

Vodafone Share Incentive Plan

This document is designed to help with questions you may have regarding the shares you hold in the Vodafone Share Incentive Plan (SIP). If you have a question that is not answered in this document please contact Computershare, the plan administrators, on 0870 702 0198.

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Contributions

What is the maximum that I can contribute to the SIP?

You decide how much you want to contribute to buying shares in the SIP each month. This can be a minimum of £10 and a maximum of £125 but must not be more than 5% of your monthly salary and must be a multiple of £5. If the amount you choose is greater than the limits described above, it will automatically be reduced to a level within the limits.

Can I change or stop my contributions to the SIP?

You can change or stop your monthly contributions at any time. Go to the 'Contributions' page of the 'My Holdings' section on the Computershare website and click on the 'Change' link. Any instructions submitted online before the last working day of each month will change your contribution from your next month's salary payment.

What happens if I am on maternity leave, long term sick leave or a sabbatical?

You will still be able to make contributions to the Plan providing you are being paid salary or maternity/sick pay through the Vodafone payroll. For any month in which you receive no pay you will not be able to make a contribution to the Plan. If your pay decreases and your contribution level is reduced your contributions will remain at this reduced level.

To rejoin the SIP, or increase your contributions when you return to full pay, you will need to apply on the Computershare website, as described in the question above, or (if you joined the SIP before May 2008) by requesting a form from Computershare. There is no opportunity to make up for missed or reduced contributions at a later date when you return to full pay.

My Plan account

I am looking at the details of my Matching Shares/Dividend Shares. What does "Taxation Period end" mean?

This is the day that the shares you are looking at become free of any income tax or NIC liability. They will be shown as Matured Shares on your Plan account on the day following the end of the Taxation Period.

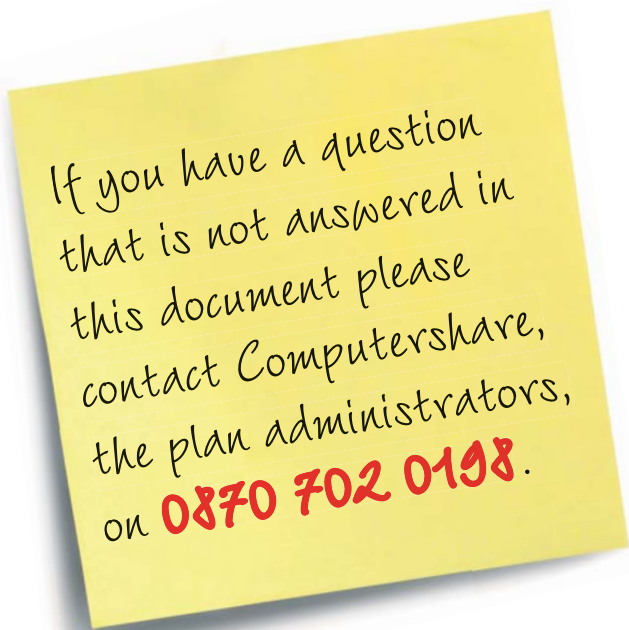
I am looking at the details of my Matching Shares/Dividend Shares. What does "Holding Period end" mean?

This is the first day that you are able to sell or transfer the shares.

Selling shares

How do I sell shares held in the SIP?

Employees can sell available shares using the online dealing facility offered by Computershare. Just go to your 'My Holdings' page and select the 'Sell or Transfer Shares' button on the right hand side. Please note that the dealing charges are £15.00 per sale.



If you have a question that is not answered in this document please contact Computershare, the plan administrators, on **0870 702 0198**.

Selling shares (continued)

How will I be paid sale proceeds?

If you decide to sell any shares, the way the sale proceeds are paid depends on whether income tax/NIC is due on the shares that have been sold.

If you are selling shares identified on your Plan account as Matured Shares there is no income tax/NIC liability and so the sale proceeds will be transferred to the bank account you have stored on the Computershare website (within 5 days of the sale). Before placing a sale instruction, please make sure that your bank details are correct. (You can amend your bank details at any time by selecting 'My Details' and the 'Banking Details' link on the left hand menu).

If you are selling shares identified on your Plan account as Employee Purchased Shares, Matching Shares or Dividend Shares (i.e. shares which are not Matured Shares) there will be an income tax/NIC liability. This means we need to process the sale through payroll and so you will receive the net proceeds in the following month's payroll.

How do I know if my shares are subject to income tax and NICs?

Shares held in the SIP for more than five years are not liable to income tax and NIC deductions when you take them out of the Plan through sale or transfer. As soon as your shares (Employee Purchased Shares, Matching Shares or Dividend Shares) have been held for five years they show on your Plan account as Matured Shares.

Shares which are not Matured Shares are liable to income tax and NIC. There is a table in the brochure (see "Taking your shares out") which explains this in greater detail.

Transferring shares

How do I transfer shares held in the SIP?

You can instruct that shares available to you are transferred out of the Plan into your own name by using the online transfer facility offered by Computershare. Just follow the 'Transact' and 'All Transactions' links on the Computershare site. Please note that if the shares are liable to income tax and NIC this amount would need to be settled before the shares can be transferred.

How will the shares be transferred to me?

After submitting your transfer request, a share certificate will be issued in your name and posted to your home address. There is a charge to you for obtaining a replacement share certificate so please check your address details held on the Computershare website are correct before placing a transfer request. You can check the address details that are held for you by following the 'My Details' tab and then the 'Personal Details' link on the left hand menu. If you need to change your address, please contact AskHR. You cannot change your address through the Computershare website.

Can I transfer my shares to someone else?

You cannot transfer your shares to someone else directly from the Plan. However you can transfer the shares into your own name and once this has been done, make a further transfer.

Dividends

What are dividends?

A dividend is a portion of the company's profits that is given back to shareholders.

How are dividends paid?

You will be eligible to receive any dividends that are declared by Vodafone on the shares that you hold in the SIP. Any dividends paid on your shares will be automatically reinvested in additional Vodafone shares that will be added to your SIP account. These additional Shares are identified as Dividend Shares on your Plan account.

Will I need to keep records?

You must keep full records of your participation in the SIP so that you can satisfy your tax reporting obligations. You may have to pay income tax or NICs if you leave Vodafone or take your shares out of the Plan within five years.

To assist you, Computershare make an annual statement of your account available shortly after the end of March, and also a transaction summary following any share sales. You are also able to create statements using the online tool on the Computershare website – you can select a particular date range and download the information you require. This can be accessed from the 'My Holdings' page and selecting 'Create Statement' from the left hand menu.

Leaving Vodafone

What if I leave the Vodafone Group?

If you leave the Vodafone Group, all the shares in your SIP account will be made available to you following the next purchase of shares through the Plan (usually the 8th working day of the each month). Computershare will write to you shortly after you have left and ask whether you wish to sell your shares or have them transferred to you.

If you leave Vodafone due to retirement on or after age 50, redundancy, injury or disability, no income tax or NICs will be payable on the shares. If you leave for any other reason, income tax and NICs will usually be payable. For SIP tax purposes you are regarded as having ceased employment on the date you leave Vodafone, or if you left after the salary payment day of any month (usually the 28th calendar day) and made a contribution from that month's salary, the date of your last purchase of shares through the Plan.

Please note: When Vodafone makes payments to a person after they have left the company, income tax is deducted through payroll at the basic rate. If you are a higher rate taxpayer, you will have further income tax to pay through your tax return and self assessment.

Transferring overseas

What happens if I transfer overseas?

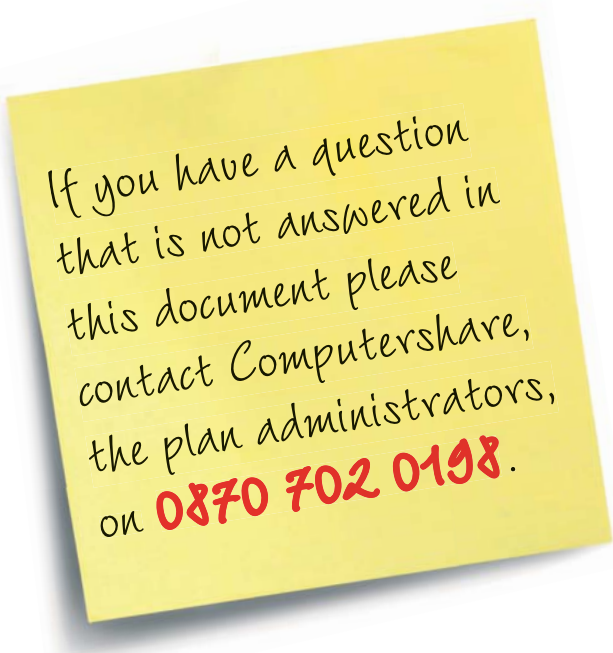
If you permanently transfer to a Vodafone company outside the UK, you will not be able to make further contributions to the Plan, but you can keep your existing shares in your Plan account. You can contact Computershare from overseas by emailing Vodafone@computershare.co.uk or by calling their helpline on **+44 (0)870 702 0198**.

How do I keep my contact details up-to-date once I transfer overseas?

You must ensure that Computershare always hold your current address so they can write to you about your account when necessary – to do this, please email the UK Benefits team at benefitsteam@vodafone.com

What if I leave the Vodafone Group after transferring overseas?

You will need to inform the UK Benefits team at benefitsteam@vodafone.com that you have left Vodafone so they can advise Computershare to give you access to your shares. Please ensure you provide the Benefits team with your address details.



If you have a question that is not answered in this document please contact Computershare, the plan administrators, on **0870 702 0198**.

Disclaimer

Please be advised that no information contained within this document should be taken as a recommendation to sell or not to sell your shares – the choice is yours. If you are in any doubt as to the financial implications of selling your shares, you should seek the advice of a qualified independent financial advisor. Should any discrepancy arise between the information provided in this booklet and the rules of the Plan, the Plan Rules will be the prevailing authority.

The tax information contained in this document is based on the current legislation which is applicable to employees who are resident and ordinarily resident in the UK for tax purposes. You should note that this legislation may change.