Board of directors and Group management

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Directors and senior management

Our business is managed by our Board of directors ('the Board'). Biographical details of the directors and senior management at 18 May 2010 are as follows:

Board of directors

Chairman

1. Sir John Bond[†], aged 68, became Chairman of Vodafone Group Plc in July 2006, having previously served as a non-executive director of the Board, and is Chairman of the Nominations and Governance Committee. He is a non-executive director of A.P. Møller – Mærsk A/S and Shui On Land Limited (Hong Kong SAR). He retired from the position of Group Chairman of HSBC Holdings plc in May 2006. Previous non-executive directorships include the London Stock Exchange plc, Orange plc, British Steel plc, the Court of the Bank of England and Ford Motor Company, USA. He is also an advisor to Northern Trust in Chicago.

Executive directors

2. Vittorio Colao, Chief Executive, aged 48, was appointed Chief Executive of Vodafone Group Plc after the AGM on 29 July 2008. He joined the Board in October 2006 as Chief Executive, Europe and Deputy Chief Executive. He spent the early part of his career as a partner in the Milan office of McKinsey & Co working on media, telecommunications and industrial goods and was responsible for recruitment. In 1996 he joined Omnitel Pronto Italia, which subsequently became Vodafone Italy, and he was appointed Chief Executive in 1999. He was then appointed Regional Chief Executive Officer, Southern Europe for Vodafone Group Plc in 2001, became a member of the Board in 2002 and was appointed to the role of Regional Chief Executive Officer for Southern Europe, Middle East and Africa for Vodafone in 2003. In 2004 he left Vodafone to join RCS MediaGroup, the leading Italian publishing company, where he was Chief Executive until he rejoined Vodafone. He sits on the International Advisory Board of Bocconi University, Italy.

3. Andy Halford, Chief Financial Officer, aged 51, joined the Board in July 2005. He joined Vodafone in 1999 as Financial Director for Vodafone Limited, the UK operating company, and in 2001 he became Financial Director for Vodafone's Northern Europe, Middle East and Africa region. In 2002 he was appointed Chief Financial Officer of Verizon Wireless in the US and is currently a member of the Board of Representatives of the Verizon Wireless partnership. Prior to joining Vodafone he was Group Finance Director at East Midlands Electricity Plc. He holds a bachelors degree in Industrial Economics from Nottingham University and is a Fellow of the Institute of Chartered Accountants in England and Wales.

4. Michel Combes, aged 48, Chief Executive Officer, Europe Region, was appointed to the Board with effect from 1 June 2009. He joined the Company in October 2008. He began his career at France Telecom in 1986 in the External Networks Division and then moved to the Industrial and International Affairs Division. After being technical advisor to the Minister of Transportation from 1991 to 1995, he served as Chairman and Chief Executive Officer of GlobeCast from 1995 to 1999. He was Executive Vice President of Nouvelles Frontieres Group from December 1999 until the end of 2001 when he moved to the position of Chief Executive Officer of Assystem-Brime, a company specialising in industrial engineering. He returned to France Telecom Group in 2003 as Senior Vice President of Group Finance and Chief Financial Officer. Until January 2006 he was Senior Executive Vice President, in charge of NExT Financial Balance & Value Creation and a member of the France Telecom Group Strategic Committee. From 2006 to 2008 he was Chairman and Chief Executive Officer of TDF Group. He is Chairman of the Supervisory Board of Assystem SA in France.

5. Stephen Pusey, aged 48, Group Chief Technology Officer, joined Vodafone in September 2006 and was appointed to the Board with effect from 1 June 2009. He is responsible for all aspects of Vodafone's networks, IT capability, research and development and supply chain management. Prior to joining Vodafone he held the positions of Executive Vice President and President, Nortel EMEA, having joined Nortel in 1982 gaining a wealth of international experience across both the wireline and wireless industries and in business applications and solutions. Prior to Nortel, he spent several years with British Telecom.

Deputy Chairman and senior independent director

6. John Buchanan[§†], aged 66, became Deputy Chairman and senior independent director in July 2006 and has been a member of the Board since April 2003. He retired from the board of directors of BP p.l.c. in 2002 after six years as Group Chief Financial Officer and executive director following a wide-ranging career with the company. He was a member of the United Kingdom Accounting Standards Board from 1997 to 2001. He is Chairman of Smith & Nephew plc and senior independent director of BHP Billiton Plc. He is Chairman of The International Chamber of Commerce (UK) and previous non-executive directorships include AstraZeneca plc and Boots plc.

Non-executive directors

7. Alan Jebson[§], aged 60, joined the Board in December 2006. He retired in May 2006 from his role as Group Chief Operating Officer of HSBC Holdings plc, a position which included responsibility for IT and Global Resourcing. During a long career with HSBC he held various positions in IT including the position of Group Chief Information Officer. His roles included responsibility for the Group's international systems including the consolidation of HSBC and Midland systems following the acquisition of Midland Bank in 1993. He originally joined HSBC as Head of IT Audit in 1978 where, building upon his qualification as a chartered accountant, he built an international

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audit team and implemented controls in the Group's application systems. He is also a non-executive director of Experian Group plc and MacDonald Dettwiler and Associates Ltd. in Canada.

8. Samuel Jonah‡, aged 60, was appointed to the Board on 1 April 2009. He is Executive Chairman of Jonah Capital (Pty) Limited, an investment holding company in South Africa and serves on the boards of various public and private companies including The Standard Bank Group. He previously worked for Ashanti Goldfields Company Limited, becoming Chief Executive Officer in 1986, and was formerly Executive President of AngloGold Ashanti Limited, a director of Lonmin Plc and a member of the Advisory Council of the President of the African Development Bank. He is an advisor to the Presidents of Ghana, South Africa, Nigeria and Namibia. An Honorary Knighthood was conferred on him by Her Majesty the Queen in 2003 and in 2006 he was awarded Ghana's highest national award, the Companion of the Order of the Star.

9. Nick Land§, aged 62, joined the Board in December 2006 and is Chairman of the Audit Committee. Solely for the purposes of relevant legislation he is the Board's appointed financial expert on the Audit Committee. In June 2006 he retired as Chairman of Ernst & Young LLP after a distinguished career spanning 36 years with the firm. He became an audit partner in 1978 and held a number of management appointments before becoming Managing Partner in 1992. He was appointed Chairman and joined the Global Executive Board of Ernst & Young Global LLP in 1995. He is a non-executive director of Royal Dutch Shell plc, Alliance Boots GmbH, BBA Aviation plc and the Ashmore Group plc. He is an advisor to the board of Denton Wilde Sapte, Chairman of the Board of Trustees of Farnham Castle, and is a member of the Finance and Audit Committees of the National Gallery. He is also Chairman of The Vodafone Foundation.

10. Anne Lauvergeon§, aged 50, joined the Board in November 2005. She is Chief Executive Officer of AREVA Group, the leading French energy company, having been appointed to that role in July 2001. She started her professional career in 1983 in the steel industry and in 1990 she was named Advisor for Economic International Affairs at the French Presidency and Deputy Chief of its Staff in 1991. In 1995 she became a Partner of Lazard Frères & Cie, subsequently joining Alcatel Telecom as Senior Executive Vice President in March 1997. She was responsible for international activities and the Group's industrial shareholdings in the energy and nuclear fields. In 1999 she was appointed Chairman and Chief Executive Officer of AREVA NC. She is currently also a member of the Advisory Board of the Global Business Coalition on HIV/AIDS and a non-executive director of Total S.A. and GDF SUEZ.

11. Simon Murray CBE‡, aged 70, joined the Board in July 2007. His career has been largely based in Asia where he has held positions with Jardine Matheson Limited, Deutsche Bank and Hutchison Whampoa Limited where, as Group Managing Director, he oversaw the development and launch of mobile telecommunications networks in many parts of the world. He remains on the Boards of Cheung Kong Holdings Limited, Compagnie Financière Richemont SA and Orient Overseas (International) Limited. He also sits on the Advisory Board of Imperial College in London. He will retire from the Board on conclusion of the AGM on 27 July 2010.

12. Luc Vandevelde†‡, aged 59, joined the Board in September 2003 and is Chairman of the Remuneration Committee. He is a director of Société Générale and the Founder and Managing Director of Change Capital Partners LLP, a private equity fund. He was formerly Chairman of the Supervisory Board of Carrefour SA, Chairman of Marks & Spencer Group plc and Chief Executive Officer of Promodès, and has held senior European and international roles with Kraft General Foods.

13. Anthony Watson CBE‡, aged 65, was appointed to the Board in May 2006. He is currently Chairman of Marks & Spencer Pension Trust Ltd and the Asian Infrastructure Fund. He is the senior independent director of Hammerson plc and Witan Investment Trust, a non-executive director of Lloyds Banking Group plc and sits on the Advisory Board of Norges Bank Investment Management. He joined the Board of the Shareholder Executive in October 2009, having been a member of its Advisory Group since April 2008. Prior to joining the Vodafone Board he was Chief Executive of Hermes Pensions Management Limited, a position he had held since 2002. Previously he was Hermes' Chief Investment Officer having been Managing Director of AMP Asset Management plc and the Chief International Investment Officer of Citicorp Investment Management from 1991 until joining Hermes in 1998. He was Chairman of The Strategic Investment Board in Northern Ireland until he retired in March 2009. In January 2009 he was awarded a CBE for his services to the economic redevelopment of Northern Ireland.

14. Philip Yea‡, aged 55, became a member of the Board in September 2005. He is currently the Chairman of Majid Al Futtaim Properties LLC, a UAE based property group. He is also Chairman of the trustees of the British Heart Foundation. He is the Senior Business Advisor to HRH Duke of York in his role as the UK's Special Representative for International Trade & Investment, and is a member of a number of Advisory Boards, including PricewaterhouseCoopers in the UK and Bridges Ventures. From July 2004 until January 2009 he was Chief Executive Officer of 3i Group plc. Prior to joining 3i he was Managing Director of Investcorp and from 1997 to 1999 Group Finance Director of Diageo plc following the merger of Guinness plc, where he was Finance Director, and Grand Metropolitan P.L.C. He has previously held non-executive roles at HBOS plc and Manchester United plc.

§ Audit Committee
† Nominations and Governance Committee
‡ Remuneration Committee

Board of directors and Group management continued

Executive Committee

Chaired by Vittorio Colao, this committee focuses on the Group's strategy, financial structure and planning, succession planning, organisational development and Group-wide policies. The Executive Committee membership comprises the executive directors, details of whom are shown on pages 48 and 49 above, and the senior managers who are listed below.

Senior management

Members of the Executive Committee who are not also executive directors are regarded as senior managers of the Company.

Wendy Becker, aged 44, Chief Marketing Officer, was appointed to this position and joined the Executive Committee in September 2009. She was previously Managing Director of Talk Talk, a subsidiary of the Carphone Warehouse. Prior to this role she was a partner at McKinsey & Company with responsibility for the UK consumer practice, which specialises in strategic marketing and brand roles at Procter & Gamble. She is a non-executive director of Whitbread plc.

Warren Finegold, aged 53, Group Strategy and Business Development Director, joined the Executive Committee in April 2006 as Chief Executive, Global Business Development with responsibility for mergers and acquisitions, business development and partner markets. He assumed his current position in August 2009 when his role was expanded to include Group Strategy. He started his career with Hill Samuel & Co. Limited as an Executive in the Corporate Finance department, advising clients on mergers and acquisitions. He then moved to Goldman Sachs International in 1986 where he held positions in New York and London. Prior to joining Vodafone he was a Managing Director of UBS Investment Bank where he held a number of senior positions, most recently as head of its technology team in Europe.

Matthew Kirk, aged 49, Group External Affairs Director, was appointed to his current position and joined the Executive Committee in March 2009. Matthew joined Vodafone in 2006 as Group Director of External Relationships. Prior to that he was a member of the British Diplomatic Service for more than 20 years and before joining Vodafone served as British Ambassador to Finland.

Terry Kramer, aged 50, Regional President – Vodafone Americas, joined Vodafone in January 2005 as Chief of Staff. Before moving to his present role he also served as Group Human Resources Director and Group Strategy and Business Improvement Director. He is a Board member of Verizon Wireless and the mobile industry association, GSMA, Chairman of Vodafone Ventures Limited and Chairman of the Vodafone Americas Foundation. Prior to joining Vodafone he was Chief Executive Officer of Q Comm International Inc., a publicly traded provider of transaction processing services for the telecommunications industry. He also worked for 12 years at PacTel/AirTouch Communications in a variety of roles including President AirTouch Paging, Vice President Human Resources-AirTouch Communications, Vice President Business Development-AirTouch Europe and Vice President & General Manager-AirTouch Cellular Southwest Market. Prior to that he was an Associate with Booz Allen & Hamilton Inc, a management consulting firm.

Morten Lundal, aged 45, Chief Executive Officer, Africa and Central Europe Region, was appointed to his current position and joined the Executive Committee in November 2008. He joined Nordic mobile operator, Telenor, in 1997 and held several Chief Executive Officer positions including for the Internet Division and Telenor Business Solutions as well as the position of Executive Vice President for Corporate Strategy before becoming the Chief Executive Officer of Telenor's Malaysian subsidiary, DiGi Telecommunications.

Rosemary Martin, aged 50, was appointed Group General Counsel and Company Secretary in March 2010. She previously served as Chief Executive Officer of the Practical Law Group prior to which she previously spent 11 years with Reuters Group Plc. in various company secretary and legal roles with the last five years as Group General Counsel and Company Secretary. Before joining Reuters she was a partner with Mayer, Brown, Rowe & Maw. She is a non-executive director of HSBC Bank Plc (the European arm of HSBC Group) and a member of the Institute of Chartered Accountants of England and Wales Corporate Governance Committee.

Nick Read, aged 45, Chief Executive Officer, Asia Pacific and Middle East Region, was appointed to this position and joined the Executive Committee in November 2008. He joined Vodafone in 2002 and has held a variety of senior roles including Chief Financial Officer and Chief Commercial Officer of Vodafone Limited, the UK operating company, and was appointed Chief Executive Officer of Vodafone Limited in early 2006. Prior to joining Vodafone he held senior global finance positions with United Business Media plc and Federal Express Worldwide.

Ronald Schellekens, aged 46, Group Human Resources Director, joined Vodafone and the Executive Committee in January 2009. Prior to joining Vodafone he was Executive Vice President Human Resources for Royal Dutch Shell plc's global downstream business (refining, retail, commercial, lubricants, chemicals and Canadian Oil Sands) responsible for approximately 81,000 employees in 120 countries. Prior to working for Shell he spent nine years working for PepsiCo in various international senior human resources roles including assignments in Switzerland, Spain, South Africa, the UK and Poland. In his last role he was responsible for the Europe, Middle East and Africa region for PepsiCo Foods International. Prior to PepsiCo he worked for nine years for AT&T Network Systems in human resources roles in the Netherlands and Poland.

Other Board and Executive Committee members

The following members also served on the Board or the Executive Committee during the 2010 financial year:

Stephen Scott was Group General Counsel and Company Secretary and a member of the Executive Committee until his retirement on 30 March 2010. **Frank Rovekamp** was Group Chief Marketing Officer and a member of the Executive Committee until 18 September 2009.

Corporate governance

We are committed to high standards of corporate governance which we consider are critical to business integrity and to maintaining investors' trust in us. We expect all our directors, employees and suppliers to act with honesty, integrity and fairness. Our business principles set out the standards we set ourselves to ensure we operate lawfully, with integrity and with respect for the culture of every country in which we do business.

In March 2010 GovernanceMetrics International, a global corporate governance ratings agency, ranked us amongst the top UK companies with an overall global corporate governance rating of ten, the highest score assigned and achieved by only 1% of the 4,216 companies rated.

In our profile report by Institutional Shareholder Services Inc. ('ISS') dated 1 February 2010, our governance practices outperformed 98.6% of the companies in the ISS developed universe (excluding US), 98.2% of the companies in the telecommunications sector group and 98.1% of the companies in the UK.

In October 2009 we received the Golden Peacock Global Award for Excellence in Corporate Governance.

Compliance with the Combined Code

Our ordinary shares are listed in the UK on the London Stock Exchange. In accordance with the Listing Rules of the UK Listing Authority, we confirm that throughout the year ended 31 March 2010 and at the date of this document we were compliant with the provisions of, and applied the principles of, Section 1 of the 2008 FRC Combined Code on Corporate Governance (the "Combined Code"). The Combined Code can be found on the FRC website (www.frc.org.uk). The following section, together with the "Directors' remuneration" section on pages 57 to 67, provides detail of how we apply the principles and comply with the provisions of the Combined Code. We have been following the FRC consultation on further proposed changes to the Combined Code and intend to comply with such revisions should they be adopted.

Corporate governance statement

We comply with the corporate governance statement requirements pursuant to the FSA's Disclosure and Transparency Rules by virtue of the information included in this corporate governance section of the annual report together with information contained in the "Shareholder information" section on pages 125 to 131.

Board organisation and structure

The role of the Board

The Board is responsible for the overall conduct of the Group's business and has the powers, authorities and duties vested in it by and pursuant to the relevant laws of England and Wales and the articles of association of the Company. The Board:

- has final responsibility for the management, direction and performance of our businesses;
- is required to exercise objective judgement on all corporate matters independent from executive management;
- is accountable to shareholders for the proper conduct of the business; and
- is responsible for ensuring the effectiveness of and reporting on our system of corporate governance.

The Board has a formal schedule of matters reserved to it for its decision and these include:

- Group strategy and long-term plans;
- major capital projects, acquisitions or divestments;
- annual budget and operating plan;
- Group financial structure, including tax and treasury;
- annual and half-year financial results and shareholder communications;
- system of internal control and risk management; and
- senior management structure, responsibilities and succession plans.

The schedule is reviewed periodically. It was last formally reviewed by the Nominations and Governance Committee in March 2009, at which time it was determined that no amendments were required.

Other specific responsibilities are delegated to Board committees which operate within clearly defined terms of reference. Details of the responsibilities delegated to the Board committees are given on pages 53 and 54.

Board meetings

The Board meets at least eight times a year and the meetings are structured to allow open discussion. All directors participate in discussing strategy, trading and financial performance and risk management. All substantive agenda items have comprehensive briefing papers, which are circulated one week before the meeting.

The following table shows the number of years directors have been on the Board at 31 March 2010 and their attendance at scheduled Board meetings they were eligible to attend during the 2010 financial year:

	Years on Board	Meetings attended
Sir John Bond	5	8/8
John Buchanan	7	8/8
Vittorio Colao	3	8/8
Michel Combes (since 1 June 2009)	<1	7/7
Andy Halford	4	8/8
Alan Jebson	3	8/8
Samuel Jonah	1	8/8
Nick Land	3	7/8
Anne Lauvergeon	4	8/8
Simon Murray	3	7/8
Stephen Pusey (since 1 June 2009)	<1	7/7
Luc Vandevelde	6	7/8
Anthony Watson	4	8/8
Philip Yea	4	8/8

In addition to regular Board meetings, there are a number of other meetings to deal with specific matters. Directors unable to attend a Board meeting because of another engagement are nevertheless provided with all the papers and information relevant for such meetings and are able to discuss issues arising in the meeting with the Chairman or the Chief Executive.

Division of responsibilities

The roles of the Chairman and Chief Executive are separate and there is a division of responsibilities that is clearly established, set out in writing and agreed by the Board to ensure that no one person has unfettered powers of decision. The Chairman is responsible for the operation, leadership and governance of the Board, ensuring its effectiveness and setting its agenda. The Chief Executive is responsible for the management of the Group's business and the implementation of Board strategy and policy.

Board balance and independence

Our Board consists of 14 directors, 12 of whom served throughout the 2010 financial year. At 31 March 2010, in addition to the Chairman, Sir John Bond, there were four executive directors and nine non-executive directors. Michel Combes and Stephen Pusey were appointed as executive directors with effect from 1 June 2009.

The Deputy Chairman, John Buchanan, is the nominated senior independent director and his role includes being available for approach or representation by directors or significant shareholders who may feel inhibited about raising issues with the Chairman. He is also responsible for conducting an annual review of the performance of the Chairman and, in the event it should be necessary, convening a meeting of the non-executive directors.

We consider all of our present non-executive directors to be fully independent. The Board is aware of the other commitments of its directors and is satisfied that these do not conflict with their duties as directors of the Company. Changes to the commitments of the directors are reported to the Board.

There are no cross-directorships or significant links between directors serving on the Board through involvement in other companies or bodies. For the purpose of section 175 of the Companies Act 2006, the Company's articles of association include a general power for the directors to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under this section, to avoid a situation in which a director has, or could have, a direct or indirect interest that conflicts or may possibly conflict, with the interests of the Company. To this end procedures have been established for the disclosure of any such conflicts and also for the consideration and authorisation of these conflicts by the Board, where relevant. The directors are required to complete a conflicts questionnaire, initially on appointment and annually thereafter. In the event of a potential conflict being identified, details of that conflict would be submitted to the Board (excluding the director to whom the potential conflict related) for consideration and, as appropriate, authorisation in accordance with the Companies Act 2006 and the articles of association. Where an authorisation was granted, it would be recorded in a register of potential conflicts and reviewed periodically. On an ongoing basis directors are responsible for notifying the Company Secretary if they become aware of actual or potential conflict situations or a change in circumstances relating to an existing authorisation. To date, no conflicts of interest have been identified.

Under the laws of England and Wales, the executive and non-executive directors are equal members of the Board and have overall collective responsibility for the Company's direction. In particular, non-executive directors are responsible for:

- bringing a wide range of skills and experience, including independent judgement on issues of strategy, performance, financial controls and systems of risk management;
- constructively challenging the strategy proposed by the Chief Executive and executive directors;
- scrutinising and challenging performance across the Group's business;
- assessing risk and the integrity of the financial information and controls; and
- ensuring appropriate remuneration and succession planning arrangements are in place in relation to executive directors and other senior executive roles.

Board effectiveness

Appointments to the Board

There is a formal, rigorous and transparent procedure, which is based on merit and against objective criteria, for the appointment of new directors to the Board. This is described in the section on the Nominations and Governance Committee set out on page 53.

Samuel Jonah was identified as a potential candidate by internal sources and subsequently recommended to the Board by the Nominations and Governance Committee on the basis of his wealth of business experience in Africa, particularly South Africa and Ghana where we have made important investments recently. Michel Combes and Stephen Pusey were proposed for appointment following assessment of their performance and their potential contribution by the Nominations and Governance Committee and the whole Board subsequently discussed the proposal before their appointments were confirmed.

Information and professional development

Each member of the Board has immediate access to a dedicated online team room and can access monthly information including actual financial results, reports from the executive directors in respect of their areas of responsibility and the Chief Executive's report which deals, amongst other things, with investor relations, giving Board members an opportunity to develop an understanding of the views of major investors. These matters are discussed at each Board meeting. From time to time the Board receives detailed presentations from non-Board members on matters of significance or on new opportunities. Financial plans, including budgets and forecasts, are regularly discussed at Board meetings. The non-executive directors periodically visit different parts of the Group and are provided with briefings and information to assist them in performing their duties.

The Chairman is responsible for ensuring that induction and training programmes are provided and the Company Secretary organises the programmes. Individual directors are also expected to take responsibility for identifying their training needs and to take steps to ensure that they are adequately informed about the Company and their responsibilities as a director. The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a director of a listed company.

On appointment individual directors undergo an induction programme covering, amongst other things:

- the business of the Group;
- their legal and regulatory responsibilities as directors;
- briefings and presentations from relevant executives; and
- opportunities to visit business operations.

If appropriate the induction will also include briefings on the scope of the internal audit function and the role of the Audit Committee, meetings with the external auditor and other areas the Company Secretary deems fit considering the director's area of responsibility. Following discussion with the Chairman and senior independent director, the Company Secretary provides a programme of ongoing training for the directors which covers a number of sector specific and business issues as well as legal, accounting and regulatory changes and developments relevant to individual director's areas of responsibility. Throughout their period in office the directors are continually updated on the Group's businesses and the regulatory and industry specific environments in which it operates. These updates are by way of written briefings and meetings with senior executives and, where appropriate, external sources.

Performance evaluation

Performance evaluation of the Board, its committees and individual directors takes place on an annual basis and is conducted within the terms of reference of the Nominations and Governance Committee with the aim of improving individual contributions, the effectiveness of the Board and its committees and the Group's performance. This year the performance evaluation was conducted by an independent external advisor, MWM Consulting ('MWM'). This process involved:

- MWM devising an appropriate questionnaire, with assistance from the Chairman, which was sent to all Board members;
- MWM undertaking individual meetings with each Board member and the Company Secretary on Board performance; and
- in conjunction with the Chairman, MWM producing a report on Board performance using the completed questionnaires and individual meetings which was sent to and considered by the Nominations and Governance Committee before being discussed with Board members at the following Board meeting.

The evaluation was designed to determine whether the Board continues to be capable of providing the high level judgement required and whether, as a Board, the directors are informed and up to date with the business and its goals and understand the context within which it operates. The evaluation also included a review of the administration of the Board covering its operation, its agenda, the reports and information produced for its consideration, committee processes and the Board's relationship with its committees. MWM reported that the Board is strong and effective. The Board has chosen to broaden and deepen its focus on strategic topics and to continue to strengthen its capabilities in technology and is gaining insights into changing consumer behaviour.

The Chairman also held individual meetings with each non-executive director and the Chief Executive to discuss their individual performance. The Chief Executive undertook the performance reviews for the executive directors and the senior independent director conducted the review of the performance of the Chairman by having individual meetings with all the other directors and the Company Secretary. Following this process the senior independent director produced a written report which was discussed with the Chairman. The report's findings reflected MWM's view that the Chairman provides outstanding leadership in focusing the Board's efforts and ensuring open and constructive debate.

The evaluation of each of the Board committees was undertaken using observations from the MWM report. These were then discussed by each of the committees. The evaluations found that the committees operate efficiently and effectively.

The evaluations undertaken in the 2010 financial year found the performance of each director to be effective and concluded that the Board provides the effective leadership and control required for a listed company. The Nominations and Governance Committee confirmed to the Board that the contributions made by the directors offering themselves for re-election at the AGM in July 2010 continue to be effective and that the Company should support their re-election. The Board will continue to review its procedures, its effectiveness and development in the financial year ahead.

Re-election of directors

Although not required by the articles, in the interests of good corporate governance the directors have resolved that, subject to the recommendation of the Nominations and Governance Committee, they will all submit themselves for annual re-election at each AGM. Accordingly, at the AGM to be held on 27 July 2010 all the directors will offer themselves for re-election with the exception of Simon Murray who is retiring from the Board.

Independent advice

The Board recognises that there may be occasions when one or more of the directors feels it is necessary to take independent legal and/or financial advice at the Company's expense. There is an agreed procedure to enable them to do so.

Indemnification of directors

In accordance with our articles of association and to the extent permitted by the laws of England and Wales, directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office. In respect of those matters for which the directors may not be indemnified, we maintained a directors' and officers' liability insurance policy throughout the financial year. Neither our indemnity nor the insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently.

Board committees

The Board has established an Audit Committee, a Nominations and Governance Committee and a Remuneration Committee, each of which has formal terms of reference approved by the Board. The Board is satisfied that the terms of reference for each of these committees satisfy the requirements of the Combined Code and are reviewed internally on an ongoing basis by the Board. The terms of reference for all Board committees can be found on our website at www.vodafone.com/governance or a copy can be obtained by application to the Company Secretary at our registered office.

The committees are provided with all necessary resources to enable them to undertake their duties in an effective manner. The Company Secretary or her delegate acts as secretary to the committees. The minutes of committee meetings are circulated to all directors.

Each committee has access to such information and advice, both from within the Group and externally, at the Company's cost as it deems necessary. This may include the appointment of external consultants where appropriate. Each committee undertakes an annual review of the effectiveness of its terms of reference and makes recommendations to the Board for changes where appropriate.

Audit Committee

The members of the Audit Committee during the year, together with a record of their attendance at scheduled meetings which they were eligible to attend, are set out below:

	Meetings attended
John Buchanan	4/4
Alan Jebson	4/4
Nick Land, Chairman and financial expert	4/4
Anne Lauvergeon	4/4

The Audit Committee is comprised of financially literate members having the necessary ability and experience to understand financial statements. Solely for the purpose of fulfilling the requirements of the Sarbanes-Oxley Act and the Combined Code, the Board has designated Nick Land, who is an independent non-executive director satisfying the independence requirements of Rule 10A-3 of the US Securities Exchange Act 1934, as its financial expert on the Audit Committee. Further details on Nick Land can be found in "Board of directors and Group management" on page 49.

The Audit Committee's responsibilities include:

- overseeing the relationship with the external auditor;
- reviewing our preliminary results announcement, half-year results and annual financial statements;
- monitoring compliance with statutory and listing requirements for any exchange on which our shares and debt instruments are quoted;
- reviewing the scope, extent and effectiveness of the activity of the Group internal audit department;
- engaging independent advisors as it determines is necessary and to perform investigations;
- reporting to the Board on the quality and acceptability of our accounting policies and practices including, without limitation, critical accounting policies and practices; and
- playing an active role in monitoring our compliance efforts for Section 404 of the Sarbanes-Oxley Act and receiving progress updates at each of its meetings.

At least twice a year the Audit Committee meets separately with the external auditors and the Group Audit Director without management being present. Further details on the work of the Audit Committee and its oversight of the relationships with the external auditors can be found under "Auditors" and the "Report from the Audit Committee" which are set out on pages 55 and 56.

Nominations and Governance Committee

The members of the Nominations and Governance Committee during the year, together with a record of their attendance at scheduled meetings which they were eligible to attend, are set out below:

	Meetings attended
Sir John Bond, Chairman	3/3
John Buchanan	3/3
Luc Vandevelde	3/3

The Nominations and Governance Committee's key objective is to ensure that the Board comprises individuals with the requisite skills, knowledge and experience to ensure that it is effective in discharging its responsibilities. The Nominations and Governance Committee:

- leads the process for identifying and making recommendations to the Board of candidates for appointment as directors giving full consideration to succession planning and the leadership needs of the Group;
- makes recommendations to the Board on the composition of the Nominations and Governance Committee and the composition and chairmanship of the Audit and Remuneration Committees;
- regularly reviews the structure, size and composition of the Board including the balance of skills, knowledge and experience and the independence of the non-executive directors, and makes recommendations to the Board with regard to any change; and
- is responsible for the oversight of all matters relating to corporate governance, bringing any issues to the attention of the Board.

The Nominations and Governance Committee meets periodically when required. In addition to scheduled meetings there are a number of ad hoc meetings to address specific matters. No one other than a member of the Nominations and Governance Committee is entitled to be present at its meetings. The Chief Executive, other non-executive directors and external advisors may be invited to attend.

Remuneration Committee

The members of the Remuneration Committee during the year, together with a record of their attendance at scheduled meetings which they were eligible to attend, are set out below:

	Meetings attended
Luc Vandevelde, Chairman	5/5
Simon Murray	3/5
Anthony Watson	5/5
Philip Yea	5/5

Samuel Jonah was appointed to the Remuneration Committee on 11 May 2010.

In addition to scheduled meetings there are a number of ad hoc meetings to deal with specific matters. The responsibilities of the Remuneration Committee include:

- determining, on behalf of the Board, the policy on the remuneration of the Chairman, the executive directors and the senior management team;
- determining the total remuneration packages for these individuals including any compensation on termination of office; and
- appointing any consultants in respect of executive directors' remuneration.

Corporate governance continued

The Chairman and Chief Executive may attend the Remuneration Committee's meetings by invitation. They do not attend when their individual remuneration is discussed. No director is involved in deciding his or her own remuneration.

Further information on the Remuneration Committee's activities is contained in "Directors' remuneration" on pages 57 to 67.

Executive Committee

The executive directors, together with certain other Group functional heads and regional chief executives, meet 12 times a year as the Executive Committee under the chairmanship of the Chief Executive. The Executive Committee is responsible for the day-to-day management of our businesses, our overall financial performance in fulfilment of strategy, plans and budgets and our capital structure and funding. It also reviews major acquisitions and disposals. The members of the Executive Committee and their biographical details are set out on pages 48 to 50.

Strategy Board

The Strategy Board met twice during the year to discuss strategy. This was attended by Executive Committee members and the chief executive officers of the major operating companies and other selected individuals depending on topics discussed.

Company Secretary

The Company Secretary acts as secretary to the Board and to the committees of the Board and, with the consent of the Board, may delegate responsibility for the administration of the committees to other suitably qualified staff. The Company Secretary:

- assists the Chairman in ensuring that all directors have full and timely access to all relevant information;
- is responsible for ensuring that the correct Board procedures are followed and advises the Board on corporate governance matters; and
- administers the procedure under which directors can, where appropriate, obtain independent professional advice at the Company's expense.

The appointment or removal of the Company Secretary is a matter for the Board as a whole.

Relations with shareholders

We are committed to communicating our strategy and activities clearly to our shareholders and, to that end, we maintain an active dialogue with investors through a planned programme of investor relations activities. The investor relations programme includes:

- formal presentations of full year and half-year results and interim management statements;
- briefing meetings with major institutional shareholders in the UK, the US and in Continental Europe after the half-year results and preliminary announcement, to ensure that the investor community receives a balanced and complete view of our performance and the issues we face;
- regular meetings with institutional investors and analysts by the Chief Executive and the Chief Financial Officer to discuss business performance;
- hosting investors and analysts sessions at which senior management from relevant operating companies deliver presentations which provide an overview of each of the individual businesses and operations;
- attendance by senior executives across the business at relevant meetings and conferences throughout the year;
- responding to enquiries from shareholders and analysts through our Investor Relations team; and
- www.vodafone.com/shareholder which is a section dedicated to shareholders on our website.

Overall responsibility for ensuring that there is effective communication with investors and that the Board understands the views of major shareholders on matters such as governance and strategy rests with the Chairman, who makes himself available to meet shareholders for this purpose.

The senior independent director and other members of the Board are also available to meet major investors on request. The senior independent director has a specific responsibility to be available to shareholders who have concerns, for whom contact with the Chairman, Chief Executive or Chief Financial Officer has either failed to resolve their concerns or for whom such contact is inappropriate.

At the 2007 AGM the shareholders approved amendments to the articles which enabled us to take advantage of the provisions in the Companies Act 2006 to communicate with our shareholders electronically. Following that approval, unless a shareholder has specifically asked to receive a hard copy, they will receive notification of the availability of the annual report on our website at www.vodafone.com/investor. For the 2010 financial year shareholders will receive the notice of meeting and form of proxy in paper through the post unless they have previously opted to receive email communications. Shareholders continue to have the option to appoint proxies and give voting instructions electronically.

The principal communication with private investors is via the annual report and through the AGM, an occasion which is attended by all our directors and at which all shareholders present are given the opportunity to question the Chairman and the Board as well as the Chairmen of the Audit, Remuneration and Nominations and Governance Committees. After the AGM shareholders can meet informally with directors.

A summary presentation of results and development plans is also given at the AGM before the Chairman deals with the formal business of the meeting. The AGM is broadcast live on our website (www.vodafone.com/agm) and a recording of the webcast can subsequently be viewed on our website. All substantive resolutions at our AGMs are decided on a poll. The poll is conducted by our registrars and scrutinised by Electoral Reform Services. The proxy votes cast in relation to all resolutions, including details of votes withheld, are disclosed to those in attendance at the meeting and the results of the poll are published on our website and announced via Regulatory News Service. Financial and other information is made available on our website (www.vodafone.com/investor) which is regularly updated.

A summary of our share and control structures is set out on pages 128 and 129 in the shareholder information section of this report.

Political donations

The directors consider that it is in the best interest of shareholders that we participate in public debate and opinion forming on matters which affect our business. In order not to inhibit these activities and to avoid inadvertent infringement of the Companies Act 2006, at the 2008 AGM the directors sought and received shareholders' approval for the Company and its subsidiaries to be authorised, for the purposes of part 14 of the Companies Act 2006, to make political donations and to incur political expenditure during the period from the AGM to the conclusion of the AGM of in 2012 or 29 July 2012, whichever is earlier, up to a maximum aggregate amount of £100,000 per year. The Company and its subsidiaries have not made any such political donations during the year. It is our Group policy not to make political donations or incur political expenditure as those expressions are normally understood.

Internal control and risk management

The Board has overall responsibility for the system of internal control. A sound system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The process of managing the risks associated with social, environmental and ethical impacts is also discussed under "Corporate responsibility" on pages 45 to 47.

The Board has established procedures that implement in full the Turnbull Guidance "Internal Control: Revised Guidance for Directors on the Combined Code" for the year under review and to the date of approval of the annual report. These procedures, which are subject to regular review, provide an ongoing process for identifying, evaluating and managing the significant risks we face. See page 69 for management's report on internal control over financial reporting.

Monitoring and review activities

There are clear processes for monitoring the system of internal control and reporting any significant control failings or weaknesses together with details of corrective action. These include:

- a formal annual confirmation provided by the chief executive and chief financial officer of each Group company certifying the operation of their control systems and highlighting any weaknesses, the results of which are reviewed by regional management, the Audit Committee and the Board;
- a review of the quality and timeliness of disclosures undertaken by the Chief Executive and the Chief Financial Officer which includes formal annual meetings with the operating company or regional chief executives and chief financial officers and the Disclosure Committee;
- periodic examination of business processes on a risk basis including reports on controls throughout the Group undertaken by the Group internal audit department who report directly to the Audit Committee; and
- reports from the external auditors on certain internal controls and relevant financial reporting matters presented to the Audit Committee and management.

Any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. Management is required to apply judgement in evaluating the risks we face in achieving our objectives, in determining the risks that are considered acceptable to bear, in assessing the likelihood of the risks concerned materialising, in identifying our ability to reduce the incidence and impact on the business of risks that do materialise and in ensuring that the costs of operating particular controls are proportionate to the benefit.

A Risk Council meets twice a year to evaluate the risks that the business is facing and reports back to the Executive Committee and the Audit Committee which in turn report to the Board. The Risk Council is chaired by the Group Chief Financial Officer, facilitated by the Group Audit Director and attended by representatives from the three geographic regions, finance, mergers and acquisitions, strategy, technology, legal, external affairs and human resources.

Review of effectiveness

The Board and the Audit Committee have reviewed the effectiveness of the internal control system, including financial, operational and compliance controls and risk management, in accordance with the Combined Code for the period from 1 April 2009 to 18 May 2010, the date of approval of our annual report. No significant failings or weaknesses were identified during this review. However had there been any such failings or weaknesses, the Board confirms that necessary actions would have been taken to remedy them.

Disclosure controls and procedures

We maintain "disclosure controls and procedures", as such term is defined in Rule 13a-15(e) of the Exchange Act, that are designed to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarised and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

The directors, the Chief Executive and the Chief Financial Officer have evaluated the effectiveness of the disclosure controls and procedures and, based on that evaluation, have concluded that the disclosure controls and procedures are effective at the end of the period covered by this document.

Going concern

The going concern statement required by the Listing Rules and the Combined Code is set out in the Directors' statement of responsibility on page 69.

Auditors

Following a recommendation by the Audit Committee, and in accordance with Section 489 of the Companies Act 2006, a resolution proposing the reappointment of Deloitte LLP as our auditors will be put to the shareholders at the 2010 AGM. We do not indemnify our external auditors.

In its assessment of the independence of the auditors and in accordance with the US Public Company Accounting Oversight Board's standard on independence, the Audit Committee receives in writing details of relationships between the Company and Deloitte LLP that may have a bearing on their independence and receives confirmation that they are independent of the Company within the meaning of the securities laws administered by the SEC.

In addition, the Audit Committee pre-approves the audit fee after a review of both the level of the audit fee against other comparable companies, including those in the telecommunications industry, and the level and nature of non-audit fees, as part of its review of the adequacy and objectivity of the audit process.

In a further measure to ensure auditor independence is not compromised, policies provide for the pre-approval by the Audit Committee of permitted non-audit services by Deloitte LLP. For certain specific permitted services the Audit Committee has pre-approved that Deloitte LLP can be engaged by management subject to specified fee limits for individual engagements and fee limits for each type of specific service permitted. For all other services, or those permitted services that exceed the specified fee limits, the Chairman of the Audit Committee, or in his absence another member, can pre-approve services which have not been pre-approved by the Audit Committee.

In addition to their statutory duties, Deloitte LLP are also employed where, as a result of their position as auditors, they either must, or are best placed to, perform the work in question. This is primarily work in relation to matters such as shareholder circulars, Group borrowings, regulatory filings and certain business acquisitions and disposals. Other work is awarded on the basis of competitive tender.

During the year Deloitte LLP and its affiliates charged the Group £9 million (2009: £8 million, 2008: £7 million) for audit and audit-related services and a further £1 million (2009: £1 million, 2008: £2 million) for non-audit assignments. An analysis of these fees can be found in note 4 to the consolidated financial statements.

US listing requirements

On 29 October 2009 the Company transferred its american depositary shares from the New York stock exchange to the NASDAQ Stock Market LLC ('NASDAQ'). We are subject to the rules of NASDAQ as well as US securities laws and the rules of the SEC. NASDAQ requires US companies listed on the exchange to comply with NASDAQ's corporate governance rules but foreign private issuers, such as the Company, are exempt from many of those rules. However pursuant to NASDAQ Listing Rule 5615 we are required to disclose a summary of any material ways in which the corporate governance practices we follow differ from those required by NASDAQ for US companies. The material differences are as follows:

Independence

- The NASDAQ rules require that a majority of the Board be comprised of independent directors and the rules include detailed definitions that US companies must use for determining independence.
- The Combined Code requires a company's board of directors to assess and make a determination as to the independence of its directors.

While the Board does not explicitly take into consideration NASDAQ's detailed definitions, it has carried out an assessment based on the requirements of the Combined Code and has determined in its judgement that all of the non-executive directors are independent within those requirements. At 18 May 2010 the Board comprised the Chairman, four executive directors and nine non-executive directors.

Committees

- NASDAQ rules require US companies to have a nominations committee, an audit committee and a compensation committee, each composed entirely of independent directors, with the nominations committee and audit committee required to have a written charter that addresses the committees' purpose and responsibilities.
- Our Nominations and Governance Committee and Remuneration Committee have terms of reference and composition that comply with the Combined Code's requirements.
- The Nominations and Governance Committee is chaired by the Chairman of the Board and its other members are non-executive directors of the Company and the Chief Executive.
- The Remuneration Committee is composed entirely of non-executive directors whom the Board has determined to be independent.
- The Audit Committee is composed entirely of non-executive directors whom the Board has determined to be independent and who meet the requirements of Rule 10A-3 of the Exchange Act.

We consider that the terms of reference of these committees, which are available on our website (www.vodafone.com/governance), are generally responsive to the relevant NASDAQ rules but may not address all aspects of these rules.

Code of conduct

- Under NASDAQ rules US companies must adopt a code of conduct applicable to all directors, officers and employees.
- We have adopted a Code of Ethics in compliance with Section 406 of the US Sarbanes-Oxley Act of 2002 which is applicable to the senior financial and principal executive officers. We have made our Code of Ethics available to the public on our website at (www.vodafone.com/governance).
- We have also adopted a Group governance manual which provides the first level of the framework for governance within which our businesses operate. The manual is a reference for chief executives and their teams and applies to all directors and employees.

Quorum

- Under NASDAQ rules companies are required to have a minimum quorum of 33.33% of the shareholders of ordinary shares for shareholder meetings. However our articles of association provide for a quorum for general meetings of shareholders of two shareholders regardless of the level of their aggregate share ownership.

Related party transactions

- The NASDAQ rules require companies to conduct appropriate reviews of related party transactions and potential conflicts of interest via the company's audit committee or other independent body of the board of directors.
- We are subject to extensive provisions under the Listing Rules issued by the Financial Services Authority in the UK (the "Listing Rules") governing transactions with related parties, as defined therein, and the Companies Act 2006 also restricts the extent to which companies incorporated in England and Wales may enter into related party transactions.
- Our articles of association contain provisions regarding disclosure of interests by our directors and restrictions on their votes in circumstances involving conflicts of interest.
- In lieu of obtaining an independent review of related party transactions for conflicts of interests, but in accordance with the Listing Rules, the Companies Act 2006 and our articles of association, we seek shareholder approval for related party transactions that meet certain financial thresholds or where transactions have unusual features.
- The concept of a related party for the purposes of NASDAQ's listing rules differs in certain respects from the definition of a transaction with a related party under the Listing Rules.

Shareholder approval

- NASDAQ requires shareholder approval for certain transactions involving the sale or issuance by a listed company of share capital.
- Under the NASDAQ rules, whether shareholder approval is required for such transactions depends on, among other things, the number of shares to be issued or sold in connection with a transaction, while we are bound by the provisions of the Listing Rules which state that shareholder approval is required, among other things, when the size of a transaction exceeds a certain percentage of the size of the listed company undertaking the transaction.
- In accordance with our articles of association we also seek shareholder approval annually for issuing shares and to dis-apply the pre-emption rights that apply under law in line with limit guidelines issued by investor bodies.

Report from the Audit Committee

The Audit Committee assists the Board in carrying out its responsibilities in relation to financial reporting requirements, risk management and the assessment of internal controls. The Audit Committee also reviews the effectiveness of the Company's internal audit function and manages the Company's relationship with the external auditors.

The composition of the Audit Committee is shown in the table on page 53 and its terms of reference can be found on the Vodafone website (www.vodafone.com/governance). By invitation of the Chairman of the Audit Committee, the Chief Executive, the Chief Financial Officer, the Group Financial Controller, the Director of Financial Reporting, the Group Audit Director and the external auditors also attend the Audit Committee meetings. Also invited to attend certain meetings are relevant people from the business to present sessions on issues designed to enhance the Audit Committee's awareness of key issues and developments in the business which are relevant to the Audit Committee in the performance of its role.

During the year ended 31 March 2010 the principal activities of the Audit Committee were as follows:

Financial reporting

The Audit Committee reviewed and discussed with management and the external auditors the half-year and annual financial statements focusing on, without limitation, the quality and acceptability of accounting policies and practices, the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements. To aid their review, the Audit Committee considered reports from the Group Financial Controller and the Director of Financial Reporting and also reports from the external auditors, Deloitte LLP, on the scope and outcome of their half-year review and annual audit.

Risk management and internal control

The Audit Committee reviewed the process by which the Group evaluated its control environment, its risk assessment process and the way in which significant business risks were managed. It also considered the Group Audit Director's reports on the effectiveness of internal controls, significant identified frauds and any identified fraud that involved management or employees with a significant role in internal controls. The Audit Committee was also responsible for oversight of the Group's compliance activities in relation to Section 404 of the Sarbanes-Oxley Act.

Internal audit

The Audit Committee monitored and reviewed the scope, extent and effectiveness of the activity of the Group internal audit department and received reports from the Group Audit Director which included updates on audit activities and achievement against the Group audit plan, the results of any unsatisfactory audits and the action plans to address these areas, and resource requirements of the internal audit department. The Audit Committee held private discussions with the Group Audit Director throughout the year. An external evaluation of the internal audit department was undertaken during the year. It was confirmed to the Audit Committee that internal audit operates well within the standards expected of a company in the top ten of the FTSE.

External auditors

The Audit Committee reviewed and monitored the independence of the external auditors and the objectivity and effectiveness of the audit process and provided the Board with its recommendation to the shareholders on the reappointment of Deloitte LLP as external auditors. The Audit Committee approved the scope and fees for audit and permitted non-audit services provided by Deloitte LLP.

Private meetings were held with Deloitte LLP to ensure that there were no restrictions on the scope of their audit and to discuss matters without management being present.

Audit Committee effectiveness

The Audit Committee conducts a formal review of its effectiveness annually, and concluded its performance was effective. Further details on the evaluation process can be found under "Performance evaluation" on page 52.

Nick Land
On behalf of the Audit Committee

Directors' remuneration

Dear Shareholder

This year the work of the Remuneration Committee took place against a background of very challenging business conditions in the global economy. In this environment the Committee maintained its focus on ensuring that the Company's remuneration policies in general, and the packages of the executive directors in particular, were designed to allow the Company to recruit, retain and motivate its talented people and to ensure those people were fully incentivised to maximise shareholder value.

At the start of the year a key focus for the Company was the generation of cash flow. This was reflected in the weighting applied to this measure in the short-term plan. As the focus now moves more to growing revenue and market share the weightings have been modified for the coming year to appropriately reflect this change.

The structure of the long-term plan has also been reviewed and the Committee believes that the current design remains appropriate with its strong continued focus on both cash flow and total shareholder return.

As well as considering the current package, the Remuneration Committee continues to monitor how well incentive awards made in previous years align with the Company's performance. In this regard, the Committee is confident that there is a strong link between performance and reward.

The Remuneration Committee has appreciated the dialogue and feedback from investors and has taken account of their views when reviewing the incentive designs. This has been seen in two ways: i) in the alignment of the senior leadership population with the Board and the Executive Committee through the cascading down of the free cash flow performance condition in the long-term plan; and ii) in the greater differentiation that has been built into both short and long-term plans with individual performance being more rigorously measured and directly affecting award sizes. The Committee will continue to take an active interest in investors' views and the voting on the remuneration report. As such, it hopes to receive your support at the AGM on 27 July 2010.

Luc Vandevelde
Chairman of the Remuneration Committee
18 May 2010

Contents

The detail of this remuneration report is set out over the following pages, as follows:

Remuneration Committee

The Remuneration Committee is comprised to exercise independent judgement and consists only of independent non-executive directors. For further details, the terms of reference can be found on page 53.

Remuneration Committee

Chairman	Luc Vandevelde
Committee members	Simon Murray Anthony Watson Philip Yea

Management attendees

Chief Executive	Vittorio Colao
Group HR Director	Ronald Schellekens
Group Reward Director	Tristram Roberts (until 31 October 2009)
Head of Group Reward	Adam Parsons (1 November 2009 to 31 March 2010)

External advisors

During the year Towers Watson supplied market data and advice on market practice and governance. PricewaterhouseCoopers LLP provided performance analysis and advice on plan design and performance measures. Both advisors were appointed by the Remuneration Committee in 2007.

The advisors also provided advice to the Company on general human resource and compensation related matters. In addition, PricewaterhouseCoopers LLP also provided a broad range of tax, share scheme and advisory services to the Group during the 2010 financial year.

As noted in his biographical details on page 49 of this annual report, during the year Philip Yea joined an advisory board for PricewaterhouseCoopers LLP. In light of their role as advisor to the Remuneration Committee on remuneration matters, this appointment was considered by the Committee and it was determined that there is no conflict or potential conflict arising.

Meetings

The Remuneration Committee had five meetings during the year.

Directors' remuneration continued

Overview of remuneration philosophy

Remuneration policy

The Remuneration Committee commissioned a full review of the reward arrangements for the Company's executive directors in the 2008 financial year and the remuneration policy was last updated at this point. The policy is felt to be appropriate for the coming financial year.

Vodafone wishes to provide a level of remuneration which attracts, retains and motivates executive directors of the highest calibre. To maximise the effectiveness of the remuneration policy careful consideration will be given to aligning the remuneration package with shareholder interests and best practice.

The aim is to target an appropriate level of remuneration for managing the business in line with the strategy. There will be the opportunity for executive directors to achieve significant upside for truly exceptional performance.

In setting total remuneration the Remuneration Committee will consider a relevant group of comparators which will be selected on the basis of the role being considered. Typically no more than three reference points will be used. These will be as follows: top European companies, top UK companies and, particularly for scarce skills, the relevant market in question.

These comparators reflect the fact that currently the majority of the business is in Europe, the Company's primary listing is in the UK and that the Remuneration Committee is aware that, in some markets, the competition is tough for the very best talent.

A high proportion of total remuneration will be awarded through short-term and long-term performance related remuneration. The Remuneration Committee believes that incorporating and setting appropriate performance measures and targets in the package is paramount – this will be reflected in an appropriate balance of operational and equity performance.

Finally, to fully embed the link to shareholder alignment, all executive directors are expected to comply with the rigorous and stretching share ownership requirements set by the Remuneration Committee.

Summary of key reward philosophies

Link to business strategy

- Performance conditions have been determined to align with business strategy and to maximise shareholder value.
- The annual bonus continues to support the short-term operational performance of the business by measuring against the business fundamentals of revenue, profit, cash flow and competitive performance.
- The long-term incentive measures performance against:
  - free cash flow, which is believed to be the single most important operational measure; and
  - total shareholder return ('TSR') relative to our key competitors.

Shareholder alignment

- The executives are required to meet stretching share ownership requirements which are supported by the opportunity to invest into the long-term incentive plan.
- The performance conditions on the long-term incentive plan are there to underpin shareholder value creation.

Summary of key reward philosophies (continued)

Risk and reward

- In setting the balance between base salary, annual bonus and long-term incentive levels, the Remuneration Committee has considered the risk involved in the incentive schemes and is satisfied that the following design elements mitigate the principal risks:
  - the heavy weighting towards long-term incentives;
  - the need for short-term incentive payouts to be used to purchase and hold investment shares in order to fully participate in the long-term arrangements; and
  - the enhanced weighting on non-financial measures in the short-term plan.
- The Remuneration Committee will continue to consider the risks involved in the incentive plans on an on-going basis.

Changes to plans for the 2011 financial year

The table below sets out any changes to the individual elements of the reward package for the 2011 financial year:

Reward elements	2011 financial year
Base salary	No change to the benchmarking policy.
Annual bonus	There has been a re-balancing of the weighting for the performance measures to focus on service revenue. A competitive performance assessment has been introduced which incorporates net promotor score and in some markets customer delight index.
Long-term incentive plan	No change to the plan design.
Investment opportunity	No changes to the level of investment an individual may make.

Setting remuneration levels

The remuneration package for executive directors is benchmarked by reference to total data for the base salary, annual bonus and long-term incentive levels combined. The principal comparator group (used for benchmarking only) is made up of 28 top European companies excluding any in the financial services sector.

When undertaking the benchmarking process the Remuneration Committee makes assumptions that individuals will invest their own money into the long-term incentive plan. This means that individuals will need to make a significant investment in order to achieve a market competitive level of remuneration.

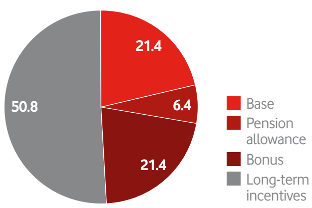
Comparison of the ratio of fixed pay to variable pay

The base salary and pension contributions to executives are considered to be fixed levels of remuneration. The annual bonus and the long-term incentive awards are variable, i.e. the actual value the executive receives will depend on the performance of the Company.

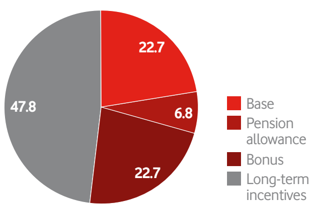
As can be seen below the variable elements of the executive directors remuneration package are in excess of 77% assuming target performance, maximum co-investment and no movement in current share price.

Analysis of executive directors pay as a percentage of total package

Chief Executive



Other executive directors



The remuneration package

The table below summarises the plans used to reward the executive directors in the 2010 financial year.

	Summary	Grant policy
Base salary	■ Set by the Remuneration Committee as part of the overall benchmarking process (see previous page). ■ Benchmark assumed to be the market level for the role.	■ Base salaries set annually on 1 July.
Annual bonus **Group Short-Term Incentive Plan ('GSTIP')(1)**	Remuneration Committee reviews performance against targets over the financial year. Actual results measured against the budget set at the start of the year. **Summary of the plan in the 2010 financial year** ■ 2010 performance measures: ■ Three key financial measures: operating profit (25%), service revenue (25%) and free cash flow (35%); and ■ Customer delight (15%) – customer satisfaction is a key component in the Group's success. **Changes for the 2011 financial year** ■ Performance measures for the 2011 financial year: ■ Rebalance of weightings to focus on service revenue to stimulate top line growth; ■ Introduction of a competitive performance assessment to include customer satisfaction; and ■ Split of measures for the 2011 financial year: operating profit (20%), service revenue (30%), free cash flow (20%) and competitive performance assessment (30%).	■ Bonus levels reviewed annually. Mix of performance measures and the performance targets also reviewed. ■ Annual bonus paid in cash in June each year for performance over the previous financial year. ■ Target bonus is 100% of base salary earned over the financial year. ■ Maximum bonus is 200% of base salary earned and is only paid out for exceptional performance.
Long-term incentives (details on page 60) **Global Long-Term Incentive Plan ('GLTI') base awards**	■ Long-term incentive all delivered in performance shares. ■ Base award has vesting period of three years, subject to a matrix of two performance measures over this period: ■ Firstly, an operational performance measure (free cash flow); and ■ Secondly, an equity performance multiplier (relative TSR). ■ Performance details set out in more detail on page 60.	■ Base award set annually and made in June. ■ The Chief Executive's base award will have a target face value of 137.5% of base salary (maximum 550%) in June 2010. ■ The base award for other executive directors will have a target face value of 110% of base salary (maximum 440%) in June 2010.
Co-investment matching awards	■ Individuals may purchase Vodafone shares and hold them in trust for three years in order to receive additional performance shares in the form of a GLTI matching award. ■ Matching awards made under the GLTI plan have the same performance measures as the base award. ■ Matching award used to encourage increased share ownership and supports the share ownership requirements set out below.	■ Matching award made annually in June in line with the investment made. ■ Executive directors can co-invest up to two times net base salary. ■ Matching award will have a face value equal to 50% of the equivalent multiple of gross basic salary invested.
Share ownership requirements	■ Option to co-invest into the GLTI plan designed to encourage executives to meet their share ownership requirements. ■ Ownership against the requirements must be met after five years. ■ Progress towards this requirement reviewed by the Remuneration Committee before granting long-term awards.	■ The Chief Executive is required to hold four times base salary. ■ Other executive directors are required to hold three times base salary.
Other remuneration **Defined benefit pension**	■ The Chief Financial Officer is a member of the UK defined benefit scheme for pensionable salary up to the scheme cap of £110,000. Details of this are set out in the pensions table on page 63. He receives the cash allowance set out below on pensionable salary over the scheme cap.	■ The Chief Financial Officer is the only executive director to receive this benefit. ■ The UK defined benefit scheme closed to future accrual by existing members on 31 March 2010.
Defined contribution pension/cash allowance	■ The pension contribution or cash allowance is available for the executives to make provisions for their retirement.	■ 30% of basic salary taken either as a cash payment or a pension contribution.
Benefits	■ Company car or cash allowance worth £19,200 per annum. ■ Private medical insurance. ■ Chauffeur services, where appropriate, to assist with their role.	■ Benefits reviewed from time to time.

Note:
(1) GSTIP targets are not disclosed as they are commercially sensitive.

Directors' remuneration continued

Details of the GLTI performance shares

The number of shares vesting depends on the performance of two measures: free cash flow and relative TSR. This section sets out how the performance of each of the two measures is calculated.

Underlying operational performance – adjusted free cash flow

The free cash flow performance is based on a three year cumulative adjusted free cash flow figure. The definition of adjusted free cash flow is reported free cash flow excluding:

- Verizon Wireless additional distributions;
- Foreign exchange movements over the performance period; and
- Material one-off tax settlements.

The cumulative adjusted free cash flow target and range for awards in the 2011, 2010 and 2009 financial years are set out in the table below:

	2011		2010		2009	
Performance	£bn	Vesting percentage	£bn	Vesting percentage	£bn	Vesting percentage
Threshold	17.50	50%	15.50	50%	15.50	50%
Target	20.50	100%	18.00	100%	17.50	100%
Superior	21.75	150%	19.25	150%	18.50	150%
Maximum	23.00	200%	20.50	200%	19.50	200%

The target free cash flow level is set by reference to the Company's three year plan and market expectations. The Remuneration Committee consider the 2011, 2010 and 2009 targets to be stretching ones.

TSR out-performance of a peer group median

We have a limited number of appropriate peers and this makes the measurement of a relative ranking system volatile. As such, the out-performance of the median of a peer group is felt to be the most appropriate TSR measure. The peer group for the performance condition for the 2011, 2010 and 2009 financial years is:

- BT Group;
- Deutsche Telekom;
- France Telecom;
- Telecom Italia;
- Telefonica; and
- Emerging market composite (consists of the average TSR performance of Bharti, MTN and Turkcell).

The relative TSR position will determine the performance multiplier. This will be applied to the free cash flow vesting percentage. There will be no multiplier until TSR performance exceeds median. Above median the following table will apply to the 2011, 2010 and 2009 financial years (with linear interpolation between points):

	Out-performance of peer group median	Multiplier
Median	0.0% p.a.	No increase
65th percentile	4.5% p.a.	1.5 times
80th percentile (upper quintile)	9.0% p.a.	2.0 times

The performance measure has been calibrated using statistical techniques.

Combined vesting matrix

The combination of the two performance measures gives a combined vesting matrix as follows:

	TSR performance		
Free cash flow measure	Up to median	65th	80th
Threshold	50%	75%	100%
Target	100%	150%	200%
Superior	150%	225%	300%
Maximum	200%	300%	400%

The combined vesting percentages are applied to the target number of shares granted.

The free cash flow performance is externally verified and approved by the Remuneration Committee. The performance assessment in respect of the TSR out-performance of a peer group median is undertaken by PricewaterhouseCoopers LLP.

Awards made to executive directors during the 2010 financial year

Reward elements	Vittorio Colao	Andy Halford	Michel Combes	Stephen Pusey
Base salary	Vittorio's base salary was not increased from £975,000 in July 2009.	Andy's base salary was not increased from £674,100 in July 2009.	Michel's base salary increased from £720,000 to £740,000 on 1 June 2009 on promotion to the Board.	Stephen's base salary increased from £445,200 to £500,000 on 1 June 2009 on promotion to the Board.
Annual bonus	The target bonus was £975,000 and the maximum bonus was £1,950,000.	The target bonus was £674,100 and the maximum bonus was £1,348,200.	The target bonus was £736,667 and the maximum bonus was £1,473,334.	The target bonus was £490,867 and the maximum bonus was £981,734.
Long-term incentive plan	In June 2009 the base award for the Chief Executive had a face value of 137.5% of base salary at target.	In July 2009 the base award for the Chief Financial Officer had a face value of 110% of base salary at target.	In June 2009 the base award for the Chief Executive, Europe had a face value of 110% of base salary at target.	In June 2009 the base award for the Chief Technology Officer had a face value of 110% of base salary at target.
Investment opportunity	Vittorio invested 55% of the maximum into the GLTI plan (529,098 shares) and therefore received a matching award with a face value of 55% base salary at target.	Andy invested 73% of the maximum into the GLTI plan (486,146 shares) and therefore received a matching award with a face value of 73% base salary at target.	Michel invested 21% of the maximum into the GLTI plan (156,014) shares and therefore received a matching award with a face value of 21% base salary at target.	Stephen invested 30% of the maximum into the GLTI plan (147,896 shares) and therefore received a matching award with a face value of 30% base salary at target.

Amounts executive directors will actually receive in the 2011 financial year

As previously explained a very large percentage of the executive directors' package is made up of variable pay subject to performance. The information below explains what the executive directors who were on the Board on 31 March 2010 will actually receive from awards made previously with performance conditions which ended on 31 March 2010 but that will vest in the 2011 financial year.

As previously noted there were no salary increases, other than for promotions, for the executive directors during the 2010 financial year. However the Remuneration Committee felt that it was appropriate to review base salary levels for the 2011 financial year. Accordingly, the new salaries shown below will become effective 1 July 2010. In the case of Vittorio Colao this is his first increase since his promotion to the role of Chief Executive two years ago and reflects his outstanding leadership of the Company in a very difficult environment.

The executive directors 2009/10 GSTIP is payable in June 2010 with actual payments detailed in the table below. Vittorio Colao, Andy Halford and Stephen Pusey were measured solely against Group performance, whilst Michel Combes was measured on both Group and Europe Region performance. Group performance was at or above target for each of the key financial measures particularly with respect to free cash flow.

Later in 2010 the GLTI share options granted in 2007 will vest. The threshold relative TSR performance target for the 2007 GLTI performance shares was met and, as such, shares will vest from this award at 25%. In all cases performance was determined at 31 March 2010 year end. These figures are set out in the table below (only the 2009/10 GSTIP payment is included in the audited section towards the end of the directors' remuneration report).

	Vittorio Colao	Andy Halford	Michel Combes	Stephen Pusey
Base salary				
Base salary effective from July 2010	£1,065,000	£700,000	£770,000	£550,000
GSTIP (Annual bonus)[(1)]				
Target (100% of base salary earned over 2010)	£975,000	£674,100	£736,667	£490,867
Percentage of target achieved for the 2010 financial year	128.7%	128.7%	111.0%	128.7%
Actual bonus payout in June 2010	£1,254,825	£867,567	£817,700	£631,746
GLTI share options				
Exercise price	162.5p	162.5p	–	162.5p
GLTI share options awarded in July 2007	3,003,575	2,295,589	–	947,556
Vesting percentage based on three year earnings per share ('EPS') growth	100%	100%	–	100%
GLTI share options vesting in 2010	3,003,575	2,295,589	–	947,556
GLTI performance shares				
GLTI performance share awarded in July 2007	1,557,409	1,190,305	–	491,325
Vesting percentage based on relative TSR	25%	25%	–	25%
GLTI performance shares vesting in 2010	389,352	297,576	–	122,831

Note:
(1) More information on key performance indicators, against which Group performance is measured, can be found in "Key performance indicators" on page 24.

Directors' remuneration continued

Other considerations

Service contracts of executive directors

The Remuneration Committee has determined that after an initial term of up to two years' duration executive directors' contracts should thereafter have rolling terms and be terminable on no more than one year's notice.

All current executive directors' contracts have an indefinite term (to normal retirement date) and one year notice periods. No payments should normally be payable on termination other than the salary due for the notice period and such entitlements under incentive plans and benefits that are consistent with the terms of such plans.

	Date of service agreement	Notice period
Vittorio Colao	27 May 2008	12 months
Andy Halford	20 May 2005	12 months
Michel Combes	1 June 2009	12 months
Stephen Pusey	1 June 2009	12 months

Fees retained for external non-executive directorships

Executive directors may hold positions in other companies as non-executive directors. In the 2010 financial year Michel Combes was the only executive director with such a position held at AS System SA. He retained fees of €33,120 in relation to this position over the full financial year. Fees were retained in accordance with Group policy.

Cascade to senior management

The principles of the policy are cascaded, where appropriate, to the other members of the Executive Committee as set out below.

Cascade of policy to Executive Committee – 2010 financial year

Total remuneration and base salary
Methodology consistent with the executive directors.

Annual bonus
The annual bonus is based on the same measures. However in some circumstances these are measured within a region or business area rather than across the whole Group.

Long-term incentive
The long-term incentive is consistent with the executive directors including the opportunity to invest in the GLTI to receive matching awards. In addition, Executive Committee members have a share ownership requirement of two times base salary.

All-employee share plans

The executive directors are also eligible to participate in the all-employee plans.

Summary of plans

Global AllShare Plan
A significant number of employees were granted an award of 340 shares AllShares each on 1 July 2009. These awards vest after two years. In March 2010 the Remuneration Committee stated there would be no further grants.

Sharesave
The Vodafone Group 2008 Sharesave Plan is an HM Revenue & Customs ('HMRC') approved scheme open to all permanently employed UK staff. Options under the plan are granted at up to a 20% discount to market value. Executive directors' participation is included in the option table on page 65.

Share Incentive Plan
The Vodafone Share Incentive Plan is an HMRC approved plan open to all staff permanently employed by a Vodafone Company in the UK. Participants may contribute up to a maximum of £125 per month which the trustee of the plan uses to buy shares on their behalf. An equivalent number of shares are purchased with contributions from the employing company. UK based executive directors are eligible to participate.

Dilution

All awards are made under plans that incorporate dilution limits as set out in the guidelines for share incentive schemes published by the Association of British Insurers. The current estimated dilution from subsisting awards, including executive and all-employee share awards, is approximately 3.1% of the Company's share capital at 31 March 2010 (3.3% at 31 March 2009).

Funding

A mixture of newly issued shares, treasury shares and shares purchased in the market by the employee benefit trust is used to satisfy share-based awards. This policy is kept under review.

Other matters

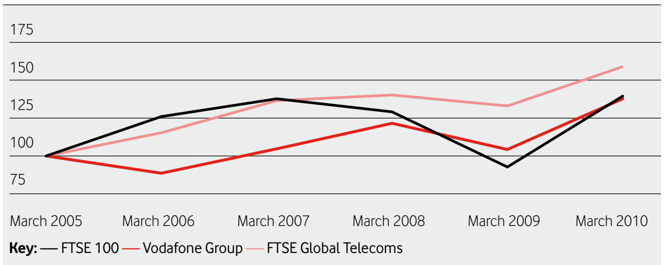
The share incentive plan and the co-investment into the GLTI plan include restrictions on the transfer of shares while the shares are subject to the plan. Where, under an employee share plan operated by the Company, participants are the beneficial owners of the shares but not the registered owner, the voting rights are normally exercised by the registered owner at the discretion of the participant.

All of the Company's share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control subject to the satisfaction of any performance conditions at that time.

TSR performance

The following chart shows the performance of the Company relative to the FTSE100 index and FTSE Global Telecoms index. We were a constituent of both throughout the 2010 financial year.

Five year historical TSR performance growth in the value of a hypothetical £100 holding over five years. FTSE 100 and FTSE Global Telecoms comparison based on spot values



Notes:
(1) Graph provided by Towers Watson and calculated according to a methodology that is compliant with the requirements of The Large and Medium Sized Companies and Groups (Accounts & Reports) Regulation 2008.
(2) Data sources: FTSE and Datastream.
(3) Performance of the Company shown by the graph is not indicative of vesting levels under the Company's various incentive plans.

Audited information for executive directors

Remuneration for the year ended 31 March 2010

The remuneration of executive directors was as follows:

	Salary/fees		Incentive schemes(1)		Cash in lieu of pension		Benefits/other(2)		Total	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000	2010 £'000	2009 £'000	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Chief Executive										
Vittorio Colao	975	932	1,255	881	292	280	146	171	2,668	2,264
Other executive directors										
Andy Halford	674	666	868	650	169	167	26	25	1,737	1,508
Michel Combes	737	–	818	–	221	–	52	–	1,828	–
Stephen Pusey	491	–	632	–	147	–	38	–	1,308	–
Former Chief Executive										
Arun Sarin	–	436	–	434	–	–	–	553	–	1,423
Total	**2,877**	**2,034**	**3,573**	**1,965**	**829**	**447**	**262**	**749**	**7,541**	**5,195**

Notes:
(1) These figures are the cash payouts from the 2010 financial year Vodafone Group Short-Term Incentive Plan applicable to the year ended 31 March 2010. These awards are in relation to the performance against targets in adjusted operating profit, service revenue, free cash flow, total communications revenue and customer delight index for the financial year ended 31 March 2010.
(2) Includes amounts in respect of cost of living allowance, private healthcare and car allowance.

The aggregate remuneration we paid to our collective senior management(1) for services for the year ended 31 March 2010 is set out below. The aggregate number of senior management at 31 March 2010 was eight, the same as at 31 March 2009.

	2010 £'000	2009 £'000
Salaries and fees	3,655	3,896
Incentive schemes(2)	4,417	2,984
Cash in lieu of pension	164	399
Benefits/other	3,376	2,949
Total	**11,612**	**10,228**

Notes:
(1) Aggregate remuneration for senior management is in respect of those individuals who were members of the Executive Committee during the year ended 31 March 2010, other than executive directors, and reflects compensation paid from either 1 April 2009 or date of appointment to the Executive Committee, to 31 March 2010 or date of leaving, where applicable.
(2) Comprises the incentive scheme information for senior management on an equivalent basis to that disclosed for directors in the table at the top of this page. Details of share incentives awarded to directors and senior management are included in footnotes to "Long-term incentives" on page 64.

Pensions

Vittorio Colao, Michel Combes and Stephen Pusey have elected to take a cash allowance of 30% of base salary in lieu of pension contributions.

Andy Halford was a contributing member of the Vodafone Group Pension Scheme, a UK defined benefit scheme approved by HMRC until 31 March 2010. The scheme provides a benefit of two-thirds of pensionable salary after a minimum of 20 years' service. The normal retirement age is 60 but directors may retire from age 55 with a pension proportionately reduced to account for their shorter service, but with no actuarial reduction. Andy's pensionable salary is capped in line with the Vodafone Group pension scheme rules at £110,000. Andy has elected to take a cash allowance of 30% of base salary in lieu of pension contributions on salary above the scheme cap. Liabilities in respect of the pension schemes in which the executive directors participate are funded to the extent described in note 23 to the consolidated financial statements. In January 2010 Vodafone confirmed it would close its UK defined benefit scheme to future accrual by existing members on 31 March 2010. From 1 April 2010 Andy Halford will be paid a cash allowance in lieu of pension of 30% of his full basic salary.

All the individuals referred to above are provided benefits in the event of death in service. They also have an entitlement under a long-term disability plan from which two-thirds of base salary, up to a maximum benefit determined by the insurer, would be provided until normal retirement date.

Pension benefits earned by the directors serving during the year ended 31 March 2010 were:

	Total accrued benefit at 31 March 2010(1) £'000	Change in accrued benefit over the year(1) £'000	Transfer value at 31 March 2010(2) £'000	Transfer value at 31 March 2009(2) £'000	Change in transfer value over year less member contributions £'000	Change in accrued benefit in excess of inflation £'000	Transfer value of increase in accrued benefit net of member contributions £'000	Employer allocation/ contribution to defined contribution plans £'000
Vittorio Colao	–	–	–	–	–	–	–	–
Andy Halford	17.8	(6.5)	628.0	543.6	80.6	(6.2)	–	–
Michel Combes	–	–	–	–	–	–	–	–
Stephen Pusey	–	–	–	–	–	–	–	–

Notes:
(1) Andy Halford took the opportunity to take early retirement from the pension scheme due to the closure of the scheme on 31 March 2010. In accordance with the scheme rules, his accrued pension at this date was reduced with an early retirement factor for four years to reflect the fact that his pension is being paid before age 55 and is therefore expected to be paid out for a longer period of time. In addition, Andy Halford exchanged part of his early retirement pension at 31 March 2010 for a tax-free cash lump sum of £118,660. The accrued benefit of £17,800 shown above is Andy Halford's pension after the application of an early retirement factor and after cash has been taken. There is therefore a negative change in accrued benefit over the year. The accrued pension benefits earned by the directors are those which would be paid annually on retirement, based on service to the end of the year, at the normal retirement age. The increase in accrued pension excludes any increase for inflation.
(2) The transfer values 31 March 2010 have been calculated on the basis and methodology set by the Trustees after taking actuarial advice. No director elected to pay additional voluntary contributions. The transfer values disclosed above do not represent a sum paid or payable to the individual director. Instead they represent a potential liability of the pension scheme.

In respect of senior management, the Group has made aggregate contributions of £851,000 into defined contribution pension schemes and had a total service cost of £360,000 for defined pension liabilities.

Directors' remuneration continued

Directors' interests in the shares of the Company

Historic medium-term incentives

This table shows conditional awards of ordinary shares made in prior periods to executive directors under the Deferred Share Bonus ('DSB'). Shares which vested during the year ended 31 March 2010 are also shown below:

	Total interest in DSB at 1 April 2009	Shares forfeited during the year in respect of the 2008 and 2009 financial years	Shares vested during the year in respect of the 2008 and 2009 financial years(1)(2)	Total interest in DSB at 31 March 2010	
	Number of shares	Number of shares	Number of shares	Number of shares	Total value £'000
Vittorio Colao	153,671	–	153,671	–	–
Andy Halford	275,820	–	275,820	–	–
Michel Combes	–	–	–	–	–
Stephen Pusey	93,670	–	93,670	–	–
Total	**523,161**	**–**	**523,161**	**–**	**–**

Notes:
(1) The shares vesting gave rise to cash payments equal to the equivalent value of dividends over the vesting period. These cash payments equated to £23,481 for Vittorio Colao, £42,145 for Andy Halford and £14,313 for Stephen Pusey.
(2) Shares granted on 15 June 2007 vested on 15 June 2009. The closing mid-market share prices at these dates were 163.2 pence and 112.9 pence respectively. The performance condition for this award was a requirement to achieve 85% of the cumulative planned free cash flow target for the 2008 and 2009 financial years, which was met in full.

No shares were awarded during the year under the deferred share bonus to any of the Company's directors or senior management.

Long-term incentives

Performance shares

Conditional awards of ordinary shares made to executive directors under the Vodafone Group Plc 1999 Long-Term Stock Incentive Plan ('LTSIP') and the Vodafone Global Incentive Plan ('GIP') for the relevant financial years are shown below. Long-term incentive shares that vested during the year ended 31 March 2010 are also shown below:

	Total interest in performance shares at 1 April 2009 or date of appointment	Shares conditionally awarded during the 2010 financial year(1)	Shares forfeited during the 2010 financial year(2)	Shares vested during the 2010 financial year	Total interest in performance shares at 31 March 2010(3)	Total value(4)	Market price at date awards granted	Vesting date
	Number of shares	Number of shares	Number of shares	Number of shares	Number of shares	£'000	Pence	
Vittorio Colao								
2006	1,073,465	–	(1,073,465)	–	–	–	115.75	Jul 2009
2007	1,557,409	–	–	–	1,557,409	2,367	156.00	Jul 2010
2008	7,127,741	–	–	–	7,127,741	10,834	129.95	Jul 2011
2009	–	6,382,861	–	–	6,382,861	9,702	117.20	Jul 2012
Total	**9,758,615**	**6,382,861**	**(1,073,465)**	**–**	**15,068,011**	**22,903**		
Andy Halford								
2006	946,558	–	(946,558)	–	–	–	115.75	Jul 2009
2007	1,190,305	–	–	–	1,190,305	1,809	156.00	Jul 2010
2008	4,357,399	–	–	–	4,357,399	6,623	129.95	Jul 2011
2009	–	4,201,690	–	–	4,201,690	6,387	117.20	Jul 2012
Total	**6,494,262**	**4,201,690**	**(946,558)**	**–**	**9,749,394**	**14,819**		
Michel Combes								
2006	–	–	–	–	–	–	–	Jul 2009
2007	–	–	–	–	–	–	–	Jul 2010
2008	3,326,701	–	–	–	3,326,701	5,057	129.95	Jul 2011
2009	–	3,305,625	–	–	3,305,625	5,025	117.20	Jul 2012
Total	**3,326,701**	**3,305,625**	**–**	**–**	**6,632,326**	**10,082**		
Stephen Pusey								
2006	319,680	–	(319,680)	–	–	–	115.75	Jul 2009
2007	491,325	–	–	–	491,325	747	156.00	Jul 2010
2008	1,442,976	–	–	–	1,442,976	2,193	129.95	Jul 2011
2009	–	2,383,697	–	–	2,383,697	3,623	117.20	Jul 2012
Total	**2,253,981**	**2,383,697**	**(319,680)**	**–**	**4,317,998**	**6,563**		

Notes:
(1) The awards were granted during the year under the Vodafone Global Incentive Plan using an average of the closing share prices on each of the five working days prior to and including 29 June being 117.5 pence. These awards have a performance period running from 1 April 2009 to 31 March 2012. The performance conditions are a matrix of free cash flow performance and relative total shareholder return. The vesting date will be in June 2012.
(2) Shares granted on 25 July 2006 were forfeited on 25 July 2009. The performance condition on these awards was a relative total shareholder return measure against the companies making up the FTSE Global Telecoms index at the start of the performance period. This condition was not met.
(3) The total interest at 31 March 2010 includes awards over three different performance periods ending on 31 March 2010, 31 March 2011 and 31 March 2012. The performance condition for the award vesting in July 2010 is relative shareholder return measured against companies from the FTSE Global Telecoms index taken at the start of the performance period.
(4) The total value is calculated using the closing mid-market share price at 31 March 2010 of 152.0 pence.

The aggregate number of shares conditionally awarded during the year to the Company's senior management is 14,142,323 shares. The performance and vesting conditions on the shares awarded in the year are based on a matrix of free cash flow performance and relative total shareholder return.

Share options

No options have been granted to directors during the 2010 financial year. The following information summarises the directors' options under the Vodafone Group 1998 Sharesave Scheme, the Vodafone Group 2008 Sharesave Plan, the Vodafone Group 1998 Company Share Option Scheme ('CSOS'), the LTSIP and the GIP HMRC approved awards may be made under all of the schemes above. The table also summarises the directors' options under the Vodafone Group 1998 Executive Share Option Scheme ('ESOS') which is not HMRC approved. No other directors have options under any of these schemes.

In the past, options under the Vodafone Group 1998 Sharesave Scheme were granted at a discount of 20% to the market value of the shares and options under the Vodafone Group 2008 Sharesave Plan may be granted at a discount of 20% to the market value of the shares at the time of the grant. No other options may be granted at a discount.

	Grant date[1]	At 1 April 2009 or date of appointment Number	Options granted during the 2010 financial year Number	Options exercised during the 2010 financial year Number	Options lapsed during the 2010 financial year Number	Options held at 31 March 2010 Number	Option price Pence[2]	Date from which exercisable	Expiry date	Market price on exercise Pence
Vittorio Colao										
GIP	Nov 2006	3,472,975	–	–	–	3,472,975	135.50	Nov 2009	Nov 2016	–
GIP	Jul 2007	3,003,575	–	–	–	3,003,575	167.80	Jul 2010	Jul 2017	–
SAYE	Jul 2009	–	16,568	–	–	16,568	93.85	Sep 2014	Feb 2015	–
Total		**6,476,550**	**16,568**	**–**	**–**	**6,493,118**				
Andy Halford										
CSOS	Jul 1999	11,500	–	–	(11,500)	–	255.00	Jul 2002	Jul 2009	–
ESOS	Jul 1999	114,000	–	–	(114,000)	–	255.00	Jul 2002	Jul 2009	–
CSOS	Jul 2000	200	–	–	–	200	282.30	Jul 2003	Jul 2010	–
ESOS	Jul 2000	66,700	–	–	–	66,700	282.30	Jul 2003	Jul 2010	–
LTSIP	Jul 2001	152,400	–	–	–	152,400	151.56	Jul 2004	Jul 2011	–
LTSIP	Jul 2002	94,444	–	(94,444)	–	–	90.00	Jul 2005	Jul 2012	146.70
LTSIP	Jul 2003	233,333	–	(233,333)	–	–	119.25	Jul 2006	Jul 2013	146.70
LTSIP	Jul 2004	226,808	–	(226,808)	–	–	119.00	Jul 2007	Jul 2014	146.70
LTSIP	Jul 2005	1,291,326	–	–	–	1,291,326	145.25	Jul 2008	Jul 2015	–
GIP	Jul 2006	3,062,396	–	(3,062,396)	–	–	115.25	Jul 2009	Jul 2016	146.70
SAYE	Jul 2006	10,202	–	(10,202)	–	–	91.64	Sep 2009	Feb 2010	131.95
GIP	Jul 2007	2,295,589	–	–	–	2,295,589	167.80	Jul 2010	Jul 2017	–
SAYE	Jul 2009	–	9,669	–	–	9,669	93.85	Sep 2012	Feb 2013	–
Total		**7,558,898**	**9,669**	**(3,627,183)**	**(125,500)**	**3,815,884**				
Stephen Pusey										
GIP	Nov 2006	1,034,259		–	–	1,034,259	135.50	Nov 2009	Nov 2016	–
GIP	Jul 2007	947,556		–	–	947,556	167.80	Jul 2010	Jul 2017	–
SAYE	Jul 2009	–	9,669	–	–	9,669	93.85	Sep 2012	Feb 2013	–
Total		**1,981,815**	**9,669**	**–**	**–**	**1,991,484**				
Michel Combes										
SAYE	Jul 2009	–	9,669	–	–	9,699	93.85	Sep 2012	Feb 2013	–
Total		**–**	**9,669**	**–**	**–**	**9,699**				

Notes:
(1) The unvested award granted in July 2007 has a performance period ending on 31 March 2010. The performance condition for this award is three year EPS growth ranges of 5% to 8% per annum.
(2) The closing mid-market share price on 31 March 2010 was 152.0 pence. The highest mid-market share price during the year was 153.8 pence and the lowest price was 111.2 pence.

Directors' remuneration continued

Non-executive directors' remuneration

The remuneration of non-executive directors is reviewed annually by the Board, excluding the non-executive directors. Our policy is to pay competitively for the role including consideration of the time commitment required. In this regard, the fees are benchmarked against a comparator group of the current FTSE 15 companies. Following the 2010 review there will be an increase to the fees from 1 April 2010:

	Fees payable (£'000s)	
Position/role	From 1 April 2010	From 1 April 2009
Chairman(1)	600	575
Deputy Chairman	160	155
Non-executive director	115	110
Chairmanship of Audit Committee	25	25
Chairmanship of Remuneration Committee	20	20

Note:
(1) From 1 April 2010 the Chairman's fee also includes the fee for the Chairmanship of the Nominations and Governance Committee.

In addition, an allowance of £6,000 is payable each time a non-Europe based non-executive director is required to travel to attend Board and committee meetings to reflect the additional time commitment involved.

Details of each non-executive director's remuneration for the 2010 financial year are included in the table below.

Non-executive directors do not participate in any incentive or benefit plans. The Company does not provide any contribution to their pension arrangements.

The Chairman is entitled to use of a car and a driver whenever and wherever he is providing his services to or representing the Company.

Chairman and non-executive directors service contracts

The Chairman, Sir John Bond, has a contract that may be terminated by either party on one year's notice. The date of his letter of appointment is 5 December 2005.

Non-executive directors, including the Deputy Chairman, are engaged on letters of appointment that set out their duties and responsibilities. The appointment of non-executive directors may be terminated without compensation. Non-executive directors are generally not expected to serve for a period exceeding nine years.

The terms and conditions of appointment of non-executive directors are available for inspection by any person at the Company's registered office during normal business hours and at the AGM (for 15 minutes prior to the meeting and during the meeting).

	Date of letter of appointment	Date of re-election
John Buchanan	28 April 2003	AGM 2010
Alan Jebson	7 November 2006	AGM 2010
Samuel Jonah	9 March 2009	AGM 2010
Nick Land	7 November 2006	AGM 2010
Anne Lauvergeon	20 September 2005	AGM 2010
Simon Murray	16 May 2007	n/a
Luc Vandevelde	24 June 2003	AGM 2010
Anthony Watson	6 February 2006	AGM 2010
Philip Yea	14 July 2005	AGM 2010

Audited information for non-executive directors serving during the year ended 31 March 2010(1):

	Salary/fees		Benefits		Total	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Chairman						
Sir John Bond	575	575	3	27	578	602
Deputy Chairman						
John Buchanan	155	155	–	–	155	155
Non-executive directors						
Dr Michael Boskin	–	63	–	–	–	63
Alan Jebson	146	146	–	–	146	146
Samuel Jonah	140	–	–	–	140	–
Nick Land	135	127	–	–	135	127
Anne Lauvergeon	110	110	–	–	110	110
Simon Murray	110	110	–	–	110	110
Professor Jürgen Schrempp	–	37	–	–	–	37
Luc Vandevelde	130	130	–	–	130	130
Anthony Watson	110	110	–	–	110	110
Philip Yea	110	110	–	–	110	110
Total	**1,721**	**1,673**	**3**	**27**	**1,724**	**1,700**

Note:
(1) Former Chairman, Lord MacLaurin, received consulting fees of £42,000 during the year, together with continued benefits valued at £4,700 from his previous arrangements. These arrangements ended in July 2009.

Beneficial interests

The beneficial interests of directors' and their connected persons in the ordinary shares of the Company, which includes interests in the Vodafone Share Incentive Plan, but which excludes interests in the Vodafone Group share option schemes, and the Vodafone Group short-term or long-term incentives, are shown below:

	17 May 2010	31 March 2010	1 April 2009 or date of appointment
Sir John Bond	357,584	357,584	237,345
John Buchanan	211,055	211,055	211,055
Vittorio Colao	1,575,567	1,575,567	1,046,149
Andy Halford	2,186,709	2,186,541	1,211,095
Michel Combes	392,389	392,223	232,827
Stephen Pusey	402,599	402,599	254,293
Alan Jebson	82,340	82,340	75,000
Samuel Jonah	–	–	–
Nick Land	35,000	35,000	35,000
Anne Lauvergeon	28,936	28,936	28,936
Simon Murray	246,250	246,250	157,500
Luc Vandevelde	72,829	72,829	72,500
Anthony Watson	115,000	115,000	115,000
Philip Yea	61,250	61,250	61,250

At 31 March 2010 and during the period from 1 April 2010 to 17 May 2010, no director had any interest in the shares of any subsidiary company. Other than those individuals included in the table above who were Board members at 31 March 2010, members of the Group's Executive Committee at 31 March 2010 had an aggregate beneficial interest in 3,229,762 ordinary shares of the Company. At 17 May 2010 the directors had an aggregate beneficial interest in 5,767,508 ordinary shares of the Company and the Executive Committee members had an aggregate beneficial interest in 3,230,262 ordinary shares of the Company. However none of the directors or the Executive Committee members had an individual beneficial interest amounting to greater than 1% of the Company's ordinary shares.

Interests in share options of the Company

At 17 May 2010 there had been no change to the directors' interests in share options from 31 March 2010 (see page 65).

Other than those individuals included in the table above, at 17 May 2010, members of the Group's Executive Committee at that date held options for 4,302,914 ordinary shares at prices ranging from 91.6 pence to 167.8 pence per ordinary share, with a weighted average exercise price of 158.0 pence per ordinary share exercisable at dates ranging from July 2008 to July 2017.

Sir John Bond, John Buchanan, Alan Jebson, Samuel Jonah, Nick Land, Anne Lauvergeon, Simon Murray, Luc Vandevelde, Anthony Watson and Philip Yea held no options at 17 May 2010.

Directors' interests in contracts

None of the current directors had a material interest in any contract of significance to which the Company or any of its subsidiaries was a party during the financial year.

Luc Vandevelde
On behalf of the Board