Governance

Chairman's overview

"Effective corporate governance is an essential prerequisite to sustainable business performance. Companies that operate with integrity at all times will maintain the trust of their investors, customers and other important stakeholders."

Dear Shareholder

At Vodafone, we seek to create a working culture in which honesty, openness and fairness are valued and reinforced at all levels of the organisation, underpinned by a simple, clear and consistently applied governance framework.

The Board has overall responsibility for the manner in which your Company runs its affairs. How Vodafone achieves its goals matters: stakeholders rightly expect the highest standards of corporate behaviour in all our activities. Everyone is expected to work in the Vodafone Way and to follow our Code of Conduct, the details of which we explain on page 66. Central to this is the Company's compliance function which is embedded within each of our local businesses and which has senior executive leadership at Group level and has regular and direct interaction with your Board.

To be effective, the Board must have a full understanding of the complexities of our sector, and in its composition it must also reflect the diversity of the societies within which Vodafone operates. The directors are drawn from seven different nationalities. Each director has extensive experience of emerging markets and international businesses and the majority of them have deep knowledge of the technology and data management sectors. The recent appointments of Omid Kordestani and, in 2011, Renee James, exemplify your Board's forward-looking approach to maintain a high level of informed scrutiny, challenge and guidance as Vodafone's strategy continues to evolve. My medium-term ambition for the composition of the Board is to bring in further marketing expertise. For further details, please see the directors' biographies on page 52.

Gender is an important aspect of boardroom diversity. Vodafone supports the principles outlined in Lord Davies' report, "Women on boards", in February 2011 and aspires to have a minimum of 25% female representation on your Board by 2015. With the departure of Sir John Buchanan and Michel Combes from the Board and the appointment of Omid Kordestani, that proportion currently stands at 15%. Over the coming year and as opportunities to appoint arise, we will continue to seek candidates who have both the appropriate skills and who will help achieve the Board's gender diversity aspiration.

No board can be effective over the long-term if it remains static in its thinking and passive in the face of rapid changes within both the Company and the wider industry. Your Board regularly seeks an external evaluation of its own effectiveness. In the spring of 2013, Ffion Hague of Independent Board Evaluation interviewed the directors and senior executives as part of a comprehensive review of the Board's performance. Mrs Hague's findings are summarised on page 58.

In common with many businesses, Vodafone is operating under tough economic conditions in most of our markets. Measures to preserve the value of the Company's core assets will be a critical priority for the Board, as will further development of strategies to deliver growth over the years ahead. Doing so will require a combination of careful stewardship – underpinned by rigorous risk management processes – and agile decision-making to capture opportunities to create value for shareholders. I am confident that your Board is well-equipped to deliver against that mandate.

Gerard Kleisterlee
Chairman

21 May 2013

Compliance with the UK Corporate Governance Code

Throughout the year ended 31 March 2013 and to the date of this document, we complied with the code provisions and applied the main principles of the UK Corporate Governance Code (the 'Code'). The FRC has issued a revised version of the Code which applies to financial years commencing on or after 1 October 2012. We will report on it for the first time in our 2014 financial year and intend to be in compliance. The Code can be found on the FRC website (frc.org.uk). We describe how we have applied those main principles in this section of the annual report which includes our statement of internal control and risk management, together with the "Directors' remuneration" section on pages 67 to 82.

Corporate governance statement

We comply with the corporate governance statement requirements pursuant to the FCA's Disclosure and Transparency Rules by virtue of the information included in this "Governance" section of the annual report together with information contained in the "Shareholder information" section on pages 166 to 173.

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 as at 21 May 2013 are as follows (with further information available at vodafone.com/investor):

Gerard Kleisterlee
Chairman

Age: 66
Tenure: 2 years
Nationality: Dutch

Skills and experience:
- Deep knowledge of consumer electronics, technology, healthcare and lifestyle sectors
- Wealth of experience operating in developed and emerging markets
- Koninklijke Philips Electronics N.V. – President/Chief Executive Officer and Chairman of Board of Management (2001–2011)
- Career with Philips spanning over 30 years

Other current appointments:
- Daimler AG – Supervisory Board member
- Dell – Board member
- Royal Dutch Shell – Non-executive director and Audit Committee member

Board Committees:
- Nominations and Governance (Chairman)

Vittorio Colao
Chief Executive – Executive director

Age: 51
Tenure: 6 years
Nationality: Italian

Skills and experience:
- Over 20 years experience working in the telecoms sector
- Vodafone Group Plc – Chief Executive Europe (2006–2008)
- RCS MediaGroup – Chief Executive (2004–2006)
- Vodafone Group Plc – Regional Chief Executive Officer, Southern Europe (role later expanded to include Middle East and Africa regions) (2001–2004)
- Omnitel Pronto Italia S.p.A. (became Vodafone Italy) – appointed Chief Executive in 1999 (1996–2004)
- McKinsey & Company (1986–1996)

Other current appointments:
- Bocconi University, Italy – International Advisory Board member
- European Round Table of Industrialists – Steering Committee member
- McKinsey & Company – Advisory Board member
- Oxford Martin School – Advisory Council member

Board Committees:
- None

Andy Halford
Chief Financial Officer – Executive director

Age: 54
Tenure: 7 years
Nationality: British

Skills and experience:
- Extensive experience as a finance director of UK, US and multinational companies
- The Hundred Group of Finance Directors – Chairman (2010–2012)
- Verizon Wireless partnership – Chief Financial Officer (2002–2005)
- Vodafone Group Plc – Financial Director for Northern Europe, Middle East and Africa region (2001–2002)
- Vodafone Limited (UK operating company) – Financial Director (1999–2001)
- East Midlands Electricity Plc – Group Finance Director (1993–1998)

Other current appointments:
- Marks & Spencer Group plc – Non-executive director
- Verizon Wireless partnership – Board of Representatives member

Board Committees:
- None

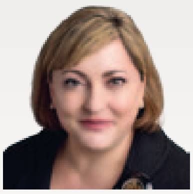
Stephen Pusey
Chief Technology Officer – Executive director

Age: 51
Tenure: 3 years
Nationality: British

Skills and experience:
- Wealth of international experience across wireline and wireless industries
- Extensive understanding of business applications and solutions
- Nortel Networks Corporation – various positions over period of 23 years, including Executive Vice President and President of EMEA region (2001–2005)
- British Telecom (1977–1982)

Other current appointments:
- Verizon Wireless partnership – Board of Representatives member

Board Committees:
- None



Renee James
Non-executive director

Age: 48
Tenure: 2 years
Nationality: American

Skills and experience:
- Deep knowledge of the high-tech sector
- Wide ranging experience of international management
- Intel Corporation – Executive Vice President and General Manager of the Software and Services Group (2012–2013)
- Intel Corporation – Senior Vice President (2010–2012)
- Intel Corporation – Vice President (2005–2010)
- Intel Software and Services Group – General Manager (2005–2010)
- Intel's Microsoft Program Office – Vice President and General Manager (2000–2005)
- Intel Online Services (Intel's datacenter business) – Director and Chief Operating Officer (1998–2000)

Other current appointments:
- Intel Corporation – President
- Software subsidiaries of Intel Corporation: Havok Inc., Wind River Systems Inc. and McAfee, Inc. – Chairman
- VMware Inc – Independent director on Board of directors and Audit Committee member

Board Committees:
- Remuneration

Alan Jebson
Non-executive director

Age: 63
Tenure: 6 years
Nationality: British

Skills and experience:
- Senior leader in international business
- Knowledge of international IT systems
- MacDonald, Dettwiler and Associates (Canada) – Non-executive director (2006–2012)
- HSBC Holdings plc – Group Chief Operating Officer (2003–2006); Group Chief Information Officer (1997–2003)
- Saudi British Bank – Senior Manager, Planning and Operations (1984–1987)
- HSBC Holdings plc – Head of IT Audit (1978–1984)

Other current appointments:
- Experian plc – Non-executive director

Board Committees:
- Audit and Risk

Samuel Jonah
Non-executive director

Age: 63
Tenure: 4 years
Nationality: Ghanaian

Skills and experience:
- Widespread experience of business in Africa, particularly South Africa and Ghana
- Standard Bank of South Africa – Non executive Director (2006–2012)
- Advisor to the former Presidents of Ghana (2001–2009) and South Africa (1999–2008)
- Awarded a Lifetime Award by the Commonwealth Business Council and African Business Magazine (2006)
- Awarded the Companion of the Order of the Star (Ghana's highest national award) (2006)
- Honorary Knighthood awarded (2003)
- AngloGold Ashanti Ltd – Executive President (2002–2005)
- Lonmin Plc. – Director (1992–2004)
- Ashanti Goldfields Co Ltd – Chief Executive Officer (1986–2002)
- Advisory Council of the President of the African Development Bank – Member (1990–1992)

Other current appointments:
- Advisor to the Presidents of Togo and Nigeria
- Imara Energy Corp. – Chairman
- Iron Mineral Benefeciation Services – Non-executive Deputy Chairman
- Jonah Capital (Pty) Limited – Executive Chairman
- Range Resources Limited – Non-executive Chairman
- Metropolitan Insurance Company Limited – Chairman
- The Investment Climate Facility – Trustee/Member of Trustee Board

Board Committees:
- Remuneration

Omid Kordestani
Non-executive director

Age: 49
Tenure: <1 year
Nationality: American

Skills and experience:
- Innovator in the technology industry
- Commercial leader
- Google – Senior Vice President Sales and Business Development (1999–2009)
- Netscape Communications – Vice President of Business Development (1997–1999)
- Netscape Communications – Director of OEM Sales (1995–1997)
- The 3DO Company – Director of Product Management (1993–1995)
- GO Corporation – Director of Business Development (1991–1993)
- Hewlett-Packard – Product Marketing Manager (1984–1989)

Other current appointments:
- Google – Senior Advisor to the Office of CEO/Founders

Board Committees:
- None

Nick Land
Non-executive director

Age: 65
Tenure: 6 years
Nationality: British

Skills and experience:
- Financial expert with extensive international experience
- Retired from Ernst & Young in 2006 after a career spanning 36 years
- Ernst & Young – Chairman (1995–2006); Managing Partner of North European, Middle East, India and Africa region (1999–2006)

Other current appointments:
- Alliance Boots GmbH – Non-executive director
- Alsbridge plc – Advisory Board member
- Ashmore Group plc – Non-executive director
- BBA Aviation plc – Non-executive director
- Farnham Castle – Chairman of the Board of Trustees
- Financial Reporting Council – Non-executive director
- SNR Denton UK LLP – Board advisor
- The National Gallery – Member of Finance and Audit Committees
- The Vodafone Foundation – Chairman of the Board of Trustees

Board Committees:
- Audit and Risk (Chairman)

Anne Lauvergeon
Non-executive director

Age: 53
Tenure: 7 years
Nationality: French

Skills and experience:
- Wealth of international business knowledge
- GDF SUEZ – Non-executive director (2000–2012)
- AREVA group – Chief Executive Officer (2001–2011)
- Areva NC (formerly Cogema) – Chairman and Chief Executive Officer (1999–2011)
- Alcatel – Senior Executive Vice President; Executive Committee member (1997–1999)
- Lazard Frères & Cie – Partner (1995–1997)
- French Presidency – Deputy Chief of Staff (1991–1995); Advisor for Economic International Affairs (1990)

Other current appointments:
- A.L.P. SAS – Chief Executive Officer
- American Express Company – Non-executive director
- EADS N. V. – Non-executive director
- Efficiency Capital – Partner
- Total S.A. – Non-executive director

Board Committees:
- Audit and Risk

Luc Vandevelde
Senior Independent Director

Age: 62
Tenure: 9 years
Nationality: Belgian

Skills and experience:
- Financial, management and marketing skills in international business
- Societe Generale – Director (2006–2012)
- Carrefour S.A. – Chairman (2005–2007)
- Marks and Spencer Group plc – Chairman (2000–2004) Promodès/Carrefour – Chief Executive Officer (1995–2000)
- Kraft General Foods (1971–1995)

Other current appointments:
- Change Capital Partners LLP – Founder and Chairman

Board Committees:
- Nominations and Governance
- Remuneration (Chairman)

Anthony Watson CBE
Non-executive director

Age: 68
Tenure: 7 years
Nationality: British

Skills and experience:
- Extensive experience in investment and asset management
- Queen's University, Belfast – Honorary degree of Doctor of Science (Economics) (2012)
- Awarded a CBE for his services to the economic redevelopment of Northern Ireland (2009)
- Norges Bank Investment Management – Advisory Board member (2007–2012)
- Marks and Spencer Pension Trust – Chairman (2005–2010)
- Financial Reporting Council – Member (2004–2007)
- Strategic Investment Board in Northern Ireland – Chairman (2003–2010)
- Hermes Pensions Management Ltd – Chief Executive (2002–2006); Chief Investment Officer (1998–2002)
- Asian Infrastructure Fund – Chairman (1999–2010)
- AMP Asset Management plc – Managing Director (1995–1998)
- Citicorp Investment Management – Chief International Investment Officer (1991–1998)

Other current appointments:
- Hammerson plc – Senior Independent Director
- Lloyds Banking Group plc – Non-executive director
- The Shareholder Executive – Board member
- Witan Investment Trust – Senior Independent Director

Board Committees:
- Audit and Risk
- Nominations and Governance

Philip Yea
Non-executive director

Age: 58
Tenure: 7 years
Nationality: British

Skills and experience:
- Private equity investor with experience of business and financial turnaround
- 3i Group plc – Chief Executive (2005–2009)
- HBOS plc – Non-executive director (2001–2004)
- Manchester United plc – Non-executive director (2000–2004)
- Investcorp – Managing Director (1999–2004)
- Guinness PLC – Finance Director, becoming Finance Director of Diageo plc upon merger of Guinness and Grand Metropolitan PLC in 1997 (1993–1999)

Other current appointments:
- Advisor to HRH Duke of York
- Bridges Ventures LLP – Advisory Board member
- British Heart Foundation – Chairman of the Trustees
- PricewaterhouseCoopers – Advisory Board member in the UK
- The Francis Crick Institute – Independent director and trustee on the Board

Board Committees:
- Nominations and Governance
- Remuneration

Copies of the service agreements of the executive directors and letters of appointment of the non-executive directors are available for inspection at our registered office.

Board diversity

Your Board has due regard for the benefits of diversity in its membership, including gender, and strives to maintain the right balance. It comprises individuals with deep knowledge and experience in core and diverse business sectors within local, international and global markets bringing a wide range of perspectives to the business. Further information on our board diversity policy may be found in the Nominations and Governance Committee report on page 60.

Tenure

0–2 years	23%
3–6 years	38.5%
7–9 years	38.5%

Male/female

Male	85%
Female	15%

Executive/non-executive

Executive	23%
Non-executive	77%

Geographic representation

American | Belgian | British | Dutch | French | Ghanaian | Italian

Executive Committee

Chaired by Vittorio Colao, this Committee focuses on our strategy, financial structure and planning, financial and competitive performance, succession planning, organisational development and Group-wide policies. The Executive Committee includes the executive directors, details of whom are shown on page 52, and the senior managers who are listed below. Further information on the Executive Committee can be found on page 64.

Senior management

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

Paolo Bertoluzzo
Chief Executive Officer, Southern Europe

Age: 47
Tenure: <1 year
Nationality: Italian

Career history:
- Vodafone Italy – Chief Executive Officer (2008–present); Chief Commercial Officer (2007); Chief Operating Officer (2006); Head of the Consumer Division (2005)
- Vodacom – Board member (2010–2012)
- Omnitel Pronto Italia S.p.A. (became Vodafone Italy) – various senior roles including Strategy Planning Director (1999–2005)
- Bain & Company – Manager (1995–1999)
- Monitor Company – Consultant (1991–1994)

Warren Finegold
Group Strategy and Business Development Director

Age: 56
Tenure: 7 years
Nationality: British

Career history:
- UBS Investment Bank – Managing Director and Head of its Technology team in Europe (1995–2006)
- Goldman Sachs International – Executive Director, holding positions in New York and London (1985–1995)
- Hill Samuel & Co. Limited – Corporate Finance Executive (1981–1985)

Philipp Humm
Chief Executive Officer, Northern and Central Europe

Age: 53
Tenure: <1 year
Nationality: German

Career history:
- T-Mobile USA – President and Chief Executive Officer (2010–2012)
- T-Mobile International – Chief Regional Officer Europe; Executive Committee member (2009–2010)
- T-Mobile Germany – Chief Executive Officer; Chief Sales Officer (2005–2008)
- Entrepreneur (2002–2005)
- Amazon – Managing Director, Germany and France; Vice President Europe (2000–2002)
- Tengelmann (German grocery retailer) – Executive Board member; Chief Executive Officer of Plus (food-discounter) (1992–1999)
- McKinsey (1986–1992)

Nick Jeffery
Group Enterprise Director

Age: 45
Tenure: <1 year
Nationality: British

Career history:
- Cable & Wireless Worldwide – Chief Executive (2012–2013)
- Vodafone Global Enterprise – Chief Executive (2006–2012)
- Vodafone Group Plc – Marketing Director for business (2004–2006)
- Ciena – Senior Vice President (2003–2004)
- Microfone – Founder (2002–2003)
- Cable & Wireless plc (Mercury Communications) – led UK and international markets' business units (1991–2002)

Matthew Kirk
Group External Affairs Director

Age: 52
Tenure: 4 years
Nationality: British

Career history:
- Vodafone Group Plc – Group Director of External Relationships (2006–2009)
- British Ambassador to Finland (2002–2006)
- Member of the British Diplomatic Service for more than 20 years

Morten Lundal
Group Chief Commercial Officer

Age: 48
Tenure: 4 years
Nationality: Norwegian

Career history:
- Vodafone Group Plc – Chief Executive Officer of the Central Europe and Africa region (2008–2010)
- Telenor (Nordic mobile operator) – Chief Executive Officer of DiGi Telecommunications (Telenor's Malaysian subsidiary) (2004–2008); various senior positions at Telenor, including Chief Executive Officer for the Internet Division and Telenor Business Solutions; Executive Vice President for Corporate Strategy (1997–2004)

Rosemary Martin
Group General Counsel and Company Secretary

Age: 53
Tenure: 3 years
Nationality: British

Career history:
- Practical Law Group – Chief Executive Officer (2008)
- Reuters Group Plc – Group General Counsel and Company Secretary (2003–2008), Company Secretary (1999–2003), Deputy Company Secretary (1997–1999)
- Mayer, Brown, Rowe & Maw – Partner (1990–1997)

Nick Read
Chief Executive Officer, Africa, Middle East and Asia Pacific region

Age: 48
Tenure: 4 years
Nationality: British

Career history:
- Vodafone Limited (UK operating company) – various senior roles, including Chief Financial Officer, Chief Commercial Officer and Chief Executive Officer (2002–2008)
- United Business Media plc – Chief Financial Officer of subsidiary Miller Freeman Worldwide plc (1999–2001)
- Federal Express Worldwide Inc. – senior global finance positions (1989–1999)

Ronald Schellekens
Group Human Resources Director

Age: 49
Tenure: 4 years
Nationality: Dutch

Career history:
- Royal Dutch Shell Plc – HR Executive Vice President for global downstream business (2003–2008)
- PepsiCo – various international senior human resources roles in England, South Africa, Switzerland and Spain (1994–2003)
- AT&T Network Systems – human resources roles in the Netherlands and Poland (1986–1994)

Corporate governance

Our governance framework

Responsibility for good governance lies with your Board. There is a strong and effective governance system in place throughout the Group.

Chairman
Gerard Kleisterlee

Key objectives: the leadership, operation and governance of the Board, ensuring effectiveness, and setting the agenda for the Board.

More detail: **Page 56**

The Board of Vodafone Group Plc
13 directors: three executive directors, the Chairman and nine independent non-executive directors (including the Senior Independent Director).
Key objectives: responsible for the overall conduct of the Group's business and setting the Group's strategy.

More detail: **See below**

Nominations and Governance Committee
Three independent non-executive directors plus Gerard Kleisterlee (Chairman)

Key objectives: to ensure the Board comprises individuals with the necessary skills, knowledge and experience to ensure that it is effective in discharging its responsibilities and oversight of all matters relating to corporate governance.

More detail: **Page 60**

Audit and Risk Committee
Four independent non-executive directors.
Chairman: Nick Land

Key objectives: to provide effective governance over the Group's financial results, the performance of the internal audit function, the external auditor, and the management of the Group's systems of internal control, business risks and related compliance activities.

More detail: **Pages 61 to 63**

Remuneration Committee
Four independent non-executive directors.
Chairman: Luc Vandevelde

Key objectives: to assess and make recommendations to the Board on the policy on executive remuneration.

More detail: **Page 63**

Chief Executive
Vittorio Colao

Key objectives: responsible for the management of the business and implementation of Board strategy and policy.

More detail: **Page 56**

Executive Committee
12 members made up of the executive directors, certain Group function heads and the regional chief executives.
Chairman: Vittorio Colao

Key objectives: to focus on strategy, financial structure and planning, financial and competitive performance, succession planning, organisational development and Group-wide policies.

More detail: **Page 64**

How the Board operates

The role of the Board

The Board is responsible for the overall conduct of the Group's business and has the powers and duties set out in the relevant laws of England and Wales and our articles of association. The Board:

- is responsible for setting the Group strategy and for the management, direction and performance of our businesses;
- is accountable to shareholders for the proper conduct of the business;
- is responsible for the long-term success of the Company, having regard for the interests of all stakeholders; 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 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; and
- system of internal control and risk management.

The schedule is reviewed annually. It was last reviewed in March 2013 when it was decided that no amendments were required.

Other specific responsibilities are delegated to Board committees, details of which are given on pages 60 to 63.

Corporate governance (continued)

Board composition

Our Board consists of 13 directors, 12 of whom served throughout the year. At 31 March 2013, in addition to the Chairman, Gerard Kleisterlee, there were three executive directors and nine non-executive directors. Omid Kordestani was appointed as a non-executive director with effect from 1 March 2013. Michel Combes and Sir John Buchanan were members of the Board until their respective retirements at the AGM on 24 July 2012.

The executive and non-executive directors are equal members of the Board and have 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, and 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
- determining the Company's broad policy for executive remuneration, and the remuneration packages for the executive directors and the Chairman.

The balance and independence of our Board is kept under review by our Nominations and Governance Committee, details of which can be found on page 60.

Tenure of non-executive directors

The Code suggests that length of tenure is a factor to consider when determining the independence of non-executive directors. The table below shows the tenure and independence of each of our non-executive directors. We consider all of our non-executive directors to be independent.

	Date first elected by shareholders	Years from first election to 2013 AGM	Considered to be independent by the Board
Gerard Kleisterlee	July 2011	2	See note[1]
Renee James	July 2011	2	Yes
Alan Jebson	July 2007	6	Yes
Samuel Jonah	July 2009	4	Yes
Omid Kordestani	To be put for election July 2013	n/a	Yes
Nick Land	July 2007	6	Yes
Anne Lauvergeon	July 2006	7	Yes
Luc Vandevelde	July 2004	9	Yes[2]
Anthony Watson	July 2006	7	Yes
Philip Yea	July 2006	7	Yes

Notes:
1 Considered to be independent on appointment.
2 Considered to be independent for the reasons given on page 60.

Key roles and responsibilities

The Chairman
Gerard Kleisterlee

The role of the Chairman is set out in writing and agreed by the Board. He is responsible for:

- the effective operation, leadership and governance of the Board;
- ensuring effectiveness of the Board;
- setting the agenda, style and tone of Board discussions; and
- ensuring the directors receive accurate, timely and clear information.

The Chief Executive
Vittorio Colao

The role of the Chief Executive is set out in writing and agreed by the Board. He is responsible for:

- management of the Group's business;
- implementation of the Company's strategy and policies;
- maintaining a close working relationship with the Chairman; and
- chairing the Executive Committee.

The Senior Independent Director
Luc Vandevelde

The Senior Independent Director is responsible for:

- acting as a sounding board for the Chairman;
- serving as an intermediary for the other directors;
- being available to shareholders if they have concerns which they have not been able to resolve through the normal channels of the Chairman, Chief Executive or other executive directors or for which such contact is inappropriate; and
- 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.

The Company Secretary
Rosemary Martin

The Company Secretary acts as Secretary to the Board. In doing so she:

- assists the Chairman in ensuring that all directors have full and timely access to all relevant information;
- assists the Chairman by organising induction and training programmes;
- 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.

Biographical details of the Chairman, Chief Executive and Senior Independent Director can be found on pages 52 and 53 or at vodafone.com/board. Biographical details of the Company Secretary can be found on page 54 or at vodafone.com/exco. The appointment or removal of the Company Secretary is a matter for the Board as a whole.

Conflicts of interest

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. The process for monitoring conflicts is as follows:

- changes to the commitments of all directors are reported to the Board;
- the directors are required to complete a conflicts questionnaire initially on appointment and annually thereafter;
- any conflicts identified 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 authorisation is granted, it would be recorded in a register of potential conflicts and reviewed periodically; and
- 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.

No conflicts of interest have been identified during the year.

Board meetings

Matters considered at all Board meetings include:

- the Chief Executive's report on strategic and business developments;
- the Chief Financial Officer's report which includes the latest available management accounts;
- an operations update (covering commercial, technology and operational matters);
- a report on potential changes to the Group's portfolio of corporate assets; and
- where applicable, reports from the Nominations and Governance Committee, Audit and Risk Committee and Remuneration Committee.

In addition to the standing agenda items, deep-dive topics covered by the Board during the year included brand performance, strategies for the Company's consumer and enterprise businesses, new services, spectrum auctions, privacy regulations, regional performance and strategies, health and safety, talent and the control environment.

Board activities in the 2013 financial year

Board activities are structured to assist the Board in achieving its goal to support and advise executive management on the delivery of the Group's strategy within a transparent governance framework.

The diagram below shows the key areas of focus for the Board which appear as items on the Board's agenda at relevant times throughout the year. Concentrated discussion of these items assists the Board in making the right decisions based on the long-term opportunities for the business and its stakeholders.

Key areas of focus for the Board

Corporate governance (continued)

Board effectiveness

Board effectiveness is reviewed every year. After the 2012 review, the Chairman introduced a few changes to Board procedure, including a non-executives only session before each Board meeting, as well as a session involving just the non-executive directors and the CEO. This has been a successful initiative, creating an additional platform for non-executives to discuss issues or concerns, without prejudicing the activities of the Board meeting itself

The Chairman is responsible for ensuring that each director receives an induction on joining the Board and receives the training he or she requires. The Company Secretary organises the induction.

Director induction

On appointment, directors receive a personalised 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.

Information and professional development

Keeping up-to-date with key business developments is essential for the directors to maintain and enhance their effectiveness. This is achieved as follows:

- from time to time the Board receives presentations from executives in our business on matters of significance. This year the Chief Technology Officer and the regional chief executives delivered a presentation on the technology and business models of sectors adjacent to our own;
- financial plans, including budgets and forecasts, are regularly discussed at Board meetings;
- the directors have the opportunity to learn the views of major investors at planned events throughout the year (see "Shareholder engagement" on page 64);
- our directors periodically visit different parts of the Group. In September 2012 the Board met with senior management in Spain;
- the non-executive directors are provided with briefings and information to assist them in performing their duties;
- the directors are regularly updated on the Group's businesses and the regulatory and industry specific environments in which we operate. Updates are by way of written briefings and meetings with senior executives and, where appropriate, external sources.

As part of their annual performance evaluation, directors are given the opportunity to discuss training and development needs. Directors are 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.

Performance evaluation

Each year the performance of the Board, its committees and directors is evaluated. Every third year the evaluation is conducted by an external advisor. This year the performance evaluation was conducted by Ffion Hague of Independent Board Evaluation. Mrs Hague is an independent advisor and has no other connection with the Company.

The evaluation process took place in the spring of 2013 and involved interviews with the Chairman, each Board member, the Company Secretary, senior management, senior executives who frequently interact with the Board or its committees, and the auditor, Deloitte LLP. Reports on the effectiveness of the Board and its committees were prepared by Mrs Hague. She discussed these with the Chairman and with the chairmen of the committees. Mrs Hague also discussed individual directors' performance with the Chairman and the Chairman's performance with Luc Vandevelde, the senior independent director. The Board and the Board committees considered the reports of their effectiveness at their meetings in May 2013. Mr Vandevelde gave feedback to the Chairman on his performance.

Mrs Hague's reports were positive about the performance of the Board and each of its committees. In particular, she highlighted the Board's strengths with respect to the seriousness with which it takes its accountability to shareholders, its focus on governance and the smooth operation of the Board and its committees. In light of Mrs Hague's review, the Board considers the performance of each director to be effective and has concluded that the Board and its committees provide the effective leadership and control required.

As a result of recommendations made in this year's Board performance evaluation, the Board has agreed:

- to develop further its approach to strategic planning and involve all the directors earlier in the process of strategy development;
- to provide more opportunities for the directors to meet with executives to assist in succession planning; and
- to ensure that induction of new directors enables them rapidly to contribute fully to the Board.

The Board will continue to review its procedures, its effectiveness and development in the financial year ahead.

Re-election of directors

All the directors submit themselves for re-election at the AGM to be held on 23 July 2013 with the exception of Omid Kordestani who will seek election for the first time in accordance with the articles of association. The Nominations and Governance Committee confirmed to the Board that the contributions made by the directors offering themselves for re-election at the AGM in July 2013 continue to be effective and that the Company should support their re-election.

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 which is managed by the Company Secretary.

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 addition, we maintained a directors' and officers' liability insurance policy throughout the 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 a Nominations and Governance Committee, an Audit and Risk Committee and a Remuneration Committee. Further details of these committees can be found in their reports on pages 60 to 63. The terms of reference of each of these committees can be found on our website at vodafone.com/governance.

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.

The calendar for meetings of the Board and its committees is shown below.

	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13
Board (scheduled meetings)		●		●		●		●	●	●	●	●
Nominations and Governance Committee				●		●				●		●
Audit and Risk Committee		●				●		●				●
Remuneration Committee		●		●				●		●		●

Directors unable to attend a Board meeting because of another engagement are provided with the briefing materials and can discuss issues arising in the meeting with the Chairman or the Chief Executive. In addition to at least eight scheduled Board meetings, there may be a number of other meetings to deal with specific matters. Each scheduled Board meeting is preceded by a meeting of the Chairman and non-executive directors.

Attendance at scheduled meetings of the Board and its committees in the 2013 financial year

Director	Board	Nominations and Governance Committee	Audit and Risk Committee	Remuneration Committee
Chairman				
Gerard Kleisterlee[1]	8/8	4/4		
Senior Independent Director				
Luc Vandevelde[2]	8/8	4/4		5/5
Sir John Buchanan[3]	2/2	1/1	1/1	
Chief Executive				
Vittorio Colao	8/8			
Executive directors				
Michel Combes[4]	2/2			
Andy Halford	8/8			
Stephen Pusey	8/8			
Non-executive directors				
Renee James	8/8			3/3
Alan Jebson	8/8		4/4	
Samuel Jonah	8/8			5/5
Omid Kordestani[5]	1/1			
Nick Land[6]	8/8		4/4	
Anne Lauvergeon	7/8		4/4	
Anthony Watson	8/8	4/4	3/3	2/2
Philip Yea	7/8	3/3		5/5

Notes:
1 Chairman of the Nominations and Governance Committee.
2 Senior Independent Director from the conclusion of the AGM on 24 July 2012; Chairman of the Remuneration Committee.
3 Deputy Chairman and Senior Independent Director until he retired on 24 July 2012.
4 Executive director until he retired on 24 July 2012.
5 Appointed to the Board with effect from 1 March 2013.
6 Chairman and financial expert of the Audit and Risk Committee.

Corporate governance (continued)

Nominations and Governance Committee

"The Nominations and Governance Committee continues its work of ensuring the Board composition is right and that our governance is effective."

Membership:

Chairman
Gerard Kleisterlee
(Chairman of the Board – Not independent)

Philip Yea
(Independent non-executive director)

Luc Vandevelde
(Independent non-executive director and Senior Independent Director)

Anthony Watson
(Independent non-executive director)

Key objective:

to ensure the Board comprises individuals with the necessary skills, knowledge and experience to ensure that it is effective in discharging its responsibilities and oversight of all matters relating to corporate governance.

Responsibilities:

- leads the process for identifying and making recommendations to the Board regarding 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 Board's committees;
- regularly reviews and makes recommendations in relation to the structure, size and composition of the Board including the diversity and balance of skills, knowledge and experience, and the independence of the non-executive directors;
- oversees the performance evaluation of the Board, its committees and individual directors (see page 58);
- reviews the tenure of each of the non-executive directors; and
- is responsible for the oversight of all matters relating to corporate governance, bringing any issues to the attention of the Board.

Committee meetings

No one other than a member of the Committee is entitled to be present at its meetings; however, other non-executive directors, the Chief Executive and external advisors may be invited to attend. In the event of matters arising concerning my membership of the Board, I would absent myself from the meeting as required and the Board's Senior Independent Director would take the chair.

Main activities of the Committee during the year

The Committee met four times during the year and considered executive succession planning, replenishment of the Board and the Board effectiveness review.

The Committee leads the process for appointments to the Board. There is a formal, rigorous and transparent procedure for the appointment of new directors. Candidates are identified and selected on merit against objective criteria and with due regard to the benefits of diversity on the Board, including gender. During the year, an external search was commissioned, using an independent executive search firm, Korn Ferry, which has no other connection with the Company, to search for non-executive director candidates with relevant international experience in the high-tech sector. Omid Kordestani was identified as a potential candidate and subsequently recommended to the Board by the Nominations and Governance Committee on the basis that he met the desired criteria.

The Board acknowledges that diversity extends beyond the boardroom and supports management in their efforts to build a diverse organisation. It endorses the Company's policy to attract and develop a highly qualified and diverse workforce; to ensure that all selection decisions are based on merit and that all recruitment activities are fair and non-discriminatory. The boardroom diversity policy was introduced in February 2012 and reviewed by the Committee in March 2013. It acknowledges the importance of diversity, including gender, to the effective functioning of the Board and focuses on our aspiration to have a minimum of 25% female representation on the Board by 2015. Following the respective retirements of Sir John Buchanan and Michel Combes, together with the appointment of Omid Kordestani, at 21 May 2013 the Board has 15% female representation. Subject to securing suitable candidates, when making appointments we will seek directors who fit the skills criteria and gender balance that is in line with the Board's aspiration. We continue to focus on encouraging diversity of business skills and experience, recognising that directors with diverse skills sets, capabilities and experience gained from different geographic and cultural backgrounds enhance the Board. Further information, including the proportions of women in senior management, is shown in "Our people" on page 35, and within the organisation overall, is contained in our 2013 sustainability report, available at vodafone.com/sustainability.

This year, when reviewing the re-election of directors at the AGM in July, the Committee took account of the fact that Luc Vandevelde will have served ten years as of 31 August 2013. The Board has considered the matter carefully and believes that Luc Vandevelde continues to demonstrate the qualities of independence in carrying out his role, supporting the executive directors and senior management in an objective manner. His length of service and resulting experience and knowledge of the Company is of great benefit to the Board. We will continue to keep his independence under review.

In the year ahead the Committee will continue to assess what enhancements should be made to the Board's and committees' composition and will continue to monitor developments in corporate governance to ensure the Company remains at the forefront of good governance practices.

Gerard Kleisterlee
On behalf of the Nominations and Governance Committee
21 May 2013

Audit and Risk Committee

"Our activities continued to be focused on the integrity of the Group's financial reporting, the quality of the external and internal audit processes, risk management, the appropriateness of the Group's system of internal controls and governance of a range of compliance related matters. The Committee will continue to keep its activities under review in the light of regulatory and market developments."

Membership:

Chairman and financial expert
Nick Land
(Independent non-executive director)

Anthony Watson
(Independent non-executive director)

Alan Jebson
(Independent non-executive director)

Anne Lauvergeon
(Independent non-executive director)

Key objective:

the provision of effective governance over the appropriateness of the Group's financial reporting including the adequacy of related disclosures, the performance of both the internal audit function and the external auditor, and the management of the Group's systems of internal control, business risks and related compliance activities.

Responsibilities:

- reviewing our financial results announcements and financial statements and monitoring compliance with relevant statutory and listing requirements;
- reporting to the Board on the appropriateness of our accounting policies and practices including critical accounting policies and practices;
- advising the Board on whether the Committee believes the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- overseeing the relationship with the external auditor;
- reviewing the scope, resources, results and effectiveness of the activity of the Group internal audit department;
- monitoring our compliance efforts in respect of section 404 of the US Sarbanes-Oxley Act;
- considering and making recommendations to the Board on the nature and extent of the significant risks the Group is willing to take in achieving its strategic objectives;
- overseeing the Group's compliance processes; and
- performing in-depth reviews of specific areas of financial reporting, risk and internal controls, as determined by the Committee.

The Committee members have been selected with the aim of providing the wide range of financial and commercial expertise necessary to fulfil the Committee's duties. The Board considers that I have recent and relevant financial experience, as required by the Code, and has designated me as its financial expert on the Committee for the purposes of the US Sarbanes-Oxley Act.

Committee meetings

The Committee meets at least four times during the year. Meetings are attended by the independent non-executive directors and, by invitation, the Chief Executive, the Chief Financial Officer, the Group Financial Controller, the Group Financial Reporting Director and the Group Audit Director. Other relevant people from the business are also invited to attend certain meetings in order to provide a deeper level of insight into certain key issues and developments. I also invite our external auditor, Deloitte LLP, to each meeting. The Committee regularly meets separately with each of Deloitte LLP, the Chief Financial Officer and the Group Audit Director without others being present.

Main activities of the Committee during the year

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

As part of this process of working with the Board and to maximise effectiveness, meetings of the Committee generally take place just prior to a Company Board meeting. I report to the Board as part of a separate agenda item, on the activity of the Committee and matters of particular relevance to the Board in the conduct of their work.

Following the publication of the revised version of the UK Corporate Governance Code, which applies to financial years commencing on or after 1 October 2012, the Board requested that the Committee advise them on whether we believe the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Committee's terms of reference have been amended to reflect this and can be found on our website at vodafone.com/governance.

At its four meetings during the year, the Committee focused on:

Financial reporting

The primary role of the Committee in relation to financial reporting is to review with both management and the external auditor of the appropriateness of the half-year and annual financial statements concentrating 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;
- material areas in which significant judgements have been applied or there has been discussion with the external auditor;
- whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- any correspondence from regulators in relation to our financial reporting.

To aid our review, the Committee considers reports from the Group Financial Controller and the Group Financial Reporting Director and also reports from the external auditor on the outcomes of their half-year review and annual audit. As a Committee we support Deloitte LLP in displaying the necessary professional scepticism their role requires.

Corporate governance (continued)

The primary areas of judgement considered by the Committee in relation to the 2013 accounts, and how these were addressed, were:

→ Goodwill impairment testing
The judgements in relation to asset impairment largely relate to the assumptions underlying the calculation of the value in use of the business being tested for impairment, primarily the achievability of the long-term business plan and macroeconomic assumptions underlying the valuation process. This is particularly challenging in relation to the Group's interests in Southern Europe given lower medium-term visibility of economic and business performance and material changes in other valuation assumptions. The Committee addresses these matters through receiving reports from management outlining the basis for the assumptions used. Business plans are Board approved. In addition, this area is a prime source of audit focus and accordingly Deloitte LLP provide detailed reporting to the Committee.

→ Taxation
Provisioning for potential current tax liabilities and the level of deferred tax asset recognition in relation to accumulated tax losses are underpinned by a range of judgements. The Committee addresses these issues through a range of reporting from senior management and a process of challenging the appropriateness of management's views including the degree to which these are supported by professional advice from external legal and other advisory firms. This is also an area of higher audit risk and accordingly the Committee receives detailed verbal and written reporting from Deloitte LLP on these matters.

→ Liability provisioning
The level of provisioning for contingent and other liabilities is an issue where management and legal judgements are important. These are addressed through the Committee discussing with management the key judgements made, including relevant legal advice that may have been received. Deloitte LLP also report on all material contingent liabilities.

Internal control
We reviewed the process by which the Group evaluated its control environment. Our work here was driven primarily by 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. In addition we received updates from the Group's Compliance Director on compliance related activities. I meet privately with the Group's Internal Audit and Compliance Directors outside the formal committee process as necessary.

During the year the Committee also conducted in-depth reviews into the control environments and risk management processes in a number of our markets and also conducted a review of the internal audit function. This review included the scope of Internal Audit's activity and resourcing together with areas of focus and planning for the next three years.

Oversight of the Group's compliance activities in relation to section 404 of the Sarbanes-Oxley Act also fell within the Committee's remit.

Risk management
The Group's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Committee. Our work here was driven primarily by the Group's assessment of its principal risks and uncertainties, as set out on pages 46 to 49. We receive reports from the Group Audit Director on the Group's risk evaluation process and review changes to significant risks identified at both operating entity and Group levels.

Information security is another area of regular focus for the Committee. During the year we conducted a further in-depth review of the security around IT infrastructure and customer information.

In addition the Committee also conducted in-depth reviews into the Group's finance operations transformation programme and assessment of tax risks.

We view these reviews as being critical to the role of the Committee, as they allow us to meet key business leaders responsible for these areas and provide independent challenge to their activities.

Internal audit
Monitoring and review of the scope, extent and effectiveness of the activity of the Group Internal Audit department is an agenda item at each Committee meeting. Reports from the Group Audit Director usually include 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. Further we receive summaries of investigations into known or suspected fraudulent activities by both third parties and employees. We hold private discussions with the Group Audit Director as necessary throughout the year and I also meet with him regularly outside the formal committee process and play a major role in setting his annual objectives.

External audit
The effectiveness of the external audit process is dependent on appropriate audit risk identification at the start of the audit cycle. We receive from Deloitte LLP a detailed audit plan, identifying their assessment of these key risks. For the 2013 financial year the primary risks identified were in relation to goodwill impairment, provisioning for current tax liabilities and deferred tax asset recognition, due to the inherent management judgement required in these areas. These risks are tracked through the year and we challenged the work done by the auditors to test management's assumptions and estimates around these areas. We assess the effectiveness of the audit process in addressing these matters through the reporting we receive from Deloitte LLP at both the half-year and year end. In addition we also seek feedback from management on the effectiveness of the audit process. For the 2013 financial year, management were satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be good. The Audit and Risk Committee concurred with the view of management.

We hold private meetings with the external auditor at each Committee meeting to provide additional opportunity for open dialogue and feedback from the Committee and the auditor without management being present. Matters typically discussed include the auditor's assessment of business risks and management activity thereon, the transparency and openness of interactions with management, confirmation that there has been no restriction in scope placed on them by management, independence of their audit and how they have exercised professional scepticism. I also meet with the external lead audit partner outside the formal committee process throughout the year.

Appointment and independence
The Committee considers the reappointment of the external auditor, including the rotation of the audit partner, each year and also assesses their independence on an ongoing basis. The external auditor is required to rotate the audit partner responsible for the Group audit every five years. The current lead audit partner has been in place for four years.

Deloitte LLP has been the Company's external auditor since its stock market listing in 1988 (25 years). Whilst the Group has not formally tendered the audit since then, as part of the Committee's review of the objectivity and effectiveness of the audit process a detailed assessment was undertaken in 2011 as to whether the Group should consider putting the audit engagement out to tender. This process included the re-proposal by Deloitte LLP of their audit approach. While a recommendation to retain Deloitte as auditor was made, it was decided to review this annually. Having considered the need to tender the position for the current year, the Committee has provided the Board with its recommendation to the shareholders on the reappointment of Deloitte LLP as external auditor for the year ending 31 March 2014. Accordingly a resolution proposing the reappointment of Deloitte LLP as our auditor will be put to the shareholders at the 2013 AGM. There are no contractual obligations restricting the Committee's choice of external auditor and we do not indemnify our external auditor. We continue to consider the audit tendering provisions outlined in the revised UK Corporate Governance Code, which we are very supportive of.

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 Committee receives details of any 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 US Securities & Exchange Commission ('SEC').

During the year Deloitte LLP and member firms of Deloitte Touche Tohmatsu Limited charged the Group £9 million (2012: £8 million, 2011: £9 million) for audit and audit related services. The Committee approved the fees for audit services for 2013 after a review of the level and nature of work to be performed, including the impact of acquisitions, and after being satisfied by Deloitte LLP that the fees were appropriate for the scope of the work required.

Non-audit services

To further safeguard the objectivity and independence of the external auditor from becoming compromised, the Committee has a formal policy governing the engagement of the external auditor to provide non-audit services. No material changes have been made to this policy during the year. This precludes Deloitte LLP from providing certain services such as valuation work or the provision of accounting services and also sets a presumption that Deloitte should only be engaged for non-audit services where there is no legal or practical alternative supplier.

For certain specific permitted services the Committee has pre-approved that Deloitte LLP can be engaged by management, subject to the policies set out above, and subject to specified fee limits for individual engagements and fee limits for each type of specific service. For all other services, or those permitted services that exceed the specified fee limits, I as Chairman, or in my absence another member, can pre-approve permitted services.

In addition to the statutory audit fee, Deloitte LLP and member firms of Deloitte Touche Tohmatsu Limited charged the Group £1 million for audit-related assurance services in connection with statutory and regulatory filings and a further £0.4 million for taxation advisory services and other non-audit services, primarily debt issuance related. Further details of the fees paid, for both audit and non-audit services, can be found in note 3 to the consolidated financial statements.

Committee evaluation

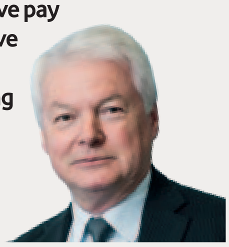
The Committee's activities formed part of the external review of Board effectiveness performed in the year. Details of this process can be found under "Performance evaluation" on page 58.

Nick Land
On behalf of the Audit and Risk Committee

21 May 2013

Remuneration Committee

"Our remuneration policies and executive pay packages are designed to be competitive and drive behaviour in order to achieve long-term strategic goals. When making decisions we are mindful of the wider economic conditions and shareholder feedback."



Membership:

Chairman
Luc Vandevelde
(Independent non-executive director)

Samuel Jonah
(Independent non-executive director)

Renee James
(Independent non-executive director)

Philip Yea
(Independent non-executive director)

Key objective:

to assess and make recommendations to the Board on the policies for executive remuneration and packages for the individual executive directors.

Responsibilities:

- 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;
- operating within recognised principles of good governance; and
- preparing an annual report on directors' remuneration.

Committee meetings

The Chairman and Chief Executive may attend the Committee's meetings by invitation but they do not attend when their individual remuneration is discussed. No director is involved in deciding his or her own remuneration. The Committee met five times during the year.

Main activities of the Committee during the year

A detailed report to shareholders from the Committee on behalf of the Board in which, amongst other things, I have included a description of the Committee's activities during the year, is contained in "Directors' remuneration" on pages 67 to 82.

Luc Vandevelde
On behalf of the Remuneration Committee

21 May 2013

Corporate governance (continued)

Executive Committee

The Committee meets 11 times a year under the chairmanship of the Chief Executive. Topics covered by the Committee include:

- Chief Executive update on the business and business environment;
- regional chief executives' updates;
- Group function heads' updates;
- substantial business developments and projects;
- talent;
- presentations from various function heads, for example, the Group Financial Controller, Head of Internal Audit and the Group Compliance Director;
- competitor analysis; and
- strategy.

Annually, the Executive Committee, together with the chief executives of the major operating companies, conduct a strategy review to identify key strategic issues to be presented to the Board. The agreed strategy is then used as a basis for developing the upcoming budget and three year operating plans.

The Executive Committee members' biographical details are set out on pages 52 and 54 and at vodafone.com/exco.

Policy and Compliance Committee

This is a sub-committee of the Executive Committee comprising three Executive Committee members. It is appointed to assist the Executive Committee to fulfil its accountabilities with regard to policy compliance. In particular, the Committee approves changes to policies, does deep dives into particular policies to assess whether they are effective and maintains an overview of the status of compliance throughout Vodafone so clear and accurate reports can be made to the Audit and Risk Committee twice a year. Deep dives this year included health and safety, network resilience, anti-bribery and anti-money laundering.

Disclosure Committee

The Disclosure Committee, appointed by the Chief Executive and Chief Financial Officer to ensure the accuracy and timeliness of company disclosures, oversees and approves controls and procedures in relation to the public disclosure of financial information and other information material to shareholders. It is composed of the Group General Counsel and Company Secretary (the Chair), Regional Chief Financial Officers, the Group Financial Controller, the Group Investor Relations Director, the Group Strategy and Business Development Director, and the Group External Affairs Director.

Shareholder engagement

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.

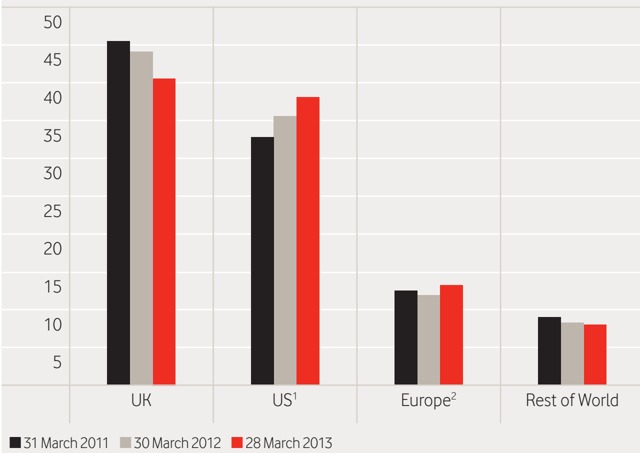
Investor relations programme

The programme includes:

- formal presentations of full year and half-year results, and interim management statements (see vodafone.com/investor for more information);
- briefing meetings with major institutional shareholders in the UK, the US and Europe after the full year and half-year results; a graph showing the geographical analysis of investors is shown below;
- regular meetings between institutional investors and analysts, and the Chief Executive and Chief Financial Officer, to discuss business performance, growth strategy and address any issues of concern;
- meetings between major shareholders and the Chairman on an ongoing basis including roadshows in London and Scotland to obtain feedback and consider corporate governance issues;
- dialogue between the Remuneration Committee and shareholders. Go to page 67 for more information;
- hosting investors and analysts sessions at which senior management from relevant operating companies are present;
- attendance by senior executives across the business at relevant meetings and conferences throughout the year;
- analysing and approaching new geographies to actively market the business to new investors;
- responding daily to enquiries from shareholders and analysts through our Investor Relations team;
- hosting investor and analyst meetings and webinars to highlight a variety of business areas and projects such as M-Pesa and money payment services, and holding an open office event focusing on our enterprise business; and
- a section dedicated to shareholders and analysts on our website at vodafone.com/investor.

Geographic shareholder movement over three years

% of share register



Notes:
1 We have included bearer warrants with the US shareholding as we understand the vast majority are US-based.
2 Excluding the UK.

The Chairman has 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, and he 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 Board receives a regular report from the Investor Relations team. Feedback from meetings held between executive management, or the Investor Relations team, and institutional shareholders is also communicated to the Board.

What happens at our AGM?

Who attends?

- All of our directors.
- Executive Committee members.
- Our shareholders.

What happens?

- A summary presentation of results is given before the Chairman deals with the formal business.
- All shareholders present can question the Chairman, the Chairmen of the Committees and the rest of the Board both during the meeting and informally afterwards.
- The Board encourages participation of investors, including individual investors, at the AGM.

AGM broadcast

- The AGM is broadcast live on our website at vodafone.com/agm.
- A recording can subsequently be viewed on our website.

Resolutions

- Voting on all resolutions at the AGM is on a poll. The proxy votes cast, including details of votes withheld, are disclosed to those in attendance at the meeting and the results are published on our website and announced via the Regulatory News Service.

A summary of our share and control structures is set out in "Shareholder information" on pages 166 to 173.

Internal control and risk management

The Board has overall responsibility for the system of internal control. A sound system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The 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 this 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 84 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:

- the Chief Executive and Chief Financial Officer of each Group company formally certifying the operation of their control systems each year and highlighting any weaknesses. These results are reviewed by regional management, the Audit and Risk Committee, and the Board;
- regional chief executives certifying compliance with high risk policies in their companies, with Group Compliance reviewing evidence of compliance. Non-high risk policies are monitored on a self-assessment basis;
- the Group's Disclosure Committee reviewing the appropriateness of disclosures and providing an annual report to the Chief Executive and the Chief Financial Officer on the effectiveness of the Group's disclosure controls and procedures;
- maintaining "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; and
- the Group Internal Audit department periodically examining business processes on a risk basis throughout the Group and reporting to the Audit and Risk Committee.

In addition, the Board reviews any reports from the external auditor presented to the Audit and Risk Committee and management in relation 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 when:

- evaluating the risks we face in achieving our objectives;
- determining the risks that are considered acceptable to bear;
- assessing the likelihood of the risks concerned materialising;
- identifying our ability to reduce the incidence and impact on the business of risks that do materialise; and
- ensuring that the costs of operating particular controls are proportionate to the benefit.

Risk management

An overview of the Group's framework for identifying and managing risk, both at an operational and strategic level, is set out on page 46.

Review of effectiveness

The Board and the Audit and Risk Committee have reviewed the effectiveness of the internal control system including financial, operational and compliance controls, and risk management in accordance with the Code for the period from 1 April 2012 to 21 May 2013 (the date of this 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.

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 report.

Corporate governance (continued)

Other governance matters

Group policy compliance

Each Group policy is owned by a member of the Executive Committee so that there is clear accountability and authority for ensuring the associated business risk is adequately managed. Regional chief executives and the senior leadership team member responsible for each Group function have primary accountability for ensuring compliance with all Group policies by all our markets and entities. Our Group Compliance team and policy champions support the policy owners and local markets in implementing policies and monitoring compliance.

All of the key Group policies have been consolidated into the Vodafone Code of Conduct. This is a central ethical and policy document applicable to all employees and those who work for or on behalf of Vodafone. It sets out the standards of behaviour expected in relation to areas such as insider dealing, bribery and raising concerns through the whistle blowing process (known internally as "Speak Up").

Going concern

The going concern statement required by the Listing Rules and the Code is set out in the "Directors' statement of responsibility" on page 84.

Political donations

No political donations under the Companies Act 2006 have been made during the year. It is our Group policy not to make political donations or incur political expenditure as those expressions are normally understood.

US listing requirements

As Vodafone's American depositary shares are listed on the NASDAQ Stock Market LLC ('NASDAQ'), we are required to disclose a summary of any material differences between the corporate governance practices we follow and those of US companies listed on NASDAQ. Vodafone's corporate governance practices are primarily based on UK requirements but substantially conform to those required of US companies listed on NASDAQ. The material differences are as follows:

Independence

Different tests of independence for Board members are applied under the Code and the NASDAQ rules. The Board is not required to take into consideration NASDAQ's detailed definitions of independence as set out in the NASDAQ rules.

In accordance with the Code, the Board has carried out an assessment based on the independence requirements of the Code and has determined that, in its judgement, all of Vodafone's non-executive directors (who make up the majority of the Board) are independent within the meaning of those requirements.

Committees

The 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 the audit committee each required to have a written charter which addresses the committee's purpose and responsibilities, and the compensation committee having sole authority and adequate funding to engage compensation consultants, independent legal counsel and other compensation advisors.

Our Nominations and Governance Committee is chaired by the Chairman of the Board and its other members are independent non-executive directors. Our Remuneration Committee is composed entirely of independent non-executive directors.

The Audit and Risk Committee is composed entirely of non-executive directors, each of whom (i) the Board has determined to be independent based on the independence requirements of the Code and (ii) meets the independence requirements of the Exchange Act. We have terms of reference for our Nominations and Governance Committee, Audit and Risk Committee and Remuneration Committee, each of which complies with the requirements of the Code and is available for inspection on our website (vodafone.com/governance). These terms of reference are generally responsive to the relevant NASDAQ rules but may not address all aspects of these rules.

Code of Conduct

Under the NASDAQ rules, US companies must adopt a code of conduct applicable to all directors, officers and employees that complies with the definition of a "code of ethics" set out in section 406 of the Sarbanes-Oxley Act. We have adopted a Code of Ethics that complies with section 406 which is applicable only to the senior financial and principal executive officers, and which is available on our website (vodafone.com/governance). We have also adopted a separate Code of Conduct which applies to all employees.

Quorum

The quorum required for shareholder meetings, in accordance with our articles of association, is two shareholders, regardless of the level of their aggregate share ownership, while US companies listed on NASDAQ are required by the NASDAQ rules to have a minimum quorum of 33.33% of the shareholders of ordinary shares for shareholder meetings.

Related party transactions

In lieu of obtaining an independent review of related party transactions for conflicts of interests in accordance with the NASDAQ rules, we seek shareholder approval for related party transactions that (i) meet certain financial thresholds or (ii) have unusual features in accordance with the Listing Rules issued by the FCA in the United Kingdom (the 'Listing Rules'), the Companies Act 2006 and our articles of association.

Further, we use the definition of a "transaction with a related party" as set out in the Listing Rules, which differs in certain respects from the definition of "related party transaction" in the NASDAQ rules.

Shareholder approval

We comply with the NASDAQ rules and the Listing Rules, when determining whether shareholder approval is required for a proposed transaction.

Under the NASDAQ rules, whether shareholder approval is required for a transaction depends on, among other things, the percentage of shares to be issued or sold in connection with the transaction. Under the Listing Rules, whether shareholder approval is required for a transaction depends on, among other things, whether the size of a transaction exceeds a certain percentage of the size of the listed company undertaking the transaction.

Directors' remuneration

Letter from the Remuneration Committee

Dear shareholder

This has been a demanding yet effective year for the Committee. As always we have tried to ensure that the compensation policies and practices at Vodafone drive behaviours that are in the long-term interests of the Company and its shareholders. The Committee is of course mindful of the considerable interest that exists in executive compensation. At Vodafone we are very conscious of the many and varied concerns, we recognise the need for change, we have engaged in the debate and strive to demonstrate best practice in this area, particularly highlighted by:

Clarity and openness in disclosure

Last year we incorporated some elements of the new reporting requirements into our report. Whilst the requirements are still not finalised they are now considerably clearer and so this year we have made further modifications which enable us to be as transparent as possible without disclosing sensitive information and at the same time displaying data in a way that we believe to be most helpful to shareholders, including:

- dividing the remuneration report into two parts showing achievement during the year as well as our policies and approach for the year ahead, both for executives and non-executive directors;
- a single table for remuneration (page 70);
- a graphical display of the spend on pay relative to tax, retained profit and dividends (page 71);
- a comparison of total rewards paid to the CEO over the last five years with the total shareholder return ('TSR') over the same period (page 71);
- a description of each element of the reward package as well as how they link to our strategy (pages 74 and 75); and
- scenarios that show how each of the executive directors will be rewarded under varying performance scenarios (page 77).

Pay for performance

Pay for performance continues to be an important principle for Vodafone when setting remuneration policy. This ensures our incentive plans only deliver significant rewards if and when they are justified by performance. For the Remuneration Committee this means two things:

- ensuring the targets we set for incentive plans are suitably challenging (as can be seen by the historic levels of achievement for both short- and long-term incentive plans shown on page 71); and
- if needed, exercising discretion. The Committee reviews all incentive plans before any payments are made to executives and has full discretion to adjust payments downwards if they believe circumstances warrant it.

Exercising restraint

We awarded no base pay increases during the 2013 financial year to any of the executive directors. Furthermore no increases will be awarded in the 2014 financial year. With all but one or two exceptions a similar pay freeze has also been in place for all members of the Executive Committee over both years. When considering all what, if any, pay increases to award, the Committee is always mindful of both wider conditions as well as what is happening elsewhere within Vodafone. For reference the salary increase budget for Vodafone in the UK was 3% last year and will be 1.75% this year.

Share ownership

For many years Vodafone has had demanding share ownership goals both for the executive directors and for all other senior executives. These goals, and our achievement against the goals, are set out on page 72. We are delighted that, collectively, this group of managers now own shares with a value of over £81.5 million. Owning shares is part of our culture and each year we expect this number to continue to grow. This level of ownership by management clearly shows their alignment with shareholders but also indicates their belief in the long-term value creation opportunities of our shares.

Consultation with shareholders

The Remuneration Committee continues to have dialogue with our shareholders. The views of all shareholders are taken seriously, and letters and emails are replied to promptly. In addition the largest shareholders are invited to meet with me in person. We were delighted that last year the remuneration report received a 96.44% vote in favour. This compares with 96.12% support in the prior year. We sincerely hope to receive your continued support at the AGM on 23 July 2013.

Luc Vandevelde
Chairman of the Remuneration Committee

21 May 2013

Directors' remuneration (continued)

Remuneration Committee

In this section we give details of the composition of the Remuneration Committee and activities undertaken over the past year.

The Remuneration Committee is comprised to exercise independent judgement and consists only of the following independent non-executive directors:

Chairman	Luc Vandevelde
Committee members	Renee James (from 24 July 2012)
	Samuel Jonah
	Anthony Watson (until 24 July 2012)
	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. In the past, the Deputy Group Company Secretary advised the Committee on corporate governance guidelines and acted as secretary to the Committee. From March 2013 the Group General Counsel and Company Secretary has taken on this role and will continue to advise the Committee on corporate governance guidelines and act as secretary to the Committee.

External advisors

The Remuneration Committee seeks and considers advice from independent remuneration advisors where appropriate. The two appointed advisors were selected through a thorough process led by the Chairman of the Remuneration Committee and were appointed by the Remuneration Committee. We choose to use two advisors both to enable access to the best expertise and also to provide an alternative view or second opinion where required. The Chairman of the Remuneration Committee has direct access to the advisors as and when required, and the Committee determines the protocols by which the advisors interact with management in support of the Remuneration Committee. The advice and recommendations of the external advisors are used as a guide, but do not serve as a substitute for thorough consideration of the issues by each Committee member. Advisors attend Remuneration Committee meetings occasionally as and when required by the Committee.

Pwc and Towers Watson are both members of the Remuneration Consultants' Group and, as such, voluntarily operate under the Code of Conduct in relation to executive remuneration consulting in the UK. This is based upon principles of transparency, integrity, objectivity, competence, due care and confidentiality by executive remuneration consultants. Pwc and Towers Watson have confirmed that they adhered to the Code throughout the year for all remuneration services provided to Vodafone. The code is available at remunerationconsultantsgroup.com.

Advisor	Appointed by	Services provided to the committee	Other services provided to the company
PricewaterhouseCoopers LLP ('pwc')	Remuneration Committee in 2007	Advice on market practice Governance Performance analysis Plan design	International mobility Tax Technology Finance Operations Compliance
Towers Watson	Remuneration Committee in 2007	Advice on market practice Provide market data on executive rewards Reward consultancy	Pension and benefit administration Reward consultancy

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 pwc's role as advisor to the Remuneration Committee on remuneration matters, the Committee continue to consider his position and have determined that there is no conflict or potential conflict arising.

Meetings

The Remuneration Committee had five formal meetings during the year. Outside these meetings there are frequent discussions usually by phone. The principal agenda items at the formal meetings were as follows:

Meeting	Standing agenda items	Other agenda items
May 2012	Annual bonus short-term incentive ('GSTIP'): Approval of 2012 achievement. Approval of 2013 targets and ranges. Long-term incentives ('GLTI'): Approval of 2009 GLTI vesting. Approval of performance targets and ranges for the 2012 GLTI grant. Approval of expected share awards and impact on dilution. Approval of 2012 Sharesave. Approval of 2012 directors' remuneration report.	Review and approval of revised terms of reference for non-executive directors.
July 2012	Long-term incentives: Review of actual share awards, accounting costs for 2012 awards and dilution levels. Sharesave invitation and option price. Review of large local market CEO rewards.	Consideration of remuneration governance changes proposed by the Secretary of State for the Department of Business Innovation and Skills ('BIS').
November 2012	Approval of the 2014 reward strategy. Long-term incentives: Approval of share ownership GLTI awards made to senior leadership team members. Approval of interim share awards.	Approval of revised dividend policy on employee share awards. Approval to reduce maximum leverage on GLTI awards made to Executive Committee members from 2013. Consideration of published shareholder views with respect to executive remuneration.
January 2013	Approval of the 2014 GSTIP framework. Long-term incentives: Approval of interim share awards.	Consideration of published and circulated voting guidelines from shareholder advisory services including ABI, ISS and NAPF.
March 2013	Approval of Executive Committee 2014 reward packages. Review of non-executive director fee levels. Review of preliminary 2014 GSTIP targets and ranges. Review of risk assessment. Approval of shareholder consultation packs.	Review of the revised draft of the new remuneration reporting regulations released by BIS, as well as consideration of guidance on executive remuneration from PIRC and more prescriptive broader themes on remuneration emerging from across Europe.

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

Assessment of risk

One of the primary activities of the Remuneration Committee is to be aware and mindful of any potential risk. Vodafone seeks to provide a structure of rewards that encourages acceptable risk taking and high performance through optimal pay mix, performance metrics and calibration, and timing. With that said, it is prudent practice to ensure that our reward programmes achieve this and do not encourage excessive or inappropriate risk taking. On a regular basis, the Remuneration Committee has considered the risk involved in the incentive schemes and is satisfied that the following design elements and governance procedures mitigate the principal risks:

- the heavy weighting on long-term incentives with overlapping performance periods which reward sustained performance;
- the proportionately higher incentive opportunity paid in shares rather than in cash;
- the need for a significant annual investment and holding in company shares in order to fully participate in the long-term arrangements;
- the short-term plan contains four performance measures (financial and non-financial) and the long-term plan contains two measures (internal absolute and external relative targets) thus ensuring executives are focused on all the key drivers of business success and are not overly rewarded for success in just one area;
- the inclusion of 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 fact that executives do not participate in sales commission or uncapped incentive schemes; and
- the fact that the Committee has the ability to exercise discretion to adjust payments and vesting levels downwards if they believe circumstances warrant it.

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

Directors' remuneration (continued)

Summary of remuneration for the 2013 financial year

In this section we summarise the pay packages awarded to our executive directors for performance in the 2013 financial year versus 2012. Specifically we have provided a table that shows all remuneration that was earned by each individual during the year and computed a single total remuneration figure for the year. The value of the GSTIP was earned during the year but paid out in the following year and the value of the GLTI shows that which will vest in June 2013 as a result of the performance through the three year period ended at the completion of our financial year on 31 March 2013.

The Committee reviews all incentive awards prior to payment and has full discretion to reduce awards if it believes this is appropriate. The decision need not be on objective grounds. It should be noted that the Committee did not exercise discretion in determining the GSTIP payout for this year, or in deciding the final vesting level of the GLTI.

The only instance where the Committee exercised discretion is with respect to the GSTIP paid to Michel Combes on his departure. It was agreed that Vodafone would pay him a pro-rata bonus, assuming target level of achievement, for the seven months he continued to work for the company in the financial year.

Total remuneration for the 2013 financial year

	Vittorio Colao		Andy Halford		Michel Combes[1]		Stephen Pusey	
	2013 £'000	2012 £'000	**2013 £'000**	2012 £'000	**2013 £'000**	2012 £'000	**2013 £'000**	2012 £'000
Salary/fees	1,110	1,099	700	700	461	785	575	569
Benefits/other[2]	30	24	35	30	16	25	21	21
Cash in lieu of pension	333	330	210	210	138	236	173	171
GSTIP (see below for further detail)	731	1,037	461	654	461	728	379	537
GLTI vesting during the year[3] (see below for further detail)	7,515	11,316	4,368	7,450	–	5,861	2,404	4,227
Cash in lieu of GLTI dividends[4]	1,313	1,961	763	1,291	–	1,016	420	733
Total	**11,032**	**15,767**	**6,537**	**10,335**	**1,076**	**8,651**	**3,972**	**6,258**

Notes:
1 Michel Combes was employed until 31 October 2012.
2 Includes amounts in respect of private healthcare and car allowance.
3 The value shown in the 2012 column is the award which vested on 30 June 2012 and is valued using the execution share price on 2 July 2012 of 177.29 pence. The value shown in the 2013 column is the award which vests on 28 June 2013 and is valued using the closing share price on 31 March 2013 of 186.60 pence. Includes the vesting of an All Share award in 2012.
4 Participants also receive a cash award, equivalent in value to the dividends that would have been paid during the vesting period on any shares that vest. The cash in lieu of dividend value shown in 2012 relates to the award which vested on 30 June 2012, and the value for 2013 relates to the award which vests on 28 June 2013. We believe this is in line with the future government guidelines issued for reporting a single figure of remuneration per director. However, it is worth noting that this differs from how the values are reported in the audited tables on page 79, which show the values in the columns in the year they were paid.

Details of the GSTIP payout

In the table below we describe our achievement against each of the performance measures in our GSTIP and the resulting total incentive payout level for the year ended 31 March 2013 of 65.9%.

Performance measure	Payout at target performance 100%	Payout at maximum performance 200%	Actual payout %	Target performance level £bn	Actual performance level[1] £bn	Commentary
Service revenue	25%	50%	14.4%	41.1	40.3	Below target performance in Europe.
EBITDA	25%	50%	7.7%	14.0	13.3	Below target performance in Europe.
Adjusted free cash flow	20%	40%	18.4%	5.7	5.7	Close to target performance.
Competitive performance assessment	30%	60%	25.4%	Compilation of market by market assessment		Varies by market but overall on track for market share with more to do for NPS.
Total incentive payout level	**100%**	**200%**	**65.9%**			

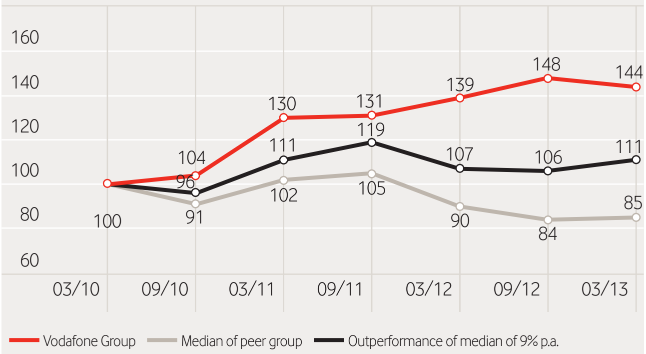
Note:
1 These figures are adjusted to include the removal of the impact of M&A, foreign exchange movements and any changes in accounting treatment.

Details of the GLTI vesting in June 2013

Adjusted free cash flow for the three-year period ended on 31 March 2013 was £20.8 billion which compares with a target of £20.5 billion and a maximum of £23.0 billion. The graph to the right shows that our TSR performance against our peer group for the same period resulted in an outperformance of the median by 18.3% a year. Using our combined payout matrix, this performance resulted in a payout of 56.9% of the maximum.

These shares will vest on 28 June 2013. The adjusted free cash flow performance is audited by Deloitte and approved by the Remuneration Committee. The performance assessment in respect of the TSR outperformance of a peer group median is undertaken by pwc. Details of how the plan works can be found on page 76.

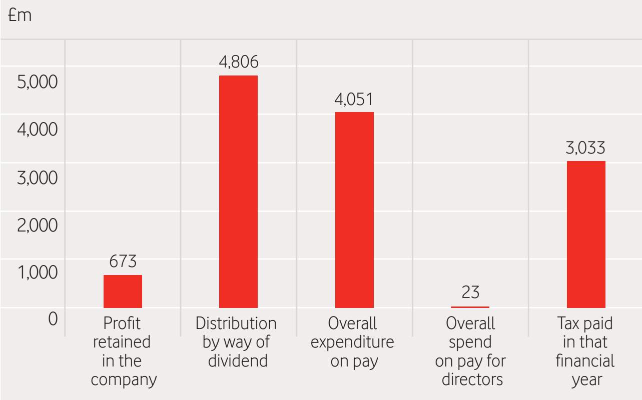
2010 GLTI award: TSR performance (growth in the value of a hypothetical US$100 holding over the performance period, six month averaging)



Relative spend on pay

The chart on the right shows both the total cost of remuneration in the Group as shown on page 102 as well as the total cost of remuneration for executive directors as shown on page 70 as well as with dividends distributed, tax paid and profit retained in the year.

Total cost of remuneration



Assessing pay and performance

In the table below we summarise the CEO's single figure remuneration over the past five years, as well as how our variable pay plans have paid out in relation to the maximum opportunity. This can be compared with the historic TSR performance over the same period.

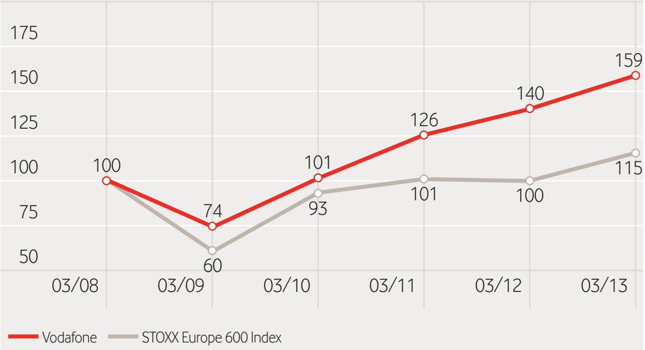
Financial	CEO	Single figure of total remuneration £'000	Annual variable element (actual award versus maximum opportunity)	Long-term incentive (vesting versus maximum opportunity)
2013	Vittorio Colao	11,032	33%	57%
2012	Vittorio Colao	15,767	47%	100%
2011	Vittorio Colao	7,022	62%	31%
2010[1]	Vittorio Colao	3,350	64%	25%
2009[1]	Vittorio Colao	2,574	49%	0%

Note:
1 The single figure reflects share awards which were granted in 2006 and 2007, prior to his appointment to CEO in 2008.

As shown in the table above, the CEO's total remuneration decreased by 30% between the 2012 and 2013 financial years, reflecting the lower level of incentive payouts year-on-year. Additionally, his salary has been frozen for two years, which compares with the overall salary increase budget of 1.75% in the UK for the 2014 financial year (3.0% for the 2013 financial year).

The chart on the right shows the performance of the Company relative to the STOXX Europe 600 Index over a five year period. The STOXX Europe 600 Index was selected as this is a broad based index that includes many of our closest competitors. 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 70 and not this graph.

Five year historical TSR performance growth in the value of a hypothetical €100 holding over five years



Directors' remuneration (continued)

Summary of our compensation policies and approach for the 2014 financial year

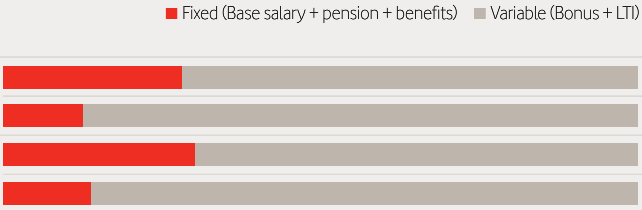
In this forward-looking section we describe our principal reward policies along with a description of the elements of the reward package and an indication of the potential future value of this package for each of the executive directors. In addition we describe our policy applied to the non-executive directors.

These policies, as well as the individual elements of the reward package, are reviewed each year to ensure that they continue to support our Company strategy.

Pay for performance

A high proportion of total reward will be awarded through short-term and long-term performance related remuneration. This is demonstrated in the charts below where we see that at target payout 70% of the package is delivered in the form of variable pay, which rises to over 86% if maximum payout is achieved. Fixed pay comprises base salary, benefits 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. Cash in lieu of GLTI dividends is not included in the charts below.

		Fixed	Variable
Chief Executive	Target	28.1%	71.9%
	Maximum	12.6%	87.4%
Other Executive Directors	Target	30.1%	69.9%
	Maximum	13.8%	86.2 %



Alignment to shareholder interests

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. Executives are expected to build and maintain a significant shareholding in Vodafone shares as follows:

- Chief Executive – four times base salary;
- other executive directors – three times base salary;
- other Executive Committee members and the large market CEOs – two times base salary;
- other market CEOs – one times base salary; and
- other senior leaders (approximately 220 members) – one-half of base salary.

The CEO, other executive directors, Executive Committee members and the CEO's of our largest markets have been given five years to achieve their goals; others were given up to six years to achieve their goals.

Current levels of ownership by the executive directors, and the date by which the goal should be or should have been achieved, are shown below and include the post-tax value of any vested but unexercised options. The values are calculated using a share price at 31 March 2013 of 186.60 pence. These values do not include the value of the shares that will vest in June.

	Goal as a % of salary	Current % of salary held	% of goal achieved	Number of equivalent shares	Value of shareholding (£m)	Date for goal to be achieved
Vittorio Colao	400%	1,170%	292%	6,959,472	13.0	July 2012
Andy Halford	300%	609%	203%	2,285,440	4.3	July 2010
Stephen Pusey	300%	445%	148%	1,372,594	2.6	June 2014

Collectively the Executive Committee including the executive directors own 17.8 million Vodafone shares, with a value of £33.3 million, whilst the full senior leadership team own approximately 43.7 million Vodafone shares with a value of £81.5 million at 31 March 2013.

Service contracts of executive directors

The Remuneration Committee has determined that after an initial term of up to two years 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
Remuneration	Salary, pension and benefits
	Company car or cash allowance
	Participation in the GSTIP, GLTI and the employee share schemes
Termination payment	Up to 12 months salary
	Entitlements under incentive plans and benefits that are consistent with the terms of such plans
Non-competition	During employment and for 12 months thereafter

	Date of service agreement
Vittorio Colao	27 May 2008
Andy Halford	20 May 2005
Stephen Pusey	1 June 2009

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 and retain the fees. Andy Halford is a non-executive director of Marks and Spencer Group plc and in accordance with Group policy he retained fees for the year of £17,500. Michel Combes also held positions at Assystem SA and ISS Group and, in accordance with Group policy, he retained fees for his services until he left Vodafone on 31 October 2012 of €14,315 from Assystem SA and DKK 233,333 from ISS Group (£38,474 in total).

Cascade to senior management

The principles of the reward policy for executive directors are cascaded where appropriate throughout the organisation. Principles for the other members of the Executive Committee and large market CEOs, and members of the senior leadership team are set out below.

Executive Committee and large market CEOs

- Total remuneration and base salary

  Methodology consistent with that of the executive directors.

- Annual bonus

  The annual bonus is based on the same metrics. For those executives leading a region, performance on these metrics is measured at region level as well as Group level.

- Long-term incentive

  The long-term incentive is consistent with that which is offered to the executive directors including the performance metrics and the opportunity to invest in the GLTI to receive matching share awards.

Senior leadership

- Total remuneration and base salary

  Methodology consistent with that of the executive directors.

- Annual bonus

  The annual bonus is based on the same metrics. For those senior leadership team members leading a local market, performance on these metrics is measured at local market level as well as Group level.

- Long-term incentive

  The long-term incentive is delivered partly in performance shares and partly in restricted shares. The performance shares vest based solely on Vodafone's adjusted free cash flow performance over a three-year period. This is the same metric which governs vesting of the LTI offered to executive directors and executive committee members.

Directors' remuneration (continued)

The remuneration package for the 2014 financial year

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

	Purpose and link to strategy	Operation
Base salary	→ To attract and retain the best talent.	→ Salaries are reviewed annually and fixed for 12 months commencing 1 July. Decision is influenced by: → level of skill, experience and scope of responsibilities of individual and business performance, economic climate and market conditions; → increases elsewhere within the Group; and → an external comparator group (which is used for reference purposes only) 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.
Benefits	→ To aid retention and remain competitive within the market place.	→ Executive directors may choose to participate in the defined contribution pension scheme or to receive a cash allowance in lieu of pension. → Company car or cash allowance. → Private medical insurance. → Chauffeur services, where appropriate, to assist with their role.
Global Short-Term Incentive Plan ('GSTIP')	→ To drive behaviour and communicate the key priorities for the year. → To motivate employees and incentivise delivery of performance over the one-year operating cycle. → The three financial metrics are designed to both drive our growth strategies whilst also focusing on improving operating efficiencies. Measuring competitive performance with its heavy reliance on net promoter score means providing a great customer experience remains at the heart of what we do.	→ Bonus levels and the appropriateness of measures and weightings are reviewed annually to ensure they continue to support our strategy. → Performance over the financial year is measured against stretching financial and non-financial performance targets set at the start of the financial year. → The annual bonus is paid in cash in June each year for performance over the previous financial year.
Global Long-Term Incentive Plan ('GLTI') base awards and co-investment awards (further details can be found on page 76).	→ To motivate and incentivise delivery of sustained performance over the long-term. → To support and encourage greater shareholder alignment through a high level of personal financial commitment. → The use of free cash flow as the principal performance measure ensures we apply prudent cash management and rigorous capital discipline to our investment decisions, whilst the use of TSR along with the three year performance period and the subsequent holding of vested shares means that we are focused on ensuring these decisions are value enhancing for our shareholders.	→ Award levels and the framework for determining vesting are reviewed annually to ensure they continue to support our strategy. → Long-term incentive base awards consist of performance shares which are granted each year in June/July. → Individuals must co-invest Vodafone shares and hold them in trust for three years in order to receive the full target award. → Dividend equivalents are paid in cash after the vesting date. → All awards vest three years later based on Group operational and external performance.

	Opportunity	Performance metrics	Changes in year
	There are no proposed salary increases for any executive directors during the 2014 financial year compared to a salary increase budget in the UK of 1.75%. → Vittorio Colao £1,110,000 → Andy Halford £700,000 → Stephen Pusey £575,000	None.	No change during the year.
	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 were restricted to £50,000 per annum. Any residual of the 30% pension benefit is delivered as a cash allowance. → £19,200 per annum. → £1,500 per annum	None.	No change during the year.
	→ Bonuses can range from 0–200% of base salary, with 100% paid for on-target performance. Maximum is only paid out for exceptional performance.	→ Service revenue (25%); → EBITDA (25%); → adjusted free cash flow (25%); and → competitive performance assessment (25%). This is an assessment encompassing both net promoter score and market share against the competitors in each of our markets.	Weighting changed for adjusted free cash flow (20% to 25%) and competitive performance assessment (30% to 25%)
	→ The Chief Executive's full award will have a target face value of 237.5% of base salary. The award for the other executive directors will have a target face value of 210% of base salary. → Minimum vesting is zero times and maximum vesting is three times the target award level. → To receive the full target award, executive directors must co-invest up to their annual gross salary. If they are unable to commit up to their annual gross salary, awards will be reduced accordingly, to a target base award of 137.5% (CEO) and 110% (other executive directors). → The awards that vest accrue cash dividend equivalents over the three year vesting period. → Awards vest to the extent performance conditions are satisfied over the three year period.	→ 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: → adjusted free cash flow as our operational performance measure; and → relative TSR against a peer group of companies as our external performance measure.	The peer group has been expanded to include AT&T.

Directors' remuneration (continued)

GLTI

The extent to which awards vest will continue to depend on two performance conditions:

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

Adjusted free cash flow

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

- VZW income dividends;
- 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 2014, 2013, 2012 and 2011 financial years are shown in the table below:

Performance	2014 £bn	2013 £bn	Vesting percentage 2013–2014 awards	2012 £bn	2011 £bn	Vesting percentage 2011–2012 awards
Below threshold	<12.4	<15.4	0%	<16.7	<18.0	0%
Threshold	12.4	15.4	50%	16.7	18.0	50%
Target	14.4	17.9	100%	19.2	20.5	100%
Maximum	16.4	20.4	150%	21.7	23.0	200%

The target adjusted 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 outperformance 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 outperformance 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 2014 financial year is:

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

For awards made in the 2013, 2012 and 2011 financial years the peer group was the same other than for the inclusion of AT&T.

For awards made in the 2014, 2013, 2012 and 2011 financial years the relative TSR position will determine the performance multiplier. This will be applied to the adjusted free cash flow vesting percentage. There will be no multiplier until TSR performance exceeds median. Above median, the following table will apply (with linear interpolation between points):

	Outperformance 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

Combined vesting matrix

The combination of the two performance measures for the award granted in the 2014 financial year gives a combined vesting matrix as follows:

		TSR performance	
Adjusted free cash flow measure	Up to median	65th	80th
Below threshold	0%	0%	0%
Threshold	50%	75%	100%
Target	100%	150%	200%
Maximum	150%	225%	300%

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

Estimates of total future potential remuneration from 2014 pay packages

The tables below provide estimates of the potential future remuneration for each of the executive directors based on the remuneration opportunity granted in the 2014 financial year. Potential outcomes based on different performance scenarios are provided for each executive director.

The assumptions underlying each scenario are described below.

Fixed

Consists of base salary, benefits and pension.
Base salary is latest known salary.
Benefits measured at benefits figure in single figure table on page 70.
Pension measured by applying cash in lieu rate of 30% of base salary against the latest known salary.

	Base (£'000)	Benefits (£'000)	Pension (£'000)	Total fixed (£'000)
Chief Executive	1,110	30	333	1,473
Chief Financial Officer	700	35	210	945
Chief Technology Officer	575	21	173	769

On plan

Based on what a Director would receive if performance was in line with plan.
The target award opportunity for the GSTIP is 100% of base salary.
The target levels of performance for the GLTI are discussed in detail on page 76. We assumed that TSR performance was at median.

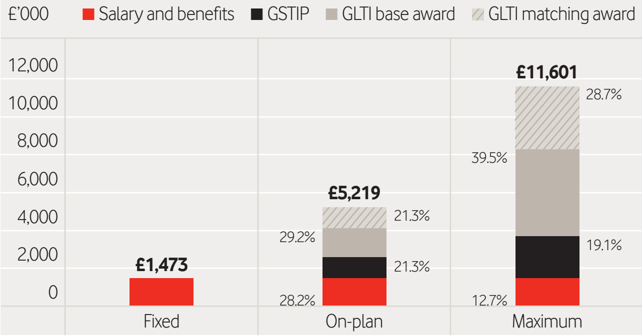
Maximum

Two times the target award opportunity is payable under the GSTIP.
The maximum levels of performance for the GLTI are discussed in detail on page 76. We assumed that TSR performance was at or above the 80th percentile.

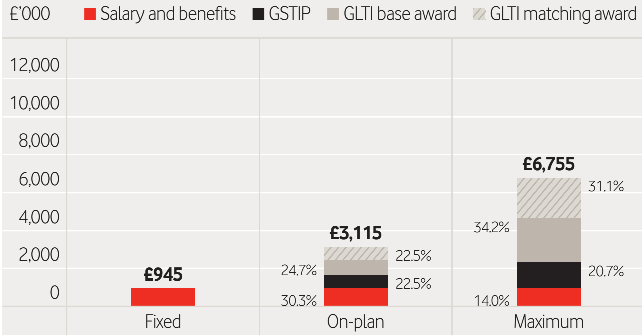
All scenarios

→ Each executive is assumed to co-invest the maximum allowed under the GLTI, 100% of salary, and the GLTI award reflects this.

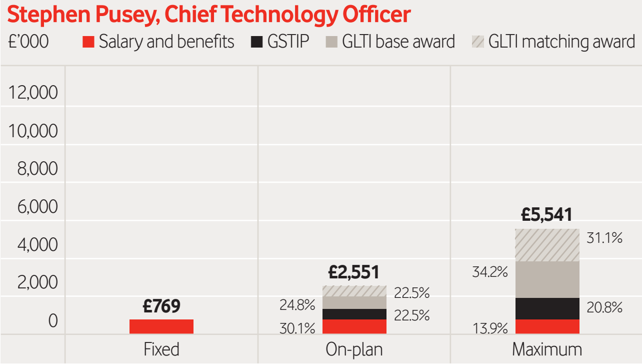
Vittorio Colao, Chief Executive



Andy Halford, Chief Financial Officer



Stephen Pusey, Chief Technology Officer



Directors' remuneration (continued)

Policy on non-executive directors

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 2013 review there will be no increases to the fees of non-executive directors.

Position/role	Fee payable (£'000) From 1 April 2013
Chairman[1]	600
Senior Independent Director	160
Non-executive director	115
Chairmanship of Audit and Risk Committee	25
Chairmanship of Remuneration Committee	25

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 2013 financial year are included in the table on page 81.

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

Chairman and non-executive director service contracts

Non-executive directors 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. For further information refer to "Nomination and Governance Committee" on page 60.

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
Renee James	1 January 2011	AGM 2013
Alan Jebson	7 November 2006	AGM 2013
Samuel Jonah	9 March 2009	AGM 2013
Gerard Kleisterlee	1 April 2011	AGM 2013
Omid Kordestani	27 February 2013	AGM 2013
Nick Land	7 November 2006	AGM 2013
Anne Lauvergeon	20 September 2005	AGM 2013
Luc Vandevelde	24 June 2003	AGM 2013
Anthony Watson	6 February 2006	AGM 2013
Philip Yea	14 July 2005	AGM 2013

Other considerations

In this section we include all other disclosures that are currently required by statute or good practice guidelines.

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 an 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 81.

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 executive awards is approximately 2.0% of the Company's share capital at 31 March 2013 (3.1% at 31 March 2012), whilst from all employee share awards it is approximately 0.3% (0.3% at 31 March 2012). This gives a total dilution of 2.3% (3.4% at 31 March 2012).

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.

Audited information for executive directors

Remuneration for the year ended 31 March 2013

This table[1] shows the remuneration of the executive directors during the year in the currently prescribed format. The table on page 70 includes a value for GLTI payments.

	Vittorio Colao		Andy Halford		Michel Combes		Stephen Pusey	
	2013 £'000	2012 £'000	**2013 £'000**	2012 £'000	**2013[2] £'000**	2012 £'000	**2013 £'000**	2012 £'000
Salary/fees	1,110	1,099	700	700	461	785	575	569
GSTIP[3]	731	1,037	461	654	461	728	379	537
Cash in lieu of GLTI dividends	1,961	545	1,291	333	1,016	326	733	110
Cash in lieu of pension	333	330	210	210	138	236	173	171
Benefits /other[4]	30	24	35	30	16	25	21	21
Total	**4,165**	**3,035**	**2,697**	**1,927**	**2,092**	**2,100**	**1,881**	**1,408**

Notes:
1 The information in this table is audited.
2 Michel Combes' payments for the 2013 financial year are based on his employment which ended 31 October 2012.
3 Payments are made in June following the end of the financial year.
4 Includes amounts in respect of cost of living allowance, private healthcare and car allowance.

The aggregate remuneration we paid to our Executive Committee (other than our executive directors) for services for the year ended 31 March 2013 is set out below. The number of Executive Committee members increased by two during the year.

	2013 £'000	2012 £'000
Salaries/fees	3,916	2,822
GSTIP[1]	2,987	2,758
Cash in lieu of GLTI dividends	3,037	490
Cash in lieu of pension	871	747
Benefits/other	1,096	169
Total	**11,907**	**6,986**

Note:
1 The GSTIP figure comprises the incentive scheme information for the Executive Committee members on an equivalent basis to that disclosed for executive directors at the beginning of the report. Details of share incentives awarded to directors and other members of the Executive Committee are included in footnotes to "Directors' interests in the shares of the Company – Long-term incentives" on page 80.

Pensions

Vittorio Colao, Andy Halford 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 2013 were:

	Total accrued benefit at 31 March 2013[1] £'000	Change in accrued benefit over the year[1] £'000	Transfer value at 31 March 2012[2] £'000	Transfer value at 31 March 2013[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	19.6	0.9	846.9	907.6	60.7	0.4	20.8	–

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. The pension increased on 1 April 2011 and 1 April 2012 by 5%, in line with the scheme rules, to £19,624 per year from 1 April 2012 as shown above. No member contributions are payable as Andy Halford is in receipt of his pension.
2 The transfer value at 31 March 2013 has been calculated on the basis and methodology set by the trustees after taking actuarial advice, as set out in the papers entitled "Calculation of cash equivalent transfer values" dated January 2011 and "Sex-specific actuarial factor" dated March 2011. 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 2012 of 2.6%.

In respect of the Executive Committee, the Group has made aggregate contributions of £99,000 (2012: £100,000) into defined contribution pension schemes.

Directors' remuneration (continued)

Directors' interests in the shares of the Company – long-term incentives

Performance shares

GLTI conditional share awards granted to executive directors for the relevant financial years are shown below. It is important to note that the figures shown in the first two columns represent the maximum amount which could vest at the end of the relevant three year performance period. In order to participate in these plans, executives have had to invest personal shares with a combined value of: £3,853,074 (Vittorio Colao); £1,298,585 (Andy Halford); and £1,181,654 (Stephen Pusey). The total value is calculated using the closing trade share price on 31 March 2013 of 186.6 pence.

	Total interest in performance shares at 1 April 2012 or date of appointment	Shares conditionally awarded during the 2013 financial year[1]	Shares forfeited during the 2013 financial year[2]	Shares vested during the 2013 financial year[2]	Total interest in performance shares at 31 March 2013	Total value	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								
2009 – Base award	4,564,995	–	–	(4,564,995)	–	–	117.47	Jun 2012
2009 – Co-investment award	1,817,866	–	–	(1,817,866)	–	–	117.47	Jun 2012
2010 – Base award	4,097,873	–	–	–	4,097,873	7,646,631	142.94	Jun 2013
2010 – Co-investment award	2,980,271	–	–	–	2,980,271	5,561,186	142.94	Jun 2013
2011 – Base award	3,740,808	–	–	–	3,740,808	6,980,348	163.20	Jun 2014
2011 – Co-investment award	2,720,588	–	–	–	2,720,588	5,076,617	163.20	Jun 2014
2012 – Base award	–	2,552,257	–	–	2,552,257	4,762,512	179.40	Jul 2015
2012 – Co-investment award	–	1,958,823	–	–	1,958,823	3,655,164	179.40	Jul 2015
Total	**19,922,401**	**4,511,080**	**–**	**(6,382,861)**	**18,050,620**	**33,682,458**		
Andy Halford								
2009 – Base award	2,524,934	–	–	(2,524,934)	–	–	117.47	Jun 2012
2009 – Co-investment award	1,676,756	–	–	(1,676,756)	–	–	117.47	Jun 2012
2010 – Base award	2,154,750	–	–	–	2,154,750	4,020,764	142.94	Jun 2013
2010 – Co-investment award	1,958,863	–	–	–	1,958,863	3,655,238	142.94	Jun 2013
2011 – Base award	1,887,254	–	–	–	1,887,254	3,521,616	163.20	Jun 2014
2011 – Co-investment award	756,036	–	–	–	756,036	1,410,763	163.20	Jun 2014
2012 – Base award	–	1,287,625	–	–	1,287,625	2,402,708	179.40	Jul 2015
Total	**10,958,593**	**1,287,625**	**–**	**(4,201,690)**	**8,044,528**	**15,011,089**		
Michel Combes[3]								
2009 – Base award	2,771,771	–	–	(2,771,771)	–	–	117.47	Jun 2012
2009 – Co-investment award	533,854	–	–	(533,854)	–	–	117.47	Jun 2012
2010 – Base award	2,370,225	–	(2,370,225)	–	–	–	142.94	Jun 2013
2010 – Co-investment award	1,144,116	–	(1,144,116)	–	–	–	142.94	Jun 2013
2011 – Base award	2,129,901	–	(2,129,901)	–	–	–	163.20	Jun 2014
2011 – Co-investment award	876,531	–	(876,531)	–	–	–	163.20	Jun 2014
Total	**9,826,398**	**–**	**(6,520,773)**	**(3,305,625)**	**–**	**–**		
Stephen Pusey								
2009 – Base award	1,872,818	–	–	(1,872,818)	–	–	117.47	Jun 2012
2009 – Co-investment award	510,879	–	–	(510,879)	–	–	117.47	Jun 2012
2010 – Base award	1,693,018	–	–	–	1,693,018	3,159,172	142.94	Jun 2013
2010 – Co-investment award	571,097	–	–	–	571,097	1,065,667	142.94	Jun 2013
2011 – Base award	1,550,245	–	–	–	1,550,245	2,892,757	163.20	Jun 2014
2011 – Co-investment award	612,745	–	–	–	612,745	1,143,382	163.20	Jun 2014
2012 – Base award	–	1,057,692	–	–	1,057,692	1,973,653	179.40	Jul 2015
2012 – Co-investment award	–	1,014,705	–	–	1,014,705	1,893,440	179.40	Jul 2015
Total	**6,810,802**	**2,072,397**	**–**	**(2,383,697)**	**6,499,502**	**12,128,071**		

Notes:
1 The awards were granted during the year under the Vodafone Global Incentive Plan ('GIP') using the closing share price on the day before the grant which was 179.40 pence. These awards have a performance period running from 1 April 2012 to 31 March 2015. The performance conditions are a matrix of adjusted free cash flow performance and relative TSR. The vesting date will be in June 2015.
2 Shares granted on 30 June 2009 vested on 30 June 2012. The performance conditions on these awards were a matrix of adjusted free cash flow performance and relative TSR, and the resulting vesting was 100% of maximum. The share price on the vesting date was 179.25 pence.
3 Michel Combes was employed until 31 October 2012.

The aggregate number of shares conditionally awarded during the year to the Executive Committee, other than the executive directors, was 13,360,023 shares. The performance and vesting conditions on the shares awarded in the year are based on a matrix of adjusted free cash flow performance and relative TSR.

Share options

No share options have been granted to directors during the year. The following information summarises the executive directors' options under the Vodafone Group 2008 Sharesave Plan ('SAYE'), the Vodafone Group Plc 1999 Long-Term Stock Incentive Plan ('LTSIP') and the Vodafone GIP. HMRC approved awards may be made under all of the schemes mentioned. No other directors have options under any of these schemes.

Options under the Vodafone Group 2008 Sharesave Plan were granted at a discount of 20% to the market value of the shares at the time of the grant. No other options may be granted at a discount.

	Grant date	At 1 April 2012 or date of appointment Number of shares	Options granted during the 2013 financial year Number of shares	Options exercised during the 2013 financial year Number of shares	Options lapsed during the 2013 financial year Number of shares	Options held at 31 March 2013 Number of shares	Option price Pence[1]	Date from which exercisable	Expiry date	Market price on exercise Pence
Vittorio Colao										
GIP	Nov 2006	3,472,975	–	(3,472,975)	–	–	135.50	Nov 2009	Nov 2016	177.53
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**	**–**	**(3,472,975)**	**–**	**3,020,143**				
Andy Halford										
LTSIP	Jul 2005	1,291,326	–	(1,291,326)	–	–	145.25	Jul 2008	Jul 2015	177.41
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	161.15
SAYE	Jul 2012	–	6,233	–	–	6,233	144.37	Sep 2015	Feb 2016	–
Total		**3,596,584**	**6,233**	**(1,300,995)**	**–**	**2,301,822**				
Michel Combes[3]										
SAYE	Jul 2009	9,669	–	(9,669)	–	–	93.85	Sep 2012	Feb 2013	167.60
Total		**9,669**	**–**	**(9,669)**	**–**	**–**				
Stephen Pusey										
GIP	Sep 2006	1,034,259	–	–	–	1,034,259	113.75	Sep 2009	Aug 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	170.35
Total		**1,991,484**	**–**	**(9,669)**	**–**	**1,981,815**				

Notes:
1 The closing trade share price on 31 March 2013 was 186.60 pence. The highest trade share price during the year was 191.75 pence and the lowest price was 154.20 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.
3 Michel Combes was employed until 31 October 2012.

Audited information for non-executive directors serving during the year ended 31 March 2013

	Salary/fees 2013 £'000	Salary/fees 2012 £'000	Benefits[1] 2013 £'000	Benefits[1] 2012 £'000	Total 2013 £'000	Total 2012 £'000
Chairman						
Gerard Kleisterlee[2]	600	438	56	46	656	484
Senior Independent Director						
Luc Vandevelde	154	140	12	20	166	160
Non-executive directors						
Renee James[3]	151	139	83	56	234	195
Alan Jebson[3]	151	145	55	35	206	180
Samuel Jonah[3]	157	139	52	23	209	162
Omid Kordestani	10	–	–	–	10	–
Nick Land	140	140	–	–	140	140
Anne Lauvergeon	115	115	7	4	122	119
Anthony Watson	115	115	–	–	115	115
Philip Yea	115	115	–	–	115	115
Former non-executive directors						
Sir John Bond (retired 26 July 2011)	–	200	–	1	–	201
Sir John Buchanan (retired 24 July 2012)	58	175	–	–	58	175
Total	**1,766**	**1,861**	**265**	**185**	**2,031**	**2,046**

Notes:
1 An explanation of these benefits can be found on page 82.
2 The figure shown in 2012 is comprised of his part-year compensation as a non-executive director and part-year compensation as Chairman.
3 Salary/fees include an additional allowance of £6,000 per meeting for directors based outside of Europe.

Directors' remuneration (continued)

Vodafone has been advised that for non-executive directors who are based overseas, any travel expenses in relation to attending board meetings should be included as a benefit. The table on page 81 now includes these travel expenses for both the 2012 and 2013 financial years.

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:

	20 May 2013	31 March 2013	1 April 2012 or date of appointment
Vittorio Colao	6,813,283	6,813,283	3,354,896
Andy Halford	2,174,686	2,174,426	2,527,649
Stephen Pusey	1,132,019	1,132,019	698,264
Renee James	50,000	50,000	50,000
Alan Jebson	82,340	82,340	82,340
Samuel Jonah	55,350	55,350	55,350
Gerard Kleisterlee	109,552	109,552	100,000
Omid Kordestani[1]	–	–	–
Nick Land	35,000	35,000	35,000
Anne Lauvergeon	29,922	29,922	28,936
Luc Vandevelde	91,563	91,563	90,478
Anthony Watson	115,000	115,000	115,000
Philip Yea	61,249	61,249	61,249

Note:
1 Omid Kordestani was appointed to the Board on 1 March 2013.

At 31 March 2013 and during the period from 1 April 2013 to 20 May 2013, 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 2013, members of the Group's Executive Committee at 31 March 2013 had an aggregate beneficial interest in 7,728,527 ordinary shares of the Company. At 20 May 2013 the directors had an aggregate beneficial interest in 10,749,964 ordinary shares of the Company and the Executive Committee members had an aggregate beneficial interest in 7,925,243 ordinary shares of the Company, which includes the addition of a new Executive Committee member appointed after 31 March 2013. 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 20 May 2013 there had been no change to the directors' interests in share options from 31 March 2013 (see page 81).

Other than those individuals included in the table above, at 20 May 2013 members of the Group's Executive Committee held options for 2,592,271 ordinary shares at prices ranging from 115.3 pence to 167.8 pence per ordinary share, with a weighted average exercise price of 162.2 pence per ordinary share exercisable at dates ranging from July 2008 to July 2017.

Renee James, Alan Jebson, Samuel Jonah, Gerard Kleisterlee, Omid Kordestani, Nick Land, Anne Lauvergeon, Luc Vandevelde, Anthony Watson and Philip Yea held no options at 20 May 2013.

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

21 May 2013