

# Remuneration report

## Letter from the outgoing Chairman of the Remuneration Committee (RemCo):

Dear shareholders

It has been a great pleasure and privilege to be part of the RemCo of Vodacom for the past 10 years. I joined the Vodacom Group Remuneration Committee shortly after its listing in 2009 and it has been an exciting journey.

As members of the RemCo, our focus is to assist and advise the Board on matters relating to the remuneration of our executive directors and senior leadership team (SLT). We ensure that the remuneration philosophy and policy supports the Group's strategic targets to enable the recruitment, motivation and retention of senior executives, with the aim of maximising shareholder value and complying with legislation and the requirements of King IV.

During the past year there were a number of changes in the SLT team and the committee reviewed and approved all changes which were made relating to members of the SLT. The committee also reviewed the short-term incentives (STI) scheme parameters and weightings and approved changes to the weightings of metrics within the STI scheme for the coming year.

I would like to thank my fellow RemCo members for their continued support and I wish them well for the future.

**Thoko Martha Mokgosi-Mwantembe**  
Outgoing: Chairman of the Remuneration Committee

## Letter from the new Chairman of the Remuneration Committee

Dear shareholders

This report sets out Vodacom's remuneration philosophy and policy for non-executive directors and executive directors. It also provides a description of how the policy has been implemented, and discloses payments made to non-executive and executive directors during the year.

Championing the King IV Code on Corporate Governance and in line with our commitment to fair and responsible remuneration we continuously review our remuneration policies and practices to ensure that they remain fit for purpose and aligned to Vodacom's strategy. Our total reward offerings are designed to encompass all of the life cycle elements that employees experience throughout their work career.

We have carefully reviewed the Remuneration policy of the Group and ensured that the implementation of all remuneration practices were aligned to the policy objectives, as well as reviewing remuneration developments in both local and global best practice.

We are also very committed to maintaining a strong relationship with our shareholders, which is built on trust and a clear understanding of our remuneration policy and the practices that have been implemented.

Ultimately we will continue to drive and embed our purpose-led Vodacom.

### Focus areas for FY2020

Employee experience remains critical for us and we will continue to enhance our reward communication and understanding for our employees and focus on fair pay principles across the Group.

Digital capability building remains a focus area and our reward strategy is aimed at assisting us in acquiring and developing talent for a digital organisation. We will also continue to accelerate our leadership development in a digital world.

**Phuti Mahanyele-Dabengwa**  
New: Chairman of the Remuneration Committee



In accordance with the requirements of King IV, this report is divided into the following **three** sections:

**Background statement regarding committee considerations and decisions**

**Our remuneration philosophy, policy and framework**

**Implementation and remuneration disclosure of the CEO, CFO and non-executive directors (NED)**

This is a summarised version of the full remuneration report which is available online at [www.vodacom.com](http://www.vodacom.com).



Section

1

## Background statement regarding committee considerations and decisions

### Achievement of policy objectives

The committee believes that the Vodacom remuneration philosophy and policy remains fit for purpose and achieves the high-level objectives of attraction, retention and performance motivation of our staff. As a result no changes were made to the remuneration mix for executive directors, either at target or at maximum award levels.

### Business performance and the impact on our short-term and long-term incentives

Management had a tough set of targets to achieve relating to short-term incentive objectives, given the backdrop of subdued consumer spending and regulatory changes implemented during the year.

Strong performance in our International operations partly offset some of the pressure in South Africa. More detail on the actual achievement against these targets is provided later in the report.

The targets and the extent to which they are achieved have a direct impact on the short- and long-term incentives payable to executives.

### The key decisions made by RemCo during this year were:

- ❖ Approved the implementation of a new BEE scheme for employees;
- ❖ Approved increases and adjustments for executives, senior management and employees;
- ❖ Reviewed the metrics of the variable short-term incentive (STIP) and the variable long-term incentive (LTIP) schemes, and made changes where appropriate;

- ❖ Approved the new CEO share ownership scheme;
- ❖ Approved short-term incentives for executives, senior management and employees;
- ❖ Evaluated the LTIP vesting conditions for the 2015 scheme, and approved final vesting ratios; and
- ❖ Set performance conditions for short- and long-term incentives.

### Voting at the July 2019 annual general meeting (AGM)

As required by the Companies Act and King IV, the following resolutions will be tabled for shareholder voting at the AGM in July 2019, details of which can be found in the AGM notice which is available online at [www.vodacom.com](http://www.vodacom.com).

- ❖ Binding vote on non-executive directors' fees;
- ❖ Advisory vote on the remuneration policy; and
- ❖ Advisory vote on the implementation report.

Results of shareholder voting at the most recent AGMs are indicated below.

	2018	2017
Approval of the remuneration policy	98.83%	94.20%
Implementation of the remuneration policy	98.93%	94.20%
Non-executive directors' fees	99.58%	99.76%

### Areas of focus for the next year

The RemCo is constantly assessing the executive remuneration market and governance frameworks. The committee anticipates the following key focus areas for the next year:

- ❖ Monitor changes in executive remuneration, especially those of our direct competitors.
- ❖ Review of peer group applicable to LTIP and NED fees.
- ❖ Focus on fair and responsible pay.

### Independent external advisors

The RemCo contracted the services of Vasdex Associates (Pty) Limited for independent external advice. The committee is satisfied with their independence and objectivity.

Section

2

## Our remuneration philosophy, policy and framework

### Our Remuneration philosophy

Our aim is to attract, retain and motivate executives of the highest calibre, while at the same time aligning their remuneration with shareholders' interests, sustainability and best practice. Our approach to reward is holistic and balanced across the following elements:

- ❖ Guaranteed package (GP);
- ❖ Variable short-term incentive plan (STIP);
- ❖ Variable long-term incentive plan (LTIP);
- ❖ Various benefit plans;
- ❖ Various recognition programmes;
- ❖ Individual learning and development opportunities;
- ❖ Stimulating work environment; and
- ❖ Well-designed and integrated employee wellness programme.

Vodacom adheres to a 'total cost to company' philosophy, which we refer to as the GP. All employees in South Africa, including executive directors, receive a GP based on their role in the Company and linked to their individual performance. Contributions to medical aid, retirement funding and insured benefits are included in the GP.

The above elements are underpinned and reinforced by our performance development (PD) and talent management processes. Our policy is to reward our executives for their contributions to our strategic, financial and operating performance.

Annually, we conduct remuneration benchmarking and award increases in the GP according to the market, individual performance and potential. Individual performance and potential assessment is determined through our talent management and performance development processes. The outcome of these processes also influences the awarding of short- and long-term incentives in the future.

Our short-term incentive, in the form of an annual cash bonus, is linked to achieving financial, strategic and operational objectives and the employee performance against their objectives set by line management. The pool available for short-term incentives is determined by the financial performance of the Group against previously set and agreed targets.

Our long-term incentive, in the form of an annual share allocation, encourages ownership and loyalty, and supports our objective to retain valued employees. It is designed to align executive performance to shareholders' interests, as a portion of the award is subject to Group performance conditions. The scheme is a full ownership scheme. As a result, participants receive dividends from the award date although the value of the shares can only be realised after a three-year vesting period, to the extent that the vesting conditions have been met.

### Pay mix

RemCo reviews the total pay mix of executive directors every year and decides on the proportion of total remuneration paid as part of the GP, or as STIP or LTIP. Each element is linked to creating shareholder value and the strategic progress made in the year.

The ratio of guaranteed versus variable pay differs for each level in the organisation, with the weighting on variable performance-based pay higher at executive and senior levels compared to lower-level staff.

The RemCo also reviews targets and the on-target values for each element every year to ensure that it remains relevant, competitive, drives the right behaviours and enhances overall shareholder value.

### Benchmarking

To ensure we apply the right pay mix and remunerate our executives competitively, we use industry- and country-specific benchmarks. Fair and competitive reward is vital to being an employer of choice. RemCo sets the remuneration and the guaranteed packages of executives by looking at peer group data from the JSE telecommunications sector and other listed companies of similar market capitalisation and revenue.

In addition Vodacom subscribes to remuneration surveys (PWC, Remchannel and the Mercer top executive survey). The remuneration information is consolidated to ensure that we have a comprehensive view of remuneration across different industries and an understanding of how to reward our executives appropriately and competitively.

Benchmarking for executive directors within Vodacom is done for all elements of targeted remuneration, namely guaranteed package, target short-term incentive and target long-term incentive. For executive directors, Vodacom targets the 66<sup>th</sup> percentile of the market for GP and 75<sup>th</sup> percentile of the market for GP plus STIP.

The CEO is benchmarked against an executive remuneration survey provided by Mercer, as well as industry-specific comparators and information from peer group disclosure.

The CFO is a secondee from Vodafone and is thus benchmarked in terms of the Vodafone executive remuneration policy.

### LTIP TSR peer group

Vodacom utilises the Indi25 index as the most representative list of companies, which can be compared to from perspectives of industry competitors, labour market and company size.

The RemCo approved an increase in the weighting of direct telecommunications sector competitors with effect from the June 2017 allocation. As a result, the assessment of total shareholder return (TSR) is performed with two additional instances of MTN and Telkom respectively. In combination this equates to 25% of the TSR peer group.

Telkom is not currently present in the Indi25, but since it is a direct competitor for Vodacom, the RemCo took the decision to include Telkom in the LTIP TSR peer group, irrespective of whether it is in the Indi25 or not.

### Non-executive director remuneration

NED fees are benchmarked annually against fees published by a peer group of companies in their respective most recent AGM notices. The peer group of companies for NED benchmarking is different from the TSR peer group, since the skills required of NEDs come from a pool of more appropriately sized companies, including financial services companies. Banks have, however, specifically been excluded, since their NED fees are noticeably higher than other industries.

### Executive contracts and policies

Executives have permanent contracts of employment. The notice periods applicable to members of executive management are:

Role	Notice Period
CEO	12 months
CFO	6 months

### Payments for termination of office

The RemCo has the discretion to approve termination benefits to executive directors when required. The maximum termination benefit potentially payable will be limited to six months. These benefits will not apply in the event of a normal voluntary resignation or retirement.

### Remuneration framework

#### Guaranteed package

Within the context of our GP, Vodacom offers a selection of benefits that are both best practice and compliant with legislative practices. In terms of our total cost to company philosophy, any change in the price of a benefit or contribution level will not have a cost impact on the employer, but will affect the net remuneration of the employee.

#### Short-term incentives

All employees, including executive directors, excluding employees on a commission, quarterly or bi-annual bonus structure, participate in the annual STIP plan. STIP payments are discretionary and depend on the financial performance of the company and individual performance. Payments are made in cash in June each year.

Where annual targets are achieved in full, 100% of the on-target STIP will be paid. In instances where target goals are exceeded, the STIP is capped at a percentage of the guaranteed package. Where the STIP targets are not achieved in full, a reduced STIP is paid. Where performance is below threshold, no STIP is payable.

Financial and personal multipliers are applied as separate multiples of the on-target percentages to determine the final award.

#### On-target and maximum STIP

The on-target and maximum STIP percentages are set out in the table below:

Role	On-target % of GP	Maximum % of GP
CEO	100%	200%
CFO	60%	180%

The maximum percentage of GP is based on a combination of the business performance multiplier and the personal multiplier.

The STIP for the CEO is capped at 200% of target. This is the maximum business multiplier as no performance multiplier is applicable.

#### Business performance multiplier

The business performance multiplier ranges from 0% – 200%. The metrics comprise three financial measures, which focus on the core operations of our business and one strategic measure, being customer appreciation.

Metric	2019 Weighting	2018 Weighting
Service revenue	20%	20%
EBIT	20%	20%
Operating free cash flow	20%	20%
Customer appreciation	40%	40%

For executives, business performance is split between the relevant operating company and the Group. The Group business multiplier is used for the CEO and CFO, and for other senior leadership team members the business multiplier is based on a weighted average of the multipliers for the relevant operating company and the Group.

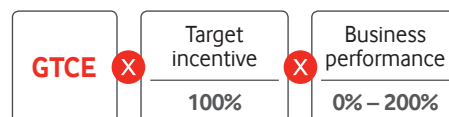
#### Personal multiplier

The personal multiplier ranges from 0% – 150%. The personal performance multipliers are based on the performance of executives relative to their objectives.

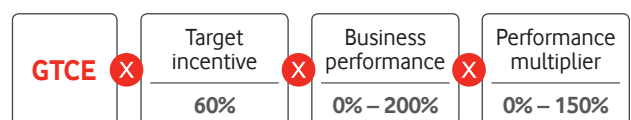
The CEO does not have a personal performance multiplier and as such, his STI is based on business performance only.

Although the CEO does not have a personal multiplier, his individual performance is assessed against specific individual goals which are linked to the Company's overall strategic objectives.

The formula for determining the CEO's cash bonus is:



The formula for determining the CFO's cash bonus is:



#### Long-term incentives

Selected employees, including all executives, are invited to participate in our long-term incentive plans. These incentive plans aim to retain key skills and motivate executives over the long term, which is essential to sustainable performance. The awards are made using a combination of Vodacom and Vodafone awards. These awards may be made in retention shares (only time-based vesting), performance shares (performance vesting conditions in addition to time-based vesting) or a combination of these award types.

The Vodacom awards are forfeitable shares (FSP) where the maximum number of shares are in issue at the time of award. Dividends are received on the maximum potential vested shares from the time of award. Vesting conditions will determine how many of the original awards are to be forfeited upon final vesting. The Vodafone awards are in the form of conditional shares (CSP), where shares are only settled at the time of vesting and dividends only accrue from that point onwards.

## Remuneration report continued

### Vodacom performance FSP shares


Vodacom performance FSP shares vest in a range of 0% – 100% of the number of shares awarded, where 50% is the target vesting level.

### Vodacom retention FSP shares

Vodacom operates in highly competitive markets where competitors are local and international, as well as spanning industries other than telecommunications. An element of the LTIP award, for employees other than the CEO, are retention awards and therefore only have time-based performance vesting conditions.

### Vodafone retention and performance CSP awards

Details regarding performance conditions and vesting periods for the Vodafone awards can be found in the 2019 Vodafone Remuneration report.

 Further details are provided in the 2019 Vodafone Remuneration report at [www.vodafone.com](http://www.vodafone.com).

### On-target and maximum LTIP

The on-target and maximum LTIP percentages are set out in the table below:

Role	On-target % of GP	Maximum % of GP
CEO	190%	405%
CFO	70%	233%

For executives other than the CEO the maximum includes the effect of a maximum personal multiplier of 2.0 times at allocation and the business achievement at a potential maximum of 2.0 times at vesting. The individual multiplier is based on the talent rating of the executive following the internal talent review process.

As with the STIP, the CEO does not have an individual multiplier.

### Split of awards

On-target awards are split between Vodacom FSP (forfeitable shares) and Vodafone CSP (conditional shares) awards, as well as between retention and performance awards as follows:

Scheme	CEO	CFO
Vodacom FSP retention	–	–
Vodacom FSP performance	73.7%	–
Vodafone CSP retention	–	33.0%
Vodafone CSP performance	26.3%	67.0%

The CEO does not receive Vodacom FSP retention awards nor Vodafone CSP retention awards.

The CFO is seconded from Vodafone and thus receives only Vodafone CSP awards. Although the CFO receives no Vodacom FSP awards, half of the vesting of the Vodafone CSP performance awards is linked to the Vodacom performance conditions.

### Performance conditions for LTIP

Metric	Weighting Award 2019 Vesting 2022	Weighting Award 2018 Vesting 2021	Weighting Award 2017 Vesting 2020
Operating free cash flow	70%	70%	70%
TSR relative to peer group	30%	30%	30%

The targets for operating free cash flow is determined according to the achievement of the three-year budget plan. TSR achievement is calculated based on the position within the selected TSR peer group.

The vesting of Vodacom performance FSP shares is based on the following scale:

Scheme	Operating free cash flow (OFCF)	TSR relative to peer group
Min 0%	<-15% of OFCF	Below 50 <sup>th</sup> percentile of the index
Threshold 20%	Three year plan -15%	At 50 <sup>th</sup> percentile of the index
Target 50%	Three-year plan	Average of 50 <sup>th</sup> and 75 <sup>th</sup> percentile of the index
Maximum 100%	Three-year plan +15%	75 <sup>th</sup> percentile of the index

## Shareholder guidelines

### CEO minimum shareholding requirement

In order to ensure the Vodacom CEO maintains a high level of shareholder alignment, a minimum shareholding requirement is introduced as follows:

- 200% of GP** — in Vodacom shares; and
- 100% of GP** — in Vodafone shares.

The total share ownership guideline for the Vodacom CEO is thus 300% of GP.

Should the Vodacom CEO not meet the minimum shareholding requirements at the time of the LTIP awards, then the award levels of the Vodacom and Vodafone awards will be reduced below the target award levels indicated.

### Other executives' minimum shareholding requirement

The Board wishes to encourage individual shareholding in the Company by executives, as a tangible demonstration of their commitment to the Company and to align with shareholders' interests. As a result, we implemented a shareholding guideline policy for our executives, which require them to build up minimum levels of personal shareholding in the Group. Executives, excluding the CEO, are required to hold 1.0 times of GP as a minimum personal shareholding.

As an incentive to exceed the minimum requirements, additional awards of FSP performance shares will be made to executives who exceed the minimum requirements over a three-year vesting cycle (six years). The participants will be granted a performance share for every three additional shares held. This award will be capped so that holdings of no more than double the minimum requirements will be recognised.





## Section

## 3

## Implementation and remuneration disclosure of the CEO, CFO and non-executive directors

The implementation report details the outcomes of implementing the approved policy in the current financial year, as detailed in section 2 of this report.

### 2019 GP

The annual salary review process undertaken by the committee analysed market benchmarking and risks associated with retention of key management personnel. In light of this analysis, the committee approved the following increases for the CEO and CFO:

Executive directors	2019	2018	% Increase	Currency
MS Aziz Joosub	11 500 000	10 600 000	8.5	ZAR
T Streichert	377 683	359 531	5.0	GBP

The GP figures above include retirement fund contributions, medical aid and company car.

Vodacom benchmarks its CEO remuneration using the following approaches:

- ❖ Comparison using an appropriate premium and/or discount to the individual incumbents of direct competitors;
- ❖ Comparison using a portfolio of similarly sized companies, where sizing is based on a combination of market cap, number of employees, total assets and turnover; and
- ❖ Comparison using a grade-based approach, to a local Executive Remuneration Survey.

Given the analysis of all three of these benchmarking approaches, and in analysing both guaranteed and total remuneration (total including STIP and LTIP), the RemCo approved an 8.5% increase for Shameel as being appropriate for both the GP and total remuneration.

All employees received a GP increase of 5.0% on average in South Africa and market-related increases in our International operations.

### 2019 STIP Performance

The graphic below shows the extent to which the Group targets were met for the year ended 31 March 2019.

Metric	Weight	Threshold 0%	Target 100%	Maximum 200%	Result
Service revenue	20%				61.7%
EBIT	20%				59.8%
Operating free cash flow	20%				94.2%
Customer appreciation	40%				105.0%
Overall result	100%				85.1%

The overall achievement of target is 85.1%. The comparable Group STI achievement for 2018 was 116.9%.

Based on a combination of Group and individual performance (as detailed in the remuneration policy) the resultant STIP awards for the CEO and CFO:

Executive directors	2019	2018	% increase	Currency
MS Aziz Joosub	9 786 500	12 391 400	(21.0)	ZAR
T Streichert	168 804	221 818	(23.9)	GBP

### 2019 LTIP performance

Achievement of the 2019 LTIP represents the final vesting percentage for awards made in June 2016 where the three-year performance period concluded on 31 March 2019. These shares will vest in June 2019 and will be disclosed in the table of single total figure of remuneration at the year-end share price of R111.43 for Vodacom shares.

Metric	Weight	Threshold 20%	Target 50%	Maximum 100%	Result
Operating free cash flow	70%				62.9%
TSR	30%				0%
Overall result	100%				44.1%

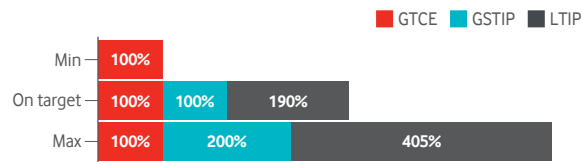
The overall achievement was 44.1%. The comparable Group LTIP achievement for 2018 was 76.6%.

Based on a combination of policy and talent rating (as detailed in the remuneration policy) LTIP awards were made to the CEO and CFO in June 2018. The details of these are included in the tables of outstanding share awards.

## Shameel Joosub (CEO)



Pay mix for the CEO



- ❖ The maximum STIP for Shameel is 2.0 times the target. This is the maximum business performance multiplier as no personal multiplier is applicable.
- ❖ Similarly to the STIP, Shameel does not have an individual performance multiplier on LTIP, hence the maximum represents the potential maximum of shares that could vest, whereas on target represents the number of shares which are anticipated to vest.
- ❖ Dividends are received in cash on all outstanding unvested LTIP awards at each dividend declaration date. Since the dividend varies from period to period, it has not been included in the pay mix depiction indicated above.

### Tables of single total figure of remuneration

The following tables have been prepared in accordance with the provisions of King IV and practice notes and thus include an LTIP amount. The LTIP is valued at the year-end share price of R111.43 for Vodacom shares and GBP1.398 for Vodafone shares.

Shameel Joosub				
	2019	2018	% increase	Currency
GP	11 275 000	10 450 000	7.9	ZAR
Other <sup>1</sup>	4 800	4 800	–	ZAR
STI <sup>2</sup>	9 786 500	12 391 400	(21.0)	ZAR
LTI <sup>3</sup>	12 203 533	22 655 850	(46.1)	ZAR
FSP	5 312 052	11 506 253	(53.8)	ZAR
FSP Match	4 281 427	6 694 364	(36.0)	ZAR
Vodafone Match	2 610 054	4 455 233	(41.4)	ZAR
Dividends <sup>4</sup>	4 992 164	4 770 445	4.6	ZAR
Total (Pre tax)	38 261 997	50 272 495	(23.9)	ZAR
Total (Post tax) <sup>5</sup>	21 044 099	27 649 872	(23.9)	ZAR

1. This includes the Vodacom mobile phone benefit.

2. These amounts relate to the bonus payable in June 2019, which is derived from performance for the year ended 31 March 2019.

3. LTIP awards made in June 2016 will vest in June 2019.

4. Dividends are the total of cash receipts during the financial year based on previous unvested FSP LTIP awards and cash settled in lieu of dividends on Vodafone matching shares. This does not include dividends received on awards where the performance measurement period has been concluded such as the conditional benefit shares, co-investment contributions by the employee or matching awards, which have been settled previously.

5. Post tax values are indicative using a 45% rate of taxation rate being applicable to the gross amount.



## Tables of outstanding share awards (value of shares)

In the tables presented below, the value at award represents the face value of shares at the time of award. The value at year end, after adjusting for share price movements and the targeted vesting level, thus represents the current estimate of value likely to accrue to participants.

The column indicated by 'Settled in the year' represents the cash value of all awards that were settled per the disclosure requirements of King IV. Similarly, the column indicated by 'Forfeited in the year' represents the cash value forfeited by participants in the year.

Financial year awarded	Date awarded	Value at award date	Estimated effect of share price <sup>1</sup>	Estimated effect of performance targets <sup>2</sup>	Forfeited in the year <sup>3</sup>	Settled in the year <sup>3</sup>	Value at year end <sup>4</sup>	Currency
<b>Conditional benefit – restricted shares</b>								
2014	May 2013	23 669 391	(423 979)	–	–	–	23 245 412	ZAR
<b>Vodacom FSP – with company performance vesting conditions</b>								
2016	Jun 2015	13 140 009	(15 701)	–	(3 071 088)	(10 053 220)	–	ZAR
2017	Jun 2016	17 999 921	(5 954 450)	(6 022 736)	–	–	6 022 735	ZAR
2018	Jun 2017	18 000 294	(5 899 999)	(6 050 148)	–	–	6 050 147	ZAR
2019	Jun 2018	29 680 063	(7 979 962)	(10 850 051)	–	–	10 850 050	ZAR
<b>Vodacom matching award</b>								
2016	Aug 2015	7 963 471	(322 010)	–	(1 788 102)	(5 853 359)	–	ZAR
2016	Nov 2015	2 000 058	(340 814)	–	(388 263)	(1 270 981)	–	ZAR
2018	Jun 2017	14 442 206	(4 733 756)	(4 854 225)	–	–	4 854 225	ZAR
2018	Jun 2017	12 500 135	(4 097 199)	(4 201 468)	–	–	4 201 468	ZAR
<b>Vodafone matching award</b>								
Vodafone made a matching award of performance shares to the equivalent value. The Vodafone matching award will vest based on actual targets achieved.								
2016	Jun 2015	197 203	(73 616)	–	–	(206 204) <sup>5</sup>	–	GBP
2017	Jun 2016	216 350	(76 834)	–	–	–	139 516	GBP
2018	Aug 2017	283 622	(106 612)	–	–	–	177 010	GBP
<b>Vodafone conditional shares</b>								
2019	Jun 2018	293 288	(70 671)	–	–	–	222 617	GBP
<b>YeboYethu units</b>								
2009	Sep 2008	–	–	–	–	(1 051 399)	–	ZAR
2016	Sep 2015	–	–	–	–	(350 745)	–	ZAR
<b>Siyanda units</b>								
2019	Mar 2019	700 690	–	–	–	–	700 690	ZAR

### Notes:

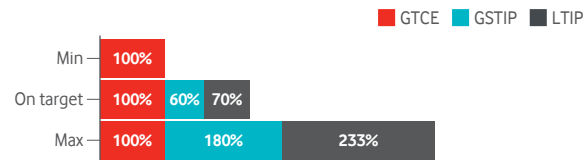
- The estimated effect of share price is based on the share price movement between the date of award and the closing price on 31 March 2019.
- The estimated effect of performance targets is based on the targeted 50% vesting being applied.
- Shares settled and forfeited in the year were at a price of R133.74 for FSPs and R133.84 (August 2018) and R124.00 (November 2018) for matching awards.
- Value at year end is based on the closing share price on 31 March 2019 of R111.43 for Vodacom shares and GBP1.398 for Vodafone shares.
- The target range is 0% – 250%.



## Till Streichert (CFO)



Pay mix for the CFO



Till's maximum STIP is 3.0 times the target since he may receive a maximum personal multiplier of 1.5 times in addition to the maximum business performance multiplier of 2.0 times.

Till participates in the Vodafone share scheme and qualifies for dividend equivalent shares at the end of the vesting period, and only on the portion of the shares which vested (performance and retention).

### Tables of single total figure of remuneration

The following tables have been prepared in accordance with the provisions of King IV and practice notes and thus include an LTIP amount. The LTIP is valued at the year-end share price of R111.43 for Vodacom shares and GBP1.398 for Vodafone shares.

Till Streichert				
	2019	2018	% increase	Currency
GP	373 033	353 320	5.6	GBP
Other <sup>1</sup>	2 065 501	2 093 752	(1.3)	ZAR
Other <sup>1</sup>	82 570	77 968	5.9	GBP
STI <sup>2</sup>	168 804	221 818	(23.9)	GBP
LTI <sup>3</sup>	173 492	116 589	48.8	GBP
Vodafone shares	173 492	116 589	48.8	GBP
Dividend equivalent shares	20 855	20 541	1.5	GBP
Total (Pre tax)	818 754	790 236	3.6	GBP
Total (Pre tax)	2 065 501	2 093 752	(1.3)	ZAR

1. This includes the Vodacom mobile phone benefit. For assignees this amount includes the gross value of assignment allowances, accommodation and educational benefits for children paid.
2. These amounts relate to the bonus payable in June 2019, which is derived from performance for the year ended 31 March 2019.
3. LTIP awards made in June 2016 will vest in June 2019.
4. The CFO is taxed under a different regime, hence no post tax value is indicated for the CFO.



## Tables of outstanding share awards (value of shares)

### T Streichert

Financial year awarded	Date awarded	Value at award date	Estimated effect of share price <sup>1</sup>	Estimated effect of performance targets <sup>2</sup>	Forfeited in the year <sup>3</sup>	Settled in the year <sup>3</sup>	Value at year end <sup>4</sup>	Currency
<b>Vodafone shares – no Company performance vesting conditions</b>								
2016	Jun 2015	–	–	–	–	(31 727)	–	GBP
2017	Jun 2016	93 218	(33 105)	–	–	–	60 113	GBP
2018	Jun 2017	89 254	(33 475)	–	–	–	55 779	GBP
2019	Jun 2018	96 251	(23 193)	–	–	–	73 058	GBP
<b>Vodafone shares – with Company performance vesting conditions</b>								
2016	Jun 2015	–	–	–	–	(77 341)	–	GBP
2017	Jun 2016	372 861	(132 417)	(120 222)	–	–	120 222	GBP
2018	Jun 2017	355 877	(132 776)	(111 551)	–	–	111 550	GBP
2019	Jun 2018	384 995	92 768	–	–	–	292 227	GBP
<b>Vodafone shares – matching award</b>								
2017	Nov 2016	44 046	(14 060)	(14 993)	–	–	14 993	GBP

**Notes:**

1. The estimated effect of share price is based on the share price movement between the date of award and the closing price on 31 March 2019.
2. The estimated effect of performance targets is based on the targeted 50% vesting being applied.
3. No shares were forfeited during the year. Shares settled in the year were at a price of GBP1.824.
4. Value at year end is based on the closing Vodafone share price on 31 March 2019 of GBP1.398.

## Remuneration report continued

### Termination of office payments

King IV recommends that the implementation report contain details of payments made as a result of any termination of employment for executive management. For the 2019 period, there were no payments made.

### Shareholding

Details of the beneficial interests of directors in Vodacom's ordinary shares (excluding interests in the long-term incentive plans) are set out in the Directors' report in the consolidated annual financial statements available online on [www.vodacom.com](http://www.vodacom.com).

Funding of share plans and dilution details of the shares used for the FSP are set out in the consolidated annual financial statements and the Directors' report, which is available on [www.vodacom.com](http://www.vodacom.com).

All awards granted under the FSP are settled through the shares purchased in the market and not by newly issued shares.

### Compliance with policy

The disclosure presented in this report is based on awards to qualifying employees where all remuneration decisions have been made in total compliance with the remuneration policy as approved previously by shareholders. There have been no known deviations from policy in the current financial year.

### Non-executive directors

Non-executive director (NED) fees are benchmarked against a peer group of similar sized companies as detailed in the full remuneration report available on [www.vodacom.com](http://www.vodacom.com). Vodacom believes that NED duties and fiduciary responsibilities extend well beyond simple attendance at meeting. For this reason fees are set as single retainer amounts irrespective of meeting attendance. Non-executive directors do not receive any short-term cash, nor do they receive any long-term share awards.

### Non-executive director payments

In accordance with our memorandum of incorporation, shareholders must approve these fees at the AGM. The current fee level was approved on 1 July 2018 at the AGM, and was implemented on 1 August 2018.

Based on Board and committee membership during the course of the year, the following payments were made to non-executive directors for the current financial year ended 31 March 2019.

### Payments to non-executive directors

#### 2019 Fees

Name	Director fee (R)	ARCC Chairman (R)	ARCC member (R)	RemCo Chairman (R)	RemCo member (R)	Nomination Committee member (R)	Social and Ethics Committee Chairman (R)	Social and Ethics Committee member (R)	Other Committees member (R)	Total (R)
PJ Moleketi <sup>1,2</sup>	2 695 333	–	–	–	–	–	–	–	–	2 695 333
DH Brown <sup>1,2</sup>	466 501	333 808	–	–	145 133	–	–	–	216 163	1 161 605
V Badrinath <sup>3,4</sup>	466 501	–	–	–	145 133	124 400	–	31 650	113 300	880 984
M Joseph <sup>4</sup>	466 501	–	–	–	–	–	–	–	144 950	611 451
BP Mabelane <sup>2</sup>	466 501	–	190 747	–	–	–	–	–	–	657 248
SJ Macozoma <sup>1,2,3</sup>	594 784	–	190 747	–	–	31 650	217 701	–	–	1 034 882
JWL Otty <sup>4</sup>	466 501	–	–	–	–	–	–	–	144 950	611 451
M Pieters <sup>3,4,5</sup>	134 274	–	–	–	–	–	–	–	–	134 274
S Sood <sup>3,4,6</sup>	332 227	–	–	–	–	–	–	–	–	332 227
TM Mokgosi-Mwantembe <sup>1,2,3,7</sup>	347 813	–	–	189 365	–	92 750	–	–	–	629 928
P Mahanyele-Dabengwa <sup>1,2,3,8</sup>	118 688	–	–	64 619	–	–	–	–	–	183 307
RAW										
Schellekens <sup>3,4,9</sup>	347 813	–	–	–	108 208	92 750	–	92 750	–	641 521
T Reisten <sup>3,4,10</sup>	118 688	–	–	–	–	–	–	–	–	118 688
F Bianco <sup>3,4,11</sup>	–	–	–	–	36 925	31 650	–	–	–	68 575
	<b>7 022 125</b>	<b>333 808</b>	<b>381 494</b>	<b>253 984</b>	<b>435 399</b>	<b>373 200</b>	<b>217 701</b>	<b>124 400</b>	<b>619 363</b>	<b>9 761 474</b>

#### Notes:

1. Fees excluding VAT paid.
2. Independent non-executive directors received an amount of R2 500 or R4 000 in September 2018, for incidental expenses while travelling to Board meetings held in Germany.
3. Fees for a portion of the year.
4. Fees paid to Vodafone and not the individual director.
5. M Pieters resigned on 18 July 2018.
6. S Sood appointed on 18 July 2018.
7. TM Mokgosi-Mwantembe resigned on 31 December 2018.
8. P Mahanyele-Dabengwa appointed on 1 January 2019.
9. RAW Schellekens resigned on 31 December 2018.
10. T Reisten appointed on 1 January 2019.
11. F Bianco appointed as an alternate director to M Joseph on 1 January 2019.



## Payments to non-executive directors

### 2018 Fees

Name	Director fee (R)	ARCC Chairman (R)	ARCC member (R)	RemCo Chairman (R)	RemCo member (R)	Nomination Committee member (R)	Social and Ethics Committee Chairman (R)	Social and Ethics Committee member (R)	Other committees member (R)	Total (R)
PJ Moleketi <sup>1,2,3,5</sup>	1 930 081	–	52 218	–	–	–	62 661	–	25 000	2 069 960
DH Brown <sup>1,2</sup>	430 000	321 333	–	–	138 333	–	–	–	50 000	939 666
V Badrinath <sup>4</sup>	430 000	–	–	–	138 333	120 000	–	–	25 000	713 333
M Joseph <sup>4</sup>	430 000	–	–	–	–	–	–	–	25 000	455 000
BP Mabelane <sup>2</sup>	430 000	–	181 000	–	–	–	–	–	25 000	636 000
SJ Macozoma <sup>1,2,3,6</sup>	380 296	–	128 782	–	–	–	105 000	–	–	614 078
TM Mkgosi-Mwantembe <sup>1,2</sup>	430 000	–	–	243 333	–	120 000	–	–	25 000	818 333
MP Moyo <sup>3,7</sup>	686 290	–	–	–	–	–	–	–	–	686 290
JWL Otty <sup>4</sup>	430 000	–	–	–	–	–	–	–	25 000	455 000
M Pieters <sup>4</sup>	430 000	–	–	–	–	–	–	–	–	430 000
RAW Schellekens <sup>4</sup>	430 000	–	–	–	138 333	120 000	–	120 000	–	808 333
	6 436 667	321 333	362 000	243 333	414 999	360 000	167 661	120 000	200 000	8 625 993

#### Notes:

1. Fees excluding VAT paid from 1 June 2018.
2. Independent non-executive directors received an amount of R2 000 or R3 400 in September 2017, for incidental expenses while travelling to Board meetings held in Portugal.
3. Fees for a portion of the year.
4. Fees paid to Vodafone and not the individual director.
5. PJ Moleketi appointed as Chairman on 19 July 2017.
6. SJ Macozoma appointed on 19 July 2017.
7. MP Moyo retired on 18 July 2017.