



Letter from the Remuneration Committee Chairman

Phuthi Mahanyele-Dabengwa

Dear shareholders

On behalf of the Board, I am pleased to present the FY2022 remuneration report for the Vodacom Group. This report includes our remuneration philosophy and policy for executive and non-executive directors (NEDs) and provides a description of how the policy has been implemented. It also discloses payments made to non-executive and executive directors during the year.

Together with other leading companies in the world, we have learned to live with the continued challenge of the COVID-19 pandemic. The only significant adaptation we implemented last year was to drop the service revenue condition used in our short-term incentive (STI) and reweight the other conditions. However, we have re-introduced service revenue into the performance conditions that govern the STIs, and the four conditions of service revenue, earnings before interest and tax (EBIT), operating cash flow and customer appreciation will be equally weighted for the FY2023 STI. Otherwise, we have again been able to provide competitive salary increases, award STIs and provide for the vesting of LTI awards.

Although we again enjoyed great support from shareholders in terms of the high voting percentages on our FY2021 remuneration policy and implementation report, we have continued to enhance and monitor institutional investor and other stakeholder requirements. We have also proactively addressed the following matters in the spirit of continued improvement and governance excellence:

- We noted that institutional investors strongly encourage the application of company performance conditions to 100% of LTI awards to executive directors. Although 100% of the CEO's awards have performance conditions, currently only 50% of the CFO's awards are subject to performance conditions. Following consultation with our CFO, she has agreed that 100% of her awards granted in FY2023 onwards will be subject to performance conditions.
- We are aware that the use of forfeitable shares to implement performance awards, where dividends are received on the "stretch" portion of the award before it vests, is no longer viewed as best practice. We have therefore updated our share plan so that dividends on the "stretch" portion are only settled if and to the extent that performance above stretch is achieved.

The global focus on sustainability and its role relating to remuneration has increased significantly over the year and we are pleased that our decision to include ESG measures in our LTI performance conditions is well aligned with this gathering trend. We carefully selected these measures to align with our purpose pillars and also enhanced our disclosure of performance measures this year. We provided specific, stretching and measurable targets for GHG reduction, women in management and financial services customers.

We are acutely conscious of issues of pay fairness and equity and have noted the proposals in the draft Companies Amendment Bill circulated for public comment in October 2021, which proposed the publication of statistics regarding the pay of the highest and lowest paid employees, as well as the publication of an overall pay gap measure determined as the average total remuneration of the top 5% paid employees compared with that of the lowest 5%. We also noted ongoing discussion and research on other ratios, such as the Gini coefficient, the Palma ratio and other descriptive statistics. We are continuing to monitor this dialogue and will disclose the required statutory pay gap statistics when this is determined.

While the debate regarding the disclosure of the "vertical pay gap" between the highest and lowest paid in the company is still ongoing, we have been monitoring the "horizontal pay gap" between the pay of colleagues delivering equal value of work for some time, as discussed in more detail in the remuneration policy section on the pages that follow, and intervene promptly to address any anomalies that arise.

Together with these enhancements to keep pace with best practice, RemCo is satisfied that our current remuneration policy remains relevant and fit for purpose. We are committed to maintaining a strong relationship with our shareholders, built on trust and a clear understanding of our remuneration policy and the practices that have been implemented.

Phuthi Mahanyele-Dabengwa
RemCo Chairman

How remuneration and rewards support our system of advantage

Our system of advantage is premised on our three purpose pillars – digital society, inclusion for all, and planet. It is designed to deliver exceptional value to our stakeholders by building a multi-product ecosystem that improves our overall customer proposition, grows our market share, increases our ROCE and creates sustainable value for stakeholders. With this in mind, we designed our reward principles to ensure our employees are motivated to achieve these goals and, accordingly, promote behaviours that facilitate innovation, differentiate us with customers, set us apart from our competition and deliver superior returns to our investors.

Vodacom is committed to implementing fair, responsible and transparent remuneration practices that support our purpose-led business model and the achievement of our strategy. Our Board, assisted by the Group’s RemCo, shapes and governs our remuneration approach, including our policy and reward framework. This remuneration report delivers against the transparency principles and disclosures set out in King IV, the Companies Act and the JSE Listings Requirements.

RemCo contracted Bowmans to provide independent external advice and is satisfied with its independence and objectivity.

Background statement

Our purpose shapes remuneration practices and our Spirit

Vodacom’s purpose, to **connect for a better future**, is enabled by our multi-product strategy – Vodacom’s system of advantage – and brought to life by our employees. Our remuneration practices reflect this integration to ensure we:

- Attract and retain high-calibre talent.
- Reward employees for living the Spirit of Vodacom.
- Act as an ethical and fair-pay employer.
- Motivate our employees to execute our strategy and live our purpose.

We specifically reward our Spirit behaviours which, we believe, closely align with the delivery of our purpose. Our Spirit behaviours are based on four distinct pillars:



Remuneration governance

Our Board, assisted by our RemCo, is responsible for overseeing the implementation and execution of Vodacom’s remuneration policy, as well as ensuring we achieve the objectives contained therein. RemCo operates according to its Board-approved charter, which is reviewed annually. The RemCo chairman provides feedback to the Board after each RemCo meeting, including relevant discussions and key decisions made.



Earn customer loyalty

It starts and ends with the customer. We aspire to be a brand our customers love, by earning their trust and providing brilliant experiences. We work hard to simplify things for our customers and deliver what they want and need, every day.



Create the future

We think big and take risks to break new ground. We ask “what if” to build amazing products and services for our customers. We are courageous in creating a better future for all.



Experiment, learn fast

We are always learning. We try things, measure our success, keep the best and learn from the rest. This is how we move rapidly to grow ourselves and our business.



Get it done, together

We give and take ownership to make the most of our many talents. We trust others to get things done. It is up to each of us to make it happen.

Remuneration report continued

RemCo's role and responsibilities

RemCo assists the Board to discharge its responsibilities by:

- Monitoring salary movements for senior leadership team and ensuring that remuneration practices keep pace with the market.
- Setting the parameters for both short and long term incentives and monitoring and approving the achievement thereof.
- Determining and agreeing on the remuneration and overall compensation package for Vodacom's CEO, CFO and other executive directors appointed to the Board, as well as Vodacom ExCo members¹.
- Determining, agreeing and developing the Group's overall policy on remuneration in line with the requirements of applicable laws, JSE Listings Requirements and King IV to give effect to the Board's direction on fair, responsible and transparent remuneration.
- Overseeing the implementation and execution of the Group's remuneration policy to achieve its objectives.
- Reviewing and recommending to the Board the criteria necessary to measure the performance of executive management in discharging its functions and responsibilities.
- Ensuring remuneration is disclosed in an annual remuneration report.
- Reviewing the fairness and reasonableness of executive remuneration in the context of overall employee remuneration, making recommendations on how this should be addressed and disclosed in the annual remuneration report.
- Developing, implementing and disclosing a remuneration philosophy to enable a reasonable assessment of reward practices and governance process by stakeholders.
- Considering other special benefits or arrangements of a substantive financial nature.
- Reviewing the relevant human resources policies in terms of the delegation of authority.
- Ensuring compliance with applicable laws and codes, including King IV and the JSE Listings Requirements.
- Appointing external remuneration consultants from time to time.
- Ensuring the remuneration policy and implementation report are put to a non-binding advisory vote at the company's AGM in accordance with the JSE Listings Requirements.
- Reviewing and setting the direction for the Group's engagement with investors in the event Vodacom does not achieve the required number of votes on the non-binding advisory resolutions tabled at its AGM for either of the remuneration policy or implementation report, or both, and ensuring the Group's remuneration policy details the steps the Board will take in such circumstances to engage with investors.
- Determining and recommending to the Board the level of NEDs' fees to be proposed to the Group's shareholders for approval.

The CEO, Chief Human Resource Officer and other executives are invited to participate in specific discussions, but are recused before decisions relating to their own remuneration are made.

RemCo considers the regulatory and corporate governance requirements of Vodacom's OpCos and incorporates these into remuneration governance processes. The Board of each OpCo – guided by the Group's policy, input from each country's managing director and its local RemCo – makes the final decision on the business's key remuneration matters.

RemCo's key decisions

RemCo held three meetings in FY2022, during which the following key decisions were made:

- Approved the annual increase budget for executives, senior management and employees as informed by external benchmarking.
- Approved individual increases for the ExCo.
- Reviewed the metrics of the variable short-term incentive (STI) plan and the variable long-term incentive (LTI) plan, making changes where appropriate.
- Approved STIs for executives, senior management and employees.
- Evaluated the LTI vesting conditions for the FY2019 awards and approved the final vesting percentages.
- Recommended increases in NED fees to the Board for shareholder approval.


Reinstating STI structure

Due to the uncertainty caused by COVID-19, service revenue was temporarily removed as a metric from the STI in FY2021. However, considering the improvements to general economic conditions and the importance of this measure in driving our strategy, it was reinstated during the year. Currently, our STI includes three financial measures focusing on our business's core operations and one customer satisfaction measure.

Shareholder voting

At the Group's AGM in July 2022, shareholders will vote on:

- A binding vote on NED fees;
- An advisory non-binding vote on the remuneration policy; and
- An advisory non-binding vote on the implementation report.

 Details can be found in the notice of AGM, available online at www.vodacom.com.

Should either non-binding vote receive 25% or more votes against it:

- We will invite shareholders to engage with Vodacom regarding their dissatisfaction through collective and/or individual engagements to discuss and record their concerns and objections.
- RemCo will deliberate the concerns and provide shareholders with a formal response articulating the concerns raised and the changes we will implement in response, along with detailed responses to concerns where Vodacom, despite shareholder feedback, believes its current policy and/or implementation is adequate.

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

	FY2021	FY2020	FY2019
NED fees	98.70%	99.96%	99.76%
Approval of the remuneration policy	97.43%	98.89%	98.91%
Implementation of the remuneration policy	98.33%	98.86%	98.91%

Looking ahead

RemCo constantly assesses executive remuneration trends and governance frameworks and, in FY2023, will focus on:

- STI measures;
- LTI performance conditions;
- Reward related to the acquisition of Vodafone Egypt; and
- Fair and responsible pay.

1. For the purposes of the responsibility of RemCo, the Vodacom ExCo does not include Safaricom, which is not a subsidiary of the Group and is subject to the oversight of its own Board and RemCo.

Our remuneration policy

Our remuneration approach is guided by the following principles:

Dynamic approach to ensure competitive pay

We regularly review our approach to reward and remuneration to ensure it aligns with Vodacom's purpose, market trends and the legislative and regulatory environment of the countries in which we operate. We are committed to competitive remuneration and undertake localised benchmarking of guaranteed pay (GP) and target total cash (guaranteed pay plus STI) at least every second year. We strive to set remuneration trends, with the implementation of our employee life-cover proposition in Vodacom DRC, a new development for the market.

Pay for strategy execution

We structure remuneration around the execution of our strategy, which is measured by performance objectives. We pay for performance, and the different components of our reward structures recognise, support and reward both collective and individual performance. We employ a robust performance management system to implement incentives (page 106), with certain employee categories eligible to receive additional share allocations driven by top performance. High-performing employees who display the Spirit behaviours can receive immediate cash awards through the Vodafone Stars recognition programme. As part of the company's Talent Management process, if an employee is identified as Top Talent, which is determined by the employee's potential to take on bigger and more complex roles, they form part of certain categories of employees eligible to receive an additional share allocation.

Relevant and sustainable

We manage the total cost of employment and ensure the benefits provided are relevant, affordable and sustainable. We also apply malus and clawback provisions to disincentivise inappropriate behaviour.

Communication

We are committed to providing transparent and understandable information regarding our reward programmes, policies and processes to employees. We provide clear and effective communication of the total reward package offered to ensure our employees understand what they receive, why, when they receive it and how their performance can influence the value of what they receive.

Fair and responsible remuneration

Our Total Reward framework is underpinned by our commitment to Fair Pay. It encourages and rewards our Spirit, which is essential for our

digital transformation. Vodacom seeks to eliminate discrimination in our remuneration – whether direct or indirect based on race, sex, gender or disability – by applying the principle of equal remuneration for work of equal value. We pay competitive salaries, rewarding individuals based on their skills, experience and external market positioning.

Fair-pay principles

01

Market competitive

The pay of our people is reflective of their skills, roles and functions, and the external market.

We annually review the pay of each employee and actively manage any who fall below the market competitive range.

02

Free from discrimination

Pay should not be affected by gender, age, disability, gender identity and expression, sexual orientation, race, ethnicity, cultural heritage or belief.

We annually compare the average position of our men and women against their market benchmark, grade and function to identify and understand any differences, and take action if necessary.

03

Provide a good standard of living

We work with an independent organisation, the Fair Wage Network, to assess how our pay compares to the "living wage" in each of our markets, because we are committed to providing a good standard of living for our people and their families.

04

Share in our successes

All our people should have the opportunity to share in our successes by being eligible to receive some form of performance-related pay, e.g. a bonus, shares or a sales incentive.

05

Provide benefits for all

Our global standard is to offer all our people life insurance, parental leave and access to either company or state-provided healthcare and pension provision.

06

Open and transparent

We ensure our people understand their pay. We do this through a series of user-friendly guides, web pages and an annual reward statement, which help explain our employees' pay and outline the value of their core reward package. In addition, they also receive monthly or weekly payslips and a payment schedule.

We review our internal pay ranges annually and apply them consistently throughout the organisation. Our OpCos conduct an annual fair-pay analysis to identify any possible instances in which pay that requires attention and remedial action is implemented. The fair-pay analysis focuses on the elements above.

As a result of this analysis, we believe our reward decisions are based on merit and do not discriminate based on gender, race, religion or belief, disability, age, sexual orientation, or gender identity and expression.

Benchmarking

Consistent with our remuneration policy, our employees' remuneration is informed by benchmarking. Key inputs in determining remuneration include:

- The Willis Towers Watson Global Grading System.
- Job-specific competence and skills, along with the marketability and scarcity of these skills.
- Industry knowledge and experience.
- Contribution to achieving the Group's strategy.

For executive remuneration, we consider the following additional inputs for benchmarking purposes:

- Outcomes of the Remchannel and Mercer Top Executive surveys.
- Peer group data from the JSE telecommunications sector and other listed companies of similar market capitalisation and revenue.

In Vodacom, benchmarking for executive directors is done for all elements of remuneration – GP, target STI and target LTI – and we target the 75th percentile of the market for total target cash, which is GP plus STI. For our CEO and CFO, RemCo follows a similar approach to the executive cohort, benchmarking pay to industry-specific comparators, information disclosed by our peer group and Mercer's executive remuneration survey.

Our remuneration structure

	Strategic intent	Description	Eligibility
GP	<p>Forms the basis for competitive remuneration to attract and retain the best talent (page 110). It reflects:</p> <ul style="list-style-type: none"> • Job-specific competence and skills, as well as the marketability and scarcity of these skills. • Industry knowledge and experience. • Contribution to achieving the strategy. 	<p>Across our markets, this component varies from an approach of guaranteed total cost of employment to basic pay plus market-related cash allowances and cost of benefits. This is determined by local market legislation, market benchmarking and best practice.</p>	All employees.
Benefits	<ul style="list-style-type: none"> • To aid retention and remain competitive in the markets in which we operate. • Provide financial security when needed by employees. 	<p>Benefits reflect best practice and the results of benchmarking exercises, comply with legislation and complement our broader employee value proposition (EVP).</p>	All employees.
STI	<p>Designed to motivate employees and incentivise the delivery of performance against set business targets, comprising:</p> <ul style="list-style-type: none"> • Financial metrics to drive our growth strategies and improve operating efficiencies. • The strategic measures of customer appreciation to ensure excellent customer experience is a key focus. 	<p>Business measures are reviewed annually to ensure they support our strategy and drive the right behaviour. The STI is paid in cash in June each year for performance against the previous year's targets.</p>	All employees, excluding employees on commission or quarterly incentive plans.
LTI¹	<p>To motivate and incentivise delivery of sustained performance over the long term.</p>	<p>Variable in the form of Vodacom forfeitable shares, which vest over three years.</p>	<p>Executive directors, members of the SLT and senior management.</p>
	<p>Encourages ownership and loyalty by aligning the interests of participants with those of the Group and our shareholders.</p>	<p>Annually reviewed to ensure that measures and weighting drive the right behaviours and support the business's strategy.</p>	<p>Roles directly influencing strategy delivery, or without whom there is a risk to execution.</p>
	<p>Supports employee retention.</p>	<p>Vodacom retention share awards are as per the forfeitable share plan (FSP), but only have time-based performance vesting conditions.</p>	<p>SLT and selected employees as determined by our internal policy, other than the CEO and CFO.</p>
		<p>Vodafone shares are conditional share with performance conditions, where shares are settled at the time of vesting and dividends only accrue from that point onwards.</p>	<p>Executive directors and members of our SLT.</p>
Other programmes	<p>Continually position Vodacom as an employer of choice.</p>	<p>Access to lifestyle benefits, including employee discounts: cellphone, data and fibre benefits; maternity and parental leave; and annual executive health checks.</p>	All employees.

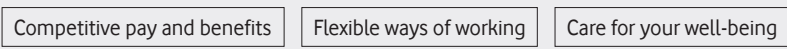
1. Vodafone retention and performance conditional share plan (CSP) awards. Details regarding performance conditions of and vesting periods for the Vodafone awards can be found in Vodafone's FY2022 annual report on <https://investors.vodafone.com/reports-information/results-reports-presentations>.

Vodacom's EVP

Our purpose: Connect for a better future

Further Together we can create a better future. We are restless and passionate about making the world more connected, inclusive and sustainable. Our human spirit – together with technology – enables us to achieve this. At Vodacom, you can truly be yourself and belong. You can be inspired, embrace new opportunities, thrive and make a real difference.

EVP pillars



Spirit informs all of the above

Benefits

Our OpCos across the Group provide benefits in line with local country practice and legislative requirements.

Retirement funding

In South Africa and Lesotho, we have private retirement funds. In South Africa, the Vodacom Group Pension Fund – a defined contribution pension scheme – is compulsory for all permanent employees. Employees at management level must also participate in the Vodacom Group Provident Fund, also a defined contribution scheme. Other employees can join the Vodacom Group Provident Fund on a voluntary basis. Contributions to the pension fund are based on pensionable salary, and employees elect either 70% or 85% of GP. Employees select their investment portfolio based on their individual risk profiles. Vodacom Lesotho has a provident fund which is compulsory for all permanent employees. In the DRC, Mozambique and Tanzania, employees participate in the government-run social security fund as required by legislation.

Insured benefits

All Vodacom markets offer risk benefits to employees, including, *inter alia*, life and disability cover. Vodacom will introduce life insurance as a benefit for our employees in the DRC during FY2023 – a country-first.

Medical cover

The plans available within Vodacom Group were selected to address the needs of the diverse Vodacom workforce with benefits designed as applicable for each country. We review the medical cover plans annually to assess their appropriateness for our employees. We do not offer post-retirement medical benefits and have no such liabilities.

Pay mix

The ratio of GP versus variable pay differs for each employee band, with the weighting on variable performance-based pay higher at executive and senior levels, in line with our principle of paying for performance and encouraging and rewarding behaviours that support our Spirit.

RemCo reviews the targets and on-target values for each element annually to ensure these remain relevant and competitive, drive the right behaviours and enhance overall shareholder value.

STI

All employees, except for those on commission or quarterly or other bonus structures, participate in the annual STI. STI payments are discretionary and based on achieving financial and strategic measures. Payments are made in cash in June each year.

For FY2022, 100% of the on-target STI is payable on the full achievement of annual targets. If the targets are exceeded, the STI is capped at 200% of the target. If the targets are not achieved in full, a reduced STI is payable. If performance is below threshold no STI is payable.

The on-target and maximum STI percentages are set out below:

Role	On-target % of GP FY2023	Maximum % of GP FY2023
CEO	100%	200%
CFO	75%	150%

For FY2023, the STI will be based on business performance and is capped at 200% of target, which is the maximum business multiplier, with no personal performance multiplier.

Measurement

The measures, bonus levels and weightings are reviewed annually to ensure a continued link to strategy and the direct influence of management. The financial measures are typically determined based on budgets. After a temporary removal due to the economic uncertainty arising from the COVID-19 pandemic, service revenue has been reinstated as a metric for FY2022.

Remuneration report continued

The measurement methodology for each component of the STI metrics is set out below. The aggregate outcome of this measurement sets our business performance multiplier, which ranges from 0% to 200%.

Element	Service revenue	EBIT	OFCF	Customer appreciation
Weighting (FY2021 versus FY2022)	25% (n/a; 25%)	25% (33.3%; 25%)	25% (33.3%; 25%)	25% (33.3%; 25%)
Description of metrics and range	All revenue for ongoing services, including, but not limited to, monthly access charges, airtime usage, financial and digital services, fixed and fibre services, roaming, incoming and outgoing network usage by non-Vodacom customers, and interconnect charges for incoming calls.	EBIT – Earnings before interest, taxation, impairment losses and profit/loss from associate and joint venture.	Cash generated from operations less additions to PPE, intangible assets, and proceeds on disposal of PPE and intangible assets.	Assessment of the following metrics: <ul style="list-style-type: none"> • NPS; • Active base; • Churn; and • Revenue market share. <p>NPS measures the extent to which our customers would recommend us. Active base is the measurement of customer activity on the network. Churn is the average number of monthly customers divided by the annualised number of disconnections during the period.</p>
Threshold	▶ 95%	-2.5% of service revenue target	-2.5% of service revenue target	
Target	▶ 100%	100%	100%	
Above target	▶ 105%	+2.5% of service revenue target	+2.5% of service revenue target	

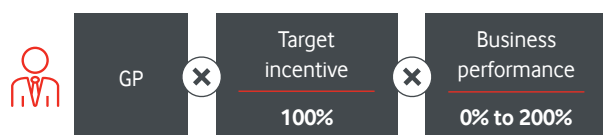
The business performance is split between the OpCos (70%) and Vodacom Group (30%). The Vodacom Group business multiplier is used for the CEO, CFO and other members of ExCo. For other SLT members, the business multiplier is based on a weighted average of the multipliers for the relevant OpCo and the Group.

Personal multiplier

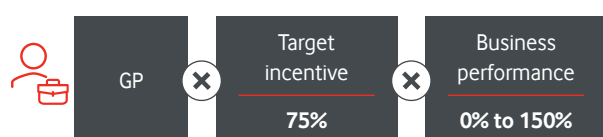
Vodacom removed the personal multiplier in FY2021, however, we continue assessing individual performance based on the achievement of their objectives.

Both the CEO and CFO do not have a personal performance multiplier. Their STIs are only based on business performance and performance set out against specific individual goals that are linked to Vodacom's overall strategic objectives and assessed annually.

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



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



LTI

LTI aim to retain key skills and motivate executives and select employees over the long term, which is essential for sustainable performance. The use of free cash flow as the principal performance measure ensures we apply prudent cash management and rigorous capital discipline to our investment decisions. The use of TSR, along with a performance period of not less than three years, means we focus on the long-term interests of our shareholders. Finally, the inclusion of ESG components supports an even closer alignment with our purpose.

On-target and maximum FY2022 LTI

In April 2020, Vodacom removed the individual multiplier for the allocation of LTI awards and will allocate the on-target percentage to all employees eligible to participate based on their band.

Further to this change, with effect from June 2022 on the LTI allocation, certain changes have been made to reflect developments in local and global best practice.

The most material changes are:

- Dividends will only be paid on the "stretch" portion of awards if and to the extent that performance is in fact above target performance.
- The plan has been updated to reflect the actual company practice to only use shares purchased in the market to settle awards. The issue of new shares and the use of treasury shares is no longer permitted.

The on-target and maximum LTI, as well as the split of awards for the CEO and CFO, are set out below:

	 CEO	 CFO
On-target % of GP	225	135
Maximum % of GP	433	270

On-target awards are split

Vodacom scheme retention	–	–
Vodacom scheme performance	77.78%	75%
Vodafone CSP retention	–	–
Vodafone CSP performance	22.22%	25%

The LTI allocation split for the CFO has been changed from 50% Vodacom shares with no performance condition and 25% Vodacom shares with performance conditions to 75% Vodacom shares with performance conditions. She will continue to receive 25% Vodafone performance shares. Furthermore the on-target LTI allocation for the CFO has been increased from 100% to 135% to reflect the increased portion subject to performance conditions, and the change to the treatment of dividends on the stretch portion of LTI awards. These changes are effective with the share allocation for the CFO from June 2022.

LTI performance conditions

Metric	Weighting award FY2021 Vesting FY2024	Weighting award FY2020 Vesting FY2023	Weighting award FY2019 Vesting FY2022
OFCF	60%	60%	70%
TSR relative to a peer group	30%	30%	30%
ESG target	10%	10%	n/a

LTI metric

Vodacom determines the targets for OFCF according to the achievement of the three-year budget plan. TSR achievement is calculated based on the position in the selected TSR peer group.

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

Scheme	OFCF	TSR relative to peer group
Threshold 40%	Three-year plan -20%	At 50 th percentile of the index
Target 100%	Three-year plan	Average of the 50 th and 75 th percentile of the index
Maximum 200%	Three-year plan +20%	75 th percentile of the index

LTI TSR peer group metric

Vodacom utilises the Indi25 index as the most representative list of companies when considering industry competitors, labour market and company size. LTI awards made during FY2022 used the following peer group companies for the LTI TSR vesting condition:

- MTN Group Limited, Aspen Pharmacare Holdings Limited, Truworths International Limited, Richemont SECS, Woolworths Holdings Limited, The Foschini Group Limited, Shoprite Holdings Limited, Life Healthcare Group Holdings, Telkom SA SOC Limited, Mr Price Group Limited, Bidvest Group Limited, Bidcorp Limited, Netcare Limited, Clicks Group Limited, AVI Limited, Mondi Plc, Pick n Pay Limited, Spar Group Limited, MultiChoice Group Limited and Tiger Brands Limited.

ESG measure metric

From June 2020, we enhanced our LTI measurement framework to include an ESG-related component. This component comprises targets across our purpose pillars and accounts for a 10% weighting of LTI. ESG targets that extend over the next three years to FY2025 will be set at or before the next RemCo meeting.



Digital society

reach **72.6 million** financial services customers by 2024.



Inclusion for all

drive **38.5%** female representation at senior management level and above by 2024.



Planet

reduce GHG emissions by **25%** cumulatively across all sites in South Africa by 2024 (against a 2020 baseline).

Remuneration report continued

Malus and clawback

Vodacom has a malus and clawback policy in place, with a provision allowing Vodacom, through its Board, to reduce or claw back certain elements of an executive employee's remuneration in circumstances where a trigger event has occurred.

Clawback means the recoupment during the clawback period of all or a portion of the clawback amount from an executive after vesting or payment. **Malus** refers to reducing unvested or unpaid awards before the end of the vesting period (LTI) or before payment (STI).

The Board adopted this policy to further align the interests of our executives and senior management with the long-term interests of the Group. Furthermore, this policy ensures excessive or inappropriate risk-taking is not rewarded, stipulates that any errors can be corrected and ensures a fair outcome when variable remuneration is awarded.

The policy sets out the circumstances where the Board, following the advice of RemCo, may apply its discretion to reduce or claw back incentive awards (in whole or in part) in line with the policy. Currently, Vodacom's executive directors and SLT will be subject to the provisions of this policy. This limited scope of application will be reviewed from time to time to ensure it is appropriate and in line with market practice for South African listed companies. This policy applies to variable remuneration – STIs and LTIs.

Vodacom Siyanda Employee Trust

Established in 2019, the Vodacom Siyanda Employee Trust holds an equity investment in the Group through its interest in YeboYethu. Select employees were allocated units (Siyanda units) in the trust based on a varying percentage of their GP, depending on their employment bands, race and gender. Each share is equivalent to one unit, with the unit representing vested rights to the underlying YeboYethu ordinary shares. The service condition will lift in three equal tranches at the end of years three, four and five, and will only become fully tradeable in the BEE segment of the JSE in three equal tranches over three years starting from the end of the fifth year (i.e. years six, seven and eight). In March 2022, the first tranche was transferred to employees, with the next two tranches to be transferred in March 2023 and March 2024.


Executive contracts and policies

Executive management are permanent employees and must serve a notice period of six months. The notice periods for the CEO and CFO are 12 months and six months, respectively.

Payments for termination of office

The maximum termination benefit potentially payable is limited to six months. These benefits do not apply to a normal voluntary resignation or retirement.

In terms of the current Vodacom policy, the CEO and CFO would be entitled to the following on termination of office, on a good-leaver basis:

CEO 

- Up to a maximum of six months' gratuity if departure is on a good-leaver basis (RemCo discretion); and
- In general, pension, accrued leave and any medical aid benefit will continue to apply until termination date.

CFO 

- Up to a maximum of six months' gratuity if departure is on a good-leaver basis (RemCo discretion); and
- In general, pension, accrued leave and any medical aid benefit will continue to apply until termination date.

STI

- STI would be pro-rated for the period of service during the financial year and will reflect the extent to which Vodacom's performance was achieved;
- RemCo has the discretion to reduce the entitlement of the STI plan to reflect the individual's performance and circumstances of termination; and
- No STI is payable in the event of a standard resignation.

LTI

- The LTI will vest in line with scheme rules and, once the achievement of the performance conditions is approved, pro-rated for the proportion of the vesting period that elapsed from date of allocation to the date of cessation of employment;
- RemCo has the discretion to vary the level of vesting as deemed appropriate and, particularly, to determine that awards should not vest for reasons which may include, at their absolute discretion, departure in the case of poor performance, departure without the agreement of the Board or detrimental competitive activity; and
- All unvested shares will be forfeited in the event of a standard resignation.

Minimum shareholding requirement

Members of the ExCo are required to build up minimum levels of personal shareholding in the Group as a tangible demonstration of their commitment to the Group and to align with shareholders' interests. Vodacom introduced the following minimum shareholding requirements:

- CEO: 300% or three times his GP, comprising 200% Vodacom shares and 100% Vodafone shares. Should the CEO not meet this requirement at the time of the LTI awards, the levels of the Vodacom and Vodafone awards will be reduced below the target award levels indicated.
- Other members of ExCo: 50% of GP.

NED remuneration

Vodacom believes that NED duties and fiduciary responsibilities extend beyond meeting attendance. For this reason, fees are set as single retainer amounts. NEDs do not receive any short-term cash awards or long-term share awards.

We benchmark our NED fees against those published by a peer group in their most recent notices of AGM. This peer group is different from the TSR peer group, as NED skills come from a pool of more appropriately sized companies, including those in financial services. We excluded banks, as their NED fees are noticeably higher than those of other industries. Our peer group of companies included:

- AngloGold Ashanti Limited, Anglo American Platinum Limited, Aspen Pharmacare Holdings Limited, Bidvest Group Limited, Discovery Limited, Mediclinic International Plc, MTN Group Limited, Naspers Limited, Sanlam Limited, Sasol Limited, Telkom SA SOC Limited, Tiger Brands Limited and Woolworths Holdings Limited.



Implementation report

This implementation report details the outcomes of implementing the approved remuneration policy, including executive directors and NEDs.



Fair and responsible pay

GP

We conduct benchmarking annually given the heightened competition for technology related skills and talent. The detail of salary increases by market are as indicated below:

Country	FY2022 salary increase granted
DRC	3.0%
Lesotho	4.5%
Mozambique	6.5%
South Africa	5.0%
Tanzania	3.0%

Executive director	FY2022 R	FY2021 R	% increase
MS Aziz Joosub	13 310 325	12 676 500	5.0%
RK Morathi	9 675 000	9 000 000	7.5%

The GP figures above include contributions to pension and provident funds, medical aid and a company car.

Vodacom benchmarks its CEO remuneration through comparisons using:

- An appropriate premium and/or discount to the individual incumbents of direct competitors;
- A portfolio of similarly sized companies, where sizing is based on a combination of market capitalisation, number of employees, total assets and turnover; and
- 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 STI and LTI), RemCo approved 5.0% increase for Shameel Joosub as being appropriate for GP, and a 7.5% increase for Raisibe Morathi. In line with our strategy to attract and retain female talent, the CFO was awarded a slightly higher salary increase to ensure her pay remains competitive in comparison to her peers and market.

FY2022 STI performance

The graphic below shows the extent the Group's targets were met for the year ended 31 March 2022.

Metric	Weight	Threshold 0%	Target 100%	Maximum 200%	Weighted result ¹
Service revenue	25%				29.3%
EBIT	25%				30.2%
OFCF	25%				34.0%
Customer appreciation	25%				32.3%

The overall achievement of target is

125.8%

The comparable Group STI achievement for FY2021 was 139.5%.

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

Executive director	FY2022 R	FY2021 R	% increase
MS Aziz Joosub	16 744 389	17 683 718	-5%
RK Morathi	9 128 363	3 895 490	134%

FY2022 LTI performance

Achievement of the FY2022 LTI represents the final vesting percentage for awards made in June 2019, where the three-year performance period concluded on 31 March 2022. These shares will vest in June 2022 and will be disclosed in the table of single total figure of remuneration using the closest practicable share price of R147 for Vodacom shares as at 31 May 2022.

Metric	Weight	Threshold 40%	Target 100%	Maximum 200%	Weighted result of maximum ¹
OFCF	70%				65.0%
TSR	30%				60.0%

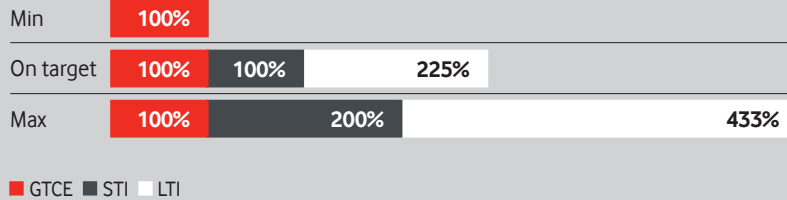
The overall achievement of target is

125.0%

The comparable Group LTI achievement for FY2021 was 118.7%.

1. The awards made represent a maximum achievement award of 200%. The above achievement percentages represent the amount of this award which will vest.

Shameel Joosub (CEO)



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

Tables of single total figure of remuneration

The following tables were prepared in line with King IV and relevant practice notes, and include an LTI amount. The LTI shares vesting in June 2022 are valued as at 31 May 2022, the closest practicable date at a share price of R147.00 for Vodacom shares and GBP1.30 for Vodafone shares based on an exchange rate of R19.64 as at 31 May 2022.

MS Aziz Joosub	FY2022	FY2021	% increase	Currency
GP	13 151 869	12 569 250	4.6	ZAR
Other ¹	4 800	4 800	–	ZAR
STI ²	16 744 389	17 683 718	(5.3)	ZAR
LTI ³	29 474 569	16 987 905	73.5	ZAR
Vodacom shares	25 215 094	14 593 052	72.8	ZAR
Vodafone shares	4 259 475	2 394 853	77.9	ZAR
Dividends ⁴	8 136 250	7 762 669	4.8	ZAR
Total (pre-tax)	67 511 877	55 008 342	22.7	ZAR
Total (post-tax) ⁵	37 131 532	30 254 588	22.7	ZAR

1. This includes the Vodacom cellphone benefit.

2. These amounts relate to the STI payable in June 2022, derived from performance for the year ended 31 March 2022.

3. LTI awards made in June 2019 vesting in June 2022.

4. Dividends are the total of cash receipts during the financial year based on unvested share awards, as well as dividends received on Siyanda units.

5. Post-tax values are indicative using a 45% taxation rate applied to the gross amount.

Outstanding share awards (value of shares)

In the tables 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 King IV's disclosure requirements. 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 ¹	Estimated effect of performance targets ²	Forfeited in the year ³	Settled in the year ³	Value at year end ⁴	Currency
Conditional benefit – restricted shares								
2014	May 2013	23 669 391	6 996 279	–	–	–	30 665 670	ZAR
Vodacom shares – with company performance vesting conditions								
2019	Jun 2018	29 680 063	(3 294 470)	–	(10 725 659)	(15 659 934)	–	ZAR
2020	Jun 2019	32 200 093	8 144 057	(20 172 075)	–	–	20 172 075	ZAR
2021	Jun 2020	42 866 299	5 702 207	(24 284 253)	–	–	24 284 253	ZAR
2022	Jun 2021	44 367 781	5 479 772	(24 923 777)	–	–	24 923 776	ZAR
Vodafone conditional shares								
2019	Jun 2018	293 288	(100 644)	–	(84 812)	(107 832)	–	GBP
2020	Jun 2019	316 238	16 140	–	–	–	332 378	GBP
2021	Nov 2020	305 589	8 617	–	–	–	314 206	GBP
2022	Aug 2021	317 080	37 409	–	–	–	354 489	GBP
Siyanda units								
2019	Mar 2019	700 690	734 870	–	–	–	1 435 560	ZAR
2020	Jun 2019	22 481	22 375	–	–	–	44 856	ZAR
2020	Nov 2019	7 120	7 832	–	–	–	14 952	ZAR
2022	Mar 2022	6 536	(152)	–	–	–	6 384	ZAR

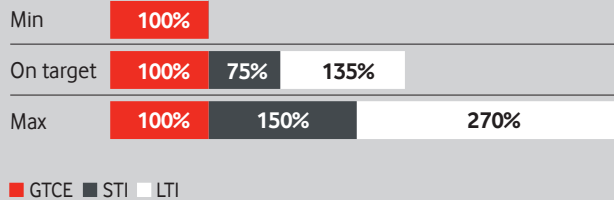
1. The estimated effect of share price is based on the share price movement between the date of award and the closing price on 31 May 2022.

2. The estimated effect of performance targets is based on the targeted 50% vesting being applied.

3. Shares settled and forfeited in the year at a share price of R135.49 for both scheme and matching awards.

4. Value has been calculated using the closest practicable share price, as at 31 May 2022, being R147.00 for the Vodacom share price, GBP 1.30 for the Vodafone share price at an exchange rate of R19.64 and R42.00 for the Siyanda units.

Raisibe Morathi (CFO)



- The maximum STI for Raisibe is twice the target. This is the maximum business performance multiplier as no personal multiplier is applicable.
- Similarly to the STI, Raisibe does not have an individual performance multiplier on LTI. Therefore, the maximum represents the potential maximum of shares that could vest, whereas on-target represents the number of shares that are anticipated to vest.
- Dividends are received in cash on all outstanding unvested scheme awards at each dividend declaration date. Since the dividend varies from period to period, it was not included in the pay mix above.

Tables of single total figure of remuneration

The following tables were prepared in line with King IV and relevant practice notes, and include an LTI amount. The LTI shares vesting in June 2022 are valued as at 31 May 2022, the closest practicable date at a share price of R147.00 for Vodacom shares and GBP1.30 for Vodafone shares based on an exchange rate of R19.46 as at 31 May 2022.

RK Morathi	FY2022	FY2021 ⁶	% increase	Currency
GP	9 506 250	3 750 000	153.5	ZAR
Other ¹	1 606 720	6 001 600	(73.2)	ZAR
STI ²	9 128 363	3 895 503	134.3	ZAR
LTI ³	7 030 716	–	–	ZAR
Vodacom shares	7 030 716	–	–	ZAR
Vodafone shares	–	–	–	ZAR
Dividends ⁴	1 194 671	360 022	231.8	ZAR
Total (pre-tax)	28 466 720	14 007 125	103.2	ZAR
Total (post-tax) ⁵	15 656 696	7 703 919	103.2	ZAR

1. This includes the Vodacom cellphone benefit and a cash payment for bonus loss from previous employer.
2. These amounts relate to the STI payable in June 2022, derived from performance for the year ended 31 March 2022.
3. Sign-on share awards – expected to vest in November 2022.
4. Dividends are the total of cash receipts during the financial year based on unvested share awards, as well as dividends received on Siyanda units.
5. Post-tax values are indicative using a 45% taxation rate applied to the gross amount.
6. The figures for FY2021 reflects for 5 months remuneration vs FY2022 which is for 12 months.

Outstanding share awards (value of shares)

In the tables 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 King IV's disclosure requirements. 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 ¹	Estimated effect of performance targets ²	Forfeited in the year	Settled in the year	Value at year end ³	Currency
Vodacom shares – with company performance vesting conditions								
2022	Jun 2021	4 499 987	555 784	(2 527 886)	–	–	2 527 885	ZAR
Vodacom shares – without company performance vesting conditions								
2021	Nov 2020	5 999 960	1 030 756	–	–	–	7 030 716	ZAR
2021	Nov 2020	5 999 960	1 030 756	–	–	–	7 030 716	ZAR
2022	Jun 2021	4 499 987	555 784	–	–	–	5 055 771	ZAR
2022	Nov 2021	1 600 097	104 074	–	–	–	1 704 171	ZAR
Vodafone shares								
2022	Jun 2021	113 756	4 794	–	–	–	118 550	GBP
Siyanda units								
2021	Nov 2020	1 123 268	339 593	–	–	–	1 462 861	ZAR
2022	Mar 2022	6 536	(152)	–	–	–	6 384	ZAR

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 May 2022.

2. The estimated effect of performance targets is based on the targeted 50% vesting being applied.

3. Value has been calculated using the closest practicable share price as at 31 May 2022, R147.00 for the Vodacom share price, GBP 1.30 for the Vodafone share price at an exchange rate of R19.64 and R42.00 for the Siyanda units

 Funding of share plans and dilution details of the shares used for the scheme are included in the Group's consolidated AFS and directors' report, available on www.vodacom.com.

Termination of office payments

No termination of employment payment for executive directors was made in FY2022.

Shareholding

 Details of the beneficial interests of directors in Vodacom's ordinary shares (excluding interests in the LT) are set out in the directors' report in the consolidated AFS, available online on www.vodacom.com.

Policy compliance

The disclosure presented in this report is based on awards to qualifying employees. All remuneration decisions were made in total compliance with the remuneration policy as previously approved by shareholders. There were no known deviations from the policy in FY2022.

NED payments

 NED fees are benchmarked against a peer group of similarly sized companies as outlined on page 107.

Based on Board and committee membership during the year, the following payments were made to NEDs for the financial year ended 31 March 2022:

FY2022 fees

Name	Director fee R	ARCC Chairman R	ARCC member R	RemCo Chairman R	RemCo member R	NomCo member R	SEC Chairman R	SEC member R	Other committees ³ R	Total R
SJ Macozoma ²	3 336 116	–	–	–	–	–	–	–	–	3 336 116
DH Brown ²	716 535	405 555	–	–	160 255	–	–	–	303 387	1 585 732
F Bianco ¹	524 933	–	–	–	199 026	166 901	–	–	–	890 860
P Klotz ¹	524 933	–	–	–	–	–	–	–	104 128	629 061
P Mahanyele- Dabengwa ²	524 933	–	–	293 800	–	135 251	–	–	69 234	1 023 218
NC Nqweni ²	524 933	–	221 071	–	–	–	–	137 361	89 234	972 599
A O'Leary ¹	524 933	–	–	–	–	–	–	–	–	524 933
JWL Otty ¹	524 933	–	–	–	–	–	–	–	104 128	629 061
KL Shuenyane ²	524 933	–	219 288	–	–	–	240 383	–	173 362	1 157 966
S Sood ¹	524 933	–	–	–	–	–	–	–	–	524 933
CB Thomson ²	524 933	–	219 288	–	–	–	–	–	69 234	813 455
LS Wood ¹	524 933	–	–	–	160 255	135 251	–	170 594	–	991 033
	9 301 981	405 555	659 647	293 800	519 536	437 403	240 383	307 955	912 707	13 078 967

Notes:

1. Fees paid to Vodafone and not the individual director.
2. Fees excluding VAT paid.
3. Ad hoc committee fees made in accordance with the fees approved by shareholders at the AGM on 19 July 2021. FY2022 ad hoc committee fees relate to the investment committee which deliberated various transactions undertaken by Vodacom. Fees also relate to the independent committee of the board constituted to deliberate the acquisition of the 55% stake in Vodafone Egypt.

FY2021 fees

Name	Director fee R	ARCC Chairman R	ARCC member R	RemCo Chairman R	RemCo member R	NomCo member R	SEC Chairman R	SEC member R	Other committees R	Total R
SJ Macozoma ^{3,5}	2 433 612	–	62 440	–	–	38 797	112 622	–	–	2 647 471
PJ Moleketi ^{3,4}	906 582	–	–	–	–	–	–	–	–	906 582
DH Brown ⁵	635 710	380 533	–	–	152 623	–	–	–	284 324	1 453 190
V Badrinath ^{1,2,10}	381 000	–	–	–	113 852	94 950	–	98 116	96 005	783 923
F Bianco ¹	508 000	–	–	–	–	–	–	–	–	508 000
P Klotz ^{1,6}	508 000	–	–	–	–	–	–	–	99 171	607 171
P Mahanyele- Dabengwa ³	508 000	–	–	267 092	–	87 803	–	–	–	862 895
NC Nqweni ^{3,8}	508 000	–	148 103	–	–	–	–	92 024	–	748 127
A O'Leary ^{1,2,11}	127 000	–	–	–	–	–	–	–	–	127 000
JWL Otty ¹	508 000	–	–	–	–	–	–	–	162 471	670 471
KL Shuenyane ^{2,3,9}	351 133	–	148 103	–	–	–	116 314	25 558	99 171	740 279
S Sood ¹	508 000	–	–	–	–	–	–	–	–	508 000
CB Thomson ^{3,7}	508 000	–	210 544	–	–	–	–	–	–	718 544
LS Wood ¹	508 000	–	–	–	152 623	126 600	–	–	–	787 223
	8 899 037	380 533	569 190	267 092	419 098	348 150	228 936	215 698	741 142	12 068 876

Notes:

1. Fees paid to Vodafone and not the individual director.
2. Fees for a portion of the year.
3. Fees excluding VAT paid.
4. PJ Moleketi resigned as director and Chairman of the Board on 21 July 2020.
5. SJ Macozoma appointed as Chairman of the Board on 22 July 2020.
6. P Klotz appointed on 1 April 2020.
7. CB Thomson appointed on 1 April 2020.
8. NC Nqweni appointed as an alternate director to P Mahanyele-Dabengwa on 1 April 2020.
9. KL Shuenyane appointed on 21 July 2020.
10. V Badrinath resigned on 31 December 2020.
11. A O'Leary appointed on 1 January 2021.