

CLARIFICATIONS TO INVESTOR / SHAREHOLDERS QUERIES ON RESOLUTIONS BEING PASSED THROUGH POSTAL BALLOT FOR ADOPTION OF VODAFONE IDEA LIMITED EMPLOYEE STOCK OPTION AND PERFORMANCE STOCK UNIT SCHEME 2024 (RESOLUTION 1) AND EXTENSION OF THE SAID SCHEME TO EMPLOYEES OF SUBSIDIARY COMPANIES (RESOLUTION 2)

1. *Non-disclosure of exact number of employee stock options (“Options”) and performance stock units (“PSU”):*

We would like to clarify that the grant of PSUs at any time shall not exceed 50% of the total Stock Options i.e. 17,42,50,000. Generally, in our Scheme 75% of the target opportunity is granted in form of Options and 25% is granted in form of PSUs. This may result in grant of PSUs in number exceeding 25%, but at overall level we have capped the PUSs at 50%.

The number of Options / PSUs to be granted is based on the share price at the time of grant. Since, the Scheme is for a period of 4 years and with the variation of share price over these 4 years, it would be difficult to calculate exact number of Options / PSUs that would be required, hence, the management has proposed 50% as the higher cap on the number of PSUs.

2. *Discretion granted to Nomination & Remuneration Committee (NRC) to determine the exercise period:*

We would like to clarify that while an outer limit of the exercise period has been hardcoded as 5 (five) years from the date of respective vesting of Options / PSUs, the authority granted to NRC to determine the exercise period under the scheme shall be within the outer limit of 5 (five) years. In other words, the exercise period shall not go beyond the period of 5 (five) years and the NRC’s authority vis-à-vis such determination shall be limited within such period.

3. *Discretion granted to Nomination & Remuneration Committee (NRC) to accelerate the Vesting Period:*

We would like to clarify that submit that the NRC will provide an acceleration only on an exception basis. The ability to accelerate the vesting of ESOPs / PSUs has been proposed to be provided to the NRC to tailor the ESOPs / PSUs (and the terms governing it) based on individual performance and contributions, which shall ensure that the high performer employees are adequately and differentially remunerated based on their exceptional performance on the job. Such flexibility/customisation shall also remain crucial to the Company’s success and business, resulting in lower attrition among high performing individuals, and motivate them to perform better with continued association. Please note this certainly is not applicable as a rule and will be exercised in the rarest of the rare and exceptional circumstances only when the NRC genuinely feels the need and decides to provide such acceleration on an exception basis. However, the NRC discretion with regard to acceleration will still be within the specified time range of the overall scheme of 1-4 years and in that context does not change the nature of the scheme.

Further, the NRC comprises of majority of the independent directors (with 2/3rd of the total directors as Independent), it shall exercise its independent and impartial judgment and separate that of Company’s management and therefore, the NRC shall ensure adequate checks and balances giving due account to the reasonability and business focus, prior to considering the acceleration of the vesting period of ESOPs / PSUs.