Remuneration Report

At the beginning of FY21, Vantage Towers AG was a German limited liability company named Vantage Towers GmbH. On 26 January 2021, Vantage Towers GmbH became a stock corporation (named Vantage Towers AG) in the context of a change of legal form. In this report references to "Company" include the reference to Vantage Towers GmbH and references to "Management Board" include the reference to the managing directors of Vantage Towers GmbH, in each case unless explicitly otherwise mentioned.

Furthermore, at the beginning of FY21, Anna Dimitrova, Gerhard Mack, and Bettina Karsch served as interim managing directors of Vantage Towers GmbH. Ms. Karsch resigned from her office with effect as of 12 May 2020. Ms. Dimitrova and Mr. Mack resigned with effect as of 1 July 2020. Ms. Dimitrova, Mr. Mack, and Ms. Karsch are employees of Vodafone GmbH and did not receive any remuneration for assuming the position as managing directors of Vantage Towers GmbH. Therefore, any references to managing directors in this remuneration report are not references to Ms. Dimitrova, Mr. Mack and Ms. Karsch.

All current members of the Management Board worked exclusively for the Company in respect to its business for the entire financial year 2020/2021. They entered into service agreements with the Company with effect as of 1 April 2020 (Vivek Badrinath), 1 May 2020 (Christian Sommer) and 1 June 2020 (Thomas Reisten). From 1 July 2020 on they were formally appointed as managing directors of Vantage Towers GmbH and, with the change of legal form, as members of the Management Board of Vantage Towers AG. As regards the fixed remuneration components, this remuneration report reflects the payments with effect as of the beginning of the respective service agreements. The variable remuneration components are presented on a full financial year basis.

The Supervisory Board resolved upon a remuneration system for the Management Board. The remuneration system will be presented to the annual general meeting of Vantage Towers AG on 28 July 2021 for voting.

The current service agreements of the members of the Management Board, which are effective from 26 January 2021, fully reflect such remuneration system. In addition, the remuneration system resolved by the Supervisory Board is to a large extent in line with the remuneration concept applicable to Vivek Badrinath, Thomas Reisten, and Christian Sommer pursuant to their service agreements as managing directors of Vantage Towers GmbH, in particular:

- the non-performance based remuneration as well as the pension benefits are similar under the managing director service agreements and the service agreements applicable for them as members of the Management Board; and
- the short-term incentives award (STI) granted to Vivek Badrinath, Thomas Reisten, and Christian Sommer as managing directors remained applicable also after the change of legal form of the Company; the members of the Management Board were therefore entitled to receive the STI granted to them under their service agreements as managing directors and for the past financial year the Company did not grant an additional STI after their change of legal form.

Therefore, with respect to the non-performance based remuneration, pensions and short-term incentives, the statements in this remuneration report do equally apply to the remuneration granted to the managing directors as well as to the remuneration granted to the Management Board.

As regards the long-term incentives, the members of the Management Board participated and continue to participate in long-term incentive programmes of Vodafone Group Plc, under which awards were granted to them by Vodafone Group Plc in connection with their previous occupations at Vodafone Group in FY18/19 (Tranche 2018), 2019/20 (Tranche 2019) and 2020/21 (Tranche 2020) (only in the latter case granted to them as managing directors of the Company in a period in which the Company was a limited liability company).

Initially, the awards under these long-term incentive programmes were subject to the level of achievement of Vodafone Group related performance conditions and would have resulted in the vesting of shares in Vodafone Group Plc in approximately June 2021, June 2022 and June 2023. In order to align, where required, such long-term incentive programmes of Vodafone Group Plc with Vantage Towers AG business targets, and to avoid any conflicting incentivisation, the following applies to such legacy long-term incentive programmes:

- The Tranche 2018, which has a performance period until the end of FY21, remains unchanged. Subject to achievement of the initially agreed performance conditions, shares in Vodafone Group Plc will vest.
- The Tranche 2019 will result in the vesting of shares in Vantage Towers AG instead of Vodafone Group Plc, subject to the level of achievement of the performance conditions. Initially, the applicable performance condition for Thomas Reisen and Christian Sommer was Vodafone Group Plc Free Cash Flow. For Vivek Badrinath, the determination of performance achievement was based on Vodafone Group Plc Free Cash Flow (weighted 66.7%) and Relative Total Shareholder Return (weighted 33.3%). To avoid any conflicting incentivisation, it has been agreed that only for the first two financial years (FY19/20 and FY20/21) the initially agreed performance conditions shall apply and that for FY21/22 the Tranche 2019 will vest on-target (100%), i.e. it is assumed that the target performance has been achieved in this financial year. As a result, subject to the achievement of the performance conditions, under the Tranche 2019 the maximum number of Company's shares which may vest is 144,060 (approximately €3,551,079) for Vivek Badrinath, 21,906 (approximately €539,982.90) for Thomas Reisten and 7,961 (approximately €196,238.65) for Christian Sommer.
- The Tranche 2020 was granted in FY21 and, thus, is described in more detail in this remuneration report. Initially, also the awards under this Tranche 2020 were subject to the level of achievement of Vodafone Group related performance conditions and the Tranche 2020 would have resulted in the vesting of shares in Vodafone Group Plc. To avoid any conflicting incentivisation, it has been agreed that under the Tranche 2020 shares in the Company will vest (subject to the level of achievement of performance condition) and for the first financial year (FY20/21) of the performance period, the Tranche 2020 will vest on-target, i.e. it is assumed

that the target performance has been achieved, and that the performance conditions applicable for the Tranche 2020 in the second and third year of the performance period are the performance conditions contained in the remuneration system resolved by the Supervisory Board of the Company. See further details in the section Variable remuneration components, p. 92 under Long-term variable remuneration, p. 93.

The aforementioned amendments ensure that the long-term incentives which have not yet vested do properly incentivise the members of the Management Board. As the change of legal form and IPO of the Company were both at the end of FY21, the period in FY21 during which Vantage Towers AG was a (listed) stock corporation is negligible in relation to a three years performance period applicable to the long-term incentives. It was therefore decided that the relevant cut-off date is the end of FY21, since an alignment during a financial year would have caused an unnecessary material complexity.

As described, the long-term incentive awards were granted by Vodafone Group Plc, and Vantage Towers AG does not assume the position as grantor. However, Vantage Towers AG will reimburse Vodafone Group Plc on a pro rata basis. The relevant cut-off date for such reimbursement is 1 April 2020, i.e. the date from which the beneficiaries worked exclusively for the Company in respect to its business. With respect to the Tranche 2019, it amounts to two-thirds of the expenses of Vodafone Group Plc, and with respect to the Tranche 2020, it amounts to all of the expenses of Vodafone Group Plc, and with respect to the Tranche 2020, it amounts to all of the expenses of Vodafone Group Plc. The expenses of the Tranche 2018 will not be reimbursed by the Company.

Remuneration System for the members of the Management Board

Structure, components, and objectives of the remuneration

The remuneration granted in the reporting period is composed of three components: (1) a non-performance-related fixed remuneration which consists of a base remuneration, fringe benefits and pension benefits; (2) a performance-related short-term incentive award (STI); and (3) a performance-related long-term incentive award (LTI).

The fixed remuneration elements have been designed to ensure the Company remains competitive in the wider marketplace for talent whilst the variable incentive elements align management with the business priorities. The Management Board members are incentivised to work towards the achievement of these short-term and long-term goals.

It is the intention that approximately half of the Management Board's maximum potential short-term and long-term incentive remuneration, where linked to financial metrics, is subject to meeting guidance targets. A meaningful portion of the variable incentives is dependent on the outperformance of the guidance targets.

The short-term incentive award granted to the managing directors in a period in which the Company was a limited liability company was based on Vodafone Group Plc's remuneration system and is, thus, still subject to the achievement of Vodafone related performance conditions.

The long-term incentive award granted in FY21 shall now result in the vesting of shares in Vantage Towers AG instead of Vodafone Group Plc, and also be subject to the level of achievement of performance conditions relating to Vantage Towers AG, provided that for the first year of the performance period, i.e. FY21, it was agreed that the shares will vest on-target (100%). The achievement of the new performance conditions will be considered for the remaining two years of the performance period (see also above in the introduction as regards the amendments of the initial long-term incentive award). By defining performance conditions related to the Company's long-term success and sustainability, the long-term incentive award makes a significant contribution to the business strategy. Through the long-term variable remuneration components which also include non-financial target conditions (environmental, social and governance – ESG), it also promotes sustainable development and long-term success of the Company.

As from 26 January 2021, the Management Board members are in addition required to hold a certain percentage of their annual fixed base remuneration in shares of the Company. The share ownership obligation is set at a value equivalent to 300% of the annual fixed base remuneration (gross) for Vivek Badrinath, 100% of the annual fixed base remuneration (gross) for Thomas Reisten and 50% of the annual fixed base remuneration (gross) for Christian Sommer. The members of the Management Board have to fulfill such holding obligation no later than five years after the commencement of their appointment as member of the Company's Management Board, i.e. 26 January 2021, provided that the appointment continues until this date.

In addition to caps and maximum allocations under the variable remuneration components, as from 26 January 2021 and in accordance with Section 87a para. 1 sent. 2 no. 1 of the German Stock Corporation Act (AktG), the Supervisory Board has determined a maximum amount for the total remuneration (including fringe benefits and pension contributions), which in each case refers to the total of all payments to a Management Board member that result from the remuneration regulations in one financial year. The maximum remuneration amounts to €13,000,000 for Vivek Badrinath, and to €4,000,000, for each Thomas Reisten and Christian Sommer.If the maximum remuneration is exceeded in a financial year, the Supervisory Board shall be entitled to adjust the pay-out amount of a short-term incentive award and/or the amount of shares to be transferred under a long-term incentive award.

Fixed Base Remuneration

In FY21, each member of the Management Board of the Company received a non-performance related fixed base remuneration, paid in cash in twelve monthly instalments.

The current annual fixed base remuneration is €725,004 gross for Mr. Badrinath, €410,004 gross for Mr. Reisten and €280,008 gross for Mr. Sommer. The fixed base remuneration of Mr. Badrinath and Mr. Sommer remained unchanged in the last financial year, Mr. Reisten's monthly fixed base remuneration was increased with effect as of July 2020.

Fringe Benefits

During FY21, the members of the Management Board received certain monetary and non-monetary benefits from the Company.

These include in particular an additional (supplementary enhanced) sick pay for a period of up to twelve months, invalidity and death insurance covering accidents based on the Company's guidelines (as amended), the provision of a company car or company car allowance, subsidies for health insurance (including the costs for preventive medical examinations) and pension insurance (in each case for all members of the Management Board), as well as the entitlement to use the Vodafone corporate tax service for the preparation of their tax returns. These fringe benefits are not necessarily available to all members of the Management Board.

Vivek Badrinath and Thomas Reisten also received a transitional allowance in FY21. The transitional allowance was paid in monthly installments, €12,000 for Vivek Badrinath and €9,000 for Thomas Reisten as well as a one-time installment for Mr Reisten in an amount of €20,500.

Pensions

The members of the Management Board participate in the Vodafone pension scheme for senior executives. This scheme provides for old-age, death, and disability benefits in form of a one-time pension capital payment, however, the beneficiary may request a payment in instalments or annuity of the payment. In this case, the pension payments are increased by one percent p.a. The monthly contribution of the Company under this scheme amounts to 3% of the fixed monthly base salary up to the applicable income threshold and 16% of the fixed monthly base salary above the applicable income threshold. The members of the Management Board can make additional contributions by salary conversion on a voluntary basis to increase the benefits outlined hereinafter.

The pension contributions are invested in investment funds. In this respect, the member of the Management Board can choose between certain investment alternatives with different risk profiles. The structure of the investment is based on a life-cycle model.

The actual pension entitlement cannot be determined exactly in advance. It depends on the personal salary development, the number of years of service on the Management Board or in the Company and the return achieved. To cover pension commitments in Germany resulting from direct commitments, assets are held in trust under a so called contractual trust arrangement (CTA). This leads to additional insolvency protection for the relevant pension entitlements of Management Board members in Germany. Under the Vodafone pension scheme for senior executives, the Management Board members are entitled to old-age pension payments after reaching the age of 62 or the age of 60, respectively, if the Management Board member joined the group prior to 1 January 2012, in each case provided that a service agreement is not in place. The amount of the old-age pension benefits cannot be precisely determined since it depends on the contributions made.

Deviating from the Vodafone pension scheme for senior executives, the minimum pay-out in the case of death amounts to four times the respective annual fixed salary (gross). The survivors who have been named as beneficiaries will thus receive at least four times the annual fixed salary (gross). If the pension credit exceeds this amount, the surviving dependants also receive the excess amount. In addition, the surviving beneficiaries receive the pension benefit that the respective Management Board members financed with their own contributions (by way of salary conversion), whereby the higher value is determined between the value of the investment fund share acquired on behalf of the Management Board member and the total of the Management Board member's contributions. The minimum pay-out for invalidity (i.e. if the member of the Management Board leaves the Company due to partial or full reduction in earning capacity before the age of 62 or the age of 60, respectively, if the Management Board member joined the group prior to 1 January 2012) remains at three times the respective annual fixed salary (gross). If the pension credit is above the minimum amount, the Management Board member also receives the surplus.

Claims under the Vodafone pension scheme for senior executives vest according to the provisions of the German Company Pensions Act after three years since the pension promise was made, i.e. the Management Board member will keep any vested pension expectancy if he leaves the Company prior to a pension event.

Variable remuneration components

The variable remuneration consists of short-term incentive awards (STI) and long-term incentive awards (LTI).

Short-term variable remuneration (bonus)

The STI is used to incentivise the delivery of performance over a single financial year. The conditions and targets will be used to drive and communicate the key priorities of the business for that relevant year. The STI is a performance-based bonus with a one-year performance period. The target value of the STI for a full financial year amounts to 100% of the annual fixed salary for Vivek Badrinath, 60% for Thomas Reisten and 50% for Christian Sommer, in each case based on the annual fixed salary for the same financial year. The STI is limited to the amount of 200% of the target value and to be paid at the latest until four months after the end of a financial year for which the STI is paid.

The short-term incentive awards for the members of the Management Board for FY21 were granted in a period in which the Company was a limited liability company, indirectly wholly owned by Vodafone Group Plc. Therefore, such short-term incentive awards were subject to certain financial and non-financial key performance indicators (KPIs) relating to Vodafone Group. Beginning with FY22, the short-term incentive awards will be granted in accordance with the Vantage Towers AG's remuneration system.

The key performance indicators decisive for the calculation of the STI for FY21 are:

Description KPI	Thresholds/Target	Weighting
Adjusted EBIT means operating profit of Vodafone Group excluding share of results in associates and joint ventures, impairment losses, amortisation of customer bases and brand intangible assets, restructuring costs arising from discrete restructuring plans, lease-related interest and other income and expense. Adjusted EBIT is adjusted for the impact of M&A, foreign exchange movements, and any changes in accounting treatment.	Minimum threshold: €3.3m 100% target achievement: €4.2m Maximum threshold: €5.1m	33.3%
Adjusted Free Cash Flow (FCF) means operating free cash of Vodafone Group after cash flows in relation to taxation, interest, dividends received from associates and investments, dividends paid to non-controlling shareholders in subsidiaries, but before restructuring costs arising from discrete restructuring plans and licence and spectrum payments. Adjusted FCF is adjusted for the impact of M&A, foreign exchange movements, and any changes in accounting treatment.	Minimum threshold: €4.2m 100% target achievement: €5.0m Maximum threshold: €5.9m	33.3%
Customer Appreciation KPIs The relevant metrics were as follows: – Churn, which is defined as total gross customer disconnections in the period divided by the average total customers in the period, each in relation to Vodafone Group. – Revenue market share, which is based on the total service revenue and that of our competitors in the market Vodafone Group operate in. – Net Promoter Score for both consumer and Vodafone business partners, which is defined as the extent to which the customers would recommend the Vodafone Group.	The performance achievement is determined based on an overall assessment of the relevant customer appreciation KPIs against local market performance.	33.3%

The payout for 100% target achievement corresponds to 100% of the annual fixed base remuneration (gross) for Mr. Badrinath (i.e. €725,004), 60% of the annual fixed base remuneration (gross) for Mr. Reisten (i.e. €246,002.40) and 50% of the annual fixed base remuneration (gross) for Mr. Sommer (i.e. €140,004).

The STI has been capped at 200% of the target amount.

Long-term variable remuneration

For FY21, the Management Board members participate in the long-term incentive programme granted by Vodafone Group Plc (Tranche 2020). Following its amendment (see above in the introduction), for the Tranche 2020 the following applies:

The Tranche 2020 confers the contingent right to receive Vantage Towers AG shares (Notional Shares) following a performance period of three financial years, beginning with FY21 (Performance Period). However, it will be assumed that in the first year of the performance period the performance is "on-target". After the Performance Period, based on the relative fulfilment of the performance conditions and the non-occurrence of forfeiture events, the Supervisory Board determines the number of Notional Shares that may actually be allocated, i.e. vest and be transferred to the relevant member of the Management Board in the form of actual shares in the Company (Actual Shares). Any LTI granted as from FY21/22 will in addition provide for all members of the Management Board for a subsequent holding period. The holding period ends on the fourth anniversary of the grant date of the Notional Shares, or any later date, as determined by the Supervisory Board.

The Management Board members shall in addition participate in dividend distributions in relation to the notional shares granted on the grant date (Dividend Equivalent). In order to achieve such participation, the dividend per share paid to the shareholders during the period between the grant date and the date the Management Board members become entitled to receive Actual Shares under the LTI will be multiplied with the number of Notional Shares granted at the grant date. In FY21, the Dividend Equivalent relates to dividends paid by Vodafone Group Plc, and thereafter, it will relate to dividends paid by the Company. The euro amount of the dividends per share, multiplied with the number of Notional Shares, will be divided through the closing price of the relevant shares in the stock market on the first trading day on which the relevant company traded "ex dividend". The result of such division constitutes the (fraction of) shares that will be added to the Notional Shares. ("Dividend Equivalent Shares"). These additional Notional Shares will be treated as if granted at the grant date for the purpose of determining the number of Notional Shares which will vest. The initial number of Notional Shares granted was calculated as described below.

When the Tranche 2020 was issued, a certain number of notional shares (at that time shares in Vodafone Group Plc) was determined for each member of the Management Board. The maximum number of such notional shares, i.e. shares in Vodafone Group Plc, corresponded to 200% of the annual target amount (in each case a "Maximum Allocation"), which is the maximum number of shares that can vest in case of an assumed maximum achievement of the performance conditions. The annual target amount for the members of the Management Board corresponded to 200% of the annual fixed base remuneration (gross) for Vivek Badrinath, 100% of the annual fixed base remuneration (gross) for Thomas Reisten and 50% (until and including October 2020) respectively 70% (from November 2020 onwards) of the annual fixed base remuneration (gross) for Christian Sommer[1]. Based on such calculation, the number of notional shares in Vodafone Group Plc including Dividend Equivalent (prior to the conversion into shares in the Company) amounted to 2,146,481 shares for Vivek Badrinath, 606,930 shares for Thomas Reisten and 290,142 shares for Christian Sommer.

Following approval by the Vodafone Group Plc Remuneration Committee and the Supervisory Board of Vantage Towers AG as well as an agreement by the individual Management Board Members, the Notional Shares, including Dividend Equivalent Shares, which had been granted over Vodafone shares in November 2020 were exchanged for shares in Vantage Towers AG.

[1] In future, under the current remuneration system, Christian Sommer will also receive an annual target amount of 100% of the annual fixed base remuneration (gross).

The exchange ratio was calculated using the average closing Vodafone Group Plc share price, the average currency exchange rate for GBP:EUR and the average closing Vantage Towers share price all over the period 18 March 2021 to 24 March 2021 (i.e. five trading days average following the IPO of Vantage Towers AG). The number of Notional Shares, including Dividend Equivalent Shares, currently outstanding to members of the Management Board as granted under the award amount to 134,799 shares for Vivek Badrinath, 38,115 shares for Thomas Reisten and 18,221 shares for Christian Sommer.

The awards remain subject to the Vodafone Group Plc rules which may differ in certain aspects to the approach taken under future awards granted under the Vantage Towers AG awards. In particular, the Vodafone Group Plc Remuneration Committee has, in both directions, a certain discretion in determining the number of notional shares which will vest. As this would concern remuneration to be granted to the members of the Management Board, when exercising discretion, the approval of the Supervisory Board of the Company may be required.

The number of Notional Shares vesting to the respective member of the Management Board at the end of the Performance Period is based on the achievement of the performance conditions. These include Recurring Free Cash Flow (FCF) and TSR as financial components, and an ESG component as a non-financial component, the assessment of which is set out in more detail in the table below.

As described above, to avoid any conflicting incentivisation, for the first financial year (FY20/21) of the performance period, the Tranche 2020 will vest on target, i.e. one-third of the Notional Shares granted for 100% target achievement will vest. As regards the remaining two financial years of the performance period, FY21/22 and FY22/23, the following applies: The relative weightings of the performance conditions for the Tranche 2020 are 60% Recurring Free Cash Flow, 30% TSR and 10% ESG. The achievement of the performance conditions will be calculated separately for each performance condition and the maximum number of Notional Shares which may vest with respect to a performance condition corresponds to the relative weighting of such performance condition. For each performance condition which is linked to financial metrics, a minimum, target and maximum threshold level of performance has been set. The Notional Shares vesting in relation to each performance condition will then be calculated on the basis of the actual achievement, whereas in the case of reaching the minimum threshold, 25% of the Notional Shares would vest, in the case of the achievement of the target level, 50% of the Notional Shares would vest, and in the case of reaching the maximum threshold performance, 100% of the Notional Shares would vest. In between such thresholds, the Notional Shares which will vest will be calculated linearly on a point to point basis. With respect to the ESG performance condition, in case of reaching the respective targets 100% of the Notional Shares would vest on a pro rata basis in relation to the respective weighting.

The applicable performance criteria for Tranche 2020 can be summarised as follows:

Description of performance condition	Thresholds/Target	Weighting
Recurring Free Cash Flow (FCF) means Recurring Operating Free Cash Flow of Vantage Group (as defined below) less tax paid and interest paid, excluding interest paid on lease liabilities. Recurring Operating Free Cash Flow is Adjusted EBITDAaL plus depreciation on lease-related right-of-use assets and interest on lease liabilities, less cash lease costs and maintenance capital expenditure. On a pro forma basis, cash lease costs are calculated based on the sum of depreciation on lease-related right-of-use assets and interest on lease liabilities that were incurred by the Group excluding the effects from lease reassessment of the IFRS 16 lease liability and right-of-use asset on the sum of the associated depreciation on lease-related right-of-use assets and interest on lease liabilities, which have a non-cash impact in the respective period. Maintenance capital expenditure is defined as capital expenditure required to maintain and continue the operation of the existing tower network and other passive infrastructure, excluding capital investment in new sites or growth initiatives.	Minimum threshold: €786.57m 100% target achievement: €810.9m Maximum threshold: €835.23m	60%
Total shareholder returns (TSR) which means the total amount returned by an investment to the investor in Company shares, taking into account the stock price development and the dividends paid by the Company in a given period, the calculation of which will be determined by the Supervisory Board.	The Company has to achieve, on a two-years basis, a certain ranking as regards total shareholder return compared to a peer group consisting of approx. 30 (multi-)utilities and infrastructure companies across Europe: Minimum threshold: Ranking in median of peer group to be achieved 100% target achievement: Company ranking is at 62.5 Maximum threshold: Company belongs to upper quartile.	30%
ESG The ESG measures will be assessed against two quantitative ambitions: planet and people, each divided into two targets.	**Planet** Metric 1: 100% of electricity procured from renewable sources by 2021 and to be maintained during the performance period (weighted 5%) Metric 2: 66% of redundant network equipment reused, resold or recycled by 2023 (weighted 1%) **People** Metric 1: At least 25% female employees in management positions (weighted 2%) Metric 2: 0 annual recordable fatalities (weighted 2%)	10%

Malus/Clawback-Provisions

Regulations under the long-term incentive programmes of Vodafone Group Plc

With regard to the variable remuneration granted under the long-term incentive program of Vodafone Group plc, the rules of the global long-term incentive program of Vodafone Group Plc provide that the respective remuneration granted as long-term incentive award may be reduced (malus) or reclaimed (clawback) in certain situations.

Such provisions were set under the Vodafone rules and therefore may differ to the provisions set under the Vantage Towers rules (see next section).

The situations mentioned above, in respect of a reduction or reclaim of the November 2020 award grant, include: (i) a material mis-statement in the accounts, (ii) facts that have emerged which, if known at the time, would have caused the long-term incentive award to lapse, (iii) information that has emerged which would have affected the level of the long-term incentive award granted to the member of the Management Board, or (iv) gross misconduct, (v) the relevant member of the Management Board can be held responsible for a detrimental impact on the reputation of Vantage Towers entities or an insolvency or other corporate failure of a material proportion of Vantage Towers entities, or (vi) any other event the Vodafone Group Plc Remuneration Committee considers appropriate for a reduction or reclaim.

If any of the listed events occur prior to vesting, the long-term incentive award may be reduced, lapse entirely or vesting will be delayed. At any time in the two years following the vesting date, if one or more of the listed events occur, it may be decided, inter alia, that the Management Board members must (i) transfer back a number of shares determined by Vodafone Group Plc Remuneration Committee, (ii) pay to Vantage Towers AG an amount representing the value of the shares acquired under the long-term incentive award, or (iii) pay to Vantage Towers AG an amount equal to any cash payment made pursuant to the long-term incentive award.

The Vodafone rules under which this award was granted stipulate that the relevant period in which such “clawback” may occur is five years after the date the award has been granted, and, if an investigation is ongoing, until such investigation has been finalised.

Regulations for variable remuneration granted as of FY22

With regard to the variable remuneration granted in FY22 and thereafter, the variable remuneration components (i.e. STI and LTI as described above) may be reduced (malus) or reclaimed (clawback) by the Company in certain scenarios as follows:

Malus

Prior to the payment (or granting of instruments) of a variable remuneration component, whose value has been calculated on the basis of the applicable criteria (Baseline Value), the Supervisory Board will perform a review as to whether the Baseline Value has to be amended because of violations of stipulations on integrity or compliance by the Management Board members in the relevant period. The amount that results from this possible correction is paid out to the member of the Management Board whereas any instruments, in particular shares, will vest after the vesting date considering such possible correction. In the event of a relevant misconduct, the Baseline Value amount may be reduced by up to 100% at reasonable discretion of the Supervisory Board (Malus). Such misconduct can arise out of individual misconduct (i.e. intentional or grossly negligent unethical or criminal behaviour or breach of duties, including intentional or grossly negligent violation of monitoring or organisational duties) or organisational misconduct attributable to the Management Board members. In this context, in particular the following applies:

- Conduct is to be viewed as unethical if it violates the sense of decency of all persons who think justly and equitably (e.g. discrimination or harassment).
- Conduct is to be viewed as being in breach of duty if it violates principal or ancillary duties deriving from the Management Board service contracts, an assumed role in a governing body, internal rules and codes of conduct, or applicable laws.

Clawback

In the event that a relevant misconduct, which would have entitled the Company's Supervisory Board to reduce the Baseline Value or forfeit it in full, becomes known at a later date, the Company is entitled, at its reasonable discretion, to claim back the gross pay-out amount in part or in full (Clawback). The Clawback also applies in cases in which it becomes known at a later date that the key figures on which the determination of the variable remuneration was based upon were false and the variable remuneration based on the correct figures would have been lower or amounted to zero. If variable remuneration components are granted in shares, a possible Clawback includes the euro value of the shares that were transferred. The decisive factor in this respect is the closing price of the shares in the XETRA trading system (or a comparable downstream system) on the transfer date or, if the transfer date is not a stock exchange trading day, on the following trading day. This also applies if a member of the Management Board commits a relevant misconduct during a holding period (or similar restrictions).

Clawback is excluded if more than three years have passed since payment/ transfer of the variable remuneration component was made.

Further claims for remuneration of the Company against Management Board members arising from their misconduct may exist without prejudice to any Malus and Clawback.

Promised benefits for termination

Managing director service agreements

Under the managing director service agreements which ended on 26 January 2021, in case of revocation of the appointment (except for a revocation for good cause), the managing directors were entitled to monthly instalments of their gross annual base salary, and to an annual bonus – prorated if applicable – based on the target bonus applicable at the time of revocation of appointment and target attainment of 100%. Thomas Reisten would have received in the event of a non-self-initiated early termination or non-extension of the agreement at least a sum of €351,000 gross. Such provisions are not applicable anymore.

In addition, the managing directors participated in an accident insurance policy under which they were covered by an insurance policy with a sum insured of €512,000 in the event of death and €770,000 in the event of total invalidity.

Rules under the long-term incentive programmes of Vodafone Group Plc

The rules of the global long-term incentive programme of Vodafone Group Plc apply to the long-term incentive awards granted to the members of the Management Board in FY19, FY20, and FY21. Under such rules, if a member of the Management Board ceases to be an employee of a Vodafone Group Plc entity (including Vantage Towers AG) for the FY18/19 award or of Vantage Towers AG for the FY19/20 or FY20/21 awards, the long-term incentive awards granted to this member of the Management Board will lapse (termination of employment). There are a couple of exemptions from this general rule in which case the award will not lapse, but vest, and subject to the reason of the term of employment, either prematurely or upon the initially agreed vesting date. The vesting will then in general occur on a pro rata temporis basis, to be calculated as set out in more detail under the Vodafone Group Plc rules.

The applicable exemptions to the general principle that the award lapses are for example a termination of employment due to ill-health, injury or disability, retirement with the agreement of the employing company or any other reason the Vodafone Group Plc Remuneration Committee decides in general or in a particular case, provided that in each case the termination of employment occurs after the date which is six months after the end of the month in which the long-term incentive award has been granted. The Vodafone Group Plc Remuneration Committee may determine that, in case of retirement or redundancy (where the Committee has decided an award may continue in the latter scenario), the LTI will nevertheless lapse in certain circumstances, for example if the Management Board member accepts employment or takes office in a company that provides the same or similar services.

In a takeover situation that leads to a change of control in Vodafone Group Plc (as regards the FY18/19 award) or Vantage Towers AG (as regards the FY19/20 and FY20/21 awards), or in case of a court sanction under section 895 of the Companies Act 2006 or any equivalent procedure under any non-UK legislation in connection with the acquisition of shares, the granted long-term incentive award will vest, in general on a pro rata basis and with an acceleration of the vesting date. An exception applies in case an award will be exchanged under certain circumstances or if the shareholders of the acquiring company are, immediately after obtaining control, substantially the same as the shareholders of Vodafone Group Plc (as regards the 18/19 award) or Vantage Towers AG (as regards the 19/20 and 20/21 awards) before it obtained control. Furthermore, Vodafone Group Plc Remuneration may decide that these provisions do not apply in exceptional cases.

In the case of other unforeseen events, the Supervisory Board is entitled to change, cancel or adjust the performance conditions during an ongoing performance period without the Management Board members' consent if such change, cancellation or adjustment serves to take reasonable account of such unforeseen events.

Management Board service agreement

Generally, if a Management Board service agreement terminates during a financial year, the annual fixed base remuneration and the variable remuneration (beginning with the STI and LTI granted in FY22), as well as other remuneration components will be settled pro rata temporis. The target values for STI and LTI will also be set pro rata temporis. The amount of the pay-out, in respect to of the grant, will continue to be based on the originally agreed targets and criteria and will occur at the respective due date.

As regards the LTI, if the Management Board service agreement or the appointment of a Management Board member is terminated prior to the vesting of any Notional Shares, the award shall continue to be in effect, whereas, if not already reflected in the award, the number of notional shares awarded to the Management Board member shall be reduced on a pro-rata basis taking into account the period from the grant date until the termination or, if the Management Board member is released from his or her duties, until the commencement of the release period, and the remaining period until the third anniversary of the grant date unless otherwise specified in the Management Board service agreements of the Management Board members or an annex thereto. The target values for the LTI will be set pro rata temporis. The amount of the actual grant will continue to be based on the originally agreed targets and conditions and will be delivered at the respective due date.

The same applies in case of a change of control or if the listing of the Company in accordance with Section 39 (2) of the German Stock Exchange Act (BörsG) terminates (delisting), with the proviso that for the pro-rata calculation the period of the financial year until the change of control or delisting and the remaining financial year shall be decisive and with the further proviso that instead of a transfer of Company shares, the Management Board members will receive the equivalent value in cash, calculated on the basis of the stock price of the Company shares in XETRA trading on the trading day immediately prior to the date the change of control or delisting become public.

In the case of a demerger of the Company, certain distributions or certain transactions (including rights issues, issuance of free shares, and stock split), which in the opinion of the Supervisory Board would affect the current or future value of any granted Notional Shares or grant of actual shares, the Supervisory Board may (i) allow Notional Shares to vest, or (ii) adjust the number of Notional Shares or the terms of the LTI to balance the effects. In case of (i), the Notional Shares will only vest to the extent that any performance condition has been satisfied and subject to any other conditions the Supervisory Board may decide to impose. The Notional Shares will lapse as to the balance. The Supervisory Board may also decide that the number of Notional Shares which will vest will be reduced pro rata to reflect the acceleration of vesting. In case of (ii), the Supervisory Board shall determine the effect of the measure on the value of the Notional Shares and decide on either an adjustment of the number of Notional Shares Awards for which the same conditions apply and/or on an adjustment of the terms of the LTI, in particular in respect of price and term, in each case to balance the direct effects from the measure.

In the case of other unforeseen events, the Supervisory Board is entitled to change, cancel or adjust the performance conditions during an ongoing performance period without the Management Board members' consent if such change, cancellation or adjustment serves to take reasonable account of such unforeseen events.

In the event of a termination of a Management Board service agreement before the end of its fixed term described above, any severance payment to compensate the remuneration of the Management Board members (including all fringe benefits and benefits in kind) are limited to two fixed annual salaries (Severance Cap). If the remaining duration of the Management Board service contract is less than two years, the Severance Cap shall be reduced pro rata temporis. A possible severance payment will not be paid if the Company would be entitled to terminate a Management Board service contract according to Sec. 626 BGB or in case of resignation of the board member without good cause for which the Company is responsible. If the Company is entitled to terminate this Management Board service contract for good cause or in case of an unjustified resignation from office by a Management Board member, the Management Board member is not entitled to a continued payment of the annual fixed bas remuneration or the STI for the respective financial year or any future grants or future vesting under or in connection with the LTI.

In case the Company releases a Management Board member from its duties during the period between the end of the appointment of the respective Management Board member as a member of the Management Board and the termination of the Management Board service agreement, the time of release is considered for the STI, but not the LTI.

The accident insurance policy continues to apply under the Management Board service agreement and the Management Board members are covered by an insurance policy with a sum insured of €512,000 in the event of death and €770,000 in the event of total invalidity. The features of the pension and early retirement schemes in case of premature retirements have been described above under Pensions, p. 91.

Third-party benefits

As described, the members of the Management Board currently participate in long-term incentive programmes of Vodafone Group Plc granted in FY19, FY20, and FY21. Such long-term incentive programmes refer to periods in which the Management Board members were already a member of the Management Board and are granted by Vodafone Group Plc. For further details please refer to the explanation under Long-term variable remuneration, p. 93 and the general introduction to the remuneration report.

Total remuneration granted and allocated

The following tables show the remuneration paid to each member of the Management Board, including the value of the grants awarded in the reporting year. They are supplemented by the values of the LTI that can be achieved in the minimum and maximum, respectively.

Total Management Board remuneration (German Commercial Code (HGB))

Vivek Badrinath

Component	Description	Target remuneration	Grants		Payouts
		2020 €	2020 (Min) €	2020 (Max) €	2020 €
Fixed Remuneration	Fixed base remuneration	725,004			725,004
	Fringe benefits	165,414			165,414
Sum					
Variable Remuneration	Short-term incentive	725,004		1,450,008	898,280
	Long-term incentive (FY20/21 through FY22/23) (rounded)	1,827,538	609,179	3,322,795	–
Sum					
	Pension costs	96,339			96,339
Total		**3,539,299**			**1,885,037**

Thomas Reisten

Component	Description	Target remuneration	Grants		Payouts
		2020 €	2020 (Min) €	2020 (Max) €	2020 €
Fixed Remuneration	Fixed base remuneration	340,837			340,837
	Fringe benefits	138,265			138,265
Sum					
Variable Remuneration	Short-term incentive	246,002	–	492,005	304,797
	Long-term incentive (FY20/21 through FY22/23) (rounded)	516,744	172,248	939,535	–
Sum					
	Pension costs	41,050			41,050
Total		**1,282,898**			**824,949**

Christian Sommer

Component	Description	Target remuneration	Grants		Payouts
		2020 €	2020 (Min) €	2020 (Max) €	2020 €
Fixed Remuneration	Fixed base remuneration	256,674			256,674
	Fringe benefits	17,014			17,014
Sum					
Variable Remuneration	Short-term incentive	140,004	–	280,008	173,465
	Long-term incentive (FY20/21 through 22/23)	247,031	82,344	449,148	–
Sum					
	Pension costs	30,335.45	–	–	30,335.45
Total		**691,058.96**			**477,488.71**

Remuneration System for Members of the Supervisory Board

The remuneration for the Supervisory Board is governed by Article 13 of the Articles of Association, as adopted by the General Meeting of Vantage Towers AG.

The Company formed a Supervisory Board for the first time at the time of the resolution on the change of legal form. In accordance with the Articles of Association and sections 95 and 96 AktG, the Supervisory Board consists of nine members.

Three members of the initial Supervisory Board, Piere Klotz, Alexander Deacon, and Rebecca Symondson have been replaced shortly after their appointments. They have not received any remuneration for their work.

Each member of the Supervisory Board receives a fixed remuneration for each financial year as a member of the Supervisory Board. The chairman of the Supervisory Board receives €300,000.00, the deputy chairman €150,000.00, and each additional member €80,000.00.

Each chairperson of a Supervisory Board committee also receives a fixed remuneration of €15,000.00.

If the members of the Supervisory Board are members of the Supervisory Board or Chairperson or Deputy Chairperson for only part of the financial year, they shall receive remuneration in proportion to their activities.

The total remuneration of the Supervisory Board in 2021 was €95,000.00, whereby it should be noted that the Supervisory Board in its entirety only commenced its activities with the change of legal form. Furthermore, the Vodafone representatives in the Supervisory Board (Rosemary Martin, Michael Bird, Barbara Cavaleri, Johan Wibergh and Pinar Yemez) waived their rights to receive remuneration for FY21.

In summary, the members of the Supervisory Board therefore received the following remuneration:

Name/ additional function	Remuneration
	€
Rüdiger Grube Chairman of the Supervisory Board	50,000
Rosemary Martin Deputy Chairwoman of the Supervisory Board and member of the ARC Committee	waived
Michael Bird Member of the ARC Committee	waived
Barbara Cavaleri Member of the ARC Committee	waived
Katja van Doren Member and Chair of the RemCo/NomCo	15,833
Charles C. Green III Member and Chair of the ARC Committee	15,833
Terence Rhodes	13,333
Johan Wibergh Member of the RemCo/NomCo	waived
Pinar Yemez Member of the RemCo/NomCo	waived

The ARC Committee consists of at least three members. Current members of the committee are Charles C. Green III (Chairman), Michael Bird, Barbara Cavaleri, and Rosemary Martin (all since 9 February 2021).

The RemCo/NomCo consists of at least three members. Current members of the committee are Katja van Doren (Chairwoman), Johan Wibergh, and Pinar Yemez (all since 9 February 2021).