied to determine expected useful lives used in the amortization of intangible assets with finite lives. Changes in accounting estimates can result from changes in useful life or the expected pattern of consumption of an asset (taken into account by changing the amortization period or method, as appropriate).

Note 15 – Intangible assets, continued

Supporting information

Thousands of dollars	Software	Spectrum licences	Under development	Total
Cost				
Balance at April 1, 2021	\$ 304,612	\$ 120,905	\$ 8,750	\$ 434,267
Acquisitions	5,300	145,205	13,739	164,244
Acquisitions – internally developed	4,070	–	434	4,504
Transfers	13,540	–	(13,540)	–
Retirements, disposals, and adjustments	(28,328)	1,170	–	(27,158)
Balance at March 31, 2022	\$ 299,194	\$ 267,280	\$ 9,383	\$ 575,857
Balance at April 1, 2020	\$ 440,413	\$ 120,905	\$ 12,172	\$ 573,490
Acquisitions	4,068	–	12,928	16,996
Acquisitions – internally developed	6,360	–	959	7,319
Transfers	17,309	–	(17,309)	–
Retirements, disposals, and adjustments	(163,538)	–	–	(163,538)
Balance at March 31, 2021	\$ 304,612	\$ 120,905	\$ 8,750	\$ 434,267
Accumulated amortization				
Balance at April 1, 2021	\$ 170,255	\$ –	\$ –	\$ 170,255
Amortization	33,673	–	–	33,673
Retirements, disposals, and adjustments	(27,950)	–	–	(27,950)
Balance at March 31, 2022	\$ 175,978	\$ –	\$ –	\$ 175,978
Balance at April 1, 2020	\$ 302,004	\$ –	\$ –	\$ 302,004
Amortization	31,781	–	–	31,781
Retirements, disposals, and adjustments	(163,530)	–	–	(163,530)
Balance at March 31, 2021	\$ 170,255	\$ –	\$ –	\$ 170,255
Carrying amounts				
At April 1, 2021	\$ 134,357	\$ 120,905	\$ 8,750	\$ 264,012
At March 31, 2022	\$ 123,216	\$ 267,280	\$ 9,383	\$ 399,879
At April 1, 2020	\$ 138,409	\$ 120,905	\$ 12,172	\$ 271,486
At March 31, 2021	\$ 134,357	\$ 120,905	\$ 8,750	\$ 264,012

Impairment testing for the cash-generating unit containing indefinite-life intangible assets and recoverability testing of finite-life intangible assets under development

For the purpose of impairment testing, indefinite-life intangible assets (spectrum licences), \$9.4 million (2020/21 – \$8.8 million) of finite-life intangible assets under development, and \$120.4 million (2020/21 – \$131.6 million) of software, are allocated to one CGU: SaskTel. This is the lowest level within the Corporation at which indefinite-life intangible assets and finite-life intangible assets under development are monitored for internal management purposes, which is not higher than the Corporation's operating segments.

The Corporation's CGU impairment tests were based on fair value less costs to sell using comparable companies that are listed on exchanges and are actively traded. Share prices for these companies were used to derive an Enterprise Value (EV) to the earnings before interest, taxes, depreciation and amortization (EBITDA) ratio that was then adjusted for a demonstrable control premium associated with these publicly traded share prices. The resulting adjusted ratio using Level 3 fair value hierarchy inputs, was then applied to the estimated EBITDA of the unit to determine the recoverable amount of the unit. Impairment testing indicated no impairment for the year ended March 31, 2022.

Note 16 – Sinking funds

Accounting policies

Sinking funds have been classified as fair value through other comprehensive income (OCI) because the Corporation intends to match the duration of the financial assets to the duration of the debt that the assets are funding and therefore the business model is both hold to collect and sell. The investments are managed through the Saskatchewan Ministry of Finance who makes purchase and sale decisions based on their fair value in accordance with the Corporation's documented risk management and investment strategy. Subsequent to initial recognition, financial assets at fair value through OCI are measured at fair value. Realized gains or losses are recorded in net income and unrealized gains and losses are recorded in OCI.

Supporting information

Under conditions attached to the long-term debt, the Corporation is required to pay annually into sinking funds, administered by the Saskatchewan Ministry of Finance, amounts representing 1% to 2% of the debt outstanding.

The fund includes the Corporation's required contributions, its proportional share of earnings and its proportional share of revaluation gains or losses.

The changes in the carrying amount of sinking funds are as follows:

Thousands of dollars	Note	2022	2021
Balance at April 1,		\$ 84,619	\$ 198,490
Instalments		14,150	14,666
Earnings			
Realized earnings	6	1,603	4,015
Reclassification of realized sinking fund market value gains	6	–	6,974
		1,603	10,989
Redemptions		–	(133,931)
Net valuation adjustment		(4,925)	(5,595)
Balance at March 31,		\$ 95,447	\$ 84,619

Sinking fund instalments due in each of the next five years ending March 31 are as follows:

Years ending March 31,	Thousands of dollars
2023	\$ 18,928
2024	18,928
2025	18,428
2026	17,928
2027	17,928

Note 17 – Other assets

As at March 31, Thousands of dollars	Note	2022	2021
Customer financing receivables	8	\$ 8,881	\$ 9,764
Long-term customer incentives		350	1,028
Other		30	64
		\$ 9,261	\$ 10,856

Note 18 – Trade and other payables

Accounting policies

The Corporation initially recognizes trade and other payables on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Supporting information

As at March 31, Thousands of dollars	2022	2021
Trade payables and accrued liabilities	\$ 132,930	\$ 124,939
Payroll and other employee-related liabilities	29,343	36,788
Other	10,393	10,263
	\$ 172,666	\$ 171,990

Note 19 – Notes payable

Accounting policies

The Corporation initially recognizes notes payable issued on the date that they are originated. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Supporting information

Notes payable are due to the Province of Saskatchewan's General Revenue Fund (GRF). These notes have varying maturities from April 1, 2022, to December 1, 2022, and have a weighted average interest rate of 0.63% (2020/21 – 0.13%).

Note 20 – Contract liabilities

Accounting policies

A contract liability is recognized when consideration is received in advance of the transfer of products or services to the customer. Contract assets and liabilities relating to the same contract are presented on a net basis. Contract liabilities are recognized in revenue upon satisfaction of the related performance obligations.

Accounting estimates and judgments

The Corporation is required to make judgments and estimates that affect the amount and timing of revenue from contracts with customers, which also impacts the determination of contract liabilities and the timing of recognition of contract liabilities as revenue. Estimates and judgments include estimates of the stand-alone selling prices of products and services, the identification of performance obligations within a contract, including the determination of whether a promise to deliver goods or services is considered distinct, and the timing of satisfaction of performance obligations under long-term contracts.

Supporting information

As at March 31, Thousands of dollars	2022	2021
Balance at April 1,	\$ 57,118	\$ 56,385
Contract liabilities recognized in the current period	343,585	328,650
	400,703	385,035
Recognized in revenue	(342,144)	(327,895)
Terminations	(19)	(22)
	58,540	57,118
Current portion	58,291	56,629
Long-term portion	249	489
Balance at March 31,	\$ 58,540	\$ 57,118

Note 21 – Other liabilities

As at March 31, Thousands of dollars	Note	2022	2021
Customer deposits		\$ 2,341	\$ 3,011
Current portion of deferred income – government funding	22	2,176	5,842
Advance billings		48	41
Current portion of provisions		–	1,443
Foreign exchange derivative liability		499	–
		\$ 5,064	\$ 10,337

Note 22 – Deferred income – government funding

Accounting policies

Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received, and the Corporation will comply with the conditions associated with the grant. Grants that compensate the Corporation for expenses incurred are recognized in the consolidated statement of income and other comprehensive income on a systematic basis in the same period in which the expenses are recognized. Grants that compensate the Corporation for the cost of an asset are recognized in the consolidated statement of income and other comprehensive income on a systematic basis over the useful life of the asset.

Accounting estimates and judgments

Judgment is required in determining whether certain funding is a transaction with the shareholder acting in their capacity as a shareholder or whether the funding would be available to other parties for a specific purpose (i.e., is the government acting in its capacity as shareholder or as a government).

Supporting information

The Corporation has received funding from the Province of Saskatchewan through CIC and the Ministry of Education, as well as the Government of Canada through Aboriginal Affairs and Northern Development Canada (AANDC), and Innovation, Science and Economic Development Canada (ISED), as full or partial funding of various programs, including; the Rural Infrastructure Program, the transfer of the satellite distribution and communication assets of Saskatchewan Communications Network Corporation to the Corporation, internet service to selected First Nations schools and health facilities in Saskatchewan, the First Nations Service Improvement Project, the Connecting Canadians program for the provision of access to high speed internet in rural and remote parts of Saskatchewan, and provision of dedicated internet service to specific First Nations offices and Tribal Council offices. The Corporation has fulfilled all obligations with respect to these programs.

The Corporation has an agreement with ISED through the Connect to Innovate program to receive \$6.5 million to partially fund provision of high-capacity broadband infrastructure in rural and remote communities. To date the Corporation has received funding of \$3.2 million, which has been applied to capital. Additional spending will be conducted in the next fiscal year.

As at March 31, Thousands of dollars	2022			2021
	Fully funded programs with all obligations fulfilled	Connect to Innovate	Total	Total
Balance at April 1,	\$ 20,091	\$ 2,985	\$ 23,076	\$ 28,394
Funding received	–	–	–	519
	20,091	2,985	23,076	28,913
Amortization	5,711	132	5,843	5,837
	14,380	2,853	17,233	23,076
Current portion – disclosed with other liabilities	2,043	133	2,176	5,842
Long-term portion	12,337	2,720	15,057	17,234
Balance at March 31,	\$ 14,380	\$ 2,853	\$ 17,233	\$ 23,076

Note 23 – Long-term debt

Accounting policies

The Corporation initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. These financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Supporting information

As at March 31,	2022	2021
Thousands of dollars		
Balance at April 1,	\$ 1,096,606	\$ 1,109,529
Long-term debt issuances	251,527	263,741
Long-term debt repayments	–	(276,600)
Amortization of net premiums	(550)	(64)
Balance at March 31,	\$ 1,347,583	\$ 1,096,606

Thousands of dollars		Effective interest rate (%)	Coupon rate (%)	Par value	Unamortized premiums (discounts)	Outstanding amount March 31,	
Issue date	Maturity date					2022	2021
May 2014	June 2024	3.11	3.20	\$ 50,000	\$ 88	\$ 50,088	\$ 50,129
December 2010	December 2025	4.15	4.15	50,000	–	50,000	50,000
December 2017	June 2027	2.56	2.65	50,000	218	50,218	50,257
March 1999	March 2029	5.18	5.75	75,000	(916)	74,084	73,980
March 1999	March 2029	5.97	5.60	35,000	–	35,000	35,000
February 2021	June 2030	1.51	2.20	50,000	2,651	52,651	52,954
February 2012	February 2042	3.49	3.40	150,000	(1,810)	148,190	148,126
December 2013	June 2045	4.09	3.90	150,000	(4,335)	145,665	145,553
December 2016	June 2048	3.35	3.30	75,000	(641)	74,359	74,344
May 2017	June 2048	3.22	3.30	50,000	672	50,672	50,688
April 2019	June 2050	2.81	3.10	100,000	5,542	105,542	105,671
April 2020	June 2050	2.57	3.10	100,000	10,634	110,634	110,890
September 2021	December 2052	2.67	2.80	245,000	6,451	251,451	–
June 2018	June 2058	3.01	2.95	50,000	(603)	49,397	49,388
June 2020	June 2060	2.37	2.35	100,000	(368)	99,632	99,626
Total due to Province of Saskatchewan				\$ 1,330,000	\$ 17,583	\$ 1,347,583	\$ 1,096,606

On September 15, 2021, the Corporation issued \$245.0 million of long-term debt at a premium of \$6.5 million through the Saskatchewan Ministry of Finance. The debt issue has a coupon rate of 2.80%, an effective interest rate of 2.67%, and matures on December 2, 2052.

The Corporation's long-term debt is unsecured. As at March 31, 2022, principal repayments due in each of the next five years were as follows:

Millions of dollars	Years ending March 31,				
	2023	2024	2025	2026	2027
Principal repayments	\$ –	\$ –	\$ 50.0	\$ 50.0	\$ –

There is a requirement attached to above advances to make annual payments into sinking funds in amounts representing 1% to 2% of the original issue. The cumulative annual payments plus interest earned are used for the retirement of debt issues upon maturity, on a net basis (see Note 16 – Sinking funds).

Note 24 – Lease liabilities

Accounting policies

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if readily determinable, otherwise, the Corporation uses its incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability include the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Corporation under residual value guarantees;
- the exercise price of a purchase option if the Corporation is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Corporation exercising an option to terminate the lease.

After initial recognition, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is calculated using the effective interest method resulting in a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the initial discount rate or, if applicable, a revised discount rate.

Amounts recognized in net income, unless the costs are included in the carrying amount of another asset applying other applicable standards, include:

- interest on the lease liability; and
- variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

The Corporation has not elected to utilize the recognition exemption for short-term or low-value leases.

Accounting estimates and judgments

The Corporation is required to make estimates and judgments that affect or impact the determination of lease liabilities and the related interest expense.

Judgments include determining whether a contract contains an identifiable asset, assessing control of assets in a contract, determining the lease term, including the assessment of renewal and cancellation terms, and determining whether lease modifications result in changes to existing leases or new leases.

Estimation involves determination of the lease payments to be included in the lease liability and estimation of the incremental borrowing rate or implicit lease rate as appropriate.

Note 24 – Lease liabilities, continued

Supporting information

As at March 31, Thousands of dollars		2022		2021
Maturity analysis – contractual undiscounted cash flows				
Less than one year		\$ 6,672	\$	6,670
One to five years		20,106		19,354
More than five years		25,407		24,750
Total undiscounted lease liabilities at March 31,		\$ 52,185	\$	50,774
Discounted lease liabilities included in the consolidated statement of financial position at March 31,				
Thousands of dollars		2022		2021
Current portion		\$ 6,578	\$	5,774
Long-term portion		38,433		37,087
Total discounted lease liabilities at March 31,		\$ 45,011	\$	42,861
Amounts recognized in the consolidated statement of income and other comprehensive loss For the year ended March 31,				
Thousands of dollars	Note	2022		2021
Interest on lease liabilities	6	\$ 1,034	\$	1,050
Amounts recognized in the consolidated statement of cash flows For the year ended March 31,				
Thousands of dollars	Note	2022		2021
Interest paid on lease liabilities	6	\$ 1,034	\$	1,050
Lease liability principal payments		5,670		5,755
Total cash outflow for leases		\$ 6,704	\$	6,805

Note 25 – Employee benefits

The Corporation has a defined benefit pension plan (Plan A), a service recognition defined benefit plan (Plan B), and a defined contribution pension plan (Plan C).

Accounting policies

Defined benefit plans (Plans A and B)

The Corporation's net obligation in respect of Plan A is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting that amount and deducting the fair value of plan assets.

The calculation of the net defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Corporation, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan (i.e., the asset ceiling limit). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Corporation determines the net interest expense (income) on the net defined liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in net income.

Note 25 – Employee benefits, continued

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in net income. The Corporation recognizes gains and losses on the settlement of the defined benefit plan when the settlement occurs.

The Corporation's net obligation in respect of Plan B is calculated by estimating the amount of future benefit that employees have earned in return for their service in prior periods and discounting that amount. The calculation of the defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Defined contribution plans (Plan C)

A defined contribution plan is a post-employment benefit under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the consolidated statement of income and other comprehensive income in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term benefits and termination benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligations can be estimated.

Termination benefits are expensed at the earlier of when the Corporation can no longer withdraw the offer of those benefits and when the Corporation recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting period, then they are discounted to their present value.

Accounting estimates and judgments

Estimates and judgments are required to determine discount rates, indexing assumptions, retirement age, and mortality rates. These assumptions are determined by management and are reviewed at least annually by the Corporation's independent actuaries.

The most significant assumptions used to calculate the net employee benefit plan's obligation include: the discount rate, the indexing assumption, and the mortality rate. The discount rate is the interest rate used to determine the present value of the future cash flows that the Corporation expects will be required to settle employee benefit obligations. It is based on the yield of long-term, high-quality, corporate fixed income investments (AA credit-rated bonds) with terms reflecting the profile of the plan members. The indexing assumption is the estimate of the future inflation rate, which impacts the future liabilities of the plan. The mortality rate impacts the future liability based on the estimated life expectancy of plan members.

The Corporation determines the appropriate discount rates at the end of each reporting period and the indexing assumptions and mortality rates at least at each actuarial study date. Changes in these assumptions could have an effect on the Corporation's cash flows through an effect on the projected benefit obligation. Lower discount rates and mortality rates result in a higher obligation while lower indexing assumptions result in a lower obligation. The combined impact of the assumptions could, at some point, require additional contributions to the plan.

Supporting information

Defined benefit plans (Plans A and B)

Plan A, the defined benefit pension plan, is governed by SaskTel and has been closed to new membership since 1977. The SaskTel defined benefit pension plan is registered under *The Pension and Benefit Act, 1992*, Saskatchewan, the *Income Tax Act*, Canada, and regulated by the Financial and Consumer Affairs Authority of Saskatchewan – Pensions Division. Separate audited financial statements for the defined benefit plan are prepared and released publicly.

The SaskTel defined benefit pension plan provides a full pension at age 65, at age 60 with at least 20 years of service or upon completion of 35 years of service. The pension is calculated to be 2% times the average of the highest three years of pensionable earnings times the number of years of service up to a maximum of 35 years of service. A reduced pension may be opted for if certain age and years of service criteria are met.

For employees who retire before the age of 65, but meet other age plus service requirements, either a reduced or unreduced pension may be payable. Pensions are subject to annual indexing with the Consumer Price Index (CPI) up to a maximum of 2% per year.

Note 25 – Employee benefits, continued

The defined benefit pension plan is administered by a five-member board (SaskTel Pension Board), consisting of two employer representatives, two union representatives and an independent chair. The SaskTel Pension Board is required by law to act in the best interests of the defined benefit pension plan participants and is responsible for setting certain policies (e.g., investment, contribution, and indexation policies) of the defined benefit pension plan.

Plan B, the service recognition defined benefit plan provided a retiring allowance of two days' salary per year of service, which is payable on retirement. Based on the Collective Agreement between the Corporation and Unifor, ratified April 22, 2005, the service recognition defined benefit program was curtailed effective March 19, 2005.

Funding

The Corporation is responsible for adequately funding Plan A. Contributions are determined by actuarial valuations. The contributions reflect actuarial assumptions about future investment returns, salary projections, and future service benefits. An actuarial valuation for accounting purposes was performed at March 31, 2020. The latest valuation for funding purposes was performed as of March 31, 2020.

All plan members have reached the maximum years of pensionable service and are no longer required to contribute to the plan. As a result, employer current service contributions have also ceased. A valuation is performed at least every three years to determine the actuarial present value of the accrued pension benefit.

The plan is in a surplus position, and therefore, under the going concern actuarial valuation, contributions are not required.

Plan B is unfunded. The Corporation expects to pay \$1.4 million in the next year related to Plan B.

Defined benefit obligation

Actuarial assumptions

The accounting actuarial valuation includes a provision for uncommitted and ad hoc benefit increases, and uses management's best estimates based on assumptions that reflect the most probable set of economic circumstances and planned courses of action. The actuarial assumptions are based on management's expectations, independent actuarial advice, and guidance provided by IFRS. The estimate, therefore, involves risks that the actual amount may differ materially from the estimate. The major assumptions used in the valuations are as follows:

As at March 31,	2022		2021	
	Plan A	Plan B	Plan A	Plan B
Discount rate – end of year	3.90%	3.80%	3.10%	2.50%
Inflation rate	2.25%	–	2.25%	–
Expected salary increase	–	In Scope: 2.0% per annum Management: 2.0% per annum	–	In Scope: 1.0% in the first year, 2.0% per annum thereafter Management: 2.0% per annum
Post-retirement index	1.60%	–	1.60%	–
Future mortality	CPM 2014 Private (Adjusted 100% for males and 110% for females) with Improvement Scale MI-2017	–	CPM 2014 Private (Adjusted 100% for males and 110% for females) with Improvement Scale MI-2017	–
Estimated average remaining employee service life	–	7.3 years	–	7.6 years

At March 31, 2022, the weighted average duration of the defined benefit obligation was 10.0 years (2020/21 – 10.9 years).

Note 25 – Employee benefits, continued

Sensitivity analysis

The following illustrates the effect on the obligations of the plans of changing certain actuarial assumptions while holding other assumptions constant:

As at March 31, 2022 Thousands of dollars	Defined benefit obligation			
	Plan A		Plan B	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	\$ (81,195)	\$ 96,072	\$ (480)	\$ 531
Inflation (1% movement)	(42,981)	(10,671)	–	–
Future indexing (0.4% increase and 1% decrease)	38,423	(95,086)	–	–
Salary increase (1% movement)	–	–	533	(490)

Movement in the present value of the defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components.

For the year ended March 31, Thousands of dollars	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2022	2021	2022	2021	2022	2021
Balance at April 1,	\$ 1,005,110	\$ 953,957	\$ (992,773)	\$ (941,044)	\$ 12,337	\$ 12,913
Included in net income						
Current service cost	323	–	380	457	703	457
Interest cost (income)	30,087	34,031	(30,974)	(34,478)	(887)	(477)
	30,410	34,031	(30,594)	(34,021)	(184)	10
Included in OCI						
Remeasurement loss (gain):						
- Actuarial loss (gain) arising from:						
- demographic assumptions	237	13,633	–	–	237	13,633
- financial assumptions	(76,216)	69,943	–	–	(76,216)	69,943
- Return on plan assets excluding interest income	–	–	17,041	(97,463)	17,041	(97,463)
- Effect of asset ceiling limit	–	–	59,265	14,830	59,265	14,830
	(75,979)	83,576	76,306	(82,633)	327	943
Other						
Benefits paid	(65,181)	(66,454)	63,366	64,925	(1,815)	(1,529)
	(65,181)	(66,454)	63,366	64,925	(1,815)	(1,529)
Balance at March 31,	\$ 894,360	\$ 1,005,110	\$ (883,695)	\$ (992,773)	\$ 10,665	\$ 12,337
Represented by:						
Net defined benefit liability (Plan A)					\$ –	\$ –
Net defined benefit liability (Plan B)					10,665	12,337
					\$ 10,665	\$ 12,337

Note 25 – Employee benefits, continued

Plan assets

The asset allocation of the defined benefit pension plan is as follows:

Asset category	2022	2021
Pooled bond funds	43.0%	37.7%
Pooled real estate	17.5%	15.3%
Pooled mortgage fund	13.2%	9.7%
Non-North American pooled equity funds	11.1%	16.4%
U.S. pooled equity fund	6.8%	9.9%
Canadian equities	6.3%	9.0%
Short-term investments	1.6%	1.3%
Canadian pooled equity funds	0.5%	0.7%
	100.0%	100.0%

The defined benefit pension plan's permissible investments include Canadian equities (including rights, warrants, instalment receipts, and capital shares), U.S. and international equities, bonds of Canadian issuers, short-term securities, mortgages, real estate, and pooled funds. Any other type of investment is not permitted without prior approval of the SaskTel Pension Board.

Taking into consideration the investment and risk philosophy of the defined benefit pension plan, the following range and target asset mix has been established:

Asset category	Range	Target	Actual
Equities	17–33%	25%	24%
Fixed income	56–64%	60%	58%
Real estate	12–18%	15%	18%

The defined benefit pension plan's investment policy provides a framework for the prudent investment and administration of the Pension Fund for the purpose of managing capital assets. The policy provides the investment managers with a written statement of specific quality, quantity and rate of return standards. The policy is revisited annually to ensure it is meeting the objectives of the defined benefit pension plan's capital management to ultimately meet all pension obligations.

The SaskTel Pension Board employs a pension risk management strategy that addresses continued capital market volatility and the overall demographic trends for the plan. This approach strives to ensure the assets of the defined benefit pension plan evolve to match the liabilities of the plan.

Defined contribution plans (Plan C)

Plan C, the defined contribution pension plan, requires the Corporation to contribute 7.45% of employees' pensionable earnings, and employees to contribute a minimum of 4.45% of pensionable earnings. The total cost for the defined contribution plan is equal to the Corporation's required contribution. The Corporation's pension cost and employer contributions for the Public Employees Pension Plan are \$20.4 million for the year ended March 31, 2022 (2020/21 – \$20.6 million).

Note 26 – Provisions

Accounting policies

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation, or at the best estimate to settle the obligation at the end of the reporting period. The unwinding of the discount on provisions is recognized as finance expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Decommissioning provisions

A decommissioning provision is a legal or constructive obligation associated with the decommissioning of property, plant and equipment. The Corporation recognizes decommissioning provisions in the period incurred if a reasonable estimate of fair value (net present value) can be determined. The Corporation recognizes provisions to decommission towers, antennae, and fuel storage tanks in the period in which the facility is ready for service. The fair value of estimated decommissioning cost is recorded as a provision with an offsetting amount capitalized and included as part of property, plant and equipment and right-of-use assets. Decommissioning provisions are increased periodically for the passage of time by calculating accretion expense on the provision. The offsetting capitalized costs are depreciated over the estimated useful life of the related asset.

The calculations of fair value are based on detailed studies that take into account various assumptions regarding the anticipated future cash flows, including the method and timing of decommissioning and an estimate of future inflation. Decommissioning provisions are periodically reviewed and any changes in the estimated timing and amount of future cash flows, as well as changes in the discount rate, are recognized as an increase or decrease in the carrying amount of the liability and the related asset. If the asset is fully depreciated, the changes are recognized in net income immediately.

Environmental remediation

A provision for environmental remediation is accrued when the occurrence of an environmental expenditure, related to present or past activities of the Corporation, is considered probable and the costs of remedial activities can be reasonably estimated. These estimates include costs for investigations and remediation at identified sites. These provisions are based on management's best estimate considering current environmental laws and regulations and are recorded at fair value in net income. The Corporation reviews its estimates of future environmental expenditures on an ongoing basis. Changes in the estimated timing and amount of future cash flows, as well as changes in the discount rate, are recognized in net income immediately.

Legal claims

The Corporation is involved in various legal claims and is aware of certain other possible claims. In respect of the legal claims, the Corporation establishes provisions, when warranted, after taking into account legal assessments, information presently available, and the expected availability of recourse. The timing of cash outflows associated with legal claims cannot be reasonably determined.

Accounting estimates and judgments

Judgment is involved in the estimation of the future liabilities for decommissioning and environmental remediation, the determination of the expected period until decommissioning, as well as inflation factors and discount rates to determine the present value of the provisions.

The Corporation estimates the amount of a provision by analyzing potential outcomes and assuming various litigation and settlement strategies, based on information that is available at the time. The determination of whether a loss is probable from claims and legal proceedings and whether an outflow of resources is likely requires judgment.

Note 26 – Provisions, continued

Supporting information

Thousands of dollars	Decommissioning provisions	Environmental provisions	Legal claims	Total
Balance at April 1, 2021	\$ 6,467	\$ 397	\$ 1,443	\$ 8,307
Other provisions made	29	–	–	29
Change in assumptions	(621)	(2)	(1,443)	(2,066)
Accretion expense	166	–	–	166
Settled during the period	(35)	(116)	–	(151)
Balance at March 31, 2022	\$ 6,006	\$ 279	\$ –	\$ 6,285

Assumptions

As at March 31,	2022
Discount rate, end of period	0.68% – 3.40%
Long-term inflation rate	2.00%
Undiscounted cash flows (thousands)	\$12,839

Discount rates based on the Government of Saskatchewan bond yields were used to calculate the carrying values of the provisions. The costs of the decommissioning provisions will be incurred between 2023 and 2071. No funds have been set aside by the Corporation to settle the decommissioning provisions.

Sensitivity of assumptions

Sensitivity of provisions to changes in the discount rate and inflation rate on the recorded liability as at March 31, 2022, is as follows:

Thousands of dollars	0.5% increase	0.5% decrease
Discount rate	\$ (571)	\$ 657
Inflation rate	\$ 785	\$ (678)

Note 27 – Equity advance and capital disclosures

Accounting estimates and judgments

The Corporation periodically receives funding from its parent and sole equity holder, CIC. Funding is first analyzed to determine whether the funding is a transaction with the equity holder in their capacity as an equity holder, e.g., equity injection, or whether the funding would be available to other parties for a specific purpose. If there is no requirement to comply with certain conditions relating to the operating activities of the entity, the funding is recorded as an equity advance. If the Corporation must comply with certain past or future conditions relating to the operating activities of the Corporation, and the funding could be available to other parties for a specific purpose, the funding is recorded as a government grant (see Note 22 – *Deferred income – government funding*).

Supporting information

The Corporation has received an equity advance from CIC to form its equity capitalization.

Due to its ownership structure, the Corporation has no access to capital markets for internal equity. Equity advances in the Corporation are determined by the shareholder on an annual basis. Dividends to CIC are determined through the Saskatchewan Provincial budget process on an annual basis.

The Corporation closely monitors its debt level utilizing the debt ratio as a primary indicator of financial health. The debt ratio measures the amount of debt in a corporation's capital structure. The Corporation uses this measure in assessing the extent of financial leverage and in turn, its financial flexibility.

Note 27 – Equity advance and capital disclosures, continued

Too high a ratio relative to target indicates an excessive debt burden that may impair the Corporation's ability to withstand downturns in revenue and still meet fixed payment obligations. The ratio is calculated as net debt, excluding lease liabilities, divided by capitalization at the end of the year.

The Corporation reviews the debt ratio targets of all its subsidiaries on an annual basis to ensure consistency with industry standards. This review includes subsidiary corporations' plans for capital spending. The target debt ratios for subsidiaries are approved by the Board. The Corporation uses targeted debt ratios to compile a weighted average debt to equity ratio for the consolidated entity. The target ratio was 52.5% (2020/21 – 51.6%).

The Corporation raises most of its capital requirements through internal operating activities and long-term debt through the Saskatchewan Ministry of Finance. This type of borrowing allows the Corporation to take advantage of the Province of Saskatchewan's strong credit rating and receive financing at attractive interest rates.

The Corporation made no changes to its approach to capital management during the year.

The debt ratio is as follows:

As at March 31, Thousands of dollars	Note	2022	2021
Long-term debt	23	\$ 1,347,583	\$ 1,096,606
Notes payable		202,468	219,892
Less: Sinking funds	16	95,447	84,619
Cash		20,628	23,694
Net debt ^(a)		1,433,976	1,208,185
Province of Saskatchewan's equity ^(b)		1,193,724	1,188,532
Capitalization		\$ 2,627,700	\$ 2,396,717
Debt ratio		54.6%	50.4%

(a) Net debt excludes lease liabilities.

(b) Equity includes equity advances, accumulated other comprehensive income and retained earnings at the end of the period.

Note 28 – Consolidated statement of cash flows – supporting information

a) Net change in non-cash working capital

For the year ended March 31, Thousands of dollars	2022	2021
Net change in non-cash working capital balances related to operations		
Trade and other receivables	\$ 8,497	\$ (40,334)
Inventories	2,816	(10,976)
Prepaid expenses	(2,711)	(390)
Contract assets	(5,610)	(15,074)
Contract costs	931	(1,250)
Trade and other payables	(1,651)	25,057
Contract liabilities	1,422	733
Other liabilities	(167)	199
Other	682	(788)
	\$ 4,209	\$ (42,823)

Note 28 – Consolidated statement of cash flow – Supporting information, continued

b) Reconciliation of changes in liabilities to cash flows arising from financing activities

Thousands of dollars	Assets	Liabilities				Total
	Sinking funds	Long-term debt	Notes payable	Lease liabilities	Dividend payable	
Balance at April 1, 2021	\$ (84,619)	\$ 1,096,606	\$ 219,892	\$ 42,861	\$ 32,688	\$ 1,307,428
Changes from financing cash flows						
Proceeds from loans and borrowings	–	251,527	1,083,123	–	–	1,334,650
Repayment of borrowings	–	–	(1,100,547)	(5,670)	–	(1,106,217)
Sinking fund redemptions	–	–	–	–	–	–
Instalments	(14,150)	–	–	–	–	(14,150)
Dividends paid	–	–	–	–	(100,211)	(100,211)
Total changes from financing cash flows	(14,150)	251,527	(17,424)	(5,670)	(100,211)	114,072
Other changes						
Dividend declared	–	–	–	–	93,990	93,990
Sinking fund earnings	(1,603)	–	–	–	–	(1,603)
Sinking fund valuation adjustments	4,925	–	–	–	–	4,925
New leases and assumption changes	–	–	–	7,820	–	7,820
Amortization of net premium on long-term debt	–	(550)	–	–	–	(550)
Total other changes	3,322	(550)	–	7,820	93,990	104,582
Balance at March 31, 2022	\$ (95,447)	\$ 1,347,583	\$ 202,468	\$ 45,011	\$ 26,467	\$ 1,526,082
Balance at April 1, 2020	\$ (198,490)	\$ 1,109,529	\$ 188,851	\$ 44,095	\$ 25,448	\$ 1,169,433
Changes from financing cash flows						
Proceeds from loans and borrowings	–	263,741	865,578	–	–	1,129,319
Repayment of borrowings	–	(276,600)	(834,537)	(5,755)	–	(1,116,892)
Sinking fund redemptions	133,931	–	–	–	–	133,931
Instalments	(14,666)	–	–	–	–	(14,666)
Dividends paid	–	–	–	–	(110,499)	(110,499)
Total changes from financing cash flows	(119,265)	(12,859)	31,041	(5,755)	(110,499)	21,193
Other changes						
Dividend declared	–	–	–	–	117,739	117,739
Sinking fund earnings	(10,989)	–	–	–	–	(10,989)
Sinking fund valuation adjustments	5,595	–	–	–	–	5,595
New leases and assumption changes	–	–	–	4,521	–	4,521
Amortization of net discount on long-term debt	–	(64)	–	–	–	(64)
Total other changes	(5,394)	(64)	–	4,521	117,739	116,802
Balance at March 31, 2021	\$ (84,619)	\$ 1,096,606	\$ 219,892	\$ 42,861	\$ 32,688	\$ 1,307,428

Note 29 – Financial instruments and related risk management

Accounting policies

The Corporation initially recognizes financial assets and financial liabilities in the consolidated financial statements at fair value (normally the transaction price) adjusted for transaction costs. Transaction costs related to financial assets or financial liabilities at fair value through profit or loss are recognized immediately in net income. Regular way purchases and sales of financial assets are accounted for on the trade date.

Financial instruments recorded at fair value on an ongoing basis are remeasured at each reporting date and changes in the fair value are recorded in either net income or OCI.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognized as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount presented in the consolidated statement of financial position when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives may be embedded in hybrid contracts that also include a non-derivative host. If a hybrid contract contains a host that is a financial asset within the scope of IFRS 9, the entire contract is classified as a financial asset. If a hybrid contract contains a host that is not an asset within the scope of IFRS 9, an embedded derivative is treated as a separate derivative when the economic characteristics and risks are not clearly and closely related to those of the host instrument, when the embedded derivative has the same terms as those of a stand-alone derivative, and the combined contract is not measured at fair value with changes in fair value recognized in profit or loss. These embedded derivatives are typically measured at fair value with subsequent changes recognized in net income.

Supporting information

The Corporation is exposed to fluctuations in foreign exchange rates and interest rates. The Corporation uses a number of financial instruments to manage these exposures. The Corporation mitigates the risk associated with these financial instruments through Board-approved policies, limits on use and amount of exposure, internal monitoring, and compliance reporting to senior management and the Board. The Corporation's financial risks have not changed significantly from the prior period.

Market risk

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates, and equity prices.

Interest rate risk

Interest rate risk represents the potential for loss from changes in the value of financial instruments related to interest rate movements. Interest rate risk primarily impacts the value of sinking fund investments and debt refinancing.

The Corporation has on deposit with the Province of Saskatchewan, under the administration of the Ministry of Finance, \$95.4 million (2020/21 – \$84.6 million) in sinking funds, which is required for certain long-term debt issues. At March 31, 2022, the GRF has invested these funds primarily in Provincial and Federal government bonds with varying maturities to coincide with related debt maturities and they are managed based on this maturity profile and market conditions. Due to the maturity profile of the assets held, these risks are considered low. As a result, the Corporation has no financial instruments in place to offset interest rate risk as of March 31, 2022, and has not provided a sensitivity analysis of the impact of interest rate changes on net income.

The Corporation may be exposed to interest rate risk on the maturity of its long-term debt. However, in the current interest rate environment, these risks are considered low. As a result, the Corporation has no financial contracts in place to offset interest rate risk as of March 31, 2022, and has not provided a sensitivity analysis of the impact of interest rate changes on net income.

Foreign currency risk

The Corporation is exposed to currency risk, primarily U.S. dollars, through transactions with foreign suppliers and short-term foreign commitments. Assuming all other variables remain constant at March 31, 2022, currency fluctuations in excess of 15% would have a material impact on the cash flow of the Corporation. Specifically, a 15% weakening in the Canadian dollar

Note 29 – Financial instruments and related risk management, continued

versus the U.S. dollar exchange rate could have a \$19.8 million unfavourable effect on cash flow and net income while a 15% strengthening could have a \$19.8 million favourable effect on cash flow and net income. The Corporation uses a combination of derivative financial instruments to manage these exposures when deemed appropriate. At March 31, 2022, the Corporation had foreign currency derivatives with the notional value of \$37.8 million CAD outstanding (2020/21 – \$nil). The Corporation does not actively trade derivative financial instruments.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk relates to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Corporation does not have material concentrations of credit risk. Current credit risk relates to trade and other receivables, including device financing receivables, unbilled revenue, contract assets, sinking funds, and interest receivable.

The carrying amount of financial assets represents the maximum credit exposure as follows:

As at March 31, Thousands of dollars	Note	2022	2021
Trade and other receivables	8	\$ 183,578	\$ 192,958
Contract assets	11	104,573	98,963
Sinking funds	16	95,447	84,619
		\$ 383,598	\$ 376,540

Trade and other receivables

The Corporation considers evidence of impairment for trade and other receivables at both a specific asset and collective level. Trade and other receivables and unbilled revenue are diversified among many residential, farm, and commercial customers primarily throughout Saskatchewan.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics, specifically based on business segment, an aging of the accounts within each segment, and default probabilities within each segment.

In assessing collective impairment, the Corporation uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current or future economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

The allowance for doubtful accounts, which provides an indication of potential impairment losses, is reviewed regularly based on an analysis of the aging of customer accounts receivable, an estimate of outstanding amounts that are considered to be uncollectible, and future collection policy and economic environment impacts:

Allowance for doubtful accounts

As at March 31, Thousands of dollars	Note	2022	2021
Balance at April 1,		\$ 7,891	\$ 2,606
Less: accounts written off		(7,058)	(7,954)
Recoveries		1,372	4,604
Provisions for losses		1,770	8,635
Balance at March 31,	8	\$ 3,975	\$ 7,891

Note 29 – Financial instruments and related risk management, continued

The aging of trade and other receivables is detailed as follows:

Trade and other receivables

As at March 31, Thousands of dollars	Note	2022	2021
Customer financing receivables	8	\$ 33,367	\$ 36,239
Trade receivables not past due		61,771	68,004
Trade receivables past due			
30–60 days		13,298	8,977
61–90 days		3,205	4,540
Greater than 90 days		6,622	4,087
Accrued receivables – customer	8	2,265	2,547
Other	8	67,025	76,455
Gross trade and other receivables	8	187,553	200,849
Allowance for doubtful accounts	8	(3,975)	(7,891)
Net customer accounts receivable		\$ 183,578	\$ 192,958

Contract assets

The Corporation considers evidence of impairment for contract assets based on the related assessment of the impairment of trade and other receivables at both a specific asset and collective level. Trade and other receivables, and therefore contract assets, are diversified among many residential, farm, and commercial customers primarily throughout Saskatchewan. Credit risk associated with contract assets is inherently managed by the size and diversity of our customer base. The Corporation also follows a program of credit evaluations of customers and limits the amount of credit extended when deemed necessary.

The Corporation maintains allowances for lifetime ECL related to contract assets. Current economic conditions, historical information (including credit agency reports, if available), and the line of business from which the contract asset arose are all considered when determining impairment allowances. The same factors are considered when determining whether to write off amounts charged to the impairment allowance for contract assets.

The allowance for contract asset credit losses and the aging of contract assets are detailed as follows:

Allowance for contract asset credit losses

As at March 31, Thousands of dollars	Note	2022	2021
Balance at April 1,		\$ 2,153	\$ 1,461
Provisions for losses		1,534	3,986
Transferred to accounts receivable allowance		(2,306)	(3,294)
Balance at March 31,	11	\$ 1,381	\$ 2,153

Contract assets

As at March 31, Thousands of dollars	Note	2022	2021
Amortization period			
Within 1 year		\$ 77,285	\$ 68,126
Greater than 1 year		28,669	32,990
Gross contract assets		105,954	101,116
Allowance for credit losses	11	(1,381)	(2,153)
Net contract assets	11	\$ 104,573	\$ 98,963

Note 29 – Financial instruments and related risk management, continued

Sinking funds

The credit risk related to sinking funds is assessed based on the credit risk rating of the investments held in the sinking funds. The Corporation considers a debt security to have low credit risk when its credit risk rating is equivalent to the definition of "investment grade." The Corporation considers this to be AA or higher per DBRS or Aa or higher per Moody's. Investments held within the sinking funds consist primarily of Provincial and Federal government bonds, which are rated investment grade. In addition, there have been no defaults of assets held within the sinking fund. As a result, sinking funds are considered to have low credit risk and no loss allowance is deemed necessary.

In addition, the Corporation maintains credit policies and limits in respect to short-term investments and counterparties to financial transactions.

Contract costs

The Corporation considers evidence of impairment for contract costs based on the lifetime expected credit losses in relation to the expected customer relationship, as well as, current economic conditions, historical information (including credit agency reports, if available), and the line of business from which the contract cost arose. Typically, the contract cost amounts are recovered over a relatively short time period compared to the anticipated customer relationship. In addition, contract costs are diversified among many residential and commercial customers. Credit risk associated with contract costs is inherently managed by the size and diversity of the customer base and the continued assessment of the customer relationship term. The Corporation also follows a program of credit evaluations of customers and limits the amount of credit extended when deemed necessary.

Based on the current credit monitoring policies and customer relationship terms, credit risk related to contracts costs is considered to be minimal and therefore no impairment allowance for contract assets is required.

Liquidity risk

Liquidity risk is the risk that the Corporation is unable to meet its financial commitments as they become due. The Corporation is a Provincial Crown corporation and as such has access to capital markets through the Saskatchewan Ministry of Finance.

Sufficient operating cash flows are expected to be generated to fund the short-term contractual obligations and the Corporation anticipates it will be able to refinance long-term debt upon maturity.

The following summarizes the contractual cash flows of the Corporation's financial liabilities:

Thousands of dollars	Contractual cash flows						
	Carrying amount	Total	0–6 months	6–12 months	1–2 years	2–5 years	More than 5 years
As at March 31, 2022							
Long-term debt (a)	\$ 1,347,583	\$ 2,308,810	\$ 22,204	\$ 22,204	\$ 44,408	\$ 225,923	\$ 1,994,071
Notes payable	202,468	202,871	177,894	24,977	–	–	–
Trade and other payables	172,666	172,666	172,666	–	–	–	–
	\$ 1,722,717	\$ 2,684,347	\$ 372,764	\$ 47,181	\$ 44,408	\$ 225,923	\$ 1,994,071
As at March 31, 2021							
Long-term debt (a)	\$ 1,096,606	\$ 1,905,045	\$ 18,736	\$ 18,736	\$ 37,473	\$ 208,793	\$ 1,621,307
Notes payable	219,892	219,936	219,936	–	–	–	–
Trade and other payables	171,990	171,990	171,990	–	–	–	–
	\$ 1,488,488	\$ 2,296,971	\$ 410,662	\$ 18,736	\$ 37,473	\$ 208,793	\$ 1,621,307

a) Contractual cash flows for long-term debt include principal and interest payments but exclude sinking fund instalments.

Fair value

Fair values are approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics, such as risk, principal, and remaining maturities. Fair values are estimates using present value and other valuation techniques, which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates that reflect varying degrees of risk. Therefore, due to the use of judgment and future-oriented information, aggregate fair value amounts should not be interpreted as being realizable in an immediate settlement of the instruments.

Note 29 – Financial instruments and related risk management, continued

Fair value of financial assets and liabilities

As at March 31,				2022		2021	
Thousands of dollars	Note	Classification (a)	Fair value hierarchy (b)	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets							
Cash	7	Amortized cost	Level 1	\$ 20,628	\$ 20,628	\$ 23,694	\$ 23,694
Trade and other receivables	8	Amortized cost	Level 2	183,578	183,578	192,958	192,958
Sinking funds	16	FVOCI	Level 2	95,447	95,447	84,619	84,619
Financial liabilities							
Trade and other payables	18	Amortized cost	Level 2	\$ 172,666	\$ 172,666	\$ 171,990	\$ 171,990
Notes payable	19	Amortized cost	Level 2	202,468	202,468	219,892	219,892
Long-term debt	23	Amortized cost	Level 2	1,347,583	1,301,191	1,096,606	1,161,618
Derivative financial instruments							
Foreign exchange derivative liability	21	FVTPL	Level 2	\$ 499	\$ 499	\$ –	\$ –

a) Classification details are: FVOCI – fair value through OCI and FVTPL – fair value through profit and loss.

b) See Note 2 – Basis of presentation for discussion of the policies related to fair value measurements.

Financial instruments measured at amortized cost

Cash, trade and other receivables, trade and other payables, and notes payable

The carrying values of cash, trade and other receivables, trade and other payables, and notes payable approximate their fair values due to the short-term maturity of these financial instruments.

Long-term debt

The fair value of long-term debt is determined by the present value of future cash flows, discounted at the market rate of interest for the equivalent Province of Saskatchewan debt instruments.

Investments carried at fair value through other comprehensive income

Sinking funds

The fair value of sinking funds, classified as fair value through OCI, is determined by the Saskatchewan Ministry of Finance using information provided by investment dealers. To the extent possible, valuations reflect secondary pricing for these securities.

There were no financial instruments measured at fair value using Level 3 inputs and no items transferred between levels in either the current year or the prior year.

Embedded derivatives

The Corporation had no contracts with embedded derivatives in either the current year or the prior year.

Note 30 – Related party transactions

The Corporation is indirectly controlled by the Government of Saskatchewan through its ownership of the Corporation's parent, CIC. Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards, and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "government-related entities"). The Corporation has elected to take a partial exemption under IAS 24 *Related Party Disclosures*, which allows government-related entities to limit the extent of disclosures about related party transactions with government or other government-related entities.

Routine operating transactions with related parties were conducted in the normal course of business and were accounted for at the exchange amount. For the year ended March 31, 2022, the aggregate amount of the Corporation's transactions with other government-related entities are approximately 7.8% of revenue (2020/21 – 8.6%), 12.6% of operating expenses (2020/21 – 10.6%), and 1.4% of property, plant and equipment expenditures (2020/21 – 1.0%).

Note 30 – Related party transactions, continued

In addition, the Corporation provided management and administrative services to the Corporation's defined benefit pension plan in the amount of \$0.3 million on a cost recovery basis for the year ended March 31, 2022 (2020/21 – \$0.3 million).

Key management personnel compensation

In addition to their remuneration, the Corporation also provides non-cash benefits to directors and executive officers, either a defined benefit pension or a defined contribution pension, and a service recognition defined benefit pension.

Key management personnel compensation is composed of:

For the year ended March 31, Thousands of dollars	2022	2021
Short-term employee benefits	\$ 3,900	\$ 4,587
Post-employment benefits – defined contribution plans	248	270
	\$ 4,148	\$ 4,857

Note 31 – Commitments and contingencies

Commitments

As at March 31, 2022, the Corporation has the following significant commitments:

- Operating activities \$113.8 million (2020/21 – \$103.3 million)
- Capital projects \$119.3 million (2020/21 – \$43.5 million)

Contingencies

Accounting estimates and judgments

The Corporation becomes involved in various litigation and regulatory matters in the ordinary course of business. Prediction of the outcome of such uncertain events (i.e., being virtually certain, probable, remote or undeterminable), determination of whether recognition or disclosure in the consolidated financial statements is required, and estimation of potential financial effects are matters for judgment. Where no amounts are recognized, such amounts are contingent, and disclosure may be appropriate, however, the potential for large liabilities exists and therefore these estimates could have a material impact on the Corporation's consolidated financial statements.

Supporting information

In the normal course of operations, the Corporation becomes involved in various claims and litigation. While the final outcome with respect to claims and litigation pending at March 31, 2022, cannot be predicted with certainty, it is the opinion of management that their resolution will not have a material adverse effect on the Corporation's consolidated financial position or results of operations.

Board of Directors



Grant J. Kook
Chair of the Board

Grant J. Kook is Founder, President, Chief Executive Officer, and Chair of Westcap Mgt. Ltd., a leading venture capital and private equity fund manager that has raised and invested in excess of a billion in capital for investment in local companies. Founded more than 25 years ago, Westcap has an uncompromising vision to build long-term value for retail and institutional investors in

a broad range of investment funds, including Saskatchewan's first Retail Venture Capital Fund, Golden Opportunities Fund Inc. and a series of institutionally backed Private Equity Buyout Funds. Grant is also President and Chief Executive Officer of Cheung On Investments Group Ltd., an international investor syndicated fund, and has been the President and Chief Executive Officer of the Ramada Hotels (Regina and Saskatoon) since 1992.

Grant serves or has served on the boards of numerous private and publicly traded companies, including Chairman of the Saskatchewan Blue Cross, Acting Chair of Saskatchewan Health Authority, 3sHealth Shared Services Saskatchewan, and the Saskatchewan Teachers' Federation Investment Committee. He is the past Vice President of

the Canadian Venture Capital and Private Equity Association (CVCA), past member of the World Entrepreneurs Association, and was the Co-chair of the Saskatchewan-Asia Advisory Council.

He is active in many community organizations, including serving as Voluntary Past Chair of the Children's Hospital Foundation of Saskatchewan, Executive Committee Member of the Mike Weir Miracle Golf Drive for Kids, Sponsorship Chair for the 2006 PotashCorp Vanier Cup, and 2004 Canadian Nokia Brier, Vice President of Sponsorship for 2010 Canadian World Junior Hockey Championship, Director of 2012 Tim Hortons Brier, Chair of 2013 and 2014 CIS University Cup, and past Board Member of the Saskatchewan Hockey Hall of Fame.

Grant is the recipient of the 2013 Saskatchewan Order of Merit, 2012 Queen Elizabeth II Diamond Jubilee Commemorative Medal, and Commemorative Medal for the Centennial of Saskatchewan, and was recognized as the 2018 ABEX Business Leader of the Year in Saskatchewan. He is also the recipient of the 2014 Saskatoon Tourism Leadership award, the 2008 B'nai Brith – We are Proud of You Award, was an Ernst & Young nominee for Entrepreneur of the Year in 1998 and 2003, and was recognized in 2008 as one of the Province's Most Influential Men by *Saskatchewan Business Magazine*.



Richard Ahenakew
Board Member

Richard Ahenakew is the General Manager of the Northern Lights Casino in Prince Albert, beginning his career there in 1996, and holding a variety of positions within the organization before assuming his current role.

A proud member of the Ahtahkakoop First Nation, Richard has been appointed to serve on the Ahtahkakoop Cree Developments Board, offering insight to business strategies and community initiatives. He has served on the Saskatchewan Chamber of Commerce for more than eight years, and has the distinction of being the first President of First Nations background appointed to a provincial Chamber Board, a milestone within Canada.

In 2011, Saskatchewan Polytechnic presented Richard with an honorary diploma recognizing his work to promote studies, post-secondary schooling, and

youth mentorship. In 2012, he was recognized for his outstanding contributions within his community, province, and country, and received the Queen Elizabeth II Diamond Jubilee Medal of Distinction. Recognizing workplace safety, Richard was instrumental in taking the lead for the Prince Albert mini Safety Charter signing and is a strong advocate for Mission Zero.

Richard has worked closely with the Red Cross Society throughout the province as a volunteer, Board Member, and past Chairperson. He is presently an active member of the Saskatchewan CAA Board of Directors and has served on

the Prince Albert Board of Police Commissioners as Chairperson.

He has served as an advisor for the Prince Albert Tourism Board of Directors and as President and Advisor for Northern Lights Casino Pow Wow.

Richard studied at the Saskatchewan Indian Federated College and has a P.A. Douglas & Associates Management certificate, a University of Reno Nevada Gaming Management certificate, and a Queen's School of Business Executive certificate.

Richard enjoys spending time with his family and is a collector of vintage history books and warplane memorabilia.



Fatima Coovadia

Board Member

Dr. Fatima Coovadia was born in South Africa and immigrated to Canada as a teenager. She holds a Bachelor of Dental Science (BDS) degree and practiced as a dentist in both clinical and academic settings for a few years. She then went on to obtain a Master of Health Administration (MHA) from the University of Regina.

Fatima is the consultant owner of Coovadia Consulting and is a full-time mom to three beautiful children. Fatima is an ardent advocate of human rights and works diligently within the

community to build social cohesion. She is passionate about education and provides learning opportunities for individuals and organizations, exploring themes around racism, identity, and social cohesion. In 2018, Fatima was appointed as a Commissioner with the Saskatchewan Human Rights Commission and feels immensely privileged to have this opportunity.

Since 2008, Dr. Coovadia has served in various capacities on the parent councils of Lakeridge and Colette Bourgonje Schools and currently serves as the Chair of the Evan Hardy Collegiate

School Community Council. She has served on the Lakeridge Co-operative Preschool Board and the Maria Montessori Board of Directors, and is a former board member of the Remai Modern art gallery. In 2019, Fatima was appointed to the Faith Leaders Council at the University of Saskatchewan, where she collaborates with her multi-faith colleagues to provide support and guidance to the university community.

Fatima enjoys spending time with her family, travelling, cooking, and learning about other cultures.



Joel Friesen

Board Member

Joel Friesen has been a partner with Anderson & Company law firm in Swift Current since 2013, having initially joined the firm in 2008. Prior to this, he completed his articles in Regina after completing his Commerce (with Distinction) and Law degrees at the University of Saskatchewan

in 2006. He also completed the Directors Education Program (ICD.D.) through the Institute of Corporate Directors in 2017.

Joel has served on numerous community boards, including acting as President of the Swift Current Saskatchewan Party Constituency Association, the Elmwood Golf Club, the Water Appeal Board, and the

Swift Current Library Board. Joel stays active in his local community coaching kids' hockey, lacrosse, and basketball.



Rachel Heidecker

Board Member

Rachel Heidecker is a leader in business strategy and transformation, specializing in technology, innovation, management, and marketing.

She is an experienced executive, manager, and strategist with 20 years of experience in ICT. Rachel is a strong believer in creative thinking, continuous improvement, measured results, and enabling business through technology. Rachel obtained her Chartered Director (C.Dir.)

designation from The Directors College through McMaster University and the Conference Board of Canada. She is an MBA and BSc graduate of the University of Saskatchewan and received a postgraduate diploma (PgD) in Software Technology from the University of Calgary.

Rachel leads the Information Technology Division at the City of Prince Albert. She was previously a director and manager at the University of Saskatchewan, overseeing teams responsible for continuous

improvement of shared services, web applications and development, teaching and learning systems, and library search and discovery systems. She has taught Management and Marketing courses as an instructor of business strategy and strategic decision-making at the Edwards School of Business.

Rachel grew up in Regina and is currently a resident of Warman, Saskatchewan.



Jerri Hoback
Board Member

Jerri Hoback has earned several designations since completing a Bachelor of Commerce (BComm) from the University of Saskatchewan. She holds a CPA, CMA accounting designation and obtained her Chartered Director (C.Dir.) designation from The Directors College through

McMaster University and the Conference Board of Canada.

Jerri has worked as an accountant in a wide variety of industries in Alberta and Saskatchewan. She has experience in oil and gas services, electronics manufacturing, financial services, and as a public accountant, performing assurance and audit engagements.

She is currently the Assistant Director of Financial Services for the City of Prince Albert. Jerri has held positions on several local boards, associations, and committees, including a seat in the University of Saskatchewan Senate.



Darrell Kennedy
Board Member

Darrell Kennedy is the owner of Timberstone Distribution, a wholesale masonry, stucco, siding, landscaping, and flooring distribution company with locations across Western Canada. He also owns Discovery Marketing, a corporate ad and apparel company. Prior to that,

he worked as the Territory Sales and Marketing Manager for TaylorMade Adidas Golf.

Darrell is a Board Member of the Saskatchewan Masonry Institute and the Regina and Region Home Builders Association. He is a long-time Board Member at the Royal Regina Golf Club and has chaired many golf tournaments, including the Inaugural Shooting

Stars Foundation Golf Tournament hosted by Jamie Heward and Mike Sillinger.

Darrell has a Professional Business Management certificate and a Business Administration (BAdmin) diploma from Lethbridge Community College.



Alan Migneault
Board Member

Born and raised in Saskatchewan, Alan Migneault is the President of AJM Management Corp. As a Professional Management Consultant, Alan works with clients across Western Canada to prepare businesses for succession to new owners or to improve their businesses through financial restructuring, acquisitions, or divestitures and typically takes on the capacity of Chief Executive Officer or Chief Financial Officer while working with his clients.

With a Bachelor's degree in Commerce from the University of Saskatchewan and a Chartered Professional Accountant (CPA, CA) designation, Alan started his career working with PricewaterhouseCoopers LLP as an auditor, and later transitioned to consulting where he was leading the technology and risk management practice in Western Canada.

Alan's work experience spans a number of industries, including the Canadian banking industry, economic development, and the transportation industry.

He returned to consulting to support growth, expansion, and corporate recovery for clients within a variety of industries.

Alan is a passionate supporter of the business through various associations. He completed the Directors Education Program (ICD.D.) through the Institute of Corporate Directors, and holds several Board Director and Committee positions in industry and community-based associations.



Matt Schroeder
Board Member

Matt Schroeder is Director of Finance at Information Services Corporation (ISC), implementing and managing ISC's new Finance Business Partner Model, directing the Business Research and Analytics Team and overseeing financial systems.

Prior to this role, Matt held dual roles as the President and CEO of the Global Transportation Hub (GTH) and Vice President of Strategy with SaskBuilds. While Matt held several roles at the GTH,

he had the opportunity to lead the transition of the organization from public to private sector management, which culminated in the engagement of Colliers International to take over routine operations during the fall of 2019.

Matt began his career at KPMG in Regina where he enjoyed a decade of career growth. During his time at KPMG he worked in the Audit and Business Advisory Practice serving government, and public and private sector clients on various audit and consulting projects.

Matt lives in Regina with his wife Kara and three daughters. He holds a Bachelor of Business Administration (BBA) from the University of Regina and earned a Chartered Accountant (CA) designation in 2007. He stays active in his community, and enjoys spending time with his young family, golfing, and running.



Eric Sylvestre
Board Member

Eric Sylvestre is a member of the Birch Narrows Dene Nation. Trained as an educator at the University of Saskatchewan and with a past teaching career with the Northern Lights School Division and the Buffalo Narrows Campus at Northlands College, Eric has a passion for youth and creating a hopeful future full of opportunities.

As owner and manager of his own retail and wild rice production businesses, Eric has a strong entrepreneurial and business background. Community-focused, he has served in a variety of management capacities within Birch Narrows Dene Nation and is currently leading efforts to establish a forward-thinking approach to how Indigenous people should

be consulted with and accommodated by government and industry regarding natural resource developments.

Eric has held senior leadership positions with the Meadow Lake Tribal Council (MLTC) as Director of Self-Government, Vice Chief of MLTC and, most recently, as Tribal Chief of MLTC, and Board Chair of MLTC Resource Development Inc. During his tenure as Vice Chief and Tribal Chief, Eric fostered significant growth within the MLTC in a variety of important areas, including business growth and partnerships.

Eric has participated on a number of regional and provincial boards related to self-government negotiations, such as the Federation of Sovereign Indigenous Nations (FSIN), Lands and Resources

Commission, Northern Lights Community Development Corp., Northern Development Board, and Saskatchewan First Nations Natural Resource Centre of Excellence.

Eric is deeply connected with the land and is living a traditional lifestyle taught by his father and other elders from his community. He believes in and is committed to the nation-building approach of Indigenous development, which sees Indigenous organizations becoming structured and organized to create the futures they want. Eric has a deep and abiding commitment to building the kind of Saskatchewan where Indigenous and non-Indigenous people live and work together in harmony, with mutual respect.



Glenys Sylvestre
Board Member

Glenys Sylvestre is Executive Director, University Governance, at the University of Regina. She has been with the U of R for more than 20 years, previously serving as Associate Dean and Instructor with the Paul J. Hill School of Business. Prior to her employment with the university, she was an Audit and Assurance Manager at Deloitte & Touche.

Glenys is a Chartered Professional Accountant (CPA), and was awarded Fellowship in 2007. She served for six years as a Councillor with the Institute of Chartered Accountants of Saskatchewan, including service as President and Chair. She obtained the Chartered Director (C.Dir.) designation in 2011.

Glenys facilitates board and executive training and development sessions for

numerous organizations on topics such as fundamentals of accounting, risk management, interpretation of financial information, and monitoring financial performance. She has served on several community boards, including Arcola East Community Association, Regina Exhibition Association Limited, and Gymnastics Saskatchewan.

Board of Directors Committee Priorities

AUDIT AND RISK COMMITTEE

Members

Alan Migneault, Chair

Glenys Sylvestre, Member

Jerri Hoback, Member

Darrell Kennedy, Member

Fatima Coovadia, Member

Matt Schroeder, Member

Priorities

- Oversee the implementation of evolving accounting standards
- Monitor progress on the Enterprise Risk Management Program, including COVID-19 impacts and recovery

CORPORATE GROWTH AND TECHNOLOGY COMMITTEE

Members

Rachel Heidecker, Chair

Joel Friesen, Member

Jerri Hoback, Member

Alan Migneault, Member

Priorities

- Monitor the industry's technological risks, with a focus on evolving the networks to new technologies
- Oversee the growth strategies of SaskTel and the subsidiaries

ENVIRONMENTAL AND HUMAN RESOURCES COMMITTEE

Members

Glenys Sylvestre, Chair

Richard Ahenakew, Member

Fatima Coovadia, Member

Matt Schroeder, Member

Eric Sylvestre, Member

Priorities

- Oversee management's efforts to improve employee engagement
- Oversee executive's succession plans, including the CEO

GOVERNANCE COMMITTEE

Members

Joel Friesen, Chair

Richard Ahenakew, Member

Rachel Heidecker, Member

Darrell Kennedy, Member

Eric Sylvestre, Member

Priorities

- Ensure compliance with shareholders' governance practices

SaskTel Executive



Doug Burnett
President and Chief Executive
Officer (CEO)

In January 2019, Doug Burnett was appointed President and CEO. Prior to his appointment, Doug served as Acting President and CEO. He also served as Vice President of Human Resources and Corporate Services, and Acting President of SaskTel International from June 1, 2008 to October 19, 2009.

Doug began his career at SaskTel in 1990 as Corporate Counsel, providing legal advice and services to the Corporation in every facet of business. Prior to joining SaskTel, Doug practised law in Regina from 1983 to 1989.

He holds a Bachelor of Arts (BA) from the University of Regina, a Bachelor of Laws (LLB) from the University of Saskatchewan, and a Certified Human Resources Professional (CHRP)

designation. He is a member of the Law Society of Saskatchewan and serves as a Board Member for the Wicahitowin Foundation, SecurTek, Directwest, SaskTel International, Junior Achievement, and Rise Air.

Doug was born and raised in Saskatchewan and is active in his community.



Jim Dundas
Chief Information Officer

Prior to joining SaskTel in November 2013, Jim Dundas was Regional Vice President at CGI, where he had overall executive responsibility for operations in Saskatchewan. He received the prestigious CGI Builder Award for exceptional leadership achievements, having grown the Saskatchewan operation fourfold by delivering excellent

client satisfaction and financial performance. Throughout his 40-year career in the Information Technology industry, he has held positions with Saskatchewan Government Insurance (SGI), Saskatchewan Workers' Compensation Board (WCB), and Co-operators Data Services Limited.

Jim also serves as the CEO of SaskTel International, a fully owned subsidiary of Saskatchewan

Telecommunications, providing solutions to communications service providers and network service operators worldwide.

He was born, raised, and educated in Saskatchewan, loves cottage life, and remains active on the family farm.



David Ekstrand
Vice President,
Business Sales and Solutions

David Ekstrand leads the SaskTel team responsible for sales, marketing, and operations for SaskTel's business market. These services are delivered and assured by David's team of qualified and experienced communications and IT professionals on Saskatchewan's most advanced networks, and hosted in advanced data centres—designed, built, and operated by SaskTel.

A recognized industry leader, he has more than 25 years of management and leadership experience across Canada and in the U.S. David's experience spans sales and operational roles, including roles at CompuCom and Rogers. His passion for excellence and pursuit of the best customer experience possible has rewarded him with a strong following of associates and customers during his career. With infectious high energy, he has the edge to make tough decisions when necessary

and a strong will that drives their execution. David is a caring member of the business community and a true, trusted advisor to many.

David also serves as the President and CEO of Directwest and is responsible for setting the strategic direction that secures Directwest as a leading digital marketing services company.

David and his partner Leanne reside just outside of Saskatoon and have four grown children.



Charlene Gavel
Chief Financial Officer

As Chief Financial Officer, Charlene Gavel is responsible for the Corporation's financial activities. She provides strategic, accounting, and financial advice to the President and CEO, subsidiary Presidents, SaskTel's Executive Team, and the Board of Directors.

Charlene has gained extensive experience from holding a variety of senior leadership positions throughout her career. Most

recently, she has held the position of Vice President and Chief Financial Officer at SaskTel International. Prior to that, Charlene held positions with the Regina Qu'Appelle Health Region as Chief Financial Officer and Vice President of Financial Services, and at Information Services Corporation (ISC) as Chief Financial Officer and Vice President of Finance and Administration.

Charlene earned a Bachelor of Administration (BAdmin) degree from the University of Regina and is a Chartered Professional Accountant (CPA, CA). She has also achieved the Institute of Corporate Directors designation (ICD.D.) in 2018.

Charlene currently serves on the boards of SaskTel International, SecurTek, Directwest, the Public Employees Pension Plan (PEPP) and the Conexus Arts Centre.



Daryl Godfrey
Chief Technology Officer

Appointed Chief Technology Officer at SaskTel in 2012, Daryl Godfrey and his team of technical professionals are responsible for the planning, design, implementation, and support of SaskTel's wired and wireless voice, data, video networks and services. Prior to his current position, Daryl's 39-year career with SaskTel includes senior positions in Network Planning and Provisioning, SaskTel International, Business Development, and Stentor.

His SaskTel International assignments include Network Services Director in Leicester, UK and Chief Technology Officer for Tanzania Telecommunications Company. Daryl has held positions in the Regina Engineering Society (RES) and on the Board of TRLabs. He is a member of the Advisory Board for the University of Regina Faculty of Engineering and Applied Science and represents SaskTel on the Canadian Security Telecommunications Advisory Committee (CSTAC), which includes representation from all Canadian carriers and various

government bodies involved in the security of critical Canadian infrastructure.

Daryl has a Bachelor of Science in Mechanical Engineering (BScME) from the University of Saskatchewan and is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS) with a P. Eng. designation.

Daryl was born, raised, and educated in Saskatchewan and lives in Regina with his wife Karen.



Keith Jeannot
Acting Vice President,
Consumer Sales and Solutions

Keith Jeannot leads the SaskTel team responsible for consumer sales, brand management, advertising, marketing strategy, and operations, including SaskTel's industry-leading retail stores, dealer partners, customer care, and digital channels. The Consumer team ensures that SaskTel's customers' needs are met with a wide array of internet, TV, wireless, home security and automation, and home phone products and services delivered over SaskTel's world-class networks.

The team is also responsible for SaskTel Cares, a program dedicated to making Saskatchewan better by promoting our support of non-profit organizations and their investment initiatives that positively impact the province, such as SaskTel Be Kind Online, Phones for a Fresh Start, and SaskTel Indigenous Youth Awards of Excellence.

Prior to joining the SaskTel Executive team in an acting capacity in July 2021, Keith served as Directwest's President and CEO for the last five years and held various roles in that company for 25 years prior.

Born and raised in Saskatchewan, Keith had his beginnings on a family farm in southeastern Saskatchewan. He's an active member in the community with past service to the United Way and Big Brothers, and is a current member of the Hockey Saskatchewan Board of Directors. Keith and his wife Jess reside in Regina and have three boys who are active in hockey, lacrosse, and basketball.



Doug Kosloski
Vice President, Corporate Counsel
and Regulatory Affairs and Chief
Privacy Officer

Appointed in 2020, Doug Kosloski is responsible for SaskTel's Legal Department, Chief Privacy Office, Carrier Relations, Land and Easements, and Regulatory Affairs, including regulatory policy matters.

Doug was previously Senior Vice President and Chief Legal Officer at Crown Investments Corporation (CIC) and has extensive knowledge of the Crown and private sectors.

During his more than 20 years at CIC, he held several positions, including General Counsel and Corporate Secretary, and Vice President, Economic Initiatives Division. Prior to CIC, Doug was with Saskatchewan Environment and Resource Management, and began his career with a private law firm.

His educational background is equally as extensive as his career and includes a Bachelor of Arts (BA) degree in Economics from the University of Regina, a Bachelor of Commerce (BComm) degree in Finance, and a Law degree from the University of Saskatchewan.

He received his Chartered Director (C.Dir.) designation in 2012 through McMaster University. Doug received the Queen's Counsel (QC) designation in 2014, which recognizes lawyers for exceptional merit and contributions to the legal profession.

He is also a member of numerous boards and associations, including the Regina Downtown Business Improvement District (RDBID), SaskTel International, Directwest, SecurTek, The Canadian Bar Association, the Canadian Corporate Counsel Association, and the Law Society of Saskatchewan.



Shara McCormick
Vice President, Human Resources
and Corporate Services

In April 2019, Shara McCormick was appointed Vice President of Human Resources and Corporate Services. She has worked at SaskTel since 1994 in various management roles in Marketing, SaskTel Advanced Interactive Solutions, and SaskTel Human Resources.

Shara has a Master of Business Administration (MBA) and a Bachelor of Administration (BAdmin) from the University of Regina, and completed a Certificate in Internet Marketing from the University of British Columbia. She has also been a Sessional Lecturer at the University of Regina. She is the past Vice Chair of the Technical Safety Authority of Saskatchewan

(TSASK) Board of Directors and the Chair of the TSASK Human Resources Committee of the Board.

Shara currently serves on the boards of SaskTel International, Directwest, and SecurTek, as well as Ignite Adult Learning Centre. She is also the Executive Advisor of the SaskTel Helping Our Own People (HOOP) program.



Greg Meister
Vice President, Operations

Greg Meister leads the SaskTel team responsible for building, operating, and connecting customers to the Corporation's advanced networks, solutions, and services.

Since beginning his career with SaskTel in 1993, he has held positions in Marketing, Sales, and Operations, allowing him and his family to live and participate in the communities of Regina, Prince Albert, North Battleford, and Saskatoon.

Greg holds a Bachelor of Commerce (BComm) degree from the University of Saskatchewan where he majored in Finance and Marketing. He has received certificates for extension programs from the University of British Columbia and Queen's University. As a dedicated volunteer, Greg is Past President of Saskatchewan Crime Stoppers, Director with the Saskatoon Gun Club, and Director with Saskatchewan Skeet Shooting Corp.

Born, raised, and educated in Saskatchewan, Greg enjoys living in the growing community of Warman with his wife Nadine and daughter Cassidy.

Corporate Governance Statement

AUTHORITY

SaskTel is a Crown Corporation governed by *The Saskatchewan Telecommunications Holding Corporation Act*, and subject to the provisions of *The Crown Investments Corporation Act, 1993*. The Crown Investments Corporation of Saskatchewan (CIC), as the holding company for Saskatchewan's commercial Crown Corporations, has authority to establish direction for SaskTel related to certain matters set out in legislation.

Through the Chair, who is an independent Director, the Board of Directors is accountable to the Minister Responsible for SaskTel. The Minister Responsible is a key communications link among the Corporation, CIC, Cabinet, the Legislature, and the public.

BOARD APPOINTMENTS

The Lieutenant Governor in Council appoints members of the Board and designates the Chair and Vice Chair. Subject to applicable legislation, Directors are appointed for a fixed term and their appointments can be renewed at expiry. There are eleven (11) members on the Board.

KEY ACCOUNTABILITIES

The Board of Directors is responsible for supervising the management and affairs of the Corporation. While focusing on the strategic leadership of the Corporation, the Board delegates day-to-day operations to management and holds them accountable for the Corporation's performance.

The Board discharges its responsibilities directly, by delegation to management and through Committees of the Board. There are four Committees of the Board: the Audit and Risk Committee; the Corporate Growth and Technology Committee; the Environment and Human Resources Committee; and the Governance Committee.

CORPORATE GOVERNANCE PRACTICES

The SaskTel Board has implemented a comprehensive set of governance practices and is committed to clear disclosure of its governance practices in accordance with current best practice disclosure standards.

On June 30, 2005, the Canadian Securities Administrators (CSA) National Policy 58-201 on Corporate Governance Guidelines and National Instrument 58-101 on Governance Disclosure Rules came into effect. The CSA standards supercede the Toronto Stock Exchange Corporate Governance Guidelines, which the Board used previously to assess its practices. The Governance Committee has reviewed the Guidelines with a view of adapting the Board's governance practices to the guidelines, where effective and beneficial. Although SaskTel is not required to comply with the CSA governance guidelines, the Corporation has used them to benchmark its Corporate Governance Practices in the following section.

On October 15, 2014, the CSA announced amendments to National Instrument 58-101 Disclosure of Corporate Governance Practices effective December 31, 2014. The amendments implement a "comply or explain" disclosure model regarding the representation of women on boards and in executive officer positions and the director selection process. The amendments do not introduce any mandatory quotas or targets. They are intended to increase transparency regarding the representation of women on boards and in senior management. There are no sanctions for non-compliance.



COMPOSITION OF THE BOARD

NP 58-201, section 3.1

3.1	The board should have a majority of independent directors.	The majority of directors on the SaskTel Board (11 out of 11) are independent.	Yes
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NI 58-101F1, sections 1(a) and (d)

1(a)	Disclose the identity of directors who are independent;	Grant Kook , Chair: <i>INDEPENDENT</i> President and CEO, Westcap Mgt. Ltd.	Yes
(b)	Disclose the identity of directors who are not independent and the basis for that determination;	Richard Ahenakew : <i>INDEPENDENT</i> General Manager, Northern Lights Casino	
(c)	Disclose whether the majority of directors are independent; and	¹ Dr. Fatima Coovadia : <i>INDEPENDENT</i> Consultant, Coovadia Consulting	
(d)	Disclose whether a director is a director of any other issuer that is a reporting issuer.	Joel Friesen : <i>INDEPENDENT</i> Lawyer, Anderson and Company	
		² JoAnne Hardy : <i>INDEPENDENT</i> President, WBM Saskatoon	
		Rachel Heidecker : <i>INDEPENDENT</i> Manager, City of Prince Albert	
		Jerri Hoback : <i>INDEPENDENT</i> Assistant Director of Financial Services, City of Prince Albert	
		Darrell Kennedy : <i>INDEPENDENT</i> Business Owner, Timberstone Regina	
		³ Pamela Lothian : <i>INDEPENDENT</i> Lawyer	
		⁴ Valerie Makela : <i>INDEPENDENT</i> Retired	
		Alan Migneault : <i>INDEPENDENT</i> President, AJM Management Corp.	
		⁵ Grant Payant : <i>INDEPENDENT</i> Retired	
		⁶ Matthew Schroeder : <i>INDEPENDENT</i> Director of Finance, Information Services Corporation	
		⁷ Eric Sylvestre : <i>INDEPENDENT</i> Economic Development Office, Birch River Dene Nation	
		Glenys Sylvestre : <i>INDEPENDENT</i> Executive Director, University Governance at the University of Regina	
		The determination of independence is made by the Governance Committee and is based on an assessment of the requirements in Multilateral Instrument 52-110, Audit Committees.	
		¹ Dr. Coovadia was appointed to the Board May 26, 2021	
		² Ms. Hardy was a Board member until November 24, 2021	
		³ Ms. Lothian was a Board member until May 26, 2021	
		⁴ Ms. Makela was a Board member until May 26, 2021	
		⁵ Mr. Payant was a Board member until February 24, 2022	
		⁶ Mr. Schroeder was appointed November 24, 2021	
		⁷ Mr. Sylvestre was appointed May 26, 2021	
		Section 1(d) does not apply to SaskTel as SaskTel does not have share capital, and is not an issuer.	

NP 58-201, section 3.2

3.2	The chair of the board should be an independent director who is the effective leader of the board and who ensures that the board's agenda will enable it to successfully carry out its duties.	The Chair of the Board is an independent director who provides leadership in Board organization, processes, effectiveness and renewal, serves as liaison between the Board and the shareholder, and ensures Board agendas reflect an effective balance between the role of the Board and that of management.	Yes
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NI 58-101F1, section 1(f)

<p>1(f) Disclose whether the chair of the board is an independent director; disclose the identity of the chair and describe the role of the chair.</p>	<p>Grant Kook is the Chair of the Board and he is an independent director. The Chair reports to the Board and ultimately to the shareholder and is responsible for presiding over meetings of the Board and ensuring that the Board discharges its fiduciary and legal responsibilities. The Chair's primary duties include:</p> <ul style="list-style-type: none"> • chairing meetings of the Board and ensuring meetings are properly convened and business is conducted legally • working with the CEO and the Corporate Secretary to set Board meeting schedules and establish agendas • monitoring meeting attendance and encouraging full participation by directors at meetings • communicating with directors between meetings • taking a lead role in assessing and addressing any concerns related to Board, committee, or director performance • assisting directors to achieve full utilization of individual abilities • promoting an open and constructive working relationship between senior management and the Board • working with committee chairs to maintain effective communications and division of responsibilities • providing advice and counsel to the CEO and senior management • representing the shareholder's interests and perspective to management, and representing management's views to the shareholder • in conjunction with the CEO, developing productive relationships and representing the Corporation with the shareholder and key stakeholders 	<p>Yes</p>
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**MEETINGS OF
INDEPENDENT DIRECTORS**

NP 58-201, section 3.3

<p>3.3 The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not present.</p>	<p>As a Standing Agenda item, the Board holds an in-camera session without management present at each regular meeting of the Board. All directors participate in the sessions, except where a director has a conflict with an item under discussion.</p>	<p>Yes</p>
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NI 58-101F1, section 1(e)

<p>1(e) Disclose whether the independent directors hold regularly scheduled meetings at which members of management are not present; disclose the number of such meetings held in the previous 12 months; if such meetings are not held, disclose what the board does to facilitate open and candid discussion among independent directors.</p>	<p>There were nine (9) Board meetings held in 2021/22, and during all nine regular meetings, in-camera sessions without management present but including all directors were held.</p> <p>Board practices that facilitate open and candid discussion among, and independent judgment by directors, include:</p> <ul style="list-style-type: none"> • holding in-camera sessions of no fixed duration where directors are encouraged to raise any issues of concern • having an independent director as Chair of the Board • clearly delineating the division of responsibilities between Board and management • providing for the Board/directors to access external advice <p>The Board is satisfied that its governance practices foster full and open discussion and debate and that it retains the independence of mind to make decisions in the best interests of the Corporation and the shareholder.</p>	<p>Yes</p>
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NI 58-101F1, section 1(g)

1(g) Disclose the attendance record of each director for board meetings held in the most recently completed financial year. The Board held nine (9) meetings in 2021/22. The number of Board meetings attended by each director in 2021/22 is set out below. Yes

Director	Meetings Attended*
Grant Kook, Chair	9 (9)**
Richard Ahenakew	9 (9)
Dr. Fatima Coovadia	8 (8)
Joel Friesen	9 (9)
JoeAnne Hardy	6 (6)
Rachel Heidecker	8 (9)
Jerri Hoback	9 (9)
Darrell Kennedy	8 (9)
Pamela Lothian	1 (1)
Valerie Makela	0 (1)
Alan Migneault	9 (9)
Grant Payant	9 (9)
Matthew Schroeder	1 (2)
Eric Sylvestre	7 (8)
Glenys Sylvestre	9 (9)

* For the purposes of this report, members who attended meetings in part were considered to be present.

** Figures in brackets represent the maximum number of meetings for the period in which the individual was a Board member.

BOARD MANDATE

NP 58-201, section 3.4

3.4 The board should adopt a written mandate which explicitly acknowledges responsibility for the stewardship of the Corporation and responsibility for:

(a) to the extent possible, satisfying itself as to the integrity of the CEO and executive and that they have created a culture of integrity throughout the organization;

(b) adopting a strategic planning process and approving at least annually a strategic plan which takes into account, among other things, the opportunities and risks of the business;

(c) identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;

(d) succession planning, including appointing, training and monitoring senior management;

(e) adopting a communications policy for the Corporation;

The Board has written Terms of Reference that contains the majority of the elements required by the Policy. The Terms of Reference outlines the Board's principal duties and responsibilities, including responsibility to function as stewards of the Corporation and to:

- provide leadership in setting the Corporation's long-range strategic direction and annually approve the Corporation's overall strategic plan
- participate in identifying the principal risks of the business in which the Corporation is engaged and oversee the implementation of appropriate systems to manage the risks
- appoint the CEO, evaluate the performance of senior management and ensure effective succession planning processes
- adopt policies and processes to enable effective communications with the shareholder, stakeholders and the public
- monitor the integrity of the Corporation's internal control and management information systems

The Board has approved Terms of Reference for Directors where the expectations and responsibilities of individual directors are delineated.

Substantial compliance

- | | |
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| <p>(f) the integrity of the Corporation's internal control and management information systems; and</p> <p>(g) developing the Corporation's approach to corporate governance, including a set of principles and guidelines specific to the Corporation.</p> | <p>SaskTel regularly surveys internal and external stakeholders to obtain feedback about Corporate activities. The Chair of the Board participates in a forum established by CIC, which is comprised of the chairs of all subsidiary Crown boards and senior CIC officials, where issues of mutual interest and concern are shared.</p> <p>Elements of the Policy not specifically identified in the Terms of Reference for the Board include (a) and (g). Respecting (a), the Board has established practices that promote a culture of ethical business conduct (see discussion under section 3.8 of NP 58-201). With respect to (g) the Board has delegated responsibility to the Governance Committee to oversee the Corporation's approach to corporate governance.</p> |
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The written mandate should also address measures for receiving feedback from stakeholders (for example, a process for stakeholders to contact independent directors); and the expectations and responsibilities of directors, including basic duties to attend meetings and review materials in advance.

NI 58-101F1, section 2

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| <p>2 Disclose the text of the board's written mandate.</p> | <p>The Board's principal responsibilities are described above. The text of the Board's Terms of Reference can be obtained by contacting the Corporate Secretary to the Board.</p> | <p>Yes</p> |
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POSITION DESCRIPTIONS

NP 58-201, section 3.5

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| <p>3.5 The board should: develop clear position descriptions for the chair of the board and the chair of each board committee; together with the CEO, develop a position description for the CEO delineating management's responsibilities; develop or approve corporate goals and objectives that the CEO is responsible to meet.</p> | <p>The Board has approved Terms of Reference for the Board, the Chair of the Board, the Chair of each Committee, each Committee and individual directors, and has adopted a Position Description for the CEO.</p> <p>The CEO's Position Description sets out the CEO's primary accountabilities and responsibilities. The Board Terms of Reference address management duties, and a Final Authorization Policy, applicable to monetary and non-monetary matters, sets out those matters that require Board approval and delegates other matters to management.</p> <p>The Environment and Human Resources (EHR) Committee annually recommends performance indicators for the Corporation and personal goals for the CEO that are approved by the Board. The Board annually approves a business plan that includes Corporate objectives, priorities, and performance indicators. The CEO is responsible to see that the Corporation achieves the business plan and to meet any other targets assigned by the Board.</p> | <p>Yes</p> |
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NI 58-101F1, sections 3(a) and (b)

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| <p>3(a) Disclose whether the board has developed written position descriptions for the chair of the board and the chair of each board committee and, if not, describe how the board delineates the role and responsibilities of each such position.</p> <p>(b) Disclose whether the board and CEO have developed a written position description for the CEO.</p> | <p>The Board has developed a written Position Description for the Chair of the Board, the Chair of each Committee, and the CEO.</p> | <p>Yes</p> |
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ORIENTATION AND CONTINUING EDUCATION

NP 58-201, sections 3.6 and 3.7

3.6	The board should ensure new directors receive comprehensive orientation and fully understand the role of the board and committees, the contribution individual directors are expected to make, and the nature and operation of the business.	Management provides new directors with a comprehensive orientation to the business and the industry. CIC delivers a training program that focuses on the skills that directors need to do their jobs, effective Board processes, and best practices in corporate governance. Other development opportunities made available to directors are described below.	Yes
3.7	The board should provide continuing education opportunities for all directors to enhance their skills and abilities and ensure their knowledge of the Corporation's business is current.		

NI 58-101F1, sections 4(a) and (b)

4(a)	Describe the measures taken to orient new directors to the role of the board, committees, and directors and to the nature of the Corporation's business.	The Corporation provides all members appointed to the Board with a comprehensive <i>Directors' Reference Manual</i> , and new directors receive an orientation session delivered by management. The orientation session addresses key industry trends, critical business risks and challenges, the strategic plan, organizational structure, and responsibilities of senior staff. New directors are able to meet informally with senior managers to learn about the business. Prior to some regular Board meetings, outside experts in various aspects of the telecommunications industry are invited to speak to the Board and senior management. Management has also delivered educational sessions to directors to explain technical aspects of the business.	Yes
(b)	Describe the measures taken to provide continuing education opportunities for all directors.	Each year, CIC sponsors a comprehensive education program for directors of CIC subsidiary Crown boards. The program has focused on the key roles and responsibilities of boards, committees and directors, the skills directors need to effectively discharge their responsibilities, and best practices and new developments in corporate governance. Directors can participate in external development opportunities related to their duties as directors where authorized by the Corporation or the Board.	

CODE OF BUSINESS CONDUCT AND ETHICS

NP 58-201, section 3.8

<p>3.8 The board should adopt a written code of business conduct and ethics applicable to directors, officers, and employees of the Corporation designed to promote integrity and deter wrongdoing. The code should address:</p> <p>(a) conflicts of interest, including transactions and agreements where a director or officer has a material interest;</p> <p>(b) protection and proper use of corporate assets and opportunities;</p> <p>(c) confidentiality of corporate information;</p> <p>(d) fair dealing with the Corporation's security holders, customers, suppliers, competitors, and employees;</p> <p>(e) compliance with laws, rules, and regulations; and</p> <p>(f) reporting of illegal or unethical behaviour.</p>	<p>Board members must comply with the <i>Directors' Code of Conduct</i>, which was developed by CIC and applies to the directors of all its subsidiary Crown boards. Officers and employees of the Corporation and its subsidiaries must comply with SaskTel's <i>Business Code of Conduct</i>, which includes a whistle-blowing policy.</p> <p>Each Code is designed to promote integrity and deter wrongdoing, address the elements of the Policy as they apply to a Crown corporation, and provide a mechanism to report illegal or unethical behaviour.</p>	<p>Yes</p>
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NI 58-101F1, section 5(a)

<p>5(a) Disclose whether the board has adopted a written code of ethical business conduct for the directors, officers, and employees of the Corporation; how to obtain a copy of the Code; how the board monitors compliance with the Code; and reference any material change report in the most recent financial year relating to any conduct of a director or officer that constitutes a departure from the Code.</p>	<p>A copy of the <i>Directors' Code of Conduct</i> can be obtained by contacting CIC. A copy of the <i>Business Code of Conduct</i> can be obtained by contacting SaskTel.</p> <p>Committees of the Board monitor compliance with the <i>Directors' Code</i> and the <i>Business Code</i>. The Governance Committee monitors compliance with Corporate donation and sponsorship policies and is responsible to administer, monitor, and enforce the <i>Directors' Code</i>. The Chair of the Committee reports to the Board at each regular meeting any such issues addressed by the Committee, and submits an annual report to the Board regarding compliance with the <i>Directors' Code</i>.</p> <p>The Audit and Risk Committee monitors the financial performance of the Corporation and assists the Board to meet its responsibilities respecting accounting and financial reporting, risk management, internal controls, and accountability. The Committee interacts directly with the internal and external auditors, who report to the Committee concerning, among other things, any instances of illegal or improper treatment of Corporate assets. The Audit Committee receives quarterly risk management reports, including reports related to legal risks. The Chair of the Committee reports to the Board at each regular meeting any such issues addressed by the Committee, and all directors receive summaries of risk management reports.</p> <p>The EHR Committee monitors compliance with environmental, health and safety, and human resource programs, including compliance with the <i>Business Code</i>. The Committee receives reports from management that address, among other things, compliance with related policies, legislation, and regulations. The Chair of the Committee reports any issues raised at the Committee level to the Board at each regular meeting of the Board.</p> <p>SaskTel does not have share capital and is not an issuer. Therefore, no material change reports have been filed.</p>	<p>Yes</p>
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NP 58-201, section 3.9

3.9	The board should monitor compliance with the code and any waivers granted for the benefit of directors and executive officers should be granted by the board or a board committee. Any waivers for a material departure from the code for any directors or officers should disclose full details of the material change.	The Board has delegated to its Committees the responsibility to monitor compliance with the Codes of Conduct. The Committees report any issues dealt with pursuant to each Code to the full Board. No waivers from either Code have been granted to any director or officer in 2021/22.	Yes
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NI 58-101F1, section 5(b)

5(b)	Describe steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements where a director or officer has a material interest.	Where a director has, or may be perceived to have, a personal interest in a transaction being considered by the Corporation, the director is responsible to declare any such interest at the meeting where the matter is considered and not to participate in discussions about or vote on the matter. In 2005, the Board adopted a disclosure form to enable directors to declare their directorships on and material interests in businesses other than SaskTel, their knowledge of the business their associates have or may transact with SaskTel, and any material contracts they may have entered into with SaskTel or its subsidiaries. The required information excludes the acquisition of services available to the general public. The completed form is provided to the Governance Committee, the Corporate Secretary, and their advisors to assist them in proactively addressing potential conflict of interests. Management monitors agenda items to identify any issues where a director may have a material interest and such items are not distributed to the director.	Yes
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NI 58-101F1, section 5(c)

5(c)	Describe other steps the board takes to encourage and promote a culture of ethical business conduct.	The Board encourages and promotes a culture of ethical business conduct by following current best practices in corporate governance. These practices are reinforced by open and honest discussion about business issues at Board meetings and at informal gatherings between the Board and senior management. The Board expects management to act ethically in its business dealings, in accordance with all applicable legislation, the <i>Business Code of Conduct</i> and any directives or policies of the Board or the shareholder. In 2005, the <i>Business Code of Conduct</i> was revised to incorporate a whistle-blowing mechanism to facilitate reporting by employees of issues of concern. Issues arising under the <i>Business Code of Conduct</i> are reported to and monitored by the EHR Committee and management reports to the Governance Committee respecting significant issues that have arisen pursuant to the whistle-blowing policy. Whistle-blowing reports may also be made directly to the Chair of the Governance Committee.	Yes
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Nomination of Directors

NP 58-201, section 3.10

3.10 The board should appoint a nominating committee comprised of entirely independent directors.

The Governance Committee functions as the Nominating Committee. All five (5) members of the Governance Committee, including the Committee Chair, are independent directors.

Yes

NI 58-101F1, sections 6(a) and (b)

6(a) Describe the process by which the board identifies new candidates for board nomination.

6(b) Disclose whether the board has a nominating committee comprised entirely of independent directors and, if not, describe the steps the board takes to encourage an objective nomination process.

Appointments of directors of SaskTel are a decision made by the government through an Order in Council. The Governance Committee may, through their responsibility as Nominating Committee, recommend qualified nominees to the SaskTel Board for consideration and to have those nominees be recommended for consideration to the CIC Board and ultimately the government.

Substantial
Compliance

The Board, through the Governance Committee, reviews the composition and skill sets of directors annually with a view to maintaining an appropriate mix of expertise, experience, and diversity on the Board to support the strategic direction and operating needs of the Corporation.

The Governance Committee is responsible for identifying the skill sets needed on the Board, developing and maintaining a Skills Profile that delineates the competencies of current directors, and identifies any skill gaps while seeking and recommending to the Board nominees that have the required competencies to fill any identified gaps. In addition to competencies and skills, current practices encourage diversity in the composition of the Board. In seeking candidates, the Committee may receive recommendations from the directors, senior management, and the shareholder. Potential candidates may be interviewed to determine their overall fit with the needs of the Board, any conflicts that would preclude their effective participation, and whether they have the time to devote to Board work. The Committee may recommend a list of candidates for each vacant position to the Board, which in turn would recommend candidates to the shareholder for approval. The shareholder has the legislative authority to make Board appointments.

The Committee believes that following best practices related to Board appointments, maintaining a skills matrix, and recruiting candidates who possess the required combination of skills, background, and diversity to add value to Corporate decision-making supports an objective nomination process.

NP 58-201, section 3.11

3.11 The nominating committee should have a written charter establishing the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual directors or subcommittees), and manner of reporting to the board. In addition, the nominating committee should be given authority to engage and compensate outside advisors necessary to permit it to carry out its work. Where a third party has a legal right to nominate directors, the selection and nomination of those directors need not involve the approval of an independent nominating committee.

The Governance Committee has written Terms of Reference setting out its purpose and principal responsibilities, which address the Committee's responsibility to lead the process of recruiting and nominating candidates for appointment to the Board, as well as the other elements of the Policy except member qualifications and the ability to delegate tasks. The Committee has authority to engage outside advisors to assist it in performing its duties, subject to the approval of the Board. The shareholder has the right to nominate candidates for appointment to the Board.

Substantial
Compliance

NI 58-101F1, section 6(c)

6(c) If the board has a nominating committee, describe the responsibilities, powers, and operation of the committee.

The Governance Committee performs the functions of a nominating committee, and its Terms of Reference describe the responsibilities, powers, and operation of the Committee. The Committee is appointed by the Board, serves in an advisory capacity, and may make recommendations to the Board within its area of responsibility. A copy of the Committee's Terms of Reference can be obtained by contacting the Corporate Secretary to the Board.

Yes

NP 58-201, section 3.12

3.12 The board should adopt a nomination process which considers the competencies and skills of the board as a whole; assesses the competencies and skills possessed by each existing director; and considers the personality and other qualities of each director. The board should also consider the appropriate size of the board, with a view to effective decision-making, and should consider the advice and input of the nominating committee.

The Board's nomination process is described above, and it meets the guidelines of the Instrument.

By legislation, the Board is comprised of a maximum of twelve (12) directors. As the Committee responsible for the Board's approach to corporate governance, the Committee makes recommendations to promote timely and effective decision-making.

Yes

NP 58-201, section 3.13

3.13 The nominating committee should be responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees.

The Governance Committee identifies the skill sets that are required for the Board. The identification and appointment of Directors of SaskTel are a decision made by the Government through an Order in Council.

Partial
compliance

NP 58-201, section 3.14

3.14 In making its recommendations the nominating committee should consider: the competencies and skills that the board considers necessary for the board as a whole to possess; the competencies and skills of existing directors; the competencies and skills of each nominee; and whether each new nominee can devote sufficient time and resources to board work.

The process followed by the Governance Committee complies with that set out in the Policy and is described above.

Partial
compliance

COMPENSATION

NP 58-201, section 3.15

3.15 The board should appoint a compensation committee comprised entirely of independent directors.	The EHR Committee performs the functions of a compensation committee. Currently all five (5) members of the EHR Committee, including the Committee Chair, are independent directors.	Yes
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NI 58-101F1, sections 7(a) and (b)

7(a) Describe the process by which the board determines compensation for the directors and officers of the Corporation. 7(b) Disclose whether the board has a compensation committee comprised entirely of independent directors and, if not, describe the steps the board takes to ensure an objective process for determining such compensation.	<p>The majority of members of the EHR Committee, which serves as the Compensation Committee, are independent directors.</p> <p>CIC has the legislative authority to fix remuneration levels and set expense guidelines for directors. The Governance Committee has authority to recommend to the Board (and the Board to CIC) adjustments to directors' compensation. The Committee receives quarterly reports respecting the remuneration received by members of the Board and reports any anomalies to the Board.</p> <p>Each director receives an annual retainer for acting as a Board member. The remuneration levels established by CIC for members of the Board are set out below.</p>	Yes
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Director Remuneration Schedule	
Board Chair retainer	\$ 40,000.00
Board member retainer	\$ 25,000.00
Audit and Risk Committee Chair retainer	\$ 3,500.00
Other Committee Chair retainer	\$ 2,500.00
Committee member meeting fee (Meeting Fees = Full day \$750; Half day \$375 – less than 4 hours)	\$ 750.00

A copy of CIC's remuneration and expense guidelines for directors can be obtained by contacting the Corporate Secretary to the Board.

CIC has established a framework for executive compensation, and the Board can approve compensation packages within that framework. The Board has delegated responsibility for addressing and making recommendations concerning management compensation issues to the EHR Committee.

The EHR Committee reviews and recommends to the Board: changes to the design of the Corporation's overall compensation and benefits plans; management compensation packages that reflect industry standards; performance compensation programs; and annual Corporate indicators, including a subset used to determine performance compensation for senior management. In discharging this function, the Committee has the ability to retain external advisors, subject to approval by the Board.

NP 58-201, section 3.16

3.16 The compensation committee should have a written charter establishing the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure, operations (including any authority to delegate to individual directors or subcommittees), and manner of reporting to the board. In addition, the compensation committee should be given authority to engage and compensate outside advisors necessary to permit it to carry out its work.

The Board has approved Terms of Reference for the EHR Committee, which addresses the Committee's responsibilities with respect to compensation, as well as the other elements of the Policy except member qualifications and the ability to delegate tasks. The Committee has authority to engage outside advisors to assist it in performing its duties, subject to the approval of the Board.

Substantial
compliance

NI 58-101F1, section 7(c)

(c) If the board has a compensation committee, describe the responsibilities, powers, and operation of the committee.

The EHR Committee serves as the Compensation Committee, and its Terms of Reference describes the Committee's responsibilities respecting compensation issues, as well as the powers and operation of the Committee. The Committee is appointed by the Board, serves in an advisory capacity, and makes recommendations to the Board within its area of responsibility. A copy of the Committee's Terms of Reference can be obtained by contacting the Corporate Secretary to the Board.

Yes

NP 58-201, section 3.17

3.17 The compensation committee should be responsible for: reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining the CEO's compensation level based on the evaluation; making recommendations to the board respecting non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and reviewing executive compensation prior to public disclosure.

The EHR Committee annually recommends to the Board the CEO's performance targets, and leads the annual performance evaluation process for the CEO. The CEO's performance is assessed against the established Corporate objectives and the CEO's individual targets. The results of the CEO's performance are approved by the full Board, and are used in determining compensation.

Substantial
compliance

Respecting non-CEO officer compensation, the Committee is responsible for recommending to the Board management compensation packages, performance compensation programs, and annual performance targets. The Board reviews and approves the achievement of Corporate targets annually and the extent to which the targets are achieved determines management's eligibility for performance compensation.

Executive compensation decisions are subject to any guidelines established by CIC. As a Crown corporation, SaskTel does not have equity-based plans.

Director compensation is determined by CIC.

Executive compensation information is available to the public through publication of Crown payee reports. The Committee does not review executive compensation reports prior to public disclosure.

OTHER BOARD COMMITTEES

NI 58-101F1, section 8

8	If the board has standing committees of the board, other than audit, compensation, and nominating committees, identify the committees and describe their function.	<p>In addition to the Audit and Risk, Governance, and EHR Committees, the Board also has a Corporate Growth and Technology (CGT) Committee.</p> <p>The CGT Committee: works with management to develop a growth strategy and related policies; reviews and recommends investments and divestitures; monitors and reports to the Board respecting the performance of investments; and reviews and makes recommendations concerning the evolution of technology in the Corporation, long-term technology strategies, and technology investments. A copy of the Committee's Terms of Reference can be obtained by contacting the Corporate Secretary to the Board.</p>	Yes
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BOARD ASSESSMENTS

NP 58-201, section 3.18

3.18	The board, its committees, and each individual director should be regularly assessed. An assessment should consider: with respect to the board or committees, its mandate or charter; with respect to an individual director, the applicable position description(s), as well as the competencies and skills each individual director brings to the board.	<p>Board, Board Chair, Committee Chair, and Committee evaluations as well as director peer assessments are performed annually on a three-year cycle, with comprehensive Board and Board Chair evaluations being conducted one year, Committee Chair and Committee evaluations the next year, and director peer assessments the third year. The evaluations take into consideration the elements of the Policy.</p> <p>In 2021, Director Peer evaluations were conducted.</p>	Yes
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NI 58-101F1, section 9

9	Disclose whether the board, its committees, and individual directors are regularly assessed with respect to their effectiveness and contribution and, if yes, describe the process used.	<p>The Governance Committee oversees the implementation of the above evaluation processes. The evaluations are survey-based, using an instrument developed by CIC in consultation with an outside consultant and with Crown Board members.</p> <p>Board, Chair, Committee, and director performance is measured against the duties and expectations set out in their respective Terms of Reference and the specific standards outlined in the evaluation instruments. The purpose of the evaluations is to identify areas where the Board, Committee, Chair, or director is managing well and to highlight areas that may benefit by additional focus and attention.</p> <p>Directors complete surveys to provide feedback in writing on the effectiveness and contribution of the Board, Committees, Chairs, and individual directors. The Board Chair or a third party may follow up the written responses with interviews of directors to elicit additional concerns or suggestions for improvement.</p> <p>The Governance Committee prepares reports outlining the evaluation results, which are submitted to the Board for review and approval. The Committee recommends follow-up action required as a result of recommendations made in the evaluation reports, and tracks implementation of any action items.</p>	Yes
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CSA National Policy 58-101

**Disclosure of Corporate
Governance Practices**

10	<p>Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.</p>	<p>The appointment and removal of Directors is the prerogative of the Lieutenant Governor in Council pursuant to <i>The Saskatchewan Telecommunications Holding Corporation Act</i>. Director appointments are not subject to term limits.</p>	Yes
11(a)	<p>Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.</p>	<p>CIC has a written "Board of Directors' Appointment Policy". While the policy does not specifically refer to the identification and nomination of female Directors, it requires Crown Boards to include "diversity candidates." The term "diversity candidates" is not defined but it is interpreted as including women, Aboriginal persons, and visible minorities.</p>	Partial Compliance
(b)	<p>If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <ul style="list-style-type: none"> (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy. 	<p>CIC maintains statistics regarding diversity of each Crown Board, including progress made in the percentage of women serving on Crown Boards. Annually, CIC forwards information to the shareholder to be considered when Board appointment decisions are made. The information includes the skill sets required for the Board and diversity statistics.</p> <p>As of December 31, 2021, the Board was comprised of four (4) women out of a total of twelve (12) members (33.3%). As of March 31, 2022, the Board was comprised of four (4) women out of a total of eleven (11) members (36.4%).</p>	Yes
12	<p>Disclose whether, and if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.</p>	<p>It is the responsibility of Executive Council to consider the level of representation of women on the Board.</p>	Partial Compliance

13	<p>Disclose whether, and if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	<p>Executive Officer appointments are made by the CEO in consultation with the Board. The CEO gives consideration to the level of representation of women in Executive Officer positions, along with other relevant factors, when making Executive Officer appointments.</p>	Yes
14(a)	<p>For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.</p>	<p>Although the CIC policy requires Crown Boards to include diversity candidates, the CIC policy does not adopt a specific target for representation of women on the Board.</p>	No
(b)	<p>Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>On August 13, 2015, SaskTel adopted a policy to provide a target regarding women in Executive Officer positions.</p> <p>The target is to have at least 40% women in Executive positions.</p>	Yes
14(c)	<p>Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p>	(d)	<p>If the issuer has adopted a target referred to in either (b) or (c), disclose:</p> <ul style="list-style-type: none"> (i) the target; and (ii) the annual and cumulative progress of the issuer in achieving the target.
15(a)	<p>Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.</p>	<p>The Board is currently comprised of eleven (11) members, four (4) of which are women (36.4%).</p>	Yes
(b)	<p>Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p>	<p>Currently, four (4) of the 12 (twelve) Executive Officers are women. (33.3%).</p>	

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