Board of directors and Group management

Directors and senior management

Our business is managed by our Board of directors ('the Board'). Biographical details of the directors and senior management at 17 May 2011 are as follows:

Board of directors

Chairman

1. Sir John Bond†, aged 69, 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 Chairman of Xstrata plc and 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, US. He is also an advisor to Northern Trust in Chicago. Sir John will retire from the Board at the conclusion of the Company's AGM on 26 July 2011.

Executive directors

2. Vittorio Colao, Chief Executive, aged 49, was appointed Chief Executive of Vodafone Group Plc after the AGM in July 2008. He joined the Board in October 2006 as Chief Executive, Europe and Deputy Chief Executive. The early part of his career was spent in the Milan office of McKinsey & Co working on media, telecommunications and industrial goods, with additional responsibility for recruitment. In 1996 he joined Omnitel Pronto Italia, which subsequently became Vodafone Italy, and 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 as Chief Executive Officer, Europe. He sits on the International Advisory Board of Bocconi University, Italy.

3. Andy Halford, Chief Financial Officer, aged 52, 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. In December 2010 he was appointed as Chairman of The Hundred Group of Finance Directors in the UK. He holds a bachelor's 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 49, Chief Executive Officer, Europe Region, was appointed to the Board in June 2009, having 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 President of the Supervisory Board of Assystem SA in France and serves as a non-executive director on the boards of ISS Equity A/S, ISS Holding A/S and ISS A/S.

5. Stephen Pusey, aged 49, Group Chief Technology Officer, joined Vodafone in September 2006 and was appointed to the Board in June 2009. He is responsible for all aspects of Vodafone's networks, IT capability and research and development. Prior to joining Vodafone he held the positions of Executive Vice President and President, Nortel EMEA, having joined Nortel in 1982 where he gained 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.

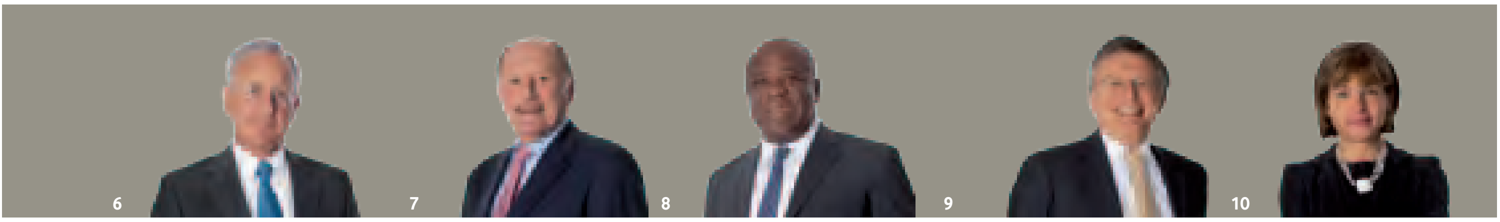
Deputy Chairman and senior independent director

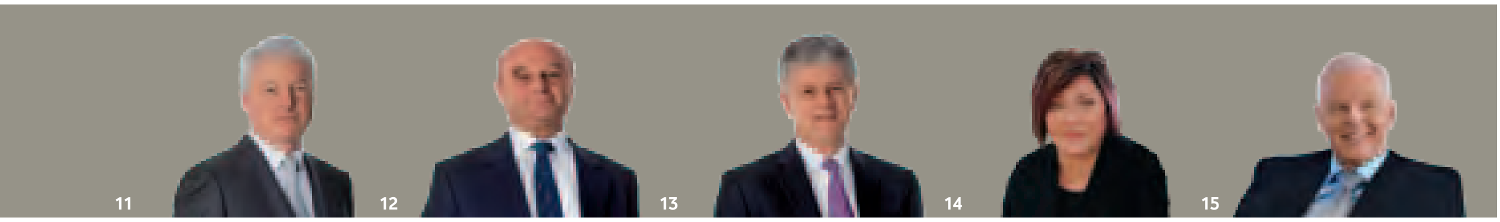
6. John Buchanan§†, aged 67, became Deputy Chairman and senior independent director in July 2006 and has been a member of the Board since April 2003. He retired from the board of directors of BP p.l.c. in 2002 after six years as Group Chief Financial Officer and executive director following a wide-ranging 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, Senior Independent Director of BHP Billiton Plc, Chairman of The International Chamber of Commerce (UK) and is Chairman of the trustees for the UK Christchurch Earthquake Appeal. Previous non-executive directorships include AstraZeneca plc and Boots plc.

Non-executive directors

7. Alan Jebson§, aged 61, joined the Board in December 2006. In May 2006 he retired 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 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 61, was appointed to the Board in 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 Nigeria and Togo and previously served as an advisor to the Presidents of South Africa and Ghana. 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 63, 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 serves as a non-executive director of Alliance Boots GmbH, BBA Aviation plc and the Ashmore Group plc and was appointed as a non-executive director of the Financial Reporting Council on 1 April 2011. He is an advisor to the board of SNR Denton LLP, a member of the Advisory Board of Alsbridge plc, 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 board of trustees of the Vodafone Foundation.

10. Anne Lauvergeon§, aged 51, 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. Luc Vandevelde†‡, aged 60, 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.

12. Anthony Watson CBE‡†, aged 66, was appointed to the Board in May 2006. He is currently Chairman of Marks & Spencer Pension Trust Ltd and is the Senior Independent Director of Hammerson plc and Witan Investment Trust. He is 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.

13. Philip Yea‡, aged 56, became a member of the Board in September 2005. He has held a number of roles in the private equity industry, most notably at 3i Group plc where he was Chief Executive from 2004 until January 2009, and prior to 3i at Investcorp, where his main focus was on the turnaround and performance of portfolio investments. He is a former Finance Director of Diageo plc, the global drinks group, where as Finance Director of Guinness plc he was closely involved in the creation of Diageo through Guiness's merger with Grand Metropolitan P.L.C. in 1997. Philip holds a number of advisory positions including to HRH The Duke of York in his role as the UK's Special Representative for International Trade & Investment, as well as to PricewaterhouseCoopers in the UK and Bridges Ventures. He is also Chairman of the trustees of the British Heart Foundation. He has previously held non-executive roles at HBOS plc and Manchester United plc.

Appointments since the 2010 AGM

14. Renee James, aged 46, joined the Board in January 2011. She is Senior Vice President and General Manager of the software and services group for Intel Corporation with responsibility for delivering software products and support across Intel's entire product line by building and distributing software and services products and partnering with independent software partners in the industry. In addition, she is the Chairman of the software subsidiaries of Intel, Havok, WIndRiver Systems and McAfee, and also serves as an independent director on the VMware Inc. Board of Directors and is a member of its Audit Committee. She holds bachelor's and master's degrees from the University of Oregon.

15. Gerard Kleisterlee, aged 64, was appointed to the Board on 1 April 2011. He retired as President/Chief Executive Officer and Chairman of the Board of Management and the Group Management Committee of Koninklijke Philips Electronics N.V. ('Philips') on 31 March 2011 after a career with Philips spanning over more than three decades. He has been a member of the Daimler AG Supervisory Board since April 2009, a non-executive director of the Supervisory Board and member of the Audit Committee of Royal Dutch Shell since November 2010, and a member of the Board of Directors of Dell since December 2010. He will succeed Sir John Bond as Chairman of the Company on conclusion of the AGM on 26 July 2011.

§ 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 page 52 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.

Warren Finegold, aged 54, 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 and business development. 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 50, 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.

Morten Lundal, aged 46, Group Chief Commercial Officer, was appointed to his current position in October 2010, having joined the Executive Committee in November 2008, and previously served as Chief Executive Officer for the Africa and Central Europe region. 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 51, 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 46, Chief Executive Officer, Africa, Middle East and Asia Pacific region, was appointed to this position in October 2010. He became a member of the Executive Committee in November 2008 at the time serving as Chief Executive Officer for the Asia Pacific and Middle East region. 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 47, Group Human Resources Director, joined Vodafone and the Executive Committee in January 2009. Ronald is responsible for the Vodafone human resources management function as well as health and safety, and Vodafone's property and real estate. Prior to joining Vodafone he was Executive Vice President Human Resources for Royal Dutch Shell plc's global downstream business. Prior to working for Shell he worked for nine years at 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 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 year:

Simon Murray was a non-executive director until his retirement on 27 July 2010. **Terry Kramer** was Regional President – Vodafone Americas and a member of the Executive Committee until 31 July 2010. **Wendy Becker** was Group Chief Marketing Officer and a member of the Executive Committee until January 2011.

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.

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 2011 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). This corporate governance section, together with the "Directors' remuneration" section on pages 62 to 73, provides detail of how we apply the principles and comply with the provisions of the Combined Code.

The FRC issued the new UK Corporate Governance Code in 2010, applicable for financial years beginning on or after 29 June 2010. We will report on it for the first time in our 2012 financial year and intend to be in compliance.

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 132 to 138.

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 annually. It was last formally reviewed in March 2011 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 57 and 58.

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 material which is circulated one week before the meeting.

The following table shows the number of years directors have been on the Board at 31 March 2011 and their attendance at scheduled Board meetings they were eligible to attend during the year:

	Years on Board	Meetings attended
Sir John Bond	6	8/8
John Buchanan	8	8/8
Vittorio Colao	4	8/8
Michel Combes	1	8/8
Andy Halford	5	8/8
Renee James (since 1 January 2011)	<1	3/3
Alan Jebson	4	7/8
Samuel Jonah	2	8/8
Nick Land	4	8/8
Anne Lauvergeon	5	6/8
Simon Murray (until 27 July 2010)	–	2/2
Stephen Pusey	1	8/8
Luc Vandevelde	7	8/8
Anthony Watson	5	8/8
Philip Yea	5	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 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 15 directors, 13 of whom served throughout the year. At 31 March 2011, in addition to the Chairman, Sir John Bond, there were four executive directors and nine non-executive directors. Renee James and Gerard Kleisterlee were appointed as non-executive directors with effect from 1 January 2011 and 1 April 2011 respectively. Simon Murray was a member of the Board until his retirement at the annual general meeting ('AGM') on 27 July 2010.

The Board welcomed the publication of the Davies Review on Women on Boards in February 2011. It is our aspiration to have a minimum of 25% female representation on the Board by 2015. Subject to securing suitable candidates, we intend to effect the changes required to the Board's composition by recruiting additional directors and/or filling vacancies which arise when directors do not seek re-election, by appointing new directors who fit the skills criteria and gender balance which would meet the Board's aspirations. The FRC is currently consulting on changes to the UK Corporate Governance Code which may result in the Code including a recommendation

Corporate governance continued

that companies adopt a boardroom diversity policy; we expect to comply with any such recommendation. The Board recognises the importance of gender balance throughout the Group and continues to support Vittorio Colao in his efforts to build a diverse organisation. Further information, including the proportions of women in senior management and within the organisation overall, is contained in our 2011 sustainability report at www.vodafone.com/sustainability.

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 for the appointment of new directors to the Board. Candidates are identified and selected on merit against objective criteria and with due regard to the benefits of diversity on the Board, including gender. This process was followed during the recruitment of Renee James and Gerard Kleisterlee and is described in the section on the Nominations and Governance Committee set out on page 57.

Information and professional development

From time to time the Board receives detailed presentations from non-Board members on matters of significance. 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 appropriate considering the director's area 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 the effectiveness of the Board and its committees, individual contributions and the Group's performance as a whole. The evaluation is 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. Every three years the performance evaluation is conducted by an independent external advisor. The last external evaluation took place in respect of the 2010 financial year.

This year the Board undertook a formal self-evaluation of its own performance. The process was led by the Chairman and included a review of the administration of the Board and its committees covering the operation of the Board and its committees, agendas, reports and information produced for their consideration. Using questionnaires completed by all directors, the Chairman produced a report on Board performance which was sent to and considered by the Nominations and Governance Committee before being discussed with the Board members at a Board meeting.

The Chairman led the assessment of the Chief Executive and the non-executive directors, the Chief Executive undertook the performance reviews for the executive directors and the Senior Independent Director led the review of the performance of the Chairman.

The Chairman reported the results of the evaluations at the Board meeting in March 2011. The performance of each director of the Board was found to be effective and it was 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 election and re-election at the AGM in July 2011 continue to be effective and that the Company should support their election and re-election. In addition, the Board considered recommendations made by directors during the Board performance evaluation for the improvement of Board procedures and its effectiveness.

Consequently, some changes in Board practice are being implemented, including extending the duration of Audit Committee meetings and allocating more time in the Board schedule for strategy discussions. 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 of association, 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 re-election at each AGM. Accordingly, at the AGM to be held on 26 July 2011, all the directors will offer themselves for re-election with the exception of Sir John Bond who is retiring from the Board. New directors seek election for the first time in accordance with the articles of association.

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 reviews the terms of reference for each of the committees on an ongoing basis and is satisfied that they comply with the requirements of the Combined Code. 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 meetings which they were eligible to attend, are set out below:

	Meetings attended
Nick Land, Chairman and financial expert	4/4
John Buchanan	4/4
Alan Jebson	4/4
Anne Lauvergeon	3/4

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 (the 'Exchange Act'), 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 53.

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 in respect of Section 404 of the Sarbanes-Oxley Act.

At least twice a year the Audit Committee meets separately with the external auditor, the Chief Financial Officer and the Group Audit Director without other management being present. Further details on the work of the Audit Committee and its oversight of the relationships with the external auditor can be found under "Auditor" and the "Report from the Audit Committee" which are set out on pages 60 and 61.

Nominations and Governance Committee

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

	Meetings attended
Sir John Bond, Chairman	7/7
John Buchanan	7/7
Luc Vandevelde	7/7
Anthony Watson (from 26 July 2010)	5/5

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.

During the financial year an external search was commissioned, using an independent consulting firm which actively searches for female as well as male candidates, for a non-executive director with relevant international experience in the high-tech sector. Renee James was identified as a potential candidate and subsequently recommended to the Board by the Nominations and Governance Committee on the basis that she met the desired criteria.

In February 2010 the Board initiated a succession planning process to search for a new chairman. The independent consulting firm was provided with a detailed brief of the desired candidate profile and their services were used to conduct a thorough search to identify suitable candidates. The Nominations and Governance Committee considered a list of potential

Corporate governance continued

candidates and those shortlisted were met by members of the Board. Following an interview process, Gerard Kleisterlee was invited to join the Board and to become Vodafone's chairman in succession to Sir John Bond. In accordance with the Combined Code, Sir John Bond did not chair the Nominations and Governance Committee when dealing with the appointment of Mr Kleisterlee. The Deputy Chairman took the chair. Mr Kleisterlee's deep knowledge of the commercial sector, his international experience and familiarity with business in emerging markets were factors in the Board's decision.

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
Samuel Jonah (from 1 June 2010)	3/3
Simon Murray (until 27 July 2010)	1/2
Anthony Watson	5/5
Philip Yea	5/5

In addition to scheduled meetings, there were 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.

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 62 to 73.

Executive Committee

The executive directors, together with certain other Group functional heads and regional chief executives, meet 11 times a year as the Executive Committee under the chairmanship of the Chief Executive. The Executive Committee is responsible for our competitive and financial performance, reviewing strategy and new business opportunities including major acquisitions and disposals, the management of our capital structure and funding, and key organisational and policy decisions. The members of the Executive Committee and their biographical details are set out on pages 52 and 54.

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

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 between institutional investors and analysts and the Chief Executive and 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/investor 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 of association 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 www.vodafone.com/investor. For this 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. We do not intend to send the notice of meeting and form of proxy to shareholders in paper through the post for the 2012 financial year unless shareholders have specifically asked to receive communications in hard copy. Shareholders continue to have the option to appoint proxies and to 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, the Chairmen of the Audit, Nominations and Governance, and Remuneration Committees and the rest of the Board. 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 the 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 135 and 136 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 for the 2012 financial year or 29 July 2012, whichever is earlier, up to a maximum aggregate amount of £100,000 per year. Neither the Company nor any of its subsidiaries have 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

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 "Sustainable business" on pages 30 to 31.

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 75 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 appropriateness of disclosures undertaken by the Chief Executive and the Chief Financial Officer which includes formal annual meetings with the Group's Disclosure Committee; and
- periodic examination of business processes on a risk basis including reports on controls throughout the Group undertaken by the Group internal audit department which reports directly to the Audit Committee.

In addition, we review any reports from the external auditor presented to the Audit Committee and management relating to internal financial controls.

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.

Risk management

We have a Risk Council to manage the process of identifying, evaluating, monitoring and mitigating risks. The Risk Council is chaired by the Chief Financial Officer, facilitated by the Group Audit Director and attended by representatives from the two geographic regions, finance and a cross section of functions. Meeting twice a year, the Risk Council discusses and reviews the risks identified by the senior management of the regions and functions in their area of business. The risks are plotted on a "risk matrix" on the basis of the likelihood of those risks occurring and the impact if they do occur taking into consideration the action being taken to manage and mitigate them. Those risk assessments are presented to the Executive Committee and the Audit Committee which in turn report to the Board for review and confirmation. The Group risks identified through this process are included in "Principal risk factors and uncertainties" on pages 45 and 46. The Risk Council ensures the ongoing review of risks to the business, the controls in place to mitigate risks and identifies any further action required.

Risk mitigation

Although many risks remain outside of our direct control, a range of activities are in place to mitigate the primary risks identified including those set out on pages 45 to 46. A significant number of risks faced relate to the wider operational and commercial affairs of the Group including those in relation to competitor and regulator activity, the impact of technological developments, the development of new products and services, the success of cost reduction initiatives, the realisation of benefits from investments and the potential reliance on certain suppliers. The responsibility for the Group's actions to address and mitigate these risks is either allocated to personnel with direct functional responsibility for the matter or to operating company and regional management with appropriate reporting and monitoring by the Risk Council and Executive Committee. The size of the Group's operations, its geographical spread and its large and diverse customer base assist in mitigating these risks.

A range of mitigations for other risks faced by the Group are also in place:

- Macroeconomic, political and legal risks are considered by the Group's strategic planning process and as part of the Group's processes for capital allocation.
- The Group has in place formal treasury policies that seek to ensure the Group's financing plans place appropriate weight on the risks arising from volatile capital markets.
- Where we do not have controlling interests in certain of our investments, we work with our partners to maximise alignment of interests through the development of mutually beneficial commercial outcomes and actively involve ourselves in the governance of the company concerned.
- The potential for health risks is comprehensively addressed through a wide range of activities including the close monitoring of developments in areas of science and technology and ensuring the devices sold meet all necessary regulatory requirements including specific absorption rate ('SAR') limits in relation to radio frequency emission and absorption.
- We have invested significantly to minimise the risk of disruption of our telecommunications services and have extensive business continuity arrangements to mitigate the risks arising from a critical system failure.

Activity and progress on these matters are reported both into the Risk Council and the Executive Committee.

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 2010 to 17 May 2011 (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.

Corporate governance continued

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 SEC's 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 75.

Auditor

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 auditor will be put to the shareholders at the 2011 AGM. We do not indemnify our external auditor.

In its assessment of the independence of the auditor 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 we have a policy that provides for the pre-approval by the Audit Committee of permitted non-audit services by Deloitte LLP. The policy lists categories of non-audit services from which the auditor is excluded from providing. 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 permitted services which have not been pre-approved by the Audit Committee.

In addition to their statutory duties, Deloitte LLP is also engaged where, as a result of their position as auditor, they either must, or are best placed to, perform the audit-related services 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 (2010: £9 million, 2009: £8 million) for audit and audit-related services and a further £1 million (2010: £1 million, 2009: £1 million) for non-audit assignments which primarily comprised fees in relation to a number of taxation assignments totalling £1 million (2010: £1 million, 2009: £1 million). The auditor was considered the most suitable supplier for the services given its extensive knowledge of the Group. After reviewing external requirements and guidelines in place, the types of services rendered were considered by the Audit Committee not to impact the objectivity and independence of Deloitte LLP. An analysis of these fees can be found in note 4 to the consolidated financial statements.

US listing requirements

Vodafone's american depositary shares are listed on the NASDAQ Stock Market LLC ('NASDAQ') and we are therefore 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 17 May 2011 the Board comprised the Chairman, four executive directors and ten 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.
- Both our Nominations and Governance Committee and our Remuneration Committee have terms of reference and compositions that comply with the Combined Code's requirements.
- Our Nominations and Governance Committee is chaired by the Chairman of the Board and its other members are non-executive directors of the Company.
- Our 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 under 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 Conduct which applies to all employees. It sets out what conduct is expected of employees as they adhere to our Business Principles and draws their attention to the Group's policies. In addition, a Code of Ethics has been adopted in compliance with Section 406 of the Sarbanes-Oxley Act which is applicable to the senior financial and principal executive officers. We have made our Code of Ethics available on our website (www.vodafone.com/governance).

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 FSA 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 auditor. For further details, its terms of reference can be found on the Vodafone website (www.vodafone.com/governance).

The Audit Committee is composed of independent, non-executive directors selected to provide the wide range of financial and commercial expertise necessary to fulfil the Committee's duties. The membership of the Committee is set out in the table on page 57. 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 auditor also attend the Audit Committee meetings. Relevant people from the business are also invited to attend certain meetings in order to provide insight and 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 2011 the principal activities of the Audit Committee were as follows:

Financial reporting

The Audit Committee reviewed and discussed with management and the external auditor the half-year and annual financial statements focusing on, amongst other matters:

- 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; and
- material areas in which significant judgements have been applied.

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 auditor, 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, progress of 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 as necessary throughout the year.

External auditor

The Audit Committee reviewed and monitored the independence of the external auditor 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 auditor. The Audit Committee approved the scope and fees for audit services and, after consideration of whether they were permissible under the Group's policies, non-audit services provided by Deloitte LLP.

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

Audit Committee effectiveness

The Audit Committee conducts a formal review of its effectiveness annually and concluded that its performance was effective. Details of the Board and Committee evaluation process can be found under "Performance evaluation" on page 56.

Nick Land
On behalf of the Audit Committee

Directors' remuneration

Letter from the Remuneration Committee

Dear Shareholder

Although business conditions were somewhat more stable this year compared to the prior year, the global economy still remained challenging. As a consequence, the Remuneration Committee has 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.

The key principles of our reward philosophy are set out on page 63. Each year the Remuneration Committee reviews these principles as well as the operation and design of the compensation packages provided to executives. If changes are required, the Committee is both willing and able to effect those changes. The key changes made during the year are detailed below:

- In order to reflect the equal importance of growing revenue and profit we rebalanced the relative weightings of these two measures in the short-term incentive plan. At the same time we also changed the definition of profit from adjusted operating profit to EBITDA. Details of this are on page 65.
- In order to simplify the long-term incentive awards both the co-investment requirement and the matching awards are now defined in terms of a percentage of gross salary. Details of this plan are on page 64.
- In order to ensure greater alignment with shareholders we have re-emphasised the importance of share ownership for executives and have introduced share ownership goals to all our operating company chief executives and to the rest of the senior leadership team. Details of the current ownership levels are on page 63 where it is noted that at the year end the value of shares held by the Executive Committee exceeded £15 million.
- Finally after reviewing base salaries for the Executive Committee it was decided appropriate to make some modest salary increases. Details of the increases for the executive directors are found on page 67 but it should be noted that the average increase for the Executive Committee is 3% which is in line with general increases for employees of the Group based in the UK.

As in previous years the Remuneration Committee has had dialogue with its shareholders about the changes and appreciates the feedback from them. The Remuneration 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 26 July 2011.

Luc Vandevelde
Chairman of the Remuneration Committee
17 May 2011

Remuneration Committee

The Remuneration Committee is comprised to exercise independent judgement and consists only of independent non-executive directors. In anticipation of the retirement of Simon Murray on 27 July 2010, the Board appointed Samuel Jonah to the Remuneration Committee. Further details can be found on page 58.

Remuneration Committee

Chairman	Luc Vandevelde
Committee members	Samuel Jonah (from 1 June 2010) Simon Murray (until 27 July 2010) Anthony Watson Philip Yea

The Remuneration Committee regularly consults with the Chief Executive and the Group HR Director on various matters relating to the appropriateness of awards for executive directors and senior executives, though they are not present when their own compensation is discussed. In addition, the Group Reward and Policy Director provides a perspective on information provided to the Committee, and requests information and analyses from external advisors as required. The Deputy Group Company Secretary advises the Committee on corporate governance guidelines and acts as secretary to the Committee.

Management attendees at Remuneration Committee meetings

Chief Executive	Vittorio Colao
Group HR Director	Ronald Schellekens
Group Reward and Policy Director	Adrian Jackson
Deputy Group Company Secretary	Philip Howie

External advisors

The Remuneration Committee appointed Towers Watson ('TW') and PricewaterhouseCoopers LLP ('pwc') as independent advisors in 2007. During the year TW supplied market data and advice on market practice and governance and pwc provided performance analyses and advice on plan design and performance measures. The advisors also provided advice to the Company on general human resource and compensation related matters. In addition, pwc provided a broad range of tax, share scheme and advisory services to the Group during the year.

As noted in his biographical details on page 53 of this annual report, Philip Yea sits on an advisory board for pwc. In light of their role as advisor to the Remuneration Committee on remuneration matters, the Committee continue to consider this position and have determined that there is no conflict or potential conflict arising.

Meetings

The Remuneration Committee had five meetings during the year. The Committee's work during these meetings and throughout the year included, but was not limited to:

- a review of the total compensation packages of the executive directors and the most senior management of the company;
- approval of the global short-term incentive bonus framework and targets;
- approval of the 2011 global short-term incentive bonus payout;
- approval of the long-term incentive framework, targets and 2011 grant levels;
- approval of the July 2008 global long-term incentive vesting level;
- approval of the introduction of share ownership goals to all operating company chief executive officers and selected senior leadership individuals below the Board and Executive Committee;
- a review of the current UK corporate governance environment and the implications for our company;
- a review of the director's remuneration report; and
- a review of Chairman's fees.

On an annual basis, the Committee's effectiveness is reviewed as part of the evaluation of the Board.

Reward philosophy

The principles of reward, as well as the individual elements of the reward package, are reviewed each year to ensure that they continue to support our company strategy. These principles are set out below.

Competitive reward assessed on a total compensation basis

Vodafone wishes to provide a level of remuneration which attracts, retains and motivates executive directors of the highest calibre. Within the package there needs to be the opportunity for executive directors to achieve significant upside for truly exceptional performance. The package provided to the executive directors is reviewed annually on a total compensation basis i.e. single elements of the package are not reviewed in isolation. When the package is reviewed it is done so in the context of individual and company performance, internal relativities, criticality of the individual to the business, experience and the scarcity or otherwise of talent with the relevant skill set.

The principal external comparator group (which is used for reference purposes only) is made up of companies of similar size and complexity to Vodafone, and is principally representative of the European top 25 companies and a few other select companies relevant to the sector. The comparator group excludes any financial services companies. 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 the maximum payout.

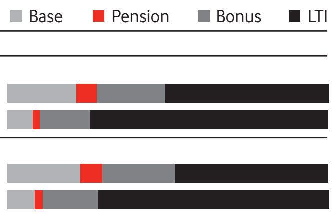
Pay for performance

A high proportion of total reward 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.

This is demonstrated in the charts below where we see that at target payout over 70% of the package is delivered in the form of variable pay which rises to almost 90% if maximum payout is achieved. Fixed pay comprises base salary and pension contributions, while variable pay comprises the annual bonus and the long-term incentive opportunity assuming maximum co-investment and no movement in current share price.

Alignment to shareholder interests

	Fixed	Variable
Chief executive		
Target	27.8%	72.2%
Maximum	10.1%	89.9%
Other executive directors[1]		
Target	29.5%	70.5%
Maximum	11.1%	88.9%



Note:
(1) Proportions for the directors other than the Chief Executive are the same.

Share ownership is a key cornerstone of our reward policy and is designed to help maintain commitment over the long-term, and to ensure that the interests of our senior management team are aligned with those of shareholders. Executive directors are expected to build and maintain a significant shareholding in Vodafone shares as follows:

- Chief Executive – four times base salary; and
- Other executive directors – three times base salary.

In all cases executives have been given five years to achieve these goals.

Current levels of ownership and the date by which the goal should be or was required to be achieved are as shown below:

	Goal as a % of salary	Current % of salary held[1]	Value of shareholding (£m)[1]	Date for goal to be achieved
Vittorio Colao	400%	460%	4.9	July 2012
Andy Halford	300%	634%	4.4	July 2010
Michel Combes	300%	154%	1.2	June 2014
Stephen Pusey	300%	240%	1.3	June 2014

Note:
(1) Based on a share price at 31 March 2011 of 176.5 pence and includes net intrinsic value of any option gains.

Collectively the Executive Committee including the executive directors own 8.7 million Vodafone shares, with a value of £15.2 million at 31 March 2011.

Alignment with shareholders is also achieved through the use of total shareholder return ('TSR') measure in the Global Long-Term Incentive ('GLTI') plan.

Incentive targets linked to business strategy

When designing our incentives, performance measures are chosen that support our strategic objectives as shown below:

Strategic objectives	Supported by
Focus on key areas of growth potential – Aiming to deliver organic service revenue growth of 1 – 4% a year until the year ended 31 March 2014 in five key areas: mobile data, emerging markets, enterprise, total communications and new services.	Revenue and relative performance targets in the Global Short-Term Incentive Plan ('GSTIP').
Delivering value and efficiency from scale – Continuing to drive benefit from the Group's scale advantage and maintain our focus on cost.	EBITDA, free cash flow and relative performance targets in the GSTIP.
Generate liquidity or free cash flow from non-controlled interests – Aim to seek to maximise the value of non-controlled interests through generating liquidity or increasing free cash flow in order to fund profitable investments and enhance shareholders returns.	The use of TSR as a performance measure in GLTI as well as the value of the underlying shares.
Apply rigorous capital discipline to investment decisions – Continuing to apply capital discipline to our investment decisions through rigorous commercial analysis and demanding investment criteria to ensure any investment in existing businesses or acquisitions will enhance value for shareholders.	Free cash flow targets in both the GSTIP and GLTI as well as the TSR target in the GLTI.

Assessment of risk

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 on long-term incentives which reward sustained performance;
- 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
- a considerable weighting on non-financial measures in the short-term plan, which provides an external perspective on our performance by focusing on customer satisfaction and performance relative to our competitors.

The Remuneration Committee will continue to consider the risks involved in the incentive plans on an ongoing basis.

Directors' remuneration continued

The remuneration package

The table below summarises the main components of the reward package for executive directors.

	Objective and practice	Performance period	Award size and performance conditions
Base salary	■ To attract and retain the best talent. ■ Base salaries are reviewed annually and set on 1 July.	n/a	■ Level of skill and experience, scope of responsibilities, individual and business performance, and competitiveness of the total remuneration package are taken into account when determining the appropriate level of base salary.
Global Short-Term Incentive Plan ('GSTIP')	■ To motivate employees and incentivise delivery of performance over the one-year operating cycle. ■ Bonus levels and the appropriateness of measures and weightings are reviewed annually to ensure they continue to support our strategy. ■ The annual bonus is paid in cash in June each year for performance over the previous financial year.	1 year	■ Performance over the financial year is measured against stretching financial and non-financial performance targets set at the start of the financial year. ■ Summary of the plan in the 2011 financial year: ■ service revenue (30%); ■ operating profit (20%); ■ free cash flow (20%); and ■ competitive performance assessment (30%). ■ Target bonus is 100% of base salary. ■ Minimum and maximum bonus is in a range of 0 – 200% of base salary with maximum only paid out for exceptional performance.
Global Long-Term Incentive Plan ('GLTI') base awards	■ To motivate and incentivise delivery of sustained performance over the long-term. ■ Award levels and the framework for determining vesting are reviewed annually to ensure they continue to support our strategy. ■ Long-term incentive awards (base awards) consist of performance shares which are granted each year in June/July and vest three years later based on Group operational and external performance.	3 years	■ Performance over three financial years is measured against stretching targets set at the beginning of the performance period. ■ Vesting is determined based on a matrix of two measures as follows: ■ free cash flow as our operational performance measure; and ■ relative TSR as our external performance measure. ■ Awards vest to the extent performance conditions are satisfied, three years from grant. ■ The Chief Executive's base award will have a target face value of 137.5% of base salary as of June 2011. The base award for the other executive directors will have a target face value of 110% of base salary as of June 2011. ■ Minimum vesting is zero times and maximum vesting is four times the base award level.
Global Long-Term Incentive Plan ('GLTI') co-investment matching awards	■ To support and encourage greater shareholder alignment through a high level of personal financial commitment. ■ 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. ■ GLTI matching awards are granted each year in June/July in line with the investment made, and vest three years later based on Group operational and external performance.	3 years	■ GLTI matching awards are subject to the same performance conditions as the main GLTI award. ■ Executive directors can co-invest up to their annual gross salary. ■ Matching awards will be granted on a one for one basis at target performance. ■ Minimum vesting is zero times and maximum vesting is four times the target award level.

Other remuneration

In addition to base pay and incentive opportunities as described in the table above, the Company offers a competitive package of retirement and other benefits as follows:

- Executive directors may choose to participate in the defined contribution pension scheme or to receive a cash allowance in lieu of pension. The cash payment or pension contribution is equal to 30% of annual gross salary. From 6 April 2011 contributions into the defined contribution pension scheme are restricted to £50,000 per annum. Any residual of the 30% pension benefit will be delivered as a cash allowance.
- Company car or cash allowance worth £19,200 per annum.
- Private medical insurance.
- Chauffeur services, where appropriate, to assist with their role.

Awards made to executive directors during the 2011 financial year

Reward elements	Vittorio Colao	Andy Halford	Michel Combes	Stephen Pusey
Base salary	Vittorio's base salary was increased from £975,000 to £1,065,000 in July 2010.	Andy's base salary was increased from £674,100 to £700,000 in July 2010.	Michel's base salary was increased from £740,000 to £770,000 in July 2010.	Stephen's base salary was increased from £500,000 to £550,000 in July 2010.
Annual bonus	The target bonus was £1,065,000 and the maximum bonus was £2,130,000.	The target bonus was £700,000 and the maximum bonus was £1,400,000.	The target bonus was £770,000 and the maximum bonus was £1,540,000	The target bonus was £550,000 and the maximum bonus was £1,100,000.
Long-term incentive plan	In June 2010 the base award had a face value of 137.5% of base salary at target performance.	In June 2010 the base award had a face value of 110% of base salary at target performance.	In June 2010 the base award had a face value of 110% of base salary at target performance.	In June 2010 the base award had a face value of 110% of base salary at target performance.
Investment opportunity	Vittorio invested the maximum into the GLTI plan (731,796 shares) and therefore received a matching award with a face value of 100% of base salary at target.	Andy invested the maximum into the GLTI plan (506,910 shares) and therefore received a matching award with a face value of 100% of base salary at target.	Michel invested 53% of the maximum into the GLTI plan (275,960 shares) and therefore received a matching award with a face value of 53% of base salary at target.	Stephen invested 37% of the maximum into the GLTI plan (141,834 shares) and therefore received a matching award with a face value of 37% of base salary at target.

Pay and performance for the 2012 financial year

The Remuneration Committee considers the remuneration increases for the different groups of employees across all of our local markets and other relevant factors when assessing the pay of the executive directors. During its regular review of total compensation in March 2011, the Remuneration Committee decided that due to an improvement in business performance, with a return to revenue growth, and continued focus on profit and strong cash flow, that modest salary increases for the executive directors would be appropriate. Individual increases will become effective from 1 July 2011 and are set out in the table on page 67. When determining these increases the Remuneration Committee took into account the general increases in each of the major markets. It should be noted that the average increase for the executive directors is 2.8% and for the whole of the Executive Committee it is 3% which is in line with increases in the rest of the Group based in the UK.

Details of the GSTIP

The short-term incentive plan rewards performance over the one year operating cycle. This plan consists of four performance measures, three of which are financial measures with the fourth being an assessment of our competitive performance including market share performance relative to our competitors measured by revenue and profit, as well as customer endorsement and satisfaction measured by net promoter score. Each performance measure has an individual weighting which is reviewed each year to ensure alignment with our strategy. In the table below we describe our achievement against each of the performance measures and the resulting total incentive payout level for the year ended 31 March 2011.

		Performance achievement			
Performance measure	Weighting	Below threshold	Between threshold and target	Between target and maximum	Above maximum
Service revenue	30%			✓	
Profit	20%			✓	
Cash flow	20%			✓	
Competitive performance assessment	30%			✓	
				Total incentive payout level	124.2%

Changes to the GSTIP in 2012

For the 2012 financial year the framework for our annual incentive plan will remain the same as in 2011. However, to emphasise our focus on profitable growth we have rebalanced the weightings for service revenue and profit so the two measures are equally weighted. As a result, the split of weightings for our performance measures for the 2012 financial year will be:

- Service revenue – 25%;
- Profit ("earnings before interest tax depreciation amortisation") – 25%;
- Free cash flow – 20%; and
- Competitive performance assessment – 30%.

We believe these measures continue to support our strategy by capturing our underlying operational performance, and our performance as viewed by our customers and in relation to our competition.

Directors' remuneration continued

Details of the GLTI

The first award under the current GLTI plan was made in July 2008 (2009 financial year) and will vest in July 2011. Details of how the plan works are included in the table on page 64. The extent to which awards vest depend on two performance conditions:

- underlying operational performance as measured by free cash flow; and
- relative TSR against a peer group median.

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;
- the impact of any mergers, acquisitions and disposals;
- certain material one-off tax settlements; and
- foreign exchange rate movements over the performance period.

The cumulative adjusted free cash flow target and range for awards in the 2012, 2011, 2010 and 2009 financial years are shown in the table below:

Performance	Vesting percentage	2012 £bn	2011 £bn	2010 £bn	2009 £bn
Threshold	50%	16.70	18.00	15.50	15.50
Target	100%	19.20	20.50	18.00	17.50
Superior	150%	20.45	21.75	19.25	18.50
Maximum	200%	21.70	23.00	20.50	19.50

The target free cash flow level is set by reference to the Company's three year plan and market expectations. The Remuneration Committee considers the targets to be critical to the Company's long-term success and its ability to maximise shareholder value, and to be in line with the strategic goals of the Company. The Remuneration Committee also considers these targets to be sufficiently demanding with significant stretch where only outstanding performance will be rewarded with a maximum payout.

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 2012, 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 standard 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%

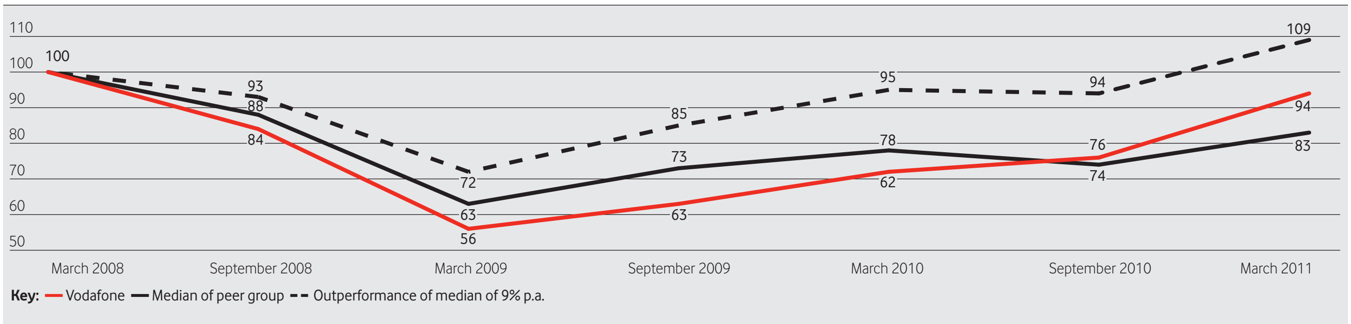
The combined vesting percentages are applied to the target number of shares granted.

Performance shares vesting in 2011

Adjusted free cash flow for the three year period ended on 31 March 2011 was £16.9 billion and the graph below shows our TSR performance against our peer group for the same period resulted in an outperformance of the median by 3.9%. Using the matrix above, this results in a payout of 30.6% of the maximum. These shares will vest in July 2011.

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

2008 GLTI award: TSR performance (growth in the value of a hypothetical US$100 holding over the performance period, six month averaging)



Pay for the 2012 financial year

The information provided in the table below explains what the executive directors who were on the Board on 31 March 2011 will actually receive from base salary and awards made previously with performance conditions which ended on 31 March 2011 but that will vest in the 2012 financial year.

	Vittorio Colao	Andy Halford	Michel Combes	Stephen Pusey
Base salary				
Base salary effective from July 2011	£1,110,000	£700,000	£790,000	£575,000
GSTIP (Annual bonus)[1]				
Target (100% of base salary at 31 March 2011)	£1,065,000	£700,000	£770,000	£550,000
Percentage of target achieved for the 2011 financial year	124.2%	124.2%	96.8%	124.2%
Actual bonus payout in June 2011	£1,322,730	£869,400	£745,052	£683,100
GLTI performance shares				
GLTI performance base share awarded in July 2008	4,126,587	2,282,447	2,589,782	942,132
GLTI performance match share awarded in July 2008	3,001,154	2,074,952	736,919	500,844
Vesting percentage based on cumulative adjusted three year free cash flow and TSR out-performance	30.6%	30.6%	30.6%	30.6%
GLTI performance shares vesting in 2011	2,181,088	1,333,363	1,017,970	441,550

Note:
(1) The executive directors' GSTIP for the 2011 financial year is payable in June 2011 with actual payments detailed in the table above. 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.

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 12 months notice.

The table below summarises the key elements of their service contract:

Provision	Detailed items
Notice period	12 months
Retirement date	Normal retirement date
Termination payment	Up to 12 months salary Bonus paid up to termination day Entitlements under incentive plans and benefits that are consistent with the terms of such plans
Remuneration	Salary, pension, and benefits Company car or cash allowance Participation in the GSTIP, GLTI and the employee share schemes
Non-competition	During employment and for 12 months thereafter

Contract dates	Date of service agreement	Length of Board service
Vittorio Colao	27 May 2008	2 years 10 months
Andy Halford	20 May 2005	5 years 10 months
Michel Combes	1 June 2009	1 year 10 months
Stephen Pusey	1 June 2009	1 year 10 months

Additionally, 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 to the extent that any performance condition has been satisfied. The Remuneration Committee may also decide that the extent to which an award will vest will be further reduced pro-rata to reflect the acceleration of vesting.

Fees retained for external non-executive directorships

Executive directors may hold positions in other companies as non-executive directors. Michel Combes was the only executive director with such positions held at Assystem SA and ISS Group, and in accordance with Group policy he retained fees for the year of €50,223 from Assystem SA and DKK243,750 from ISS Group (£73,250 in total).

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 – 2011 financial year
Total remuneration and base salary Methodology consistent with the executive directors.
Annual bonus The annual bonus is based on the same measures. For some individuals these are measured within a region 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
Sharesave The Vodafone Group 2008 Sharesave Plan is a HM Revenue & Customs ('HMRC') approved scheme open to all staff permanently employed by a Vodafone Company in the UK as of the eligibility date. 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 71.
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 (or 5% of salary if less) 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 3.4% of the Company's share capital at 31 March 2011 (3.1% at 31 March 2010).

Funding

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

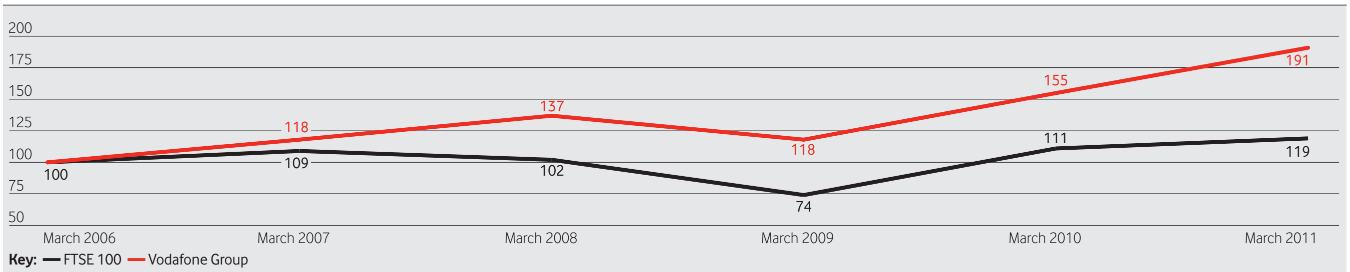
Other matters

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.

TSR performance

The following chart is included in order to be compliant with the requirements of the large and medium sized companies and Groups (Accounts and Reports) Regulations 2008. Data was provided by FTSE and DataStream and shows performance of the Company relative to the FTSE 100 index over a five year period, of which we were a constituent throughout the year. It should be noted that the payout from the long-term incentive plan is based on the TSR performance shown in the graph on page 67 and not on the graph below.

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



Audited information for executive directors

Remuneration for the year ended 31 March 2011

The remuneration of executive directors was as follows:

	Salary/fees		Incentive schemes(1)		Cash in lieu of pension		Benefits/other(2)		Total	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Chief Executive										
Vittorio Colao	1,043	975	1,323	1,255	313	292	55	146	2,734	2,668
Other executive directors										
Andy Halford	694	674	869	868	208	169	27	26	1,798	1,737
Michel Combes	763	737	745	818	229	221	22	52	1,759	1,828
Stephen Pusey	538	491	683	632	161	147	31	38	1,413	1,308
Total	**3,038**	**2,877**	**3,620**	**3,573**	**911**	**829**	**135**	**262**	**7,704**	**7,541**

Notes:
(1) These figures are the cash payouts from the 2011 financial year Vodafone GSTIP and are in relation to the performance against targets in adjusted operating profit, service revenue, free cash flow and competitive performance for the financial year ended 31 March 2011.
(2) Includes amounts in respect of cost of living allowance, private healthcare and car allowance.

The aggregate remuneration we paid to our Executive Committee(1) for services for the year ended 31 March 2011 is set out below. The aggregate number of Executive Committee members at 31 March 2011 was six, a reduction of two compared to 31 March 2010.

	2011 £'000	2010 £'000
Salaries and fees	3,151	3,655
Incentive schemes(2)	4,081	4,417
Cash in lieu of pension	456	164
Benefits/other	799	3,376
Total	**8,487**	**11,612**

Notes:
(1) Aggregate remuneration for the Executive Committee is in respect of those individuals who were members of the Executive Committee, other than the executive directors, during the year ended 31 March 2011 and reflects compensation paid from either 1 April 2010 or date of appointment to the Executive Committee, to 31 March 2011 or date of leaving, where applicable.
(2) Comprises the incentive scheme information for the Executive Committee members 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 other members of the Executive Committee are included in footnotes to "Long-term incentives" on page 70.

Pensions

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

The Executive Committee, including the executive directors, 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 director in the year ended 31 March 2011 were:

	Total accrued benefit at 31 March 2011(1) £'000	Change in accrued benefit over the year(1) £'000	Transfer value at 31 March 2010(2) £'000	Transfer value at 31 March 2011(2) £'000	Change in transfer value over year less member contributions £'000	Change in accrued benefit in excess of inflation(3) £'000	Transfer value of change in accrued benefit net of member contributions £'000	Employer allocation/ contribution to defined contribution Plans £'000
Andy Halford	17.8	–	628.0	701.2	73.2	(0.8)	(32.8)	–

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 (aged 51 years). 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 pension in payment at 31 March 2010 was £17,800 per year. This pension is due to increase on 1 April 2011 by 5%, in line with the scheme rules, to £18,700 per year. However, at 31 March 2011 the pension in payment remained at £17,800 per year as shown above. No member contributions are payable as Andy Halford is in receipt of his pension.
(2) The transfer value at 31 March 2011 has 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 value disclosed above does not represent a sum paid or payable to the individual director. Instead it represents a potential liability of the pension scheme.
(3) Inflation has been taken as the increase in the retail price index over the year to 30 September 2010.

In respect of the Executive Committee, the Group has made aggregate contributions of £508,600 (2010: £851,000) into defined contribution pension schemes.

Directors' remuneration continued

Directors' interests in the shares of the Company

Long-term incentives

Performance shares

Conditional awards of ordinary shares made to executive directors under 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 2011 are also shown below:

	Total interest in performance shares at 1 April 2010 or date of appointment	Shares conditionally awarded during the 2011 financial year(1)	Shares forfeited during the 2011 financial year(2)	Shares vested during the 2011 financial year(3)	Total interest in performance shares at 31 March 2011(4)	Total value(5)	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								
2007	1,557,409	–	(1,168,057)	(389,352)	–	–	156.00	Jul 2010
2008 – Base award	4,126,587	–	–	–	4,126,587	7,283	129.95	Jul 2011
2008 – Match award	3,001,154	–	–	–	3,001,154	5,297	129.95	Jul 2011
2009 – Base award	4,564,995	–	–	–	4,564,995	8,057	117.20	Jun 2012
2009 – Match award	1,817,866	–	–	–	1,817,866	3,209	117.20	Jun 2012
2010 – Base award	–	4,097,873	–	–	4,097,873	7,233	142.94	Jun 2013
2010 – Match award	–	2,980,271	–	–	2,980,271	5,260	142.94	Jun 2013
Total	**15,068,011**	**7,078,144**	**(1,168,057)**	**(389,352)**	**20,588,746**	**36,339**		
Andy Halford								
2007	1,190,305	–	(892,729)	(297,576)	–	–	156.00	Jul 2010
2008 – Base award	2,282,447	–	–	–	2,282,447	4,029	129.95	Jul 2011
2008 – Match award	2,074,952	–	–	–	2,074,952	3,662	129.95	Jul 2011
2009 – Base award	2,524,934	–	–	–	2,524,934	4,457	117.20	Jun 2012
2009 – Match award	1,676,756	–	–	–	1,676,756	2,959	117.20	Jun 2012
2010 – Base award	–	2,154,750	–	–	2,154,750	3,803	142.94	Jun 2013
2010 – Match award	–	1,958,863	–	–	1,958,863	3,457	142.94	Jun 2013
Total	**9,749,394**	**4,113,613**	**(892,729)**	**(297,576)**	**12,672,702**	**22,367**		
Michel Combes								
2008 – Base award	2,589,782	–	–	–	2,589,782	4,571	129.95	Nov 2011
2008 – Match award	736,919	–	–	–	736,919	1,301	129.95	Nov 2011
2009 – Base award	2,771,771	–	–	–	2,771,771	4,892	117.20	Jun 2012
2009 – Match award	533,854	–	–	–	533,854	942	117.20	Jun 2012
2010 – Base award	–	2,370,225	–	–	2,370,225	4,183	142.94	Jun 2013
2010 – Match award	–	1,144,116	–	–	1,144,116	2,019	142.94	Jun 2013
Total	**6,632,326**	**3,514,341**	**–**	**–**	**10,146,667**	**17,908**		
Stephen Pusey								
2007	491,325	–	(368,494)	(122,831)	–	–	156.00	Jul 2010
2008 – Base award	942,132	–	–	–	942,132	1,663	129.95	Jul 2011
2008 – Match award	500,844	–	–	–	500,844	884	129.95	Jul 2011
2009 – Base award	1,872,818	–	–	–	1,872,818	3,306	117.20	Jun 2012
2009 – Match award	510,879	–	–	–	510,879	902	117.20	Jun 2012
2010 – Base award	–	1,693,018	–	–	1,693,018	2,988	142.94	Jun 2013
2010 – Match award	–	571,097	–	–	571,097	1,008	142.94	Jun 2013
Total	**4,317,998**	**2,264,115**	**(368,494)**	**(122,831)**	**6,090,788**	**10,751**		

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 28 June 2010 being 142.9 pence. These awards have a performance period running from 1 April 2010 to 31 March 2013. The performance conditions are a matrix of free cash flow performance and relative TSR. The vesting date will be in June 2013.
(2) Shares granted on 24 July 2007 vested on 24 July 2010. The performance condition on these awards was a relative TSR measure against the companies making up the FTSE Global Telecoms index at the start of the performance period. The threshold relative TSR performance target was met and as such shares vested at 25%. The share price on the vesting date was 151.5 pence.
(3) The share vesting gave rise to cash payments equal to the equivalent value of dividends over the vesting period. These cash payments equated to £91,484 for Vittorio Colao, £70,198 for Andy Halford and £28,976 for Stephen Pusey.
(4) The total interest at 31 March 2011 includes awards over three different performance periods ending on 31 March 2011, 31 March 2012 and 31 March 2013. The performance conditions for the award vesting in July 2011 are a matrix of free cash flow performance and relative TSR.
(5) The total value is calculated using the closing mid-market share price at 31 March 2011 of 176.5 pence.

The aggregate number of shares conditionally awarded during the year to the Executive Committee, other than the executive directors, was 9,276,317 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 TSR.

Share options

No options have been granted to directors during the year. The following information summarises the directors' options under the Vodafone Group 2008 Sharesave Plan ('SAYE'), the Vodafone Group 1998 Company Share Option Scheme ('CSOS'), the Vodafone Group Plc 1999 Long-Term Stock Incentive Plan ('LTSIP') and the GIP. HMRC approved awards may be made under all of the schemes mentioned. 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 were also 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.

		At 1 April 2010 or date of appointment	Options granted during the 2011 financial year	Options exercised during the 2011 financial year	Options lapsed during the 2011 financial year	Options held at 31 March 2011	Option price			Market price on exercise
	Grant date	Number of shares	Number of shares	Number of shares	Number of shares	Number of shares	Pence[1]	Date from which exercisable	Expiry date	Pence
Vittorio Colao										
GIP	Nov 2006	3,472,975	–	–	–	3,472,975	135.50	Nov 2009	Nov 2016	–
GIP[2]	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		**6,493,118**	**–**	**–**	**–**	**6,493,118**				
Andy Halford										
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 2005	1,291,326	–	–	–	1,291,326	145.25	Jul 2008	Jul 2015	–
GIP[2]	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		**3,815,884**	**–**	**–**	**(66,900)**	**3,748,984**				
Stephen Pusey										
GIP	Sep 2006	1,034,259	–	–	–	1,034,259	113.75	Sep 2009	Sep 2016	–
GIP[2]	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		**1,991,484**	**–**	**–**	**–**	**1,991,484**				
Michel Combes										
SAYE	Jul 2009	9,669	–	–	–	9,669	93.85	Sep 2012	Feb 2013	–
Total		**9,669**	**–**	**–**	**–**	**9,669**				

Notes:
(1) The closing mid-market share price on 31 March 2011 was 176.5 pence. The highest mid-market share price during the year was 185.0 pence and the lowest price was 126.5 pence.
(2) The performance condition on these options is a three year cumulative growth in adjusted earnings per share. The options vested at 100% on 24 July 2010.

Directors' remuneration continued

Non-executive directors' remuneration

The remuneration of non-executive directors is reviewed annually by the Chairman following consultation with the Remuneration Committee Chairman. 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 FTSE 15 companies. Following the 2011 review there will be no increase to the fees of non-executive directors. However, there is an increase to the Deputy Chairman and Chairmanship of the Remuneration Committee fees from 1 April 2011.

	Fee payable (£'000s)	
Position/role	From 1 April 2011	From 1 April 2010
Chairman(1)	600	600
Deputy Chairman	175	162
Non-executive director	115	115
Chairmanship of Audit Committee	25	25
Chairmanship of Remuneration Committee	25	20

Note:
(1) 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 2011 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 12 months notice. The date of his letter of appointment is 5 December 2005. Sir John Bond will be standing down from his role as Chairman and Chairman of the Nominations and Governance Committee and will not stand for re-election at the AGM on 26 July 2011. Subject to his election by shareholders, Gerard Kleisterlee will become Chairman in succession to Sir John Bond.

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 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 election/re-election
John Buchanan	28 April 2003	AGM 2011
Renee James	1 January 2011	AGM 2011
Alan Jebson	7 November 2006	AGM 2011
Samuel Jonah	9 March 2009	AGM 2011
Gerard Kleisterlee	1 April 2011	AGM 2011
Nick Land	7 November 2006	AGM 2011
Anne Lauvergeon	20 September 2005	AGM 2011
Luc Vandevelde	24 June 2003	AGM 2011
Anthony Watson	6 February 2006	AGM 2011
Philip Yea	14 July 2005	AGM 2011

Audited information for non-executive directors serving during the year ended 31 March 2011:

	Salary/fees		Benefits		Total	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Chairman						
Sir John Bond	600	575	3	3	603	578
Deputy Chairman						
John Buchanan	162	155	–	–	162	155
Non-executive directors						
Renee James(1)	35	–	–	–	35	–
Alan Jebson(1)	151	146	–	–	151	146
Samuel Jonah(1)	151	140	–	–	151	140
Nick Land	140	135	–	–	140	135
Anne Lauvergeon	115	110	–	–	115	110
Simon Murray (retired 26 July 2010)	38	110	–	–	38	110
Luc Vandevelde	135	130	–	–	135	130
Anthony Watson	115	110	–	–	115	110
Philip Yea	115	110	–	–	115	110
Total	**1,757**	**1,721**	**3**	**3**	**1,760**	**1,724**

Note:
(1) Salary/fees includes travel allowances.

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:

	16 May 2011	31 March 2011	1 April 2010 or date of appointment
Sir John Bond	370,677	370,677	357,584
John Buchanan	222,223	222,223	211,055
Vittorio Colao	2,307,663	2,307,663	1,575,567
Andy Halford	2,335,914	2,335,622	2,186,541
Michel Combes	670,589	670,297	392,223
Stephen Pusey	544,733	544,733	402,599
Renee James(1)	50,000	50,000	–
Alan Jebson	82,340	82,340	82,340
Samuel Jonah	55,350	55,350	–
Gerard Kleisterlee(1)	–	–	–
Nick Land	35,000	35,000	35,000
Anne Lauvergeon	28,936	28,936	28,936
Simon Murray (retired 27 July 2010)	–	–	246,250
Luc Vandevelde	89,030	89,030	72,829
Anthony Watson	115,000	115,000	115,000
Philip Yea	61,250	61,250	61,250

Note:
(1) Non-executive directors appointed to the Board as follows: Renee James 1 January 2011, Gerard Kleisterlee 1 April 2011.

At 31 March 2011 and during the period from 1 April 2011 to 16 May 2011, 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 2011, members of the Group's Executive Committee at 31 March 2011 had an aggregate beneficial interest in 2,755,152 ordinary shares of the Company. At 16 May 2011 the directors had an aggregate beneficial interest in 6,968,705 ordinary shares of the Company and the Executive Committee members had an aggregate beneficial interest in 2,755,736 ordinary shares of the Company. 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 16 May 2011 there had been no change to the directors' interests in share options from 31 March 2011 (see page 71).

Other than those individuals included in the table above, at 16 May 2011, members of the Group's Executive Committee held options for 2,620,271 ordinary shares at prices ranging from 115.3 pence to 167.8 pence per ordinary share, with a weighted average exercise price of 161.9 pence per ordinary share exercisable at dates ranging from July 2008 to July 2017.

Sir John Bond, John Buchanan, Alan Jebson, Renee James, Samuel Jonah, Gerard Kleisterlee, Nick Land, Anne Lauvergeon, Luc Vandevelde, Anthony Watson and Philip Yea held no options at 16 May 2011.

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