



Human capital

Our people enable us to transform Vodacom from a **TelCo to a data-driven TechCo**. We embed the **Spirit of Vodacom** across our business to support this transformation.

What human capital means to Vodacom

We define our human capital as Vodacom's team of high-performing, customer-focused, engaged leaders who work together in our diverse and inclusive organisational culture.

High-performing

Our people work to create an optimised future for all, in one of Africa's top places of employment. We equip our people to transform our company into a data-driven TechCo through technical skills development in a digitally agile and flexible working environment.

Customer-focused

We encourage all employees to take a customer-centred appreciation approach by accelerating their customer-focus skills development and measuring, tracking and remunerating accordingly.

Engaged

Our people embrace the **Spirit of Vodacom** and we optimise the employee experience with connected digital apps, rewards and events. We empower our people to realise their full potential by nurturing talent and facilitating development paths.

#FurtherTogether

Diverse and inclusive culture

We foster inclusivity and diversity, with a focus on actively promoting gender empowerment and the development of the youth and those with disabilities.

#InclusionForAll

How intellectual capital supports our System of Advantage

Our success depends on the skills and expertise of our people as they firstly develop a strategy aligned to our purpose and secondly enable Vodacom to deliver on it. Our people live our inclusive organisational culture and enable us to innovate to become a leading African TechCo.



Our human capital at a glance

Our key focus areas	Key FY2023 achievements	Strategic pillar affected
Embedding the Spirit of Vodacom across our business to live our purpose	<ul style="list-style-type: none"> • Creating an environment where our employees can thrive: <ul style="list-style-type: none"> – Spirit index score: 80% (FY2022: 76%) – Employee engagement index score: 75% (FY2022: 77%) – Engage app: 7 164 active users (FY2022: 6 107 users) • Reaffirming our customer focus 	<p>5</p> <p>9</p>
Accelerating skills development as we evolve towards a TechCo	<ul style="list-style-type: none"> • Providing innovative resources for growth: <ul style="list-style-type: none"> – Invested R553 million in employee skills development across all our markets (FY2022: R493 million) – Invested R312 million in skills development for black employees in South Africa, with R222.5 million invested in black female employees and R18.5 million in black youth with disabilities • Vodafone Egypt acquisition providing access to a highly skilled talent factory 	<p>9</p> <p>10</p>
Fostering diversity and inclusivity to support our purpose-led culture	<ul style="list-style-type: none"> • Increasing gender diversity and equality in Vodacom South Africa: <ul style="list-style-type: none"> – 79% of our employees are black (FY2022: 78%) – 80% of our board members are black (FY2022: 80%) – 50% black female representation on the board (FY2022: 50%) • Encouraging diversity in Vodacom South Africa, including subsidiaries: <ul style="list-style-type: none"> – 75% of our employees are black (FY2022: 75%) – 50% of our board members are black (FY2022: 42%) – 25% black female representation on the board (FY2022: 17%) • Supporting the youth • Providing opportunities for people living with disabilities • Supporting LGBTQIA+ employees 	<p>9</p> <p>10</p>
Supporting employee health and safety to safeguard our reputation	<ul style="list-style-type: none"> • Increasing compliance with health and safety plans • Developing our employee well-being programme: <ul style="list-style-type: none"> – 7 062 people attended Vodacom-hosted counselling and parental guidance sessions (FY2022: 7 800) 	<p>9</p> <p>10</p>
Remunerating to reward value creation	<p>Paid R7.7 billion to 7 946 employees, (FY2022: R7.3 billion to 8 132 employees)</p>	<p>9</p>

The value we create, preserve and erode

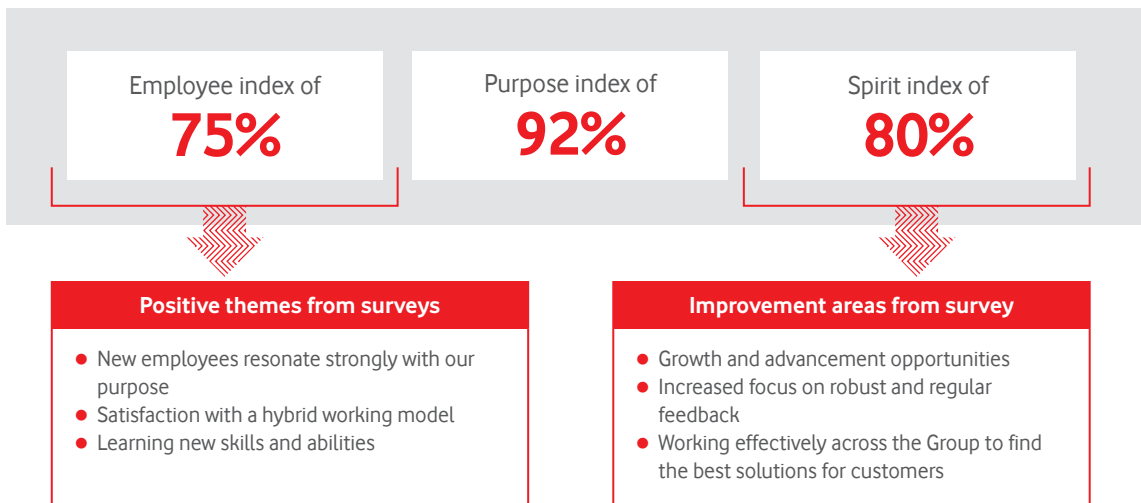
Embedding the Spirit of Vodacom across our business to live our purpose



Several initiatives support the **Spirit of Vodacom** to keep employees engaged, boost staff morale, and create a progressive and conducive organisational culture. Our **Spirit of Vodacom meeting-free events** provide space and time for our employees to focus on living up to our values, personal growth, well-being and connection. We hosted our first **Spirit of Vodacom** day in FY2022 and have continued to host them every quarter in FY2023.

We support our Spirit journey through our **Spirited Leader** series – designed to drive high-impact actions, leadership standards and well-being to prepare our leaders to develop a future-ready Vodacom. Playbooks, action toolkits and best practices from the series are shared with leaders across the Group to facilitate peer support.

Listening to our employees helps us to continually strive for excellence. We focus on listening to employees at various stages of the employee life cycle, providing us with organic feedback at moments that matter. Our **Employee Spirit Beat surveys** form part of this strategy and monitor how well the **Spirit of Vodacom** resonates with our employees, and allows us to measure, track and improve performance based on our four behavioural pillars. We conduct the surveys bi-annually and recorded a participation rate of 90% in our most recent survey. As we adapt to a changing world of work, we benchmarked against industry standards and adjusted our rating and scaling methodology. The data from our last survey reflects the following scores and insights:



We run regular **Spirit clinics** where we engage all people leaders and team members alike to ensure a constant connection, high engagement and to drive the associated Spirit behaviours.



Creating an environment where our employees can thrive

- ✔ In FY2023, Vodacom Group was certified as one of **Africa's Top Employers** across all markets, advancing in the overall ranking to the top two in Africa, up from third position last year. After receiving its first Top Employer certification in FY2022, Safaricom Kenya ranked third in the overall country ratings in Kenya. In South Africa, we ranked second out of 129 participating South African companies in FY2023, up from third place in FY2022 and certified as Top Employer for the seventh consecutive year. Certification in our various markets and being ranked second on the continent is a great accolade that underscores our continued commitment to creating exceptional employee experiences.
- ✔ Our internal recognition scheme, **Vodafone Stars**, allows for in-the-moment recognition for employees who display Spirit behaviours, comprising either cash awards or peer-to-peer recognition. In FY2023, over 6 000 (FY2022: 5 000) employees were recognised through the Vodafone Stars programme.
- ✔ In 2023, we launched **Rewards for You** in South Africa, a digital platform allowing employees access to different benefits which is available 24/7.
- ⊖ We continue to accelerate our digital transformation journey and unlock new opportunities. Our mobile employee engagement platform, **Vodacom Engage**, is used extensively as the primary communication gateway for the business, offering users a seamless and connected experience across most markets. The platform is available in multiple languages, including English, Portuguese and French to support inclusivity. The app has allowed us to continue to manage risks within the business and has evolved to support our organisational culture as we shift to hybrid working. Employees can access all company-related information and tools to facilitate working from anywhere.

Further education and awareness related to the company strategy, cyber security risks and tools, hybrid working, and health and safety tools to enable seamless working for all employees have been a key focus during the year. The app has 7 164 active users from across the Group.

⊖ We continue to embed hybrid ways of working through a dynamic policy that allows our people to work between the office and home. Over the last year, we have seen more than 50% occupancy of staff across our workspaces, with teams coming together to collaborate and engage.

✔ In FY2024, we will reposition our people performance management system towards impact and growth, with the performance management process, rebranded to **Grow My Impact**.

PG See more in our Remunerating to reward value creation on [Page 108](#).

Reaffirming our customer focus

- ⊖ Earning customer loyalty is integral to our business strategy. As a result, we have increased the customer loyalty and growth component measure for variable pay and short-term incentives (STIs) across the organisation. Customer loyalty is also one of our Spirit Beat measures, in which we ask employees to provide feedback on their behaviour regarding customer commitment. Line managers are able to draw from survey insights and incorporate learnings into the working environment. This enables us to measure, track and improve our behaviour. In addition, we have launched a programme, **Moments that matter**, to empower our front-line employees around the customer experience.
- ✔ **TOBi Zulu**, one of our chatbots, is an example of successful employee collaboration to improve customer experiences. Employees collaborated to develop appropriate phrases for TOBi Zulu to improve the customer experience. We intend to expand this successful chatbot feature development approach across more languages in the Group.

Human capital continued

The value we create, preserve and erode continued

Accelerating skills development as we evolve towards a TechCo

As we accelerate our transformation into a new-generation connectivity and digital services provider, we aim to build the right capabilities to execute our strategy. At Vodacom Group, growing never stops, and learning is integral to every role. We are committed to supporting our employees by providing simple and innovative resources that enable them to plan their development and future growth. During FY2023, we invested R553 million in employee skills development across all our markets (FY2022: R493 million). As Vodacom Group evolves from a TelCo to a TechCo, access to skilled talent is critical, with Vodafone Egypt being an excellent source.

Providing innovative resources for growth

✓ In FY2023, we replaced Vodafone University with a new AI-driven learning platform, **Grow with Vodacom**, which integrates skills, capability development and learning in a single interface. The platform allows employees to determine their professional development and career direction by delivering personalised recommendations. Across the Group, 8 042 employees have completed at least one online training programme, equating to a utilisation rate of 62%. A total of 82 262 courses, requiring a total of 202 033 learning hours, were completed in FY2023. On average each employee spend 15.9 hours on the programme.

Beyond learning, the Grow with Vodacom platform integrates career management capabilities, giving employees the power to determine their professional development and career direction. The platform provides learning and career recommendations based on unique skills profiles to help employees achieve individual career goals.

✓ In FY2023, our **#1MoreSkill** programme accelerated and expanded across all Vodacom markets through an increased focus on aligning budget spend, vendor optimisation and skills training for all. The programme aims to increase certification and reskill employees across prioritised areas, including software engineering, Big Data, cyber security, cloud computing, agile and 5G. During the year, 2 910 employees completed 144 courses, to the value of R3 688 200.

✓ Our Skills Labs further enhance our digital transformation, which aims to accelerate the reskilling of employees. By partnering with leading vendors, we have launched 16 Skills Labs focusing on cyber security, cloud computing, RPA and software engineering.

Vodafone Egypt acquisition providing access to a highly skilled talent factory

✓ Vodafone Egypt's software engineers (as a percentage of its overall IT staff) increased from 67% to 90% in the financial year. This reflects the success of its Software Engineering Academy, which provides accreditation for software developer, software architect, cloud and data science and machine learning skills.



Fostering diversity and inclusivity to support our purpose-led culture

We build our organisational culture around working together and as such, our human capital strategy fosters tolerance and embraces diversity. We respect and appreciate our employees' different viewpoints, backgrounds, ethnicity, ages and genders. Our initiatives and forums to support this include the Disability Forum, LGBTQIA+ Network, National Consultative Committee, Women's Network Forum and Youth ExCo.

Increasing diversity and equality

✓ Several awards recognise our efforts to support diversity and equality.

- The **Gender Mainstreaming Awards** celebrate achievements in creating and promoting a more equitable workplace, and Vodacom was awarded silver at the 10th Annual Gender Mainstreaming Awards in four categories.
- Vodacom Tanzania received an award at the **Rising Woman Initiative** in Tanzania for our 40% leaders and our women focused succession plan.
- Safaricom Kenya was recognised for driving economic empowerment for persons living with disabilities where we received the **Most Inclusive Listed Company** in Kenya at the Diversity and Inclusion Awards and Recognition awards.
- **Vodability**, a job shadowing programme to bring people living with disabilities into Vodacom Mozambique, was recognised by the **Mozambican Association of People with Disabilities** at the Disabilities and Human Rights conference.

✔ Value created
 ✘ Value eroded
 ⊖ Value sustained

✔ **Code Like a Girl**, launched in 2017, provides girls from Grade 10 onwards with the ICT skills and tools to flourish in a relatively male-dominant career. Across our operating markets, we have trained over 4 000 girls in FY2023. Code Like a Girl alumni across Africa are now entering bursary foundation schemes.

✔ Our parental leave policy includes four months of fully paid leave for all non-birthing employees who adopt a child, become a parent through surrogacy or whose partner is having a child. Since the policy was launched Group-wide in September 2020, 410 employees have used this benefit.

✘ Our ability to become more demographically representative is limited by a hiring freeze currently implemented within the Group.

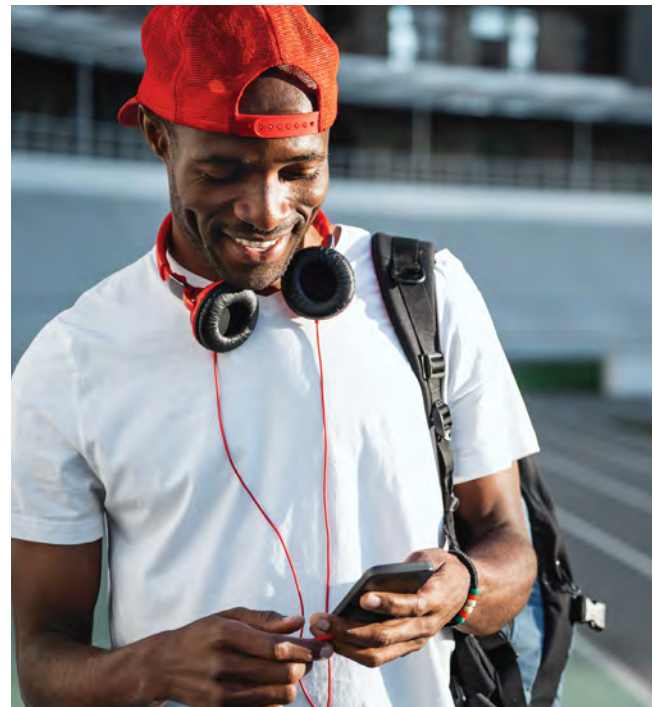
Supporting the youth

✔ We hosted an integrated **Vodacom Discover graduate programme**, which equips future Vodacom Group leaders with the tools and skills for business excellence. Our first summit for over 100 graduates, representing all Vodacom markets, took place in FY2023.

✔ Several awards recognise our efforts to support the youth through graduate programmes.

- In FY2023, Vodacom South Africa won the **South African Graduate Employers Association Employer of Choice Award** in the telecommunications sector for its flagship Vodacom Discover graduate programme.
- The Vodacom Discover graduate programme was awarded bronze and recognised internationally at the **Brandon Hall Group Excellence Awards** in the Best Advance in Competencies and Skills Development category. The Excellence Awards recognises organisations that successfully established programmes, systems and tools that achieve measurable results.
- Vodacom South Africa achieved first place in the **GradStar Students' Choice Award**, under the Telecommunications sector category. GradStar recognises the Top 100 students across the country based on leadership qualities and work readiness.

✔ **WeThinkCode** is a learning institution based in South Africa, offering a tuition-free, two-year coding course to train Africa's next generation of top tech talent. The programme helps to drive the digitisation of African enterprises. Vodacom collaborates by sponsoring students annually as they complete the National Qualifications Framework, investing a total of R2.2 million in FY2023.



Encouraging diversity in South Africa

✔ In FY2023, Vodacom South Africa achieved the highest B-BBEE contributor status of Level 1 for the third consecutive year, a clear demonstration of our unwavering commitment to transformation in South Africa. This status and the results below are the accumulation of several initiatives that support racial and gender diversity.

- Vodacom South Africa, including subsidiaries' board achieved an impressive black representation of 50% from 42%, with 25% black females on the board.
- Vodacom South Africa maintained 80% black board representation and 50% female representation.
- Developed skills of historically disadvantaged people, investing R312 million in black employees – R222.5 million in black women – across our South African workforce.
- Supported the development of black women in the technology industry through our female leadership programme.

Scoring element	Target points	Achieved points FY2023	Achieved points FY2022	Achieved points FY2021	Achieved points FY2020
Ownership	25	24.20	25.00	23.23	22.75
Management control	23	16.88	15.99	18.23	15.90
Board representation	8	8.00	6.83	6.83	4.67
Top management representation	5	2.17	2.73	4.90	4.82
Employment equity	10	6.71	6.44	6.50	6.41
Skills development	20	21.56	23.04	21.97	20.90

Human capital continued

The value we create, preserve and erode continued



Providing opportunities for people living with disabilities

✓ Our external bursary programme aims to create a skilled talent pipeline of people living with disabilities who have the potential to become part of Vodacom's workforce. Vodacom South Africa supports 24 students living with disabilities on the **People With Disabilities External Bursary Programme** as they study towards an academic qualification.

Supporting LGBTQIA+ employees

✓ Vodacom was recognised for the support we provide to LGBTQIA+ employees being one of three companies in South Africa that achieved **South African Workplace Equality Index Gold status**. This is a key milestone following the silver status achieved previously. South African Workplace Equality Index aims to rank South African companies on how well they implement best practice for LGBTQIA+ equality in the workplace.

Case study

Supporting women in technology throughout schooling and career stages

Vodacom Foundation's education ecosystem (including 15 ECD centres, 13 schools of excellence and nine youth academies) supports quality education through six pillars, across all levels of education, from early childhood development (ECD) to adult education. This model comprehensively supports learners, teachers, parents and communities within the education ecosystem. Within this ecosystem, women and girls are supported to gain the skills needed to use technology to their advantage at every schooling and career stage.

Vodacom supports reaching gender parity in the ICT sector throughout the education ecosystem and our operations.

Vodacom's support of women and girls in technology

4 370

girls trained in Code Like a Girl programme. Code Like a Girl inspires more girls to explore careers that require coding skills to help them enter the STEM fields and industries

38

of the 70 graduates in Vodacom South Africa's discover graduate programme are women

50%

black female representation on the board in South Africa

We invested

R312.8 million

in skills development for black employees in South Africa, with R222.5 million invested in black female employees

Our women's network forum is a platform where women can mobilise, connect, network and be empowered to perform at their best; it also serves as a platform to champion gender equality within Vodacom

As part of our international women's week celebrations in 2023, Vodacom hosted the first LIFT Women in Tech Summit in collaboration with IBM and Sky



Refer to our ESG report for more information on the Vodacom Foundation education ecosystem in South Africa.

Supporting employee health and safety to safeguard our reputation

The health, safety and well-being of all who work for us across our markets, including their families and suppliers, is important to Vodacom. Our health and safety plans aim to achieve a 100% Home Safe culture by managing and monitoring our top risks. Looking ahead we plan to engage the communities in which we operate to improve and promote general safety awareness.

Increasing compliance with health and safety plans

✔ We continually improve our compliance with our approved project health and safety plans, ensuring full compliance with approved project health and safety plans and monitoring and measuring our performance accordingly. In FY2023, we focused on visible and accountable leadership through various initiatives, including fireside chats and safety moments, conducting senior leadership tours across in-field operations and high-risk suppliers, assigning senior leadership champions, and expanding the functions of safety governance councils across all our markets. During the year, we conducted 500 senior leadership tours and 130 safety moments.

⊖ We continue to focus on reducing road risk and improving our driver behaviour across the Group. The number of speeding events across the Group has steadily reduced to 3.08 events per 100 km which is within risk appetite limit of five events per 100 km. To improve planning for high-risk trips, we have implemented a **digital journey** management mobile application, resulting in improved monitoring of compliance. We have installed 965 on-board cameras in our fleet and

841 in our supplier base across all markets, and we conduct defensive driving and anti-hijacking training. Our efforts yielded 238 248 safe journeys while travelling more than 15 million kilometres, during which our drivers spent 610 709 hours on the road. We are particularly proud of our Tanzanian OpCo which celebrated 10 years of being fatality-free.

✔ Another element of our Health and Safety reinvigoration plan covers our supplier management and engagement. We upscaled our high-risk supplier management with various engagement platforms for all markets to ensure open lines of communication between Vodacom and supplier teams. In 2023, Vodacom South Africa hosted the annual Global Supplier Forum to enhance our joint effort in managing risks suppliers are exposed to. Markets across Africa also hosted local supplier engagement forums in 2023, reaching over 339 tier 1 and 2 suppliers.

Developing our employee well-being programme

✔ As part of our employee wellness priorities in 2023, we crafted an employee well-being programme with a comprehensive menu of initiatives and activities supporting optimum well-being – including stress management, mental health support, physical fitness and financial management. We also offer free health screenings for employees and long COVID assessments across all markets. We continue to drive employee support across the Group through our employee assistance programme, counsellors and employee ambassadors, who assist employees with coping strategies, stress management, communication, grief counselling and parental guidance. In FY2023, we hosted 10 sessions in South Africa, attended by 2 235 people.



Remunerating to reward value creation

Dear stakeholders

On behalf of the Board, I am pleased to present Vodacom Group's FY2023 remuneration report. This report includes our remuneration philosophy and policy for executive directors and NEDs. It provides a description of how the policy has been implemented, and discloses payments made to NEDs and executive directors during the year.

Phuthi Mahanyele-Dabengwa
RemCo Chairman



Global business uncertainty is still higher than what we had hoped following the return to normal after the COVID-19 pandemic. Despite this, our remuneration structures remain stable and consistent with our pay for performance principles and commitment to alignment with shareholder value creation.

Our global footprint continues to expand, with the incorporation of Vodafone's Egypt business into our portfolio and our advances in FinTech. Our Group executives' roles thus continue to expand and become more valuable. This growth comes with the concomitant retention risks to our senior executives and technical experts, and we need to be a strong competitor in the global market for talent. We made commensurate adjustments to our CEO's guaranteed package to ensure it aligns with this market.

Consistent with previous years, we enjoyed great support from shareholders with high voting percentages on our FY2022 remuneration policy and implementation report. We continue to enhance and monitor institutional investor and stakeholder requirements. Our shareholders supported the following proactive updates to our remuneration policy:

- Consistent with the CEO, the full award of shares to our CFO are now 100% subject to performance conditions.
- We updated the share plan so that dividends on the "stretch" portion are only settled if and to the extent that performance above target is achieved, and all share plan settlements are implemented using market purchase.

The remuneration policy's structure remained stable this year. We adjusted the performance conditions for the FY2024 STI to ensure executives and employees are better incentivised through growth and customer loyalty. This allows the business to prioritise:

- The customer; and
- Growth.

New STI framework

Customer

NPS

20%

Churn

10%

Growth

Service revenue

20%

Revenue market share

10%

EBIT

20%

Free cash flow

20%

Global focus on sustainability and its role relating to remuneration has increased significantly over the year. Our decision to include ESG measures in our LTI performance conditions aligns with this emerging trend. We carefully selected these measures to align with our purpose pillars, and we 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 cognisant of fair pay and equity. As such, we noted the proposals in the draft Companies Amendment Bill which were circulated for public comment in October 2021. The proposals included disclosures of:

- Statistics regarding the highest and lowest paid employees; and
- An overall pay gap measure determined as the average total remuneration of the top 5% highest versus 5% lowest paid employees.

We are monitoring ongoing discussion and research on ratios, such as the Gini coefficient, the Palma ratio and other descriptive statistics. We will disclose the required statutory pay gap ratios once determined.

As debates continue regarding the disclosure of the “vertical pay gap” between the highest and lowest paid employees, we are monitoring the “horizontal pay gap” between the pay of colleagues delivering equal value of work for some time. The remuneration policy section provides more details, and we intervene promptly to address any anomalies that arise. Our independent advisers reviewed the pay gaps within the Group, and we are comfortable that this detailed analysis confirms that our pay practices are within accepted norms.

Our FY2023 STI performance was below target, whilst our LTI was above target. The STI performance outcomes below 100% for year

resulted in commensurate decrease in the total remuneration of our executives this year, as disclosed in the remuneration report.

Together with enhancements to keep pace with best practice, RemCo is satisfied that our remuneration policy remains relevant, fit for purpose, supports the King IV principles and meets policy objectives. 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

Background statement

Our purpose shapes remuneration practices and the Spirit of Vodacom

Vodacom’s purpose, to connect for a better future, is brought to life by our employees and enabled by our multiproduct strategy – the **System of Advantage**. Our remuneration practices reflect this integration to ensure we:

- Attract and retain high-calibre talent;
- Reward employees for living the **Spirit of Vodacom**;
- Remunerate employees fairly;
- Act ethically; and
- Motivate our employees to execute our strategy and live our purpose.

We reward Spirit behaviours as we believe they closely align with our purpose. Our Spirit behaviours are based on four pillars:



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 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.

RemCo contracted Bowman Gilfillan Inc (Bowman) to provide independent external advice and is satisfied with its independence and objectivity. Bowman is represented by Martin Hopkins, who is head of reward advisory services at Bowman.

Bowman provided advice on local and international market practice and executive remuneration and the advice provided to RemCo is considered to be objective and unbiased.

Human capital continued

Remunerating to reward value creation continued

RemCo's role and responsibilities

RemCo assists the Board to discharge its responsibilities by:

- Monitoring salary movements for Senior Leadership Team (SLT) and ensuring that remuneration practices keep pace with the market;
- Setting the parameters for short and long term incentives and monitoring and approving their achievement;
- Determining and agreeing on the remuneration and overall compensation package for the CEO and CFO who are appointed to the board and executive directors;
- Determining, agreeing and developing the Group's remuneration policy in line with the requirements of applicable laws, JSE Listings Requirements and King IV to align with 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 EXCO's performance 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 executive remuneration 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 to benchmark remuneration trends;
- Ensuring the remuneration policy and implementation report are put to a non-binding advisory vote at the AGM in accordance with the JSE Listings Requirements;
- Reviewing and setting the direction for the Group's engagement with investors in the event that Vodacom does not achieve the required number of votes on the non-binding advisory resolutions tabled at its AGM for either the remuneration policy or implementation report, or both, and ensuring the remuneration policy details the steps the Board will take in such circumstances to engage with shareholders; and
- Determining and recommending to the Board the non-executive directors (NED) fees to be proposed to the shareholders for approval.
- Reviewing and approving STI targets and achievement for each operating company and major subsidiaries; and
- Reviewing and approving salary increases for all staff in major subsidiaries across the Group.

RemCo's key decisions

RemCo held four normal meetings and one special meeting in FY2023, during which the following key decisions were made:

- Approved the annual increase budget for ExCO, senior management and employees as informed by external benchmarking;
- Approved individual increases for the ExCO;
- Reviewed the metrics of the variable STI plan and the variable LTI, making changes where appropriate;
- Approved STIs for executives, senior management and employees;
- Evaluated the LTI vesting conditions for the FY2020 awards and approved the final vesting percentages;
- Approved the participation of eligible employees in Vodafone Egypt in the Vodacom share schemes;
- Approved the RemCo charter;
- Noted the feedback from the internal audit review of the committee's compliance with its charter;
- Recommended increases in NED fees to the Board for shareholder approval;
- Approved the new reward structure linked to the STI aligned to our performance management programme – "Grow my Impact";
- Approved a new STI framework for FY2024 to support and deliver the company strategy focused on two strategic priorities, namely Growth and Customers by ensuring that executives and employees are more strongly incentivised through growth and customer loyalty, which allows the business to focus on these two strategic priorities;
- Reviewing the structure of the STI plan, we will ensure that these priorities are embedded and will incentivise the right behaviours and send a clear message to employees on what is important for our future success;
- The structure of the FY2024 STI plan retains the same performance used under the current plan, albeit rebalanced and repositioned for alignment with our strategic priorities; and
- Approved the measures for the LTI scheme for 2023 share allocations including operating free cash flow (OFCF), total shareholder's returns (TSR) and ESG measures.

The FY2024 STI plan design is below:

New STI framework							
Customer				Growth			
NPS	Churn	Service revenue	Revenue market share	EBIT	Free cash flow		
20%	10%	20%	10%	20%	20%		

Shareholder voting

At the Group's AGM in July 2023, shareholders will vote on:

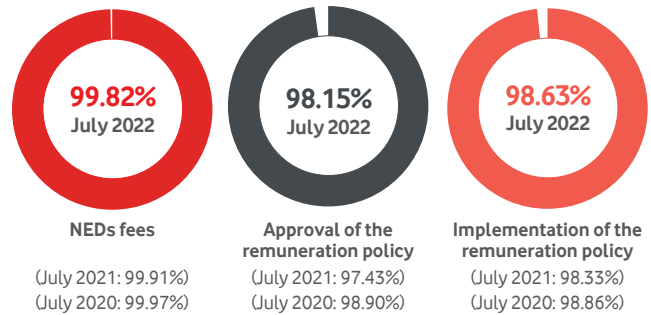
- A binding vote on NED fees;
- A non-binding advisory vote on the remuneration policy; and
- A non-binding advisory vote on the implementation report.

 Details can be found in the notice of AGM, available online at <https://vodacom-reports.co.za/integrated-reports/ir-2023/>.

Should either non-binding advisory 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; and
- RemCo will deliberate the concerns and provide shareholders with a formal response articulating the concerns raised and the changes to be implemented in response, along with detailed responses to concerns where Vodacom, despite shareholder feedback, believes its current policy and/or implementation is adequate.

Shareholder votes



Looking ahead

RemCo constantly assesses remuneration trends and governance frameworks and, in FY2024, will focus on:

- STI measures and achievement;
- LTI performance conditions – measures and achievement;
- Remuneration matters related to the acquisition of Vodafone Egypt; and
- Fair and responsible pay.

Our remuneration policy

The principles that guide our remuneration approach

Dynamic approach to ensure competitive pay

We regularly review our approach to 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 GP and target total cash (GP plus STI) at least every second year. We benchmark and consider LTI schemes and trends. We strive to set remuneration trends across our operating companies (OpCos), for example, in Vodacom DRC we moved from a self-insured healthcare arrangement to a plan insured via an insurance company which is a preferred option in 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 collective and individual performance. We employ a robust performance management system to implement incentives (page 110). As part of our vision to remain a leading employer, we assess if our remuneration is fit for purpose. Part of this process includes making the following changes to our performance management system and the reward structure which will be implemented in FY2024:

- Repositioning our people performance management system towards impact and growth, with the performance management process, rebranded to "Grow my Impact";
- The performance differentiation labels will change to: "Outstanding", "Well done" and "More Impact Needed;"

- A goal-setting framework centred on four goals:
 - Three impact goals framed around each person's impact on the team, business growth and customer outcomes, based on the three company goals cascaded by the market CEO or function lead
 - One growth goal focused on growing self or team, underpinned by our Spirit behaviours
- Set the minimum performance standard to be eligible for the STI (bonus);
- A new performance rating that addresses underperformance and aids performance differentiation, resulting in a lower STI pay-out;
- Impact on reward by rating:
 - Outstanding**
 - Enhanced rewards for top performers will be paid in cash
 - The STI pay-out will increase to 125% of target for top performers across all employee levels
 - Well Done**
 - STI pay-outs for performers will be differentiated by enabling managers to flex the pay-out at 90%, 100% or 110% of target
 - More Impact Needed**
 - STI pay-outs will be either 0% or 75% of target
- Two formalised checkpoints, during which managers will submit impact ratings:
 - Set impact goals – March/April
 - Personal growth and development and review impact goals – September/October
- Delivering a comprehensive programme for all people managers to fully embed the performance changes, reset role expectations and upskill them with performance management skills.

Human capital continued

Remunerating to reward value creation continued

Performance management context

An extensive performance management review was conducted in the current financial year, involving ExCo, employees and external benchmarking. This was done to better understand the areas of strength and weakness of the existing performance development system. As a result, the Group adopted a new performance management programme – “Grow my Impact” – for the coming financial year. This approach will help us better set expectations, provide clarity on the things that matter, recognise outstanding achievements and provide the tools to support continuous feedback, coaching and development.

	From	To
Name	Performance development	Grow My Impact
Impact Goals	<i>Ad hoc</i> system cascade Goals not visible	Cascaded: x3 priorities from leader Employee: set x3 impact goals plus 1 Grow Goal Goals visible to line/matrix leader/peers/direct reports
Differentiation	Top Performer (100%) Performer (100%) Mover (0%) – not currently a formal category	Outstanding (125%) Well Done (110%, 100%, 90%) More Impact Needed (0% or 75%) Effective for STI payment in June 2024
Share Awards	Deferred share award for top performers (25% of target)	Enhanced global STI plan for ALL outstanding performers, in the form of cash.
Star Awards	Top performance recognised through enhanced Vodafone Stars for eligible employees	Enhanced Vodafone Stars removed
Reviews	Annual review Quarterly reviews encouraged	March/April-set/review goals September/October – performance development mid-year check in Performance assessed/feedback collected at both points
Feedback	Feedback format given is discretionary	Feedback embedded – 3 questions Upward feedback to managers

Relevant and sustainable

We manage the total cost of employment and ensure we provide benefits that are relevant, affordable and sustainable. We also apply malus and clawback provisions to disincentivise inappropriate behaviour for senior leaders in the business.

Communication

We are committed to providing transparent and understandable information to employees regarding our reward programmes, policies and processes. We communicate clearly and effectively on the total reward package to ensure our employees understand what they receive, why, when they receive it and how their performance can influence what they receive. This communication is delivered through digital platforms for employees to access anywhere, anytime.

Fair and responsible remuneration

Our total reward framework is underpinned by our commitment to fair pay. By applying the principle of equal remuneration for work of equal value, Vodacom seeks to eliminate discriminatory remuneration – whether direct or indirect – based on gender, age, disability, gender identity and expression, sexual orientation, race, ethnicity, cultural heritage, religion or belief. We pay competitive salaries, rewarding individuals based on their skills, experience and external market positioning.

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 where pay requires attention and remedial action is implemented. The fair pay analysis focuses on the elements below. The outcome of the fair pay review conducted in FY2023 shows that Vodacom markets are aligned to the fair pay principles.

We believe our reward decisions are based on merit and do not discriminate.

Fair pay principles



1. Market competitive

Pay reflects an individual's skills, roles and functions, and the external market.

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



2. Free from discrimination

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



3. 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.



4. 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, such as a bonus, shares or a sales incentive.



5. 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.



6. Open and transparent

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

Pay gap

Pay gaps are receiving increased focus globally as pay gap reporting promotes fair remuneration. During FY2023, RemCo was briefed by Bowman on four possible measures, namely the Gini coefficient, the Palma ratio, the new 5:5 ratio proposed by the draft Companies Bill in October 2021, and the ratio of the highest to the lowest paid employee for all full-time employees. The RemCo will be guided by legislative requirements on the best approach for Vodacom.

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, including their marketability and scarcity
- 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 relevant executive remuneration surveys
 - Peer group data from the JSE telecommunications sector and other listed companies with similar market capitalisation and revenue
 - In market salary comparisons from similar sized companies.

Benchmarking for executive directors is completed 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, by benchmarking pay to industry-specific comparators, information disclosed by our peer group and Mercer's executive remuneration survey.

Human capital continued

Remunerating to reward value creation continued

Our remuneration structure

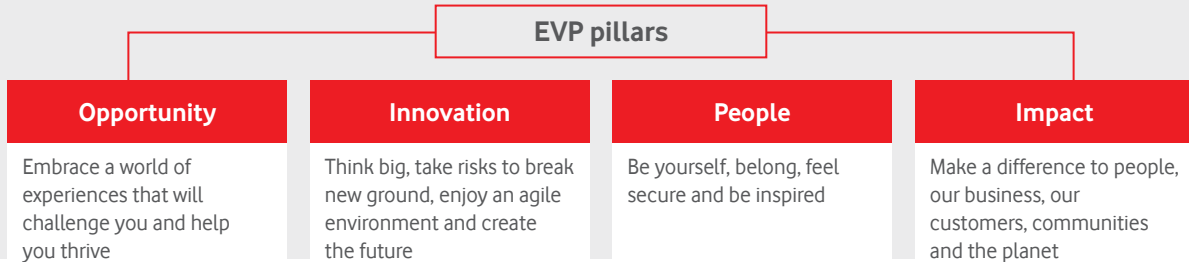
	Strategic intent	Description	Eligibility
Guaranteed pay (GP)	<p>Forms the basis for competitive remuneration to attract and retain the best talent (page 120). It reflects:</p> <ul style="list-style-type: none"> • Job-specific competence and skills, including their marketability and scarcity • Industry 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"> • Support 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 local market benchmarking exercises, comply with legislation and complement our broader employee value proposition (EVP) and minimum benefits standards.</p>	All employees
STI	<p>Designed to motivate employees and incentivise the delivery of performance against set business targets, comprising measures that will drive our strategic intent of Growth and Customers.</p>	<p>Business measures of the STI 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	<ul style="list-style-type: none"> • Motivate and incentivise delivery of sustained performance over the long term • Encourage ownership and loyalty by aligning the interests of participants with those of the Group and our shareholders 	<p>Variable in the form of Vodacom shares, which vest over three years.</p> <p>We annually review the LTI measures and weightings to ensure that they drive the right behaviours and support the business's strategy.</p>	Executive directors, members of the SLT and senior management, and roles directly influencing strategy delivery, or without whom there is a risk to execution.
	Support employee retention	<p>Vodacom has two share plans:</p> <ol style="list-style-type: none"> 1. Forfeitable share plan (FSP) which is a combination of forfeitable performance shares and forfeitable retention shares. 2. Conditional share plan (CSP) with shares allocated as a combination of conditional and forfeitable Vodacom shares. 	<p>Awards to the CEO and CFO are allocated under the CSP and are a combination of conditional and forfeitable shares to ensure that dividends above the on-target value of the awards are only settled to the extent that performance is above target. Newly hired SLT members and promotions to the SLT will also participate in the CSP and receive a combination of forfeitable and conditional shares.</p>
Other programmes	Continually position Vodacom as an employer of choice	<p>Access to lifestyle benefits, including employee discounts:</p> <ul style="list-style-type: none"> • Cellphone, data and fibre benefits, which are based on local OpCo requirements • Maternity leave and parental leave for non birthing partners • Annual executive health checks 	All employees
Recognition	Recognises individuals for their contribution to Vodacom	<p>Vodafone Stars, Global Heroes and Thank You recognition programmes are used to recognise individual performance and reinforce the Spirit behaviours through "in the moment" financial and non-financial recognition.</p>	Employees as defined by policy

1. Vodafone retention and performance CSP awards. Details regarding performance conditions of and vesting periods for the Vodafone awards can be found in Vodafone's FY2023 annual report on <https://investors.vodafone.com/reports-information/results-reports-presentations>

Vodacom’s employee value proposition (EVP)

Our purpose: Connect for a better future

Together, we can create a better future. Vodacom is passionate about making the world more connected, inclusive and sustainable. The Group’s human spirit, with the help of technology, enables us to achieve this.



Competitive pay and benefits | Flexible ways of working | Care for your well-being

Our Spirit behaviours inform all of the above

Benefits

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

Retirement funding

In South Africa, Lesotho and Egypt, we have private retirement funds. In South Africa, the Vodacom Group Pension Fund – a defined contribution pension scheme – is compulsory for all permanent employees. Senior management employees must also participate in the Vodacom Group Provident Fund, a defined contribution scheme. Other employees can join the Vodacom Group Provident Fund on a voluntary basis. Vodacom Lesotho’s provident fund is compulsory for all permanent employees. Vodafone Egypt provides its employees with a private and non-contributory pension plan where the company invests 10% of the employee’s annual salary in July of each year. In the other OpCos in Vodacom Group, namely the DRC, Mozambique and Tanzania, employees participate in the government-run social security fund as required by legislation.

Risk insurance

All Vodacom markets offer risk benefits to employees, including life and disability cover based on local market practice.

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.

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 pay 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 are based on achieving financial and strategic measures. Payments are made in cash in June each year.

For FY2024, 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 for our executive directors are set out below:

Role	On target	Maximum
	% of GP FY2024	% of GP FY2024
CEO	100%	200%
CFO	75%	187.5%

For FY2024, the STI will be based on business performance and is capped at 200% of target, which is the maximum business multiplier. The performance differentiator, of which the minimum is 0% and the maximum of 125%, is applicable to all eligible employees except for the CEO.

Human capital continued

Remunerating to reward value creation continued

Measurement

The measures, bonus levels and weightings are reviewed annually to ensure a continued link to strategy and management's direct influence. The financial measures are typically determined based on budgets.

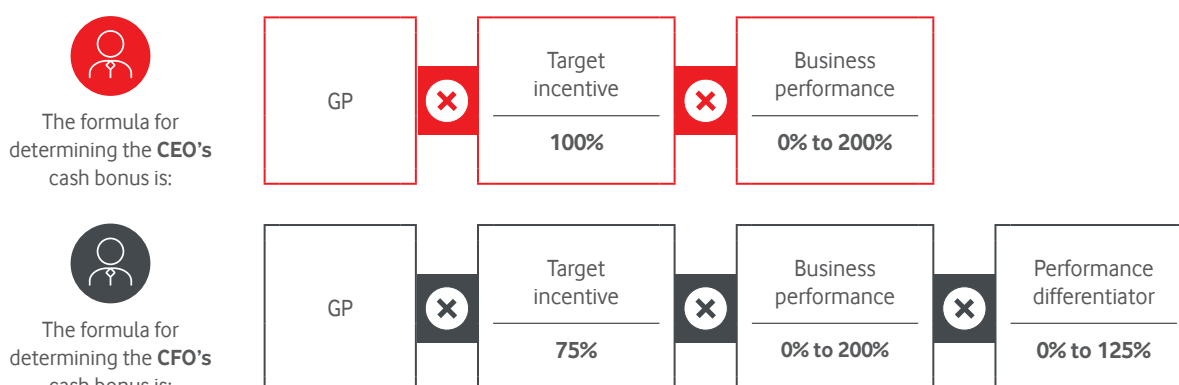
The measurement methodology for each component of the STI metrics is set out below. The aggregate outcome of this measurement sets our business performance multiplier, which ranges from 0% to 200%.

Element	Service revenue	EBIT	OFCF	Customer appreciation
Weighting	25%	25%	25%	25%
FY2023 (FY2022)	(25%)	(25%)	(25%)	(25%)
Description of metrics and range	All revenue for ongoing services, including 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, among others	Earnings before interest, taxation, impairment losses and profit/loss from associates and joint ventures	Cash generated from operations less additions to property, plant and equipment, intangible assets, and proceeds on disposal of property, plant and equipment and intangible assets	Assessment of the following metrics: <ul style="list-style-type: none"> • NPS • Active base • Churn • Revenue market share <p>NPS measures the extent to which our customers would recommend us. Active base measures 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 Vodacom Group business multiplier is used for the CEO, CFO and other members of ExCo. For ExCo members responsible for an operating business, the business multiplier is based on a weighted average of the business performance split between the relevant OpCo (70%) and Vodacom Group (30%).

STI calculation

The changes to the STI effective FY2024 will affect the calculation of the STI for the CFO. There is no change to the STI calculation for the CEO.



LTI

LTI's aim is to retain key skills and motivate executives and select employees over the long term, which is essential for sustainable performance. We use operating free cash flow as the principal performance measure to ensure we apply prudent cash management and rigorous capital discipline to our investment decisions. TSR, along with a performance period of no shorter than three years, means we focus on the long-term interests of our shareholders. ESG components support an even closer alignment with our purpose.

With effect from June 2022 on the LTI allocation under the CSP, 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 above target, and
- The updated plan reflects the actual Group 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, and the split of awards for the CEO and CFO are set out below. This has remained unchanged from the previous financial year:



On target % of GP	225	135
Maximum % of GP	433	270
On-target awards are split		
Vodacom CSP retention	–	–
Vodacom CSP performance	77.78%	75.00%
Vodafone CSP retention	–	–
Vodafone CSP performance	22.22%	25.00%

The CEO and CFO are allocated shares with performance conditions under the Vodacom CSP and the Vodafone share plan.

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

We determine 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 CSP is based on the following scale:

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

LTI TSR peer group metric

No changes were made to the TSR peer group in June 2023. Vodacom uses the Indi25 index as the most representative list of companies when considering industry competitors, labour market and company size. LTI awards made during June 2022 used the following peer group companies for the LTI TSR vesting condition:

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

ESG measures[^]

This component comprises targets across our purpose pillars and accounts for a 10% weighting of LTI with each measure equally weighted. ESG targets that extend over the next three years to FY2025 was set by the RemCo.

Digital society

reach **73 million** financial services customers by 31 March 2025.

Inclusion for all

drive **40%** representation of women in senior management by 31 March 2025.

Planet

50% reduction in scope 1 and 2 emissions from FY2017 baseline by 31 March 2025.

[^] Targets exclude Vodafone Egypt.

Human capital continued

Remunerating to reward value creation continued

Malus and clawback

Our malus and clawback policy allows 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. The 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 clawback 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.



Executive contracts and policies

Members of senior 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.

Termination benefits

There are no contractual entitlements to payment on termination, except regarding payment for the notice period and accrued leave balances. STIs and LTIs will be dealt with based on the nature of the termination. Malus and clawback provisions apply to STI and LTI arrangements:

	STI	LTI
Voluntary termination	Not eligible for STI payment	The right to receive share awards will be forfeited with immediate effect.
Involuntary termination (death, retirement, retrenchment, ill-health, injury or disability and participant's employer company ceasing to be a member of the Group)	STI cash payments will be pro-rated for the financial year till the exit date	LTI will vest in line with the scheme rules and once the achievement of the performance conditions is approved.
Mutual separation	Managed in line with respective scheme rules and subject to RemCo approval.	

Vodacom Siyanda Employee Trust

Established in 2019, the Vodacom Siyanda Employee Trust holds an equity investment in the Group through its interest in YeboYethu. At the time of the establishment of Siyanda 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 black economic empowerment (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, and in March 2023 the second tranche was transferred with the final third tranche to be transferred in March 2024.

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)
- 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)
- 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.
- 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.
- 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 NEDs' duties and fiduciary responsibilities extend beyond meeting attendance. For this reason, fees are set as single retainer amounts. Non-executive directors do not receive any short-term cash awards or long-term share awards.

We benchmark our NED fees against those published by peer group companies in their most recent notices of AGM. This peer group is different from the TSR peer group, as NEDs' skills come from a pool of more appropriately sized companies.

Our peer group of companies included:

• MultiChoice group Limited	• Bidcorp Limited
• Woolworths Holdings Limited	• Gold Fields
• Sibanye Stillwater	• Sasol
• Anglo Gold Ashanti	• MTN Group Limited
• Shoprite Holdings Limited	• Standard Bank

Implementation report

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

Fair and reasonable 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	FY2023 salary increase granted	FY2022 salary increase granted
South Africa	5.0%	5.0%
Tanzania	4.5%	3.0%
DRC	3.0%	3.0%
Mozambique	5.0%	6.5%
Lesotho	5.0%	4.5%

Executive director	FY2023 R	FY2022 R	% increase
MSA Joosub	16 637 906	13 310 325	25.0%
RK Morathi	10 236 150	9 675 000	5.8%

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

With the expanded role of the CEO and to ensure that his remuneration is competitive compared to executives with similar international scope, a detailed benchmarking process was conducted to compare his remuneration to a comparator group of JSE listed companies with substantial interests outside South Africa, but who retain their head office in South Africa. In order to align his guaranteed package and STI to our policy market positioning within this competitor group a 25% increase was indicated. The CEO's LTI awards remain very competitive, noting that his current award eligibility reflects his substantial co-investment in Vodacom shares since his appointment as CEO (he currently holds 1 033 290 Vodacom shares, amounting to a personal investment of over R110 million).

Vodacom benchmarks its executive 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 also approved a 5.8% increase for CFO.



FY2023 STI performance

The graphic below shows the extent the Group's targets were met for the year ended 31 March 2023.

Metric	Weight	Threshold 0%	Target 100%	Maximum 200%	Weighted result
Service revenue	25%	65.1%			16.3%
EBIT	25%	64.7%			16.2%
OFCF	25%	71.4%			17.8%
Customer appreciation	25%	136.0%			34.0%

The overall achievement of target is

84.3%

The comparable Group STI achievement for FY2022 was 125.8%.

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	FY2023 R	FY2022 R	% decrease
MSA Joosub	14 025 755	16 744 389	(16%)
RK Morathi	6 471 806	9 128 363	(29%)

FY2023 LTI performance

Achievement of the FY2023 LTI represents the final vesting percentage for awards made in June 2020, where the three-year performance period concluded on 31 March 2023. These shares will vest in June 2023 and will be disclosed in the table of single total figure of remuneration using the closest practicable share price of R110.37 for Vodacom shares as at 31 May 2023.

Metric	Weight	Threshold 40%	Target 100%	Maximum 200%	Weighted result of maximum ¹
OFCF	60%	135.7%			81.4%
TSR	30%	68.0%			20.4%
ESG	10%	200%			20.0%

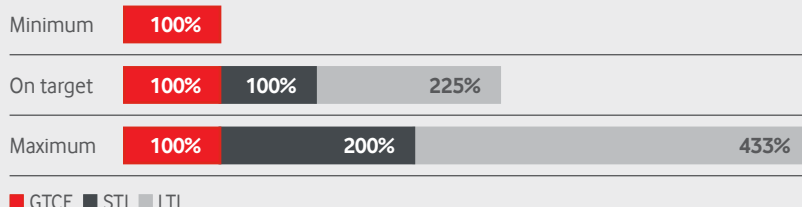
The overall achievement of target is

121.8%

The comparable Group LTI achievement for FY2022 was 125.0%.

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 2023 are valued as at 31 May 2023, the closest practicable date at a share price of R110.37 for Vodacom shares and GBP0.76 for Vodafone shares based on an exchange rate of R24.41 as at 31 May 2023.

MS Aziz Joosub	FY2023	FY2022	% increase	Currency
GP ¹	16 637 906	13 151 869	26.5%	ZAR
Other ²	4 800	4 800	0.0%	ZAR
STI ³	14 025 755	16 744 389	(16.2%)	ZAR
LTI ⁴	26 188 906	29 474 569	(11.1%)	ZAR
FSP	22 207 811	25 215 094	(11.9%)	ZAR
Vodafone shares	3 981 096	4 259 475	(6.5%)	ZAR
Dividends ⁵	7 478 913	8 136 250	(8.1%)	ZAR
Total (pre-tax)	64 336 280	67 511 877	(4.7%)	ZAR
Total (post-tax) ⁶	35 384 954	37 131 532	(4.7%)	ZAR

1. Salary increase effective 1 July each year.
2. This includes the Vodacom cellphone benefit.
3. These amounts relate to the STI payable in June 2023, derived from performance for the year ended 31 March 2023.
4. LTI awards made in June 2020 vesting in June 2023.
5. Dividends are the total of cash receipts during the financial year based on unvested share awards, as well as dividends received on Siyanda units.
6. 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	(645 106)	–	–	–	23 024 286	ZAR
Vodacom FSP – with company performance vesting conditions								
2020	Jun 2019	32 200 093	4 546 017	–	(13 779 691)	(22 966 419)	–	ZAR
2021	Jun 2020	42 866 299	(6 400 272)	(18 233 014)	–	–	18 233 014	ZAR
2022	Jun 2021	44 367 781	(6 941 424)	(18 713 178)	–	–	18 713 178	ZAR
Vodacom Conditional Shares								
2023	Jun 2022	29 116 277	(6 966 342)	–	–	–	22 149 935	ZAR
Vodafone Conditional Shares								
2020	Jun 2019	316 238	6 580	–	(112 180)	(210 638)	–	GBP
2021	Nov 2020	305 589	(121 584)	–	–	–	184 004	GBP
2022	Aug 2021	317 080	(109 485)	–	–	–	207 595	GBP
2022	Jul 2022	408 135	(153 067)	–	–	–	255 068	GBP
Siyanda units								
2019	Mar 2019	700 690	461 430	–	–	–	1 162 120	ZAR
2020	Jun 2019	22 481	13 831	–	–	–	36 312	ZAR
2020	Nov 2019	7 120	4 984	–	–	–	12 104	ZAR
2022	Mar 2021	6 536	(1 368)	–	–	–	5 168	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 2023.

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

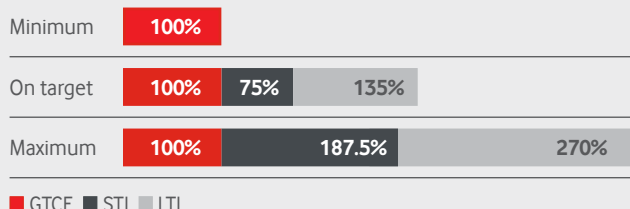
3. Shares settled and forfeited in the year at a share price of R133.89 for Vodacom and GBP1.27 for Vodafone on the vesting date.

4. Value has been calculated using the closest practicable share price, as at 31 May 2023, being R110.37 for the Vodacom share price, GBP0.76 for the Vodafone share price at an exchange rate of R24.41 and R34.00 for the Siyanda units.

Outstanding share awards (number of shares)

Financial year awarded	Date awarded	Date vesting	Opening balance	Granted in the year	Forfeited in the year	Settled in the year	Closing balance
Conditional benefit – restricted shares							
2014	May 2013	N/A	208 610	–	–	–	208 610
Vodacom FSP – with company performance vesting conditions							
2020	Jun 2019	Jun 2022	274 450	–	(102 918)	(171 532)	–
2021	Jun 2020	Jun 2023	330 398	–	–	–	330 398
2022	Jun 2021	Jun 2024	339 099	–	–	–	339 099
Vodacom Conditional Shares							
2023	Jun 2022	Jun 2025	–	200 688	–	–	200 688
Vodafone Conditional Shares							
2020	Jun 2019	Jun 2022	254 540	–	(88 453)	(166 087)	–
2021	Nov 2020	Aug 2023	240 623	–	–	–	240 623
2022	Aug 2021	Aug 2024	271 473	–	–	–	271 473
2023	Jul 2022	Jul 2025	–	333 553	–	–	333 553
Siyanda units							
2019	Mar 2019	–	34 180	–	–	–	34 180
2020	Jun 2019	–	1 068	–	–	–	1 068
2020	Nov 2019	–	356	–	–	–	356
2022	Mar 2021	–	152	–	–	–	152

Raisibe Morathi (CFO)



- The maximum STI for Raisibe is twice the target. This is the maximum business performance multiplier.
- 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 2023 are valued as at 31 May 2023, the closest practicable date at a share price of R110.37 for Vodacom shares and GBP0.76 for Vodafone shares based on an exchange rate of R24.41 as at 31 May 2023.

RK Morathi	FY2023	FY2022	% increase	Currency
GP ¹	10 095 863	9 506 250	6.2%	ZAR
Other ²	6 235	1 606 720	(99.6%)	ZAR
STI ³	6 471 806	9 128 363	(29.1%)	ZAR
LTI ⁴	10 354 251	7 030 716	47.3%	ZAR
FSP	10 354 251	7 030 716	47.3%	ZAR
Vodafone shares				ZAR
Dividends ⁵	1 432 885	1 194 671	19.9%	ZAR
Total (pre-tax)	28 361 040	28 466 720	(0.4%)	ZAR
Total (post-tax) ⁶	15 598 572	15 656 696	(0.4%)	ZAR

1. Salary increase effective 1 July each year.
2. This includes the Vodacom cellphone benefit and a cash payment for bonus loss from previous employer.
3. These amounts relate to the STI payable in June 2023, derived from performance for the year ended 31 March 2023.
4. Sign-on share awards are expected to vest in November 2023.
5. Dividends are the total of cash receipts during the financial year based on unvested share awards, as well as dividends received on Siyanda units.
6. 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
Vodacom FSP – without company performance vesting conditions								
2021	Nov 2020	5 999 960	(27 200)	–	–	(5 972 761)	–	ZAR
2021	Nov 2020	5 999 960	(721 184)	–	–	–	5 278 776	ZAR
2022	Jun 2021	4 499 980	(704 025)	–	–	–	3 795 955	ZAR
2022	Nov 2021	1 600 097	(320 578)	–	–	–	1 279 519	ZAR
Vodacom FSP – with company performance vesting conditions								
2022	Jun 2021	4 499 980	(704 025)	(1 897 978)	–	–	1 897 978	ZAR
Vodacom Conditional shares								
2023	Jun 2022	9 795 812	(2 343 740)	–	–	–	7 452 072	ZAR
Vodafone Conditional Shares								
2022	Jun 2021	113 756	(44 331)	–	–	–	69 425	GBP
2023	Jun 2021	160 202	(60 082)	–	–	–	100 120	GBP
Siyanda units								
2021	Nov 2020	1 123 268	60 953	–	–	–	1 184 220	ZAR
2022	Mar 2021	6 536	(1 368)	–	–	–	5 168	ZAR

- The estimated effect of the share price is based on the share price movement between the date of award and the closing price on 31 May 2023.
- The estimated effect of performance targets is based on the targeted 50% vesting being applied.
- Shares settled and forfeited in the year at a share price of R133.89 for Vodacom and GBP1.27 for Vodafone on the vesting date.
- The value was calculated using the closest practicable share price as at 31 May 2023, R110.37 for the Vodacom share price, GBP0.76 for the Vodafone share price at an exchange rate of R24.41 and R34.00 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 <https://vodacom-reports.co.za/integrated-reports/ir-2023/>.

Outstanding share awards (number of shares)

Financial year awarded	Date awarded	Date vesting	Opening balance	Granted in the year	Forfeited in the year	Settled in the year	Closing balance
Vodacom FSP – without company performance vesting conditions							
2021	Nov 2020	Nov 2022	47 828	–	–	(47 828)	–
2021	Nov 2020	Nov 2023	47 828	–	–	–	47 828
2022	Jun 2021	Jun 2024	34 393	–	–	–	34 393
2022	Nov 2021	Nov 2023	11 593	–	–	–	11 593
Vodacom FSP – with company performance vesting conditions							
2022	Jun 2021	Jun 2024	34 393	–	–	–	34 393
Vodacom Conditional shares							
2023	Jun 2022	Jun 2025	–	67 519	–	–	67 519
Vodafone Conditional Shares							
2022	Jun 2021	Jun 2024	90 787	–	–	–	90 787
2023	Jun 2022	Jun 2025	–	130 927	–	–	130 927
Siyanda units							
2021	Nov 2020	–	34 830	–	–	–	34 830
2021	Mar 2021	–	152	–	–	–	152

Termination of office payments

No termination of employment payment for executive directors was made in FY2023.

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 <https://vodacom-reports.co.za/integrated-reports/ir-2023/>.

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 FY2023.

Human capital continued

Implementation report continued

NED payments

PG NED fees are benchmarked against a peer group of similarly sized companies as outlined on page 119.

FY2023 fees

Name	Director	ARCC	ARCC	RemCo	RemCo	Nomination	Social and	Social and	Other	Total
	fee	Chairman	member	Chairman	member	Committee	Ethics	Ethics	Committees	
	R	R	R	R	R	R	R	R	R	R
SJ Macozoma ^{3,4}	3 502 922	–	–	–	–	–	–	–	–	3 502 922
DH Brown ³	182 023	103 030	–	–	40 710	–	–	–	–	325 763
F Bianco ¹	551 181	–	–	–	168 267	144 229	–	–	–	863 677
P Klotz ¹	551 181	–	–	–	–	–	–	–	12 213	563 394
P Mahanyele- Dabengwa ^{3,4}	551 181	–	–	320 595	–	144 229	–	–	–	1 016 005
NC Nqweni ⁴	551 181	–	232 124	–	–	–	–	144 229	–	927 534
A O'Leary ¹	249 365	–	–	–	–	–	–	–	–	249 365
A Dimitrova	301 817	–	–	–	–	–	–	–	–	301 817
JWL Otty ¹	551 181	–	–	–	–	–	–	–	12 213	563 394
KL Shuenyane ^{3,4}	691 688	–	232 124	–	–	128 095	252 401	–	21 373	1 325 681
S Sood ¹	551 181	–	–	–	–	–	–	–	–	551 181
CB Thomson ^{3,4}	551 181	322 829	56 159	–	127 557	–	–	–	12 213	1 069 939
LS Wood ¹	551 181	–	–	–	168 267	144 229	–	144 229	–	1 007 906
	9 337 263	425 859	520 407	320 595	504 801	560 782	252 401	288 458	58 012	12 268 578

1. Fees paid to Vodafone and not the individual director.

2. Fees for a portion of the year.

3. Fees excluding VAT paid.

4. Excludes an amount of R2 000 paid in September 2022, for incidental expenses while travelling to Board meetings in Kenya.

FY2022 fees

Name	Director	ARCC	ARCC	RemCo	RemCo	Nomination	Social and	Social and	Other	Total
	fee	Chairman	member	Chairman	member	Committee	Ethics	Ethics	committees ³	
	R	R	R	R	R	R	R	R	R	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.

