

Notice of annual general meeting

VODACOM GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1993/005461/06)

(JSE share code: VOD)

ISIN: ZAE000132577

('Vodacom' or 'the Company')

Notice is hereby given that the sixteenth annual general meeting of the Company will be held on Thursday 4 August 2011 in Talk 200, Vodacom World, 082 Vodacom Boulevard, Midrand, Johannesburg, South Africa at 11:00 to conduct the following business:

1. Adoption of audited consolidated annual financial statements

To receive and consider the audited consolidated annual financial statements for the year ended 31 March 2011.

Ordinary resolution number 1

"RESOLVED THAT the audited consolidated annual financial statements of the Company and its subsidiaries, together with the reports of the auditors, Audit, Risk and Compliance Committee and directors' for the year ended 31 March 2011, be and are hereby received and adopted."

2. Election of directors

To elect by way of separate resolutions:

- 2.1 Mr NJ Read and Ms A Kekana as directors, having been appointed since the last annual general meeting of the Company are, in accordance with the provisions of the Company's articles of association, obliged to retire at this annual general meeting.

Ordinary resolution number 2

"RESOLVED THAT Mr NJ Read, be and is hereby elected as a director of the Company."

Ordinary resolution number 3

"RESOLVED THAT Ms A Kekana be and is hereby elected as a director of the Company."

Nicholas Jonathan Read (46)

FCMA, BA (Hons) Accounting and Finance (Manchester Metropolitan)

Non-executive director

Member of Remuneration Committee and Nomination Committee

Nick is CEO of Vodafone Africa, Middle East and Asia Pacific Region. He is a director of Vodafone Qatar Q.S.C., Indus Towers Limited, Vodafone Egypt S.A.E., Vodafone Essar Limited, Safaricom Limited and Chairman of Vodafone Hutchison Australia Limited. Nick spent 10 years at Federal Express Worldwide where he was Vice President and CFO for Europe, Middle East and Africa, and Vice President Global Corporate Finance and Planning. He is a former CFO of Miller Freeman Worldwide plc, the largest division of the media group, United News and Media plc. Nick joined Vodafone in 2001. He spent six years at Vodafone UK for a short period as CFO, before becoming CCO and then CEO in 2006. He has been in his current role since November 2008 and was appointed to the Vodacom Group Board in September 2010.

Albertinah Kekana (38)

BCom (UCT), Postgraduate Diploma in Accounting (UCT), AMP (Harvard Business School), CA(SA)

Independent non-executive director

Member of Audit, Risk and Compliance Committee

Albertinah is the former COO of the Public Investment Corporation ('PIC'). She was a director, corporate finance at UBS Ag and served as an executive in corporate finance at the London office of NM Rothschild & Sons Limited. She is a member of the boards of Airports Company of South Africa, Advent Asset Management, CBS Community Property Company and Harith Fund Managers. She was appointed to the Vodacom Group Board in May 2011.

- 2.2 Messrs MP Moyo, RAW Schellekens and Ms TM Mokgosi-Mwantembe are obliged to retire by rotation at this annual general meeting in accordance with the Company's articles of association. Having so retired, MP Moyo, RAW Schellekens and TM Mokgosi-Mwantembe are eligible for re-election as directors.

Ordinary resolution number 4

"RESOLVED THAT Mr MP Moyo, be and is hereby re-elected as a director of the Company."

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Ordinary resolution number 5

"RESOLVED THAT Mr RAW Schellekens, be and is hereby re-elected as a director of the Company."

Ordinary resolution number 6

"RESOLVED THAT Ms TM Mokgosi-Mwantembe, 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:

Mthandazo Peter Moyo (48)

BCompt (Hons) (UNISA), HDip Tax Law (Wits), AMP (Harvard Business School), CA(SA)

Independent non-executive director

Chairman of the Board

Chairman of the Nomination Committee and member of the Social and Ethics Committee

Peter is a director and shareholder of the Amabubesi Group. He holds directorships in various Amabubesi Group companies. He is Chairman of Willis South Africa and CSC South Africa. He is non-executive director of Pinnacle Technology Holdings, Liberty Holdings, Liberty Group and Transnet. Peter is the Chairman of the Audit Committee of the Auditor-General's office and serves on the advisory council of the Stellenbosch Business School. He was appointed Chairman of the Vodacom Group Board in May 2009.

Ronald Adrianus Wilhelmus Schellekens (47)

BA (Human Resources Management), MA (Management & Organisation)

Non-executive director

Member of the Remuneration Committee, Nomination Committee and Social and Ethics Committee

Ronald is the Vodafone Group Human Resources Director and a member of the Vodafone Executive Committee. He is a former Executive Vice President HR for Shell's Global downstream business. Before joining Shell, he spent nine years at PepsiCo and eight years at AT&T in various senior positions. He was appointed to the Vodacom Group Board in February 2009.

Thoko Martha Mokgosi-Mwantembe (49)

Diploma in Teaching (Swaziland), BSc (Swaziland), MSc (Loughborough), SEP (Harvard), MCRP (IMD Switzerland)

Independent non-executive director

Chairman of the Remuneration Committee and member of the Nomination Committee

Thoko is CEO of Kutana Investment Group and a director at Knorr Bremse SA (Pty) Limited, Absa Group Limited, Paracon Holdings Limited and Aveng Group. Thoko has held a number of senior executive positions at Telkom, was Marketing Director at Lucent Technologies, a Divisional Managing Director of Siemens Telecommunications, the CEO of Alcatel SA and CEO of Hewlett Packard South Africa. Thoko was the recipient of the BWA Businesswoman of the Year Award in the corporate category in 2007. In 2005 she won the ICT Achiever of the Year Award, Top ICT Businesswoman in Africa Award and ICT Personality of the Year. She was appointed to the Vodacom Group Board in May 2009.

3. Re-appointment of Deloitte & Touche as auditors of the Company

To re-appoint Deloitte & Touche, 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 2012 is Mr PJ Smit.

Ordinary resolution number 7

"RESOLVED THAT Deloitte & Touche, be and are hereby re-appointed as the auditors of the Company to hold office until the conclusion of the next annual general meeting."

4. Approval of the remuneration policy

To consider and approve the remuneration policy as contained in the remuneration report for the year ended 31 March 2011 as set on pages 81 to 82 of the integrated report.

Ordinary resolution number 8

"RESOLVED THAT the remuneration policy for the year ended 31 March 2011 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 advisory 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 9

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

Ordinary resolution number 10

"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 11

"RESOLVED THAT Ms A Kekana 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:

Thomas Andrew Boardman (Tom) (61)

BCom, CTA (Wits), CA(SA)

Independent non-executive director

Chairman of the Audit, Risk and Compliance Committee and member of the Remuneration Committee

Tom was Chief Executive of Nedbank Group Limited from December 2003 to February 2010. He was previously Chief Executive and an executive director of BoE Limited, which was acquired by Nedbank in 2002. He was the founding shareholder and Managing Director of retail housewares chain Boardmans which he sold to Pick 'n Pay in 2006. Previously, he was Managing Director of Sam Newman Limited. He is a non-executive director of Nedbank Group, Woolworths Holdings, Royal Bafokeng Holdings, African Rainbow Minerals Limited and Mutual & Federal Insurance Company Limited. Tom is a director of WWF South Africa and The Peace Parks Foundation, Chairman of The David Rattray Foundation and a trustee of other charitable foundations. He was appointed to the Vodacom Group Board in February 2009.

Phillip Jabulani Moleketi (Jabu) (53)

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

Independent non-executive director

Chairman of the Social and Ethics Committee and member of the Audit, Risk and Compliance Committee

Jabu is non-executive Chairman of Brait SA and the Development Bank of South Africa. He is a former non-executive director of Nedbank and member of the Local Organising Committee 2010 FIFA World Cup. He is a former Deputy Minister of Finance (2004 – 2008) and former MEC of Financial and Economic Affairs in the Gauteng Provincial Government (1994 – 2004). He is a director of several companies listed on the JSE Limited. Jabu was appointed to the Vodacom Group Board in November 2009.

6. Amendment to the rules of the Company's Forfeitable Share Plan

Ordinary resolution number 12

"RESOLVED THAT the amendment to the rules of the Company's Forfeitable Share Plan ('FSP') adopted at the annual general meeting of the Company held at Johannesburg on 31 July 2009, so as to allow that any participant under the FSP, whose employment with the Company or any of its direct or indirect subsidiaries ('Vodacom Group'), is terminated as a result of such participant's employment being transferred to Vodafone Group plc or any company in which Vodafone holds, directly or indirectly, more than 50% (fifty percent) of the equity share capital ('Vodafone Group'), will, for purposes of the forfeitable award which the employee holds and for so long as the employee remains employed by the Vodafone Group, be entitled to the same rights and be subject to the same conditions as if that employee had continued to be an employee of the Vodacom Group, be and is hereby approved in terms of Rule 18.2 of the FSP."

In terms of Section 14.2 of the JSE Listings Requirements and Rule 18.2 of the FSP, the above resolution is required to be approved by shareholders holding a 75% (seventy five percent) majority of the votes cast in favour of the required resolution by all shareholders present or represented by proxy at the annual general meeting, excluding the votes attaching to all shares acquired in terms of the FSP and which may be impacted by the changes.

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7. Special business

7.1 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 or any subsidiary and the counterparty (reported trades are prohibited);
- (e) the Company or any subsidiary may only appoint one agent at any point in time to effect any repurchase(s) on the Company's behalf;
- (f) the Company or its subsidiary may not repurchase ordinary shares during a prohibited period; and
- (g) 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 by Section 46 (g) of 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 2011;
- 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.
- 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; and
- the Board will ensure that the Company's sponsor provides the JSE with the necessary report on the adequacy of the working capital of the Company and its subsidiaries in terms of the JSE Listings Requirements prior to the commencement of any share repurchase in terms of this special resolution.

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 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.

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 consolidated annual financial statements and the integrated report as set out below:

	Book	Page
Directors and management	1	18
Major shareholders	2	21
Directors' interest in securities	2	24
Share capital	2	20

Directors' responsibility statement

The directors, whose names appear on page 23 of Book 2 collectively and individually accept full responsibility for the accuracy of the information pertaining 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.

Litigation statement

The directors, whose names appear on page 23 of Book 2 are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the previous 12 (twelve) months a material effect on the Group's financial position.

Material change

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

7.2 Financial assistance to related or inter-related companies and others

Special resolution number 2

"RESOLVED as a special resolution, to the extent required in terms of, and subject to the provisions of, Section 45 of the Companies Act, No 71 of 2008, as amended, ('the Act') that the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, any direct or indirect financial assistance as contemplated in such section of the Act to any 1 (one) or more related or inter-related companies or corporations of the Company and/or to any 1 (one) or more members of any such related or inter-related company or corporation and/or to any 1 (one) or more persons related to any such company or corporation, on such terms and conditions as the Board of directors of the Company, or any one or more persons authorised by the Board of directors of the Company from time to time for such purpose, deems fit."

Reason for and effect of special resolution number 2

Reason for and effect of this special resolution is to grant the Board of directors of the Company ('the Board') the authority to authorise the Company to provide direct or indirect financial assistance as contemplated in Section 45 of the Act to any one or more related or inter-related companies or corporations of the Company and/or to any or more members of any such related or inter-related company or corporation and/or to any one or more persons related to any such company or corporation.

Notice to shareholders of the Company in terms of Section 45(5) of the Act of a resolution adopted by the Board authorising the Company to provide such direct or indirect financial assistance:

- (a) By the time that this notice of annual general meeting is delivered to shareholders, the Board will have adopted a resolution ('the Section 45 Board Resolution') authorising the Company to provide, at any time and from time to time during the period of 2 (two) years commencing on the date on which special resolution number 2 is adopted, any direct or indirect financial assistance as contemplated in Section 45 of the Act to any one or more related or inter-related companies or corporations of the Company and/or to any or more members of any such related or inter-related company or corporation and/or to any one or more persons related to any such company or corporation.
- (b) The Section 45 Board Resolution will be effective only if and to the extent that special resolution number 2 is adopted by the shareholders of the Company, and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in Section 45(3)(b)(i) of the Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in Section 45(3)(b)(ii).
- (c) In as much as the Section 45 Board Resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of one percent of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to shareholders of the Company. Such notice will also be provided to any trade union representing any employees of the Company.

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7.3 Increase in non-executive directors' fees

Special resolution number 3

"RESOLVED as a special resolution in terms of Section 66(9) of the Companies Act No.71 of 2008, as amended that the level of non-executive directors' fees per annum be increased with effect from 1 August 2011 on the basis set out as follows:

	Current R	Proposed R
Chairman of the Board	1 050 000	1 500 000
Members of the Board	232 000	280 000
Chairman of the Audit, Risk and Compliance Committee	210 000	210 000
Members of the Audit, Risk and Compliance Committee	105 000	130 000
Chairman of the Remuneration Committee	183 750	183 750
Members of the Remuneration Committee	105 000	105 000
Chairman of other committees	105 000	140 000
Members of other committees	52 500	80 000"

Reason for and effect of special resolution number 3

The reason for proposing special resolution number 3 is to ensure that the level of annual 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.

A benchmarking exercise was conducted by PwC in March 2011. The findings of this benchmarking exercise highlighted that Vodacom's non-executive directors were significantly behind that of the peer group identified. The Board has recommended that the level of annual fees paid to non-executive directors be adjusted as proposed.

The effect of special resolution number 3 is the level of fees as set out above is increased with effect from 1 August 2011.

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 sixteenth annual general meeting is Friday 29 July 2011.

Voting and proxies

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 articles of association, 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 from a simple majority, which is more than 50% of the shares represented in person or by proxy at this meeting.

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 representation 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.

Form of proxy (which form may be found enclosed) should be forwarded to reach the transfer secretaries, Computershare Investor Services (Pty) Limited by no later than 11:00 on Wednesday 3 August 2011.

The completion of a form of proxy does not preclude any shareholder registered by the record date from attending the annual general meeting.

By order of the Board

Sandi Linford

Group Company Secretary

30 June 2011