



Terms of Reference of the Vodafone Remuneration Committee

1. Introduction

The objective of the Remuneration Committee (the “Committee”) is to set, assess and recommend for shareholder approval the Remuneration Policy for Executive Directors, set the remuneration of the Executive Directors in line with the shareholder approved policy, and approve the remuneration for the Chair of the Board and members of the Executive Committee.

2. Membership

2.1 Members of the Committee shall be appointed by the Board of Directors (the “Board”) of Vodafone Group Plc (the “Company”), on the recommendation of the Nominations and Governance Committee and in consultation with the Committee Chair.

2.2 The Committee shall be composed of not less than three members, all of whom are independent Non-Executive Directors. The Chair of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chair of the Board.

2.3 The Board shall appoint the Committee Chair. Before appointment, the Committee Chair will have served on a remuneration committee for at least 12 months, wherever practicable. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the Committee meeting who would qualify under these Terms of Reference to be appointed to that position by the Board. The Chair of the Board shall not be Committee Chair.

3. Quorum

The quorum necessary for the transaction of business shall be any two members of the Committee.

4. Meetings

4.1 The Committee shall meet at least three times a year and otherwise as required.

4.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals, such as the Chair of the Board and the Chief Executive, may be invited to attend for all or part of any Committee meeting, as and when appropriate and necessary.

4.3 The Company Secretary shall be the Secretary of the Committee or, with the consent of the Committee Chair, such person as the Company Secretary shall nominate.

5. Annual General Meeting

The Committee Chair shall attend the Annual General Meeting of the Company and shall answer any questions on the Committee's activities and its responsibilities.

6. Duties

The Committee shall:

6.1 Determine on behalf of the Board, the Company's policy for the remuneration of the Executive Directors and the Company's policy for the remuneration of the members of the Executive Committee. No Director shall be involved in any decisions as to their own remuneration.

6.2 In determining the remuneration policies for Executive Directors and members of the Executive Committee, the Committee will take into account relevant legal and regulatory requirements, the principles and provisions of the UK Corporate Governance Code (the “Code”) and associated guidance, and any other factors which it deems relevant. The Committee's guiding principles in respect of remuneration will be stated annually in the Directors' Remuneration Report.

6.3 Within the terms of the shareholder approved Remuneration Policy and in consultation with the Chair of the Board and/or Chief Executive, as appropriate, determine:

- the remuneration packages for the Executive Directors including bonuses, incentive payments and share options or other share awards and the fees for the Chair of the Board; and
- the remuneration packages for other members of the Executive Committee.

The Board, in conjunction with the Chairman, determines the remuneration of the Non-Executive Directors within the limits set in the Articles of Association.



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- 6.4 Review the design of all share option schemes and executive incentive plans for approval by the Board and shareholders. For any such plans, determine each financial year whether awards will be made, and if so, the overall amount of such awards, the individual awards to the Executive Directors and other designated senior executives, and the performance targets to be used.
- 6.5 Approve the design of the bonus schemes operated by the Company for the Executive Committee members and approve the total annual payments made under such schemes.
- 6.6 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board.
- 6.7 Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

7. Reporting

The Committee shall:

- 7.1 Report to the Board, through the Committee Chair, on its proceedings after each Committee meeting on all matters within its duties and responsibilities.
- 7.2 Oversee and approve a report for inclusion in the Company's Annual Report, which will include an Annual Statement from the Committee Chair, a Policy Report, and an Annual Report on Remuneration. The structure and content of the report will take into account relevant legal requirements and governance trends at the time of publication.
- 7.3 If the Committee has appointed remuneration consultants, the Annual Report on Remuneration should identify such consultants and state whether they have any other connection with the Company or individual Directors. The Committee shall ensure that the Annual Report on Remuneration is put forward each year to shareholders for an advisory vote at the Annual General Meeting and that the Policy Report is put forward when required by law to shareholders for a binding vote.

- 7.4 Through both the Chair of the Board and the Committee Chair (who shall have the relevant authority and responsibility), ensure that the Company maintains contact as required with its principal shareholders about remuneration.

8. Terms of Reference

The Committee shall review these Terms of Reference periodically and consider whether to recommend any changes to the Board.

These Terms of Reference were approved by the Board of Vodafone Group Plc on 26 March 2019.