

Notice of annual general meeting

Vodacom Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1993/005461/06)

(ISIN: ZAE000132577 Share code: VOD)

(ISIN: US92858D2009 ADR code: VDMCY)

('Vodacom' or 'the Company')

Notice is hereby given that the twenty-first annual general meeting of the Company will be held on Tuesday 19 July 2016, Vodacom World, 082 Vodacom Boulevard, Midrand, Johannesburg, South Africa at 13:00 to conduct the following business:

1. Adoption of audited consolidated annual financial statements

To receive and consider the audited consolidated annual financial statement for the year ended 31 March 2016.

Ordinary resolution number 1

"RESOLVED THAT the audited consolidated annual financial statements of the Company and its subsidiaries, together with the auditors', Audit, Risk and Compliance Committee and directors' reports for the year ended 31 March 2016, be and are hereby received and adopted."

Copies of the full audited consolidated annual financial statements for the year ended 31 March 2016 are obtainable from the Company's website www.vodacom.com.

2. Election of directors

To elect by way of separate resolutions:

- 2.1 Mr T Streichert as a director, having been appointed since the last annual general meeting of the Company is in accordance with the provisions of the Company's memorandum of incorporation, obliged to retire at this annual general meeting.

Ordinary resolution number 2

"RESOLVED THAT Mr T Streichert be and is hereby elected as a director of the Company."

- 2.2 Mr M Pieters as a director, also having been appointed since the last annual general meeting of the Company is in accordance with the provisions of the Company's memorandum of incorporation, obliged to retire at this annual general meeting.

Ordinary resolution number 3

"RESOLVED THAT Mr M Pieters be and is hereby elected as a director of the Company."

- 2.3 Ms S Timuray and Messrs JWL Otty, PJ Moleketi and MS Aziz Joosub are obliged to retire by rotation at this annual general meeting in accordance with the provisions of the Company's memorandum of incorporation. Having so retired, Ms Timuray and Messrs Otty, Moleketi and Aziz Joosub are eligible for re-election as directors.

Ordinary resolution number 4

"RESOLVED THAT Ms S Timuray be and is hereby re-elected as a director of the Company."

Ordinary resolution number 5

"RESOLVED THAT Mr JWL Otty be and is hereby re-elected as a director of the Company."

Ordinary resolution number 6

"RESOLVED THAT Mr PJ Moleketi be and is hereby re-elected as a director of the Company."

Ordinary resolution number 7

"RESOLVED THAT Mr MS Aziz Joosub be and is hereby re-elected as a director of the Company."

The profiles of the directors up for re-election appear in this notice of annual general meeting:

Till Streichert (42)

Chief Financial Officer and executive director of Vodacom Group

Member of the Vodacom Group Executive Committee

Non-executive director of Vodacom South Africa

(Dr. Phil (University of Hanover, Germany))

Till was appointed as the Chief Financial Officer of Vodacom Group in August 2015, having previously held the role of Executive Director Finance: Vodacom South Africa, from February 2014. Prior to joining Vodacom, Till was the CFO at Vodafone Romania and held a number of senior finance and commercial roles in Romania, including Director of Channel Marketing, Logistics and Sales Operations, Director of Financial Planning, Reporting and Finance Operations. Till started his career working for the CEO of T-Mobile Germany before undertaking various senior roles at T-Mobile UK. He has also served as a strategy consultant at The Boston Consulting Group.

Marten Pieters (62)

Non-executive director

(LLM and postgraduate course in Economics)

Marten is the former CEO and managing director of Vodafone India, a role he held from April 2009 until April 2015. He is also a member of the Board of Directors of Oi, the Brazilian operator and Chairman of the Supervisory Board of Investment Fund for Health in Africa B.V. Marten was also the Chairman of the board of the Cellular Operators in India. He is the former non-executive director of Millicom International Cellular (2008 to 2009) and was CEO of Celtel International B.V., the pan-African operator from 2003 until 2007. Prior to this, Marten held various senior roles at KPN, the incumbent operator in The Netherlands, as CEO of KPN Business Solutions. Before he joined KPN, he was director of finance and strategic planning at Royal Smilde Foods and had been CEO of some of its Dutch subsidiaries. He is currently a non-executive director for Vodafone India, Chairman of the Board of Indus, the biggest tower company in the world and the Chairman of the Social Investor Foundation for Africa. He is also a member of the Supervisory Board of the Investment Fund for Health in Africa. Marten was appointed to the Vodacom Group Board in October 2015.

Serpil Timuray (47)

Non-executive director

Member of the Remuneration Committee and the Nomination Committee

(Bachelor's degree in Business Administration from Bogazici University)

Serpil is Executive Committee member of Vodafone Group and as Regional CEO of Africa, Middle East, Asia, Pacific as of January 2014. Timuray is an independent director to Danone Group since April 2015 and sits on the Board of Trustees at Koç University. Timuray also serves as non-executive director to the Board of Vodacom Group, since September 2012, Vodafone India, Vodafone Hutchison Australia, Safaricom Kenya since November 2013 and Vodafone Qatar since June 2014. Timuray joined Vodafone as CEO Turkey in January 2009. Prior to this role, she was the CEO of Danone Turkey from 2002 to 2008. She began her career in marketing in 1991 at Procter & Gamble where she was later on appointed to the Executive Committee of P&G Turkey. Timuray was ranked 15th amongst the Fortune's 'Most powerful women of Europe, Middle East and Africa' in 2015 and 2014, 79th amongst the 'World's 125 Women of Impact' by Newsweek in 2013 and selected as a 'Young Global Leader' by World Economic Forum in 2009. She was elected as 'The Professional of the Year' in Turkey for 2013, 2011 and 2010. A graduate of Bogazici University in Business Administration.

Phillip Jabulani Moleketi (Jabu) (58)

Independent non-executive director

Chairman of the Social and Ethics Committee

Member of the Audit, Risk and Compliance Committee

(Postgraduate Diploma in Economic Principles (London), AMP (Harvard), MSc (London))

Jabu is non-executive chairman of Brait SA and the Development Bank of South Africa. He is a former Deputy Minister of Finance (2004 to 2008) and former MEC of Financial and Economic Affairs in the Gauteng Provincial Government (1994 to 2004). He is a director of several companies listed on the JSE Limited. Jabu was appointed to the Vodacom Group Board in November 2009.

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John William Lorimer Otty (52)

Non-executive director

(MA Electronic Engineering) (ACA)

John is the Vodafone CFO for Africa, Middle East and Asia Pacific region. He joined Vodafone in December 1992 and has held a number of senior executive positions in Vodafone, including that of Group technology financial director, interim CFO of Vodafone India and Vodafone Group Plc internal audit director. He was appointed to the Vodacom Group Board in September 2012.

Mohamed Shameel Aziz Joosub (45)

Chief Executive Officer and executive director of Vodacom Group

Chairman of the Vodacom Group Executive Committee and Vodacom (Pty) Limited

Bachelor of Accounting Science (Honours) (Unisa) and MBA (Southern Queensland University, Australia), Associated General Accountant and Commercial and Financial Accountant (SA)

Shameel is a former CEO of Vodafone Spain. He was previously the Managing Director of Vodacom South Africa and a director of the Vodacom Group Board from 2000 until 2010 prior to his secondment to Vodafone Spain. Shameel joined Vodacom in March 1994 after completing his articles and has been Managing Director in a number of Vodacom companies since 1998. He was re-appointed to the Vodacom Group Board in September 2012 after his return from Vodafone Spain.

3. Appointment of PricewaterhouseCoopers Inc. as auditors of the Company

To appoint PricewaterhouseCoopers Inc., as nominated by the Company's Audit, Risk and Compliance Committee, as independent auditors of the Company, to hold office until the conclusion of the next annual general meeting of the Company. It is noted that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2017, is Mr DB von Hoesslin.

Ordinary resolution number 8

"RESOLVED THAT PricewaterhouseCoopers Inc. be and are hereby appointed as the auditors of the Company to hold office until the conclusion of the next annual general meeting."

4. Approval of the remuneration philosophy

To consider and approve the remuneration philosophy as contained in the Remuneration report for the year ended 31 March 2016 as set out on pages 65 to 69 of the integrated report.

Ordinary resolution number 9

"RESOLVED THAT the remuneration philosophy for the year ended 31 March 2016 be and is hereby approved."

Shareholders are reminded that in terms of King III, the passing of this ordinary resolution is by way of a non-binding vote.

5. Appointment of the members of the Audit, Risk and Compliance Committee

To elect, by way of separate resolutions, the following independent non-executive directors, as members of the Company's Audit, Risk and Compliance Committee:

Ordinary resolution number 10

"RESOLVED THAT Mr DH Brown be and is hereby re-elected as a member of the Company's Audit, Risk and Compliance Committee."

Ordinary resolution number 11

"RESOLVED THAT Mr PJ Moleketi be and is hereby re-elected as a member of the Company's Audit, Risk and Compliance Committee."

Ordinary resolution number 12

"RESOLVED THAT Ms BP Mabelane be and is hereby re-elected as a member of the Company's Audit, Risk and Compliance Committee."

The profiles of the directors up for membership appear in this notice of annual general meeting:

David Hugh Brown (53)**Independent non-executive director**

Chairman of the Audit, Risk and Compliance Committee

Member of the Remuneration Committee

(BCom, CTA (UCT), CA(SA))

David was appointed as CEO of Coal of Africa Limited effective from February 2014. He was previously the non-executive Chairman from August 2012 and then the executive Chairman. He is a former non-executive director of Edcon Holdings Limited as well as the former Chairman of the Edcon Audit and Risk Committee. He is the former CEO of Impala Platinum Holdings Limited (Implats) and was Chairman of Impala Platinum Limited and Zimplats Holdings Limited, the two major operating subsidiaries within the Implats Group. David was CEO from 2006 to 2012 and before that, he served as Chief Financial Officer from 1999. Prior to that, David worked in the Information Technology sector for four years and for the Exxon Mobil Corporation in Europe for five years. He served his articles with EY. David was appointed to the Vodacom Group Board in January 2012.

Bafelelang Priscillah Mabelane (43)**Independent non-executive director**

Member of the Audit, Risk and Compliance Committee

(BCom (Hons), CA(SA), Dip in Tax)

Priscillah is currently the Retail Operations Director of BP Oil UK Limited, a position she has held since August 2015. Prior to this, she was the Chief Financial Officer of BP Southern Africa (BPSA). Prior to joining BPSA, Priscillah was the Executive Director of Finance at the Airports Company of South Africa (ACSA), responsible for the development and implementation of financial strategies for the Group. She has held senior management roles in a number of large companies. These include Ernst & Young where she was a Tax Director, Eskom Holdings Limited where she held various roles in Finance, Tax and General Management. She also served as a non-executive director at ACSA. Priscillah was appointed to the Vodacom Group Board in December 2014.

6. Special business**6.1 General authority to repurchase shares in the Company****Special resolution number 1**

"RESOLVED THAT the Company, or any of its subsidiaries, be and they are hereby authorised, by way of a general authority, to acquire ordinary shares in the Company, subject to the provisions of the Companies Act, No 71 of 2008, as amended (the Act), and the Listings Requirements of the JSE Limited (the JSE), provided that:

- (a) the general authority in issue shall be valid only until the Company's next annual general meeting and shall not extend beyond 15 (fifteen) months from the date of this resolution;
- (b) any general repurchase by the Company and/or any of its subsidiaries of the Company's ordinary shares in issue shall not in aggregate in one financial year exceed 5% (five percent) of the Company's issued ordinary share capital at the time that the authority is granted;
- (c) no acquisition may be made at a price more than 10% (ten percent) above the weighted average of the market price of the ordinary shares for 5 (five) business days immediately preceding the date of such acquisition;
- (d) the repurchase of the ordinary shares are effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- (e) the Company may only appoint one agent at any point in time to effect any repurchase(s) on the Company's behalf;
- (f) the authorisation thereto is given by the Company's memorandum of incorporation;
- (g) the Company or its subsidiary may not repurchase ordinary shares during a prohibited period unless it has in place a repurchase programme where the dates and quantities of securities traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently and uninfluenced by the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- (h) the general authority may be varied or revoked by special resolution of the members prior to the next annual general meeting of the Company; and

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- (i) should the Company or any subsidiary cumulatively repurchase, redeem or cancel 3% (three percent) of the initial number of the Company's ordinary shares in terms of this general authority and for each 3% (three percent) in aggregate of the initial number of that class thereafter in terms of this general authority, an announcement shall be made in terms of the Listings Requirements of the JSE."

Having considered the effect on the Company of the maximum repurchase under this annual general authority, the directors are of the opinion that:

- ➔ the Company shall meet a solvency and liquidity test as contemplated in the Act;
- ➔ the Company and the Group will be able to pay its debts for a period of 12 (twelve) months after the date of this notice of annual general meeting;
- ➔ the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 (twelve) months after the date of this notice of annual general meeting which assets and liabilities have been valued in accordance with the accounting policies used in the audited consolidated annual financial statements of the Group for the year ended 31 March 2016;
- ➔ the share capital and reserves of the Company and the Group will be adequate for the ordinary course of business purposes for a period of 12 (twelve) months after the date of this notice of annual general meeting; and
- ➔ the working capital of the Company and Group are considered adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of annual general meeting.

Reason for and effect of special resolution number 1

The reason for the special resolution is to grant the Company a general authority or permit a subsidiary Company to acquire ordinary shares in the Company. The effect of this special resolution is to confer a general authority on the Company or a subsidiary to repurchase ordinary shares in the Company which are in issue from time to time.

The Board has considered the impact of a repurchase of up to 5% (five percent) of the Company's shares, being within the maximum permissible under a general authority in terms of the JSE Listings Requirements. Should the opportunity arise and should the directors deem it in all respects to be advantageous to the Company to repurchase such shares, it is deemed appropriate that the Company or a subsidiary be authorised to repurchase the Company's shares. Any shares that may be repurchased for the time being shall be in connection with awards made in the normal course in respect of the Company's Forfeitable Share Plan. During the financial year 2016, the Company acquired 1 767 453 shares in the market for purposes of awards of the Forfeitable Share Plan.

Disclosure in terms of section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures, which are disclosed in the audited annual financial statements and this integrated report as set out below:

	Page
Major shareholders	80

Share capital

Authorised

4 000 000 000 ordinary shares of no par value

Issued

1 487 954 000 ordinary shares of no par value

Directors' responsibility statement

The directors, whose names appear on page 56 collectively and individually accept full responsibility for the accuracy of the information pertained to this special resolution and certify to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and this special resolution contains all the information required by the JSE Listings Requirements.

Material change

There has been no material change in the affairs of or financial position of the Company and its subsidiaries since year end.

6.2 Increase in non-executive directors' fees

Special resolution number 2

"RESOLVED THAT the level of non-executive directors' fees be increased with effect from 1 August 2016 on the basis set out as follows:

	Current fee R	Proposed fee R	Increase %
Chairman of the Board ¹	2 100 000	2 300 000	9.52
Member of the Board	360 000	390 000	8.33
Chairman of the Audit, Risk and Compliance Committee	300 000	320 000	6.67
Member of the Audit, Risk and Compliance Committee	160 000	175 000	9.37
Chairman of the Remuneration Committee	230 000	240 000	4.35
Member of the Remuneration Committee	130 000	135 000	3.85
Chairman of the Nomination Committee	210 000	210 000	0.00
Member of the Nomination Committee	120 000	120 000	0.00
Chairman of the Social and Ethics Committee	200 000	210 000	5.00
Member of the Social and Ethics Committee	115 000	120 000	4.35
Other ²	100 000	100 000	0.00

1. This is an all in fee. The Chairman does not earn any other fees other than this despite being the Chairman of the Nomination Committee and member of the Social and Ethics Committee.

2. Other fees are for payment of attendance of ad hoc committees that may be set up from time to time to deal with special items requiring attention by the Board. Instead of convening a full Board meeting, these ad hoc committees then meet to review the matter concerned.

Reason for and effect of special resolution number 2

The reason for proposing special resolution number 2 is to ensure that the level of fees paid to non-executive directors remain competitive to enable the Company to attract and retain persons of the calibre required in order to make a meaningful contribution to the Company, having regard to the appropriate capability, skills and experience required.

The effect of special resolution number 2 is the level of fees as set out above is increased with effect from 1 August 2016.

6.3 Sections 44 and 45: approval – financial assistance to staff and executives of the Group to subscribe for or acquire options or securities in the Company

Special resolution number 3

"RESOLVED THAT the Board of Directors of the Company ('Board') be and is hereby authorised in terms of sections 44(3)(a)(ii) and 45(3)(a)(ii) of the Companies Act, No 71 of 2008, as amended ('the Act'), as a general approval (which approval will be in place for a period of two years from the date of adoption of this special resolution number 3), to authorise the Company to provide direct or indirect financial assistance ('financial assistance' will herein have the meaning attributed to such term in sections 44(1) and 45(1) of the Act) to any staff member or executive employed by the Company or by any subsidiary of the Company ('subsidiary' will herein have the meaning attributed to such term in section 3 of the Act) ('Group') for purposes of, or in connection with, the subscription for or acquisition of any option or securities issued or to be issued by the Company or a related or inter-related company ('related or inter-related' will herein have the meaning attributed to such terms in section 2 of the Act), for the sole purpose of implementing a Black Economic Empowerment (BEE) transaction for the benefit of staff and executives of the Group.

Reason for and effect of special resolution number 3

The Company is considering various proposals with regards to implementing a BEE transaction for the benefit of staff and executives of the Group. These proposals include staff and executives directly or indirectly subscribing for and/or acquiring options or securities issued or to be issued by the Company or a related or inter-related company.

The purpose for this resolution is to grant the Board the authority to provide loans, guarantees and/or other financial assistance for the sole purpose of assisting staff and executives of the Group to directly or indirectly subscribe for and/or acquire options or securities issued or to be issued by the Company or a related or inter-related company for purposes of the BEE transaction so contemplated. The authority from shareholders sought in terms of special resolution number 3 is required only to the extent that the provision of the financial assistance falls outside the parameters of sections 44(3)(a)(i) or 45(3)(a)(i) of the Act, namely where the financial assistance is given pursuant to an employee share scheme that satisfies the requirements of section 97.

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The Board undertakes that it will not adopt a resolution to authorise such financial assistance, unless it is satisfied that:

- ➔ immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test ('solvency and liquidity test' will have the meaning attributed to such term in section 4 of the Act);
- ➔ the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- ➔ the provisions of the Company's memorandum of incorporation relating to the provision of such financial assistance are complied with, all as required by the relevant provisions of the Act."

Record date

The record date for shareholders to be registered in the books of the Company for purposes of being entitled to attend, speak and vote at the 21st annual general meeting is Friday 8 July 2016.

In accordance with the Act, shareholders attending the annual general meeting will need to present reasonable satisfactory identification such as an identity book, passport or driver's licence.

Participation by way of electronic means

Shareholders or their proxies may participate in the annual general meeting by way of electronic means. Such shareholder (or proxy) will need to contact Mr Lebogang Mogoane at Vodacom on +27 11 653 5922 by no later than 09:00 on Friday 15 July 2016 so that the Company can provide for a teleconference dial-in-facility. Shareholders must ensure that, when such shareholder intends to participate via teleconference that the voting proxies are sent through to the transfer secretaries, Computershare Proprietary Limited by no later than 13:00 on Monday 18 July 2016. Participants must dial the following number, five (5) minutes prior to start of the annual general meeting: +27 11 535 3600.

Voting and proxies

Ordinary shareholders are entitled to attend, speak and vote at the annual general meeting.

Ordinary shareholders may appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company.

In accordance with the Company's memorandum of incorporation, voting shall be by ballot only.

Special resolutions to be adopted at this annual general meeting require approval from 75% of the shares represented in person or by proxy at this meeting. Ordinary resolutions to be adopted only require approval of a simple majority.

Shareholders holding dematerialised shares, but not in their own name must furnish their Central Securities Depository Participant (CSDP) or broker with their instructions for voting at the annual general meeting. If your CSDP or broker, as the case may be, does not obtain instructions from you, it will be obliged to act in accordance with your mandate furnished to it, or if the mandate is silent in this regard, complete the form of proxy enclosed.

Unless you advise your CSDP or broker, in terms of the agreement between you and your CSDP or broker by the cut off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you at this annual general meeting, your CSDP or broker will assume that you do not wish to attend the annual general meeting or send a proxy.

If you wish to attend the annual general meeting or send a proxy, you must request your CSDP or broker to issue the necessary letter of authority to you. Shareholders holding dematerialised shares, and who are unable to attend the annual general meeting and wish to be represented thereat, must complete the form of proxy enclosed in accordance with the instructions therein and lodge it with or mail to the transfer secretaries.

Forms of proxy (which form may be found enclosed) should be forwarded to reach the transfer secretaries, Computershare Proprietary Limited by no later than 13:00 on Monday 18 July 2016.

The completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

By order of the Board



Sandi Linford

Group Company Secretary
17 June 2016