

The Sage Group plc.



Notice of Annual General Meeting Tuesday, 25 February 2020

This notice is important and requires your immediate attention. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your ordinary shares, please send this, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

23 January 2020

The Sage Group plc.
North Park
Newcastle-upon-Tyne
NE13 9AA
United Kingdom
www.sage.com

Dear Shareholder

Annual General Meeting 2020

I am pleased to send you details of the thirty-second Annual General Meeting of The Sage Group plc. (the "Company"). The Annual General Meeting will be held on Tuesday, 25 February 2020 at North Park, Newcastle-upon-Tyne, NE13 9AA at 12 noon. Shareholder registration will be available from 11:00am.

The following documentation is enclosed with this letter:

- Notice of Annual General Meeting, which sets out on pages 1 and 2 the details of the resolutions to be proposed at the Annual General Meeting, together with explanatory notes on pages 3 to 5; and
- Form of Proxy (pre-paid for postal return).

The Annual Report and Accounts for the year ended 30 September 2019 were posted to shareholders who have elected to receive hard copy documents on 9 December 2019, and are available to view and download online at www.sage.com/investors/.

What to do next

I would ask you to complete the Form of Proxy and return it (prepaid within the UK) to the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to arrive as soon as possible but in any event no later than 12 noon on Friday, 21 February 2020. Alternatively, if you would prefer to appoint a proxy or proxies electronically, you may do so by going to www.sharevote.co.uk. You will be required to key in the Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy to access the voting site. CREST members may appoint their proxy or proxies electronically via Equiniti (ID RA19). Submitting a proxy appointment will not prevent you from also attending the Annual General Meeting and voting in person. Further details relating to voting by proxy are set out in the Notes on pages 6 and 7 of this document. Please note that the deadline for receipt by our Registrars of all proxy appointments is 12 noon on Friday, 21 February 2020.

Shareholder helpline

If you have any questions relating to the enclosed documents, please call the Company's Registrars, Equiniti, on 0371 384 2859. Non-UK callers should dial +44(0) 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales). The helpline cannot give any financial, legal or tax advice.

Final dividend

Subject to approval at the meeting, the final dividend for the financial year ended 30 September 2019 of 11.12 pence per ordinary share will be paid on 2 March 2020 to members whose names appear on the register at the close of business on 7 February 2020.

Recommendation

The Directors believe that the proposals in all resolutions to be put to the meeting are in the best interests of shareholders as a whole and, accordingly, they unanimously recommend that you vote in favour of all the resolutions.

Yours sincerely



Sir Donald Brydon CBE
Chairman

Notice of Meeting

Notice is hereby given that the thirty-second Annual General Meeting of The Sage Group plc. will be held at North Park, Newcastle upon Tyne NE13 9AA at 12 noon on 25 February 2020 for the following purposes:

To consider and, if thought fit, to pass the following resolutions, of which resolutions 1 to 15 will be proposed as Ordinary Resolutions and resolutions 16 to 19 will be proposed as Special Resolutions:

ORDINARY RESOLUTIONS

Annual Report and Accounts

1. To receive the Annual Report and Accounts of the Company together with the reports of the Directors and of the Auditors for the financial year ended 30 September 2019.

Approval of the Directors' Remuneration Report

2. To approve the Directors' Remuneration Report for the financial year ended 30 September 2019, set out on pages 96 to 123 of the 2019 Annual Report and Accounts (excluding the part summarising the remuneration policy, which is on pages 103 to 107).

Final dividend

3. To declare a final dividend recommended by the Directors of 11.12 pence per ordinary share for the financial year ended 30 September 2019 to be paid on 2 March 2020 to members whose names appear on the register at the close of business on 7 February 2020.

Election and Re-election of Directors

4. That Dr John Bates be elected as a Director of the Company.
5. That Jonathan Bewes be elected as a Director of the Company.
6. That Annette Court be elected as a Director of the Company.
7. That Sir Donald Brydon be re-elected as a Director of the Company.
8. That Drummond Hall be re-elected as a Director of the Company.
9. That Steve Hare be re-elected as a Director of the Company.
10. That Jonathan Howell be re-elected as a Director of the Company.
11. That Cath Keers be re-elected as a Director of the Company.

Re-appointment and Remuneration of the Auditors

12. To re-appoint Ernst & Young LLP as Auditors to the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
13. That the Audit and Risk Committee be authorised to determine the remuneration of the Auditors to the Company.

Political Donations

14. That, in accordance with section 366 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect are authorised to:
 - (a) make political donations to political parties or independent election candidates not exceeding £100,000 in total;
 - (b) make political donations to political organisations other than political parties not exceeding £100,000 in total; and
 - (c) incur political expenditure not exceeding £100,000 in total,provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000 in total, during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 31 March 2021.

For the purpose of this resolution the terms "political donations", "political parties", "independent election candidates", "political organisations" and "political expenditure" have the meanings set out in sections 363 to 365 of the Companies Act 2006.

Authority to allot new shares

15. That:

- (a) the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
 - (i) in accordance with article 7 of the Company's articles of association, up to a maximum nominal amount of £3,823,080.69 (such amount to be reduced by the nominal amount of any equity securities (as defined in article 8 of the Company's articles of association) allotted under paragraph (ii) below in excess of £3,823,080.69); and
 - (ii) comprising equity securities (as defined in article 8 of the Company's articles of association) up to a maximum nominal amount of £7,646,161.38 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue (as defined in article 8 of the Company's articles of association);
- (b) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or, if earlier, at the close of business on 31 March 2021; and
- (c) all previous unutilised authorities under section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

SPECIAL RESOLUTIONS

Authorities to disapply pre-emption rights

General disapplication of pre-emption rights

16. That:

- (a) in accordance with article 8 of the Company's articles of association, the Directors be given power to allot equity securities for cash;
- (b) the power under paragraph (a) above (other than in connection with a rights issue, as defined in article 8 of the Company's articles of association) shall be limited to the allotment of equity securities having a nominal amount not exceeding in aggregate £574,036.14;
- (c) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 31 March 2021.

Additional disapplication of pre-emption rights

17. That:

- (a) in addition to any authority granted under resolution 16, the Directors be authorised:
 - (i) subject to the passing of resolution 15, to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution under section 551 of that Act; and
 - (ii) to allot equity securities as defined in section 560(3) of that Act (sale of treasury shares) for cash,in either case as if section 561 of that Act did not apply to the allotment or sale, but this power shall be:
 - (A) limited to the allotment of equity securities up to a maximum nominal amount of £574,036.14; and
 - (B) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board

Notice of Meeting

of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice;

- (b) this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 31 March 2021; and
- (c) the Company may, before this power expires, make an offer or enter into an agreement, which would or might require equity securities to be allotted after it expires, and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Authority to purchase own shares on market

18. That in accordance with section 701 of the Companies Act 2006, the Company be and is hereby granted general and unconditional authority to make one or more market purchases (within the meaning of section 693 of the Companies Act 2006) of ordinary shares in the capital of the Company on such terms and in such manner as the Directors shall determine provided that:

- (a) the maximum number of ordinary shares which may be acquired pursuant to this authority is 109,137,735 ordinary shares in the capital of the Company;
- (b) the minimum price which may be paid for each such ordinary share (exclusive of all expenses) is its nominal value;
- (c) the maximum price which may be paid for each such ordinary share (exclusive of all expenses) shall not be more than the higher of:
 - (i) an amount equal to 105% of the average of the middle market prices shown in the quotations for the ordinary shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is purchased; and
 - (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out;
- (d) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or, if earlier, at the close of business on 31 March 2021 unless renewed before that time; and
- (e) the Company may make a contract or contracts to purchase ordinary shares under this authority before its expiry which will be or may be executed wholly or partly after expiry of this authority and may make a purchase of ordinary shares in pursuance of such contract.

Notice period for general meetings

19. That a general meeting (other than an Annual General Meeting) may be called on not less than 14 clear days' notice.

By Order of the Board



V Bradin
Company Secretary
Registered office:
North Park, Newcastle upon Tyne NE13 9AA
Registered in England and Wales Company number 02231246

23 January 2020

Explanatory notes to the Resolutions

Resolutions 1 to 15 are Ordinary Resolutions which require a simple majority of more than 50% of votes to be cast in favour to be passed. Resolutions 16 to 19 are Special Resolutions which require a 75% majority of the votes to be cast in favour to be passed.

Resolution 1 – Annual Report and Accounts

This resolution is to receive and consider the Annual Report and Accounts for the financial year ended 30 September 2019. The Directors are required to present their Annual Reports and Accounts, including the independent Auditor's Report.

Resolution 2 – Approval of the Directors' Remuneration Report

This resolution is to approve the Directors' Remuneration Report as set out on pages 96 to 123 of the 2019 Annual Report and Accounts (excluding the part summarising the remuneration policy, which is on pages 103 to 107).

Section 439 of the Companies Act 2006 requires that the Directors' Remuneration Report for the financial year be put to a vote of shareholders at the Annual General Meeting. This vote is advisory and the Directors entitlement to receive remuneration is not conditional on it.

Resolution 3 – Final Dividend

This resolution seeks shareholder approval for the final dividend of 11.12 pence per ordinary share. The final dividend declared cannot exceed the amount recommended by the directors. An interim dividend of 5.79 pence per ordinary share was paid on 14 June 2019. The Board is proposing a final dividend of 11.12 pence per ordinary share, making a total dividend for the year of 16.91 pence per ordinary share. If approved, the final dividend will be paid on 2 March 2020 to members whose names appear on the register at the close of business on 7 February 2020.

Resolutions 4 to 11 – Election and re-election of Directors

In accordance with the provisions of the 2018 UK Corporate Governance Code, the Directors are subject to election or annual re-election by shareholders.

Resolutions 4 to 6 relate to the election by shareholders of Dr John Bates, Jonathan Bewes and Annette Court, who were appointed by the Board as Non-executive Directors of the Company since the last Annual General Meeting.

Resolutions 7 to 11 relate to the re-election of the other remaining Directors.

As announced on 17 January 2020, Soni Jiandani has decided not to stand for re-election as a Non-executive director at the Annual General Meeting.

In addition, as announced on 17 January 2020, Blair Crump, President and Executive Director, will retire from the Board at the Annual General Meeting and will leave the Company on 31 March 2020. Blair Crump will not stand for re-election as an Executive Director at the Annual General Meeting but will continue in his role as President until he leaves Sage.

The Board has considered the skills and experience of each Director and the contribution each Director brings to the Board. The Board, its Committees and the Directors have been subject to a formal evaluation procedure in the last 12 months, details of which are on page 76 of the 2019 Annual Report and Accounts.

Following these procedures, the Chairman confirms the continuing commitment and effective contribution of each Director and the Board recommends the election/re-election of all the Directors who wish to continue in office. Drummond Hall, in his role as Senior Independent Director, also confirms Sir Donald Brydon's continuing commitment and effective contribution in his role as Chairman. It is the Board's view that the Directors' biographies on pages 8 and 9 illustrate why the contribution of each Director standing for election/re-election is, and continues to be, important to the long-term sustainable success of the Company.

Resolutions 12 and 13 – Re-appointment and remuneration of the Auditors

On the recommendation of the Audit and Risk Committee, the Board proposes the re-appointment of Ernst & Young LLP as the Auditors for the financial year 2020. Resolution 13 authorises the Audit and Risk Committee, on behalf of the Board, to determine the Auditors' remuneration. Further details of the Auditors are set out on page 94 and 95 of the 2019 Annual Report and Accounts.

Resolution 14 – Political Donations

Part 14 of the Companies Act 2006, amongst other things, prohibits the Company and its subsidiaries from making EU political donations or from incurring political expenditure in respect of a political party or other political organisation or an independent election candidate unless authorised by the Company's shareholders. Aggregate donations made by the Group of £5,000 or less in any 12-month period will not be caught.

Neither the Company nor any of its subsidiaries has any intention of making any political donations or incurring any political expenditure. However, the Companies Act 2006 defines "political party", "political organisation", "political donation" and "political expenditure" widely. For example, bodies, such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting, may be caught.

Accordingly, and in line with common practice, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the Companies Act 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations or in political expenditure being incurred.

As permitted under the Companies Act 2006, the resolution covers the Company and extends to all companies which are subsidiaries of the Company at any time the authority is in place. The proposed authority will expire at the next Annual General Meeting of the Company or, if earlier, at the close of business on 31 March 2021.

Resolution 15 – Authority to allot new shares

This resolution will be proposed to enable the Directors to renew their existing powers to allot ordinary shares in the capital of the Company without the prior consent of shareholders for a period expiring at the conclusion of the next Annual General Meeting of the Company or, if earlier, at the close of business on 31 March 2021.

Paragraph (a)(i) of resolution 15 will allow the Directors to allot ordinary shares up to an aggregate maximum nominal amount of £3,823,080.69 (representing approximately 33.3% of the nominal value of the Company's issued share capital, excluding shares held in treasury, on 15 January 2020, the latest practicable date prior to the publication of this document).

In accordance with the institutional guidelines issued by the Investment Association ("IA"), paragraph (a)(ii) of resolution 15 will allow Directors to allot, including the ordinary shares referred to in paragraph (a)(i) of resolution 15, further of the Company's ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £7,646,161.38 (representing approximately 66.6% of the Company's existing issued share capital, excluding shares held in treasury, on 15 January 2020, the latest practicable date prior to the publication of this document). The Directors have no present intention of exercising this authority. However, if they do exercise the authority, the Directors intend to follow best practice as regards its use as recommended by the IA.

As at 15 January 2020, the latest practicable date prior to the publication of this document, the Company holds 29,411,942 shares in treasury, which represents approximately 2.69% of the total ordinary share capital (excluding shares held in treasury) in issue.

Authorities to disapply pre-emption rights

Resolution 16 - General disapplication of pre-emption rights

Under Section 561 of the Companies Act 2006, if the Directors wish to allot any equity securities for cash (other than in connection with any employee share scheme) they must offer them to existing shareholders in the first instance in proportion to their holdings. This is called pre-emption rights. This resolution will give the Directors the authority to allot equity securities for cash without first being required to offer such shares to existing shareholders for a period expiring at the conclusion of the next Annual General Meeting of the Company or, if earlier, at the close of business on 31 March 2021. If approved, the resolution will empower the Directors to issue shares in connection with a rights issue or other pre-emptive offer and otherwise to issue shares for cash up to an aggregate maximum nominal amount of £574,036.14 (representing approximately 5% of the total issued ordinary share capital of the Company, excluding shares held in treasury, on 15 January 2020, the latest practicable date prior to the publication of this document), which includes the sale on a non-pre-emptive basis of any shares the Company holds in treasury for cash.

The Directors are aware of best practice and intend to adhere to the provisions in the Pre-Emption Group 2015 Statement of Principles for the dis-application of pre-emption rights (the "Statement of Principles"). The Directors do not intend to issue more than 7.5% of the total issued ordinary share capital of the Company for cash on a non-pre-emptive basis in any rolling three-year period (other than in connection with an acquisition or specified capital investment as described in the Statement of Principles) without prior consultation with the relevant investor groups.

This resolution will be proposed as a special resolution.

Resolution 17 – Additional disapplication of pre-emption rights

This resolution further requests shareholder approval, by way of a separate special resolution in line with the best practice guidance issued by the Pre-Emption Group, for the Directors to allot equity securities or sell treasury shares for cash without first being required to offer such securities to existing shareholders.

The authority granted by this resolution, if passed:

- (a) will be limited to the allotment of equity securities and sale of treasury shares for cash up to an aggregate nominal value of £574,036.14 which represents approximately 5% of the issued share capital of the Company (excluding shares held in treasury) as at 15 January 2020 (being the latest practicable date prior to publication of this document); and
- (b) will only be used in connection with an acquisition or other capital investment of a kind contemplated by the Statement of Principles, and which is announced contemporaneously with the allotment, or has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The authority granted by this resolution would be in addition to the general authority to disapply pre-emption rights under resolution 16.

The maximum nominal value of equity securities which could be allotted if both authorities were used would be £1,148,072.28, which represents approximately 10% of the issued share capital of the Company (excluding shares held in treasury) as at 15 January 2020 (being the latest practicable date prior to publication of this document).

The proposed authority will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, at the close of business on 31 March 2021.

This resolution will be proposed as a special resolution.

Resolution 18 – Authority to purchase own shares on market

This resolution gives the Company authority to purchase its own

ordinary shares in the market in accordance with the Companies Act 2006 on such terms and in such manner as the Directors determine, subject to the following:

- the price which may be paid for each ordinary share will not be less than the nominal value of the share and will not exceed the higher of 5% above the average of the middle market quotations for prices of the ordinary shares of the Company (as derived from the London Stock Exchange Daily Official List) for the five business days before the purchase is made and an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out, in each case exclusive of any expenses payable by the Company;
- the maximum aggregate number of shares that may be purchased pursuant to this authority shall be limited to 109,137,735 shares which is equivalent to approximately 10% of the Company's issued share capital, excluding shares held in treasury, as at 15 January 2020, the latest practicable date prior to publication of this document; and
- the authority will remain in force until the conclusion of the next Annual General Meeting of the Company or, if earlier, the close of business on 31 March 2021.

The Company may agree before the authority terminates to purchase ordinary shares where the purchase will or may be executed after the authority terminates (either in whole or in part). The Company may complete such a purchase even though the authority has ended.

The power given by the resolution will only be exercised if the Directors are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and, accordingly, that the purchase is in the interests of shareholders. The Directors will also consider gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits.

A listed company may hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by the company in accordance with the Companies Act 2006. Shares held in treasury in this manner will be available for resale by the company or may be transferred for the purpose of or pursuant to an employees' share scheme. Accordingly, if the Directors exercise the authority conferred by this resolution, the Company will have the option of holding those shares in treasury, rather than cancelling them. Your Board will have regard to any guidelines published by any of the investor groups in force at the time of any such purchase, holding or resale of treasury shares.

The total number of options to subscribe for ordinary shares and awards to be satisfied by newly issued ordinary shares under other long-term incentive plans of the Group that were outstanding at 15 January 2020 (being the latest practicable date prior to the publication of this document) was 24,531,356. The proportion of issued share capital, excluding shares held in treasury, that they represented at that time was 2.25% and the proportion of issued share capital that they will represent if the full authority to purchase shares, existing and being sought, is used is 2.81%.

This resolution will be proposed as a special resolution.

Resolution 19 - Notice period for general meetings

The notice period required by the Companies Act 2006 for general meetings of the Company is 21 clear days unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. Annual General Meetings must always be held on at least 21 clear days' notice.

This resolution will be proposed to allow the Company to call general meetings (other than an Annual General Meeting) on 14 clear days' notice. A resolution on the same terms was passed at the Annual General Meeting in 2019.

Explanatory notes to the Resolutions

It is intended that the flexibility offered by this resolution will only be used for time-sensitive, non-routine business and where merited in the interests of shareholders as a whole. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

This resolution will be proposed as a special resolution.

By Order of the Board

A handwritten signature in black ink, appearing to read "V. Bradin", with a horizontal line extending to the right.

V Bradin
Company Secretary

23 January 2020

Notes

Appointment of proxy

- (i) A member entitled to attend and to speak and vote at the meeting may appoint one or more proxies to exercise all or any of his/her rights to attend and to speak and vote instead of him/her. A proxy need not also be a member. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- (ii) To be valid, a Form of Proxy and any power of attorney or other authority (if any) under which it is signed (or a duly certified copy thereof) must be lodged with the Company's Registrars, Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA no later than 12 noon on 21 February 2020. The completion and return of a Form of Proxy will not prevent a member who wishes to do so from attending and voting in person. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. As an alternative to completing a hard copy Form of Proxy, a member can appoint a proxy electronically by visiting www.sharevote.co.uk. For security purposes, you will need to provide your voting ID, task ID and shareholder reference number (which are shown under your name on the Form of Proxy). Full instructions are given on the website. The proxy appointment and instructions should reach the Company's Registrars not later than 12 noon on 21 February 2020. CREST members may appoint a proxy through the CREST electronic proxy appointment service (please see note (xiv) below). You must inform the Company's Registrars in writing of any termination of the authority of a proxy.
- (iii) If you do not have a Form of Proxy and believe you should have one, or if you require additional forms, please contact the Company's Registrars, Equiniti, on 0371 384 2859. Non-UK callers should dial +44(0) 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays in England and Wales).
- (iv) If you return paper and electronic proxy instructions, those received last by the Registrars before the latest time for receipt of proxies will take precedence. You are advised to read the website terms and conditions of use carefully. Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged.

Corporate representatives

- (v) Any corporation that is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided that they do not do so in relation to the same shares.

Documents available for inspection

- (vi) Copies of the service contracts and terms of appointment of the Directors are available for inspection at North Park, Newcastle upon Tyne, NE13 9AA during normal business hours on any weekday (public holidays excepted) and will be available at the Annual General Meeting (for at least 15 minutes prior to and during the meeting).

Eligibility to attend and vote

- (vii) Only those members registered in the register of members of the Company as at 6.30 pm on 21 February 2020 or, in the event that this meeting is adjourned, in the register of members as at 6.30 pm on the day two days (excluding any non-working days) before the time of any adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6.30 pm on 21 February 2020 or, in the event that this meeting is adjourned, in the register of members after 6.30 pm on the day two days (excluding any non-working

days) before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Indirect investors

- (viii) Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated (the "Relevant Member"), have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- (ix) The statement of the rights of shareholders in relation to the appointment of proxies in notes (i), (ii) and (iii) above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

Total voting rights

- (x) As at 15 January 2020 (being the last practicable date prior to the publication of this document) the Company's issued share capital consists of 1,120,789,295 ordinary shares, of which 29,411,942 are held in treasury and 190,962 are held in The Sage Group plc. Employee Benefit Trust. Therefore, the total exercisable voting rights in the Company as at 15 January 2020 are 1,091,377,353.

Publication of statement in relation to the audit of the Company

- (xi) It is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on its website a statement setting out any matter relating to the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting or relating to any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual reports and accounts were laid. The Company may not require the members requesting such website publication to pay its expenses in complying with section 527 or 528 of the Companies Act 2006 and it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on its website.

Questions during the Annual General Meeting

- (xii) A member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting in accordance with section 319A of the Companies Act 2006. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Notes

Website information

- (xiii) In accordance with section 311A of the Companies Act 2006, the contents of this notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Annual General Meeting, the total voting rights members are entitled to exercise at the Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice can be found at www.sage.com.

Submission of proxy appointment by CREST members

- (xiv) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of that meeting by using the procedures described in the CREST Manual, which is available at www.euroclear.com. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in note (ii) above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Contacts for Sage's registrars

- (xv) Except as provided above, members who have general queries about the Annual General Meeting should use the following means of communication (no other methods of communication will be accepted): calling our shareholder helpline on 0371 384 2859, Non-UK callers should dial +44(0) 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays); or writing to the Company's Registrars, Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA. You may not use any electronic address provided either in this notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

Poll voting

- (xvi) All resolutions will be put to vote on a poll. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including the votes of all shareholders who are unable to attend the meeting but who appoint a proxy for the meeting. On a poll, each shareholder has one vote for every share held.

Director Biographies

Sir Donald Brydon

Chairman of the Board
Chairman of the Nomination Committee

Date appointed to the Board

6 July 2012 and as Chairman on 1 September 2012

Key strengths and experience

- Had a 35-year career in financial services
- Overseen comprehensive changes to the composition of the Board and Committees
- Navigated Sage through significant change since his appointment as Chairman
- A strong advocate of Sage's stakeholders including the wider community

Sir Donald has a wealth of experience gained as chairman and senior independent director of companies across a wide range of sectors including the London Stock Exchange Group plc, the Barclays Group, the AXA Group, Royal Mail plc, Smiths Group plc, the London Metal Exchange, Amersham plc, Taylor Nelson Sofres plc, Allied Domecq plc, Scottish Power plc, the ifs School of Finance, and EveryChild. Sir Donald has also very recently Chaired the Government's Independent Review into the Quality and Effectiveness of Audit (the Brydon Review) proposing reforms to increase business confidence and prevent unnecessary corporate failures.

Key external commitments

None

Dr John Bates

Independent Non-executive Director

Date appointed to the Board

31 May 2019

Key strengths and experience

- Visionary technologist and highly accomplished business leader
- Deep experience in the field of technology innovation including the use of AI and Machine Learning functionality to improve the customer experience
- Pioneer focusing on areas such as event-driven architectures, smart environments and business activity monitoring
- Led the evolution of platforms for digital business

John brings valuable technology skills to the Board having served as Co-founder, President and Chief Technology Officer of Apama (now part of Software AG), Executive Vice President of Corporate Strategy and Chief Technology Officer at Progress Software, Chief Technology Officer of Big Data, Head of Industry Solutions and Chief Marketing Officer at Software AG and Chief Executive Officer at Plat.One.

Key external commitments

Chief Executive Officer of the Eggplant Group

Jonathan Bewes

Independent Non-executive Director
Chairman of the Audit and Risk Committee

Date appointed to the Board

1 April 2019

Key strengths and experience

- Has prior experience of serving as chairman on an audit committee
- A wealth of accounting and financial experience
- Strong investment banking experience gained over a 25-year career in the sector
- Advisor to boards of UK and overseas companies on a wide range of financial and strategic issues, including financing, corporate strategy and governance

Jonathan is a seasoned investment banker, having worked at Robert Fleming, UBS and Bank of America Merrill Lynch.

Key external commitments

Non-executive Director & Chair of the Audit Committee of Next plc

Vice Chairman, Corporate and Institutional Banking at Standard Chartered Bank plc

Annette Court

Independent Non-executive Director
Chairman of the Remuneration Committee
Member of the Audit and Risk Committee

Date appointed to the Board

1 April 2019

Key strengths and experience

- Has experience of both executive and non-executive director roles at the highest levels including as chairman of a FTSE 100 company
- Has prior experience of serving as chairman of a remuneration committee
- Strong technology background with a record of using e-commerce to drive commercial success
- Expertise in mentoring leaders to achieve greater clarity of purpose and provide a practical approach to problem-solving

Annette's prior roles include Senior Independent Director of Jardine Lloyd Thompson Group, CEO of Europe General Insurance for Zurich Financial Services, CEO of the Direct Line Group and director of the Board of the Association of British Insurers and Fxotons Group plc.

Key external commitments

Chairman of Admiral Group plc

Director Biographies

Drummond Hall

Senior Independent Director
Member of the Audit and Risk Committee
Member of the Nomination Committee
Member of the Remuneration Committee

Date appointed to the Board

1 January 2014

Key strengths and experience

- Seasoned non-executive director and chairman
- Wealth of experience gained across a number of customer-focused blue-chip businesses in the UK, Europe and the US
- Strong knowledge of marketing and customer service and bringing deep insight to how Sage may expand markets and delight customers

Previously Drummond was the Senior Independent Non-executive Director of FirstGroup, a Non-executive Director then Chairman of Mitchells & Butlers plc and Chief Executive of Dairy Crest Group plc, prior to which the majority of his career was spent with Procter and Gamble, Mars and PepsiCo.

Key external commitments

Senior Independent Director of WHSmith plc

Steve Hare

Chief Executive Officer

Date appointed to the Board

3 January 2014 as Chief Financial Officer
31 August 2018 as Chief Operating Officer, and as
Chief Executive Officer on 2 November 2018

Key strengths and experience

- Significant financial, operational and transformation experience which includes driving change programmes in a number of his previous roles
- Broad knowledge of Sage, having joined the Board in January 2014 as Chief Financial Officer
- Extensive understanding of the drivers and priorities needed to complete Sage's evolution to a SaaS business and to create a strong SaaS culture in the organisation

Steve joined Sage in January 2014, having previously been Operating Partner and Co-Head of the Portfolio Support Group at the private equity firm Apax Partners. Prior to this he held leading roles in the finance function for listed companies including Chief Financial Officer for Invensys plc, Spectris plc and Marconi plc.

Key external commitments

None

Jonathan Howell

Chief Financial Officer

Date appointed to the Board

15 May 2013 as a Non-executive Director and as Chief Financial Officer on 10 December 2018

Key strengths and experience

- Seasoned group finance director as well as experience as a chairman and non-executive director
- Significant financial and accounting experience, gained across a number of sectors which allows him to provide substantial insight into the Group's financial reporting and risk management processes
- Excellent working knowledge of Sage, having joined the Board in May 2013 as an Independent Non-executive Director and acting as the Chairman of the Audit and Risk Committee for six years

Prior to his appointment as CFO of Sage, Jonathan had been Group Finance Director of Close Brothers Group plc and the London Stock Exchange Group plc. He has also been a Non-executive Director of EMAP plc and Chairman of FTSE International.

Key external commitments

None

Cath Keers

Independent Non-executive Director
Member of the Remuneration Committee

Date appointed to the Board

1 July 2017

Key strengths and experience

- Brings a wealth of digital and customer experience insights to the Board
- Deep understanding of leveraging sales and marketing activity to build successful brands
- Past experience in retail, after marketing and business development roles, holding a number of commercial roles, where she was in charge of refocusing the organisation's customer strategy

Cath is an experienced Non-executive Director, having served on the boards of TalkTalk Telecom Group plc, the Royal Mail Group, Liverpool Victoria Friendly Society Limited (LV=), and the Home Retail Group Limited. She pursued her retail career with Thorn EMI and, after marketing and business development roles at Sky TV, Avon and Next, joined the BT Group, holding a number of commercial roles.

Key external commitments

Non-executive Director of Funding Circle Holdings plc
Non-executive Director of The British United Provident Association Limited