



The Sage Group plc.

Notice of the 2021 Annual General Meeting to be held on Thursday, 4 February 2021

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action you should take, you should immediately seek your own advice from 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 in The Sage Group plc., you should pass this Notice of Annual General Meeting and accompanying documents (except any personalised form of proxy), 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, so they can pass these documents to the person who now holds the shares.

Chairman's Letter

2 December 2020

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

Dear shareholder

Annual Report and Accounts and 2021 Annual General Meeting

I am pleased to provide details of the thirty-third Annual General Meeting of The Sage Group plc. (the "Company") (the "Annual General Meeting", or the "Meeting") and enclose our FY20 Annual Report and Accounts, Notice of the Meeting and Form of Proxy. The Meeting will be held at our Solicitors' office, Allen & Overy LLP, One Bishops Square, Spitalfields, London E1 6AD, on Thursday, 4 February 2021 at 12 noon.

The Notice of the Annual General Meeting is set out on pages 1 and 2, together with explanatory notes on pages 3 to 8. The FY20 Annual Report and Accounts and the Notice of the Meeting are also available on our website www.sage.com/investors/.

Important changes to Annual General Meeting arrangements in light of the Coronavirus pandemic (Covid-19)

At the time of writing, compulsory Government measures are in force in relation to the pandemic. The health and safety of our shareholders, colleagues and wider communities have been foremost in the Board's priorities in making the arrangements for the Annual General Meeting. We have therefore decided, as permitted by the Corporate Insolvency and Governance Act 2020, that **shareholders must not attend the Annual General Meeting in person this year**. For this year, we have also changed from our usual Annual General Meeting venue, our registered office in Newcastle, to our Solicitors' office in London and will arrange for a quorum to be in place to transact the business of the Meeting.

We are keen to engage with all our shareholders on the business of the Meeting and have made the following arrangements to support this:

• Voting at the Meeting

Your vote is important to us. In view of the attendance arrangements for this year's Meeting, **shareholders must register their vote in advance of the Meeting by appointing the Chairman of the Meeting as proxy, with voting instructions**. Shareholders cannot attend and vote in person at the Meeting and other named proxies will not be allowed to attend the Meeting this year. Voting at the Meeting will be on a poll, reflecting the proxy voting instructions received. The results of the poll will be announced to the London Stock Exchange and will be published on our website www.sage.com/investors/ as soon as reasonably practicable after the Meeting.

Please complete the enclosed Form of Proxy (details relating to voting by proxy are set out in the Notes on pages 9 to 11 of this document), and return it (prepaid within the UK) to the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, BN99 6DA so as to arrive as soon as possible but in any event no later than 12 noon on Tuesday, 2 February 2021. Alternatively, if you would prefer to appoint your proxy 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 (SRN) printed on the Form of Proxy to access the voting site. CREST members may appoint their proxy electronically via Equiniti (ID RA19). Please note that **the deadline for receipt by our Registrars of all proxy appointments is 12 noon on Tuesday, 2 February 2021**.

• Shareholder questions and live audiocast of the Meeting

Shareholders' views are important to us and we consider the Annual General Meeting to be an important event in our calendar and a significant opportunity to engage with our shareholders. In view of the attendance and voting arrangements for this year's Meeting, **we recommend that you submit your questions about the business of the Meeting in advance**, by emailing agm2021@sage.com no later than close of business on 19 January 2021. This will enable us to answer your questions before the deadline for proxy appointments, so that you can make a fully informed voting decision. We will aim to provide answers to all pre-submitted questions on our website by close of business on 26 January 2021. Please include your full name and SRN in your email.

Shareholders are invited to listen to the Meeting online by logging onto <https://web.lumiagm.com> on the day. Please note that you will need your SRN to use the facility, which can be found on your Form of Proxy or other correspondence regarding your shareholding. You are also welcome to submit questions on the day on any matter pertaining to the business of the Meeting through Lumi's website; you will see instructions for this when you log on to listen to the Meeting, and the Board will aim to answer any such questions live at the Meeting. This year, along with our Board, our external Auditors (EY) will also be available to answer any questions live at the Meeting. You may submit your questions to them through the Lumi's website following the same instructions when you log on to listen to the Meeting.

Shareholders who would like a representative to join the audiocast on their behalf should please contact the Company's Registrars before 12 noon on 3 February 2021 on 0371 384 2859 or +44 121 415 7047 to arrange a unique username and password.

Chairman's Letter

Sage website and updates to Annual General Meeting arrangements

Our corporate website, www.sage.com/investors/ is the principal means we use to communicate with our shareholders and we therefore encourage you to watch for updates about the Annual General Meeting. Any changes to the Meeting arrangements described in this letter will be communicated through our website.

Chairman succession

I have indicated my intention to retire from the Board in September 2021, by which time I will have served as Sage Chairman for nine years. I will stand for re-election at the Annual General Meeting and will remain Chairman for this period in order to ensure a smooth transition. The process to identify and appoint my successor has been established by the Nomination Committee, led by Drummond Hall, our Senior Independent Director. We will communicate with you on the matter as we progress.

Final dividend

Subject to approval at the Annual General Meeting, the final dividend for the financial year ended 30 September 2020 of 11.32 pence per ordinary share will be paid on 11 February 2021 to those members whose names appear on the register at the close of business on 15 January 2021.

Recommendation

The Directors are of the opinion that all resolutions to be proposed at the Annual General Meeting are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of all the proposed resolutions.

Yours sincerely



Sir Donald Brydon
Chairman

The Sage Group plc.

Notice of 2021 Annual General Meeting

Notice is hereby given that the thirty-third Annual General Meeting of The Sage Group plc. (the "Company") (the "Annual General Meeting", or the "Meeting") will be held at Allen & Overy LLP, One Bishops Square, Spitalfields, London E1 6AD at 12 noon on Thursday, 4 February 2021 to transact the following business:

To consider and, if thought fit, to pass resolutions 1 to 17 (inclusive), which will be proposed as Ordinary Resolutions, and resolutions 18 to 22 (inclusive), which 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 Company's Auditors for the financial year ended 30 September 2020.

Approval of the Directors' Remuneration Report

2. To approve the Directors' Remuneration Report for the financial year ended 30 September 2020, set out on pages 120 to 148 of the FY20 Annual Report and Accounts (excluding the part summarising the Directors' Remuneration Policy, which is on pages 128 to 132).

Final dividend

3. To declare a final dividend recommended by the Directors of 11.32 pence per ordinary share for the financial year ended 30 September 2020 to be paid on 11 February 2021 to members whose names appear on the register of members at the close of business on 15 January 2021.

Election and Re-election of Directors

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

Re-appointment and Remuneration of the Auditors

13. 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.
14. That the Audit and Risk Committee of the Board be authorised to determine and agree the remuneration of the Auditors to the Company.

Political Donations

15. 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 2022.

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.

Discretionary Share Plan Amendments

16. That the existing The Sage Group plc 2019 Restricted Share Plan ("RSP") and The Sage Group plc 2015 Performance Share Plan ("PSP") (together, the "Discretionary Share Plans") be amended to include the adoption of a French appendix (under the RSP) / schedule (under the PSP) (the "French Appendix" and "French Schedule" respectively) which are based on the terms of the relevant Discretionary Share Plan save where modified, in order to fall within the scope of the "Loi Macron" and benefit from the applicable tax advantages, and/or to take account of local laws in France, and are hereby adopted by the Company, and the Directors be and are hereby authorised to do all such acts and things necessary to give effect to the same.

Authority to allot new shares

17. That:
 - (a) the Directors be and are hereby generally and unconditionally authorised in accordance with article 7 of the Company's Articles of Association and section 551 of the Companies Act 2006 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) up to a maximum nominal amount of £3,830,707.75 (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 £3,830,707.75); and
 - (ii) comprising equity securities (as defined in article 8 of the Company's Articles of Association) up to a maximum nominal amount of £7,661,415.50 (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 2022; 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).

The Sage Group plc.

Notice of 2021 Annual General Meeting

SPECIAL RESOLUTIONS

Authorities to disapply pre-emption rights

General disapplication of pre-emption rights

18. 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 as if section 561 of the Companies Act 2006 did not apply;
- (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 £575,181.34;
- (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 2022.

Additional disapplication of pre-emption rights

19. That:

- (a) in addition to any authority granted under resolution 18, the Directors be authorised:
 - (i) subject to the passing of resolution 17, 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 £575,181.34; 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 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 document;
- (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 2022; 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

20. 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 109,355,465 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 2022 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

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

Adoption of new Articles of Association

22. That with effect from the conclusion of the Annual General Meeting, the Articles of Association produced to the Meeting and for the purpose of identification initialled by the Chairman of the Meeting be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By Order of the Board



Vicki Bradin
Company Secretary

Registered office:
North Park, Newcastle upon Tyne NE13 9AA
Registered in England and Wales, Company number 02231246
2 December 2020

Explanatory notes to the Resolutions

Resolutions 1 to 17 (inclusive) are Ordinary Resolutions which require a simple majority of more than 50% of votes to be cast in favour to be passed. Resolutions 18 to 22 (inclusive) are Special Resolutions which require a 75% majority of the votes to be cast in favour to be passed.

ORDINARY RESOLUTIONS

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 2020. The Directors are required to present their Annual Report 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 120 to 148 of the FY20 Annual Report and Accounts (excluding the part summarising the Directors' Remuneration Policy, which is on pages 128 to 132).

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 proposed final dividend of 11.32 pence per ordinary share. The final dividend declared cannot exceed the amount recommended by the Directors. An interim dividend of 5.93 pence per ordinary share was paid on 12 June 2020. The Board is proposing a final dividend of 11.32 pence per ordinary share, making a total dividend for the year of 17.25 pence per ordinary share. If approved, the final dividend will be paid on 11 February 2021 to members whose names appear on the register of members at the close of business on 15 January 2021.

This reflects the Group's strong business performance, cash generation and liquidity position, and is in line with the Company's policy of maintaining the dividend in real terms. Further information is set out on page 222 of the FY20 Annual Report and Accounts.

Resolutions 4 to 12 – Election and re-election of Directors

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

Resolutions 4 and 5 relate to the election by shareholders of Sangeeta Anand and Irana Wasti, who were appointed by the Board effective 1 May 2020 as Non-executive Directors.

Resolutions 6 to 12 relate to the re-election of the other remaining Directors, Sir Donald Brydon, Dr John Bates, Jonathan Bewes, Annette Court and Drummond Hall as Non-executive Directors and Steve Hare and Jonathan Howell as Executive Directors.

The Board has considered the key strengths 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 internal evaluation procedure in the last 12 months, details of which are on pages 88 and 89 of the FY20 Annual Report and Accounts.

Following these procedures, the Chairman confirms the continuing commitment and effective contribution of each Director. Drummond Hall, in his role as Senior Independent Director, confirms Sir Donald Brydon's continuing commitment and effective contribution in his role as Chairman. As announced on 27 August 2020, the Chairman has expressed his intention to retire from the Board in September 2021, following the appointment of a successor.

As he is now approaching the ninth anniversary of his appointment, and with an established and effective Board in place, the Board believes that the time is right for the Company to be searching for a new Chairman. Accordingly, Sir Donald Brydon will stand for re-election at this year's Annual General Meeting and will remain Chairman until September 2021 in order to ensure a smooth transition. The process to identify and appoint a successor has been established by the Nomination Committee, led by Drummond Hall, Senior Independent Director. The Company will announce progress on the new appointment at the appropriate time.

The interests and external time commitments of the Non-executive Directors have been considered and the Board has concluded that they are free from any relationships or circumstances that could affect their judgement and are accordingly considered independent.

It is the Board's view that the Directors' biographies below 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.

Resolution 4 – Election of Sangeeta Anand as a Director

Role: Independent Non-executive Director

Appointment date: 1 May 2020

Committees: None

Board contribution:

- Extensive experience in driving P&L and catalysing growth
- The Board benefits from her in-depth understanding and knowledge of transforming product portfolios to capture the cloud opportunity

Key strengths and experience: Sangeeta is a senior software technology leader and her experience spans a broad range of public and private companies, from the Fortune 100 to a \$30M stage start-up. She has also held senior management roles at F5 Networks Inc and Cisco Systems and until recently was CMO of Alkira Inc, a cloud native software start-up in San Jose, California.

Key external commitments: None

Resolution 5 – Election of Irana Wasti as a Director

Role: Independent Non-executive Director

Appointment date: 1 May 2020

Committees: None

Board contribution:

- Experienced leader driving international growth by enabling everyday entrepreneurs to start, grow and run their businesses online
- Irana brings her wealth of experience in creating brand identity, go-to-market strategy, customers experiences, sales and support across diverse cultural regions

Key strengths and experience: Irana has previously held the role of senior vice president and general manager for GoDaddy's Productivity business, where she led teams that provide small businesses with tools and services to help run their ventures. While at Intuit, Irana oversaw the launch of QuickBooks POS with Mobile Payments integration, enabling more than 200,000 merchants to "go mobile" and has also held product and development roles at Google and IBM.

Key external commitments: President of GoDaddy EMEA

Explanatory notes to the Resolutions

Resolution 6 – Re-election of Sir Donald Brydon as a Director

Role: Chairman

Appointment date: 6 July 2012 as Independent Non-executive Director and Chairman on 1 September 2012

Committees: Chairman of the Nomination Committee

Board contribution:

- Wealth of experience gained as chairman and senior independent director with 35 years' experience in financial services enables Sir Donald to lead the Board effectively
- Navigated Sage through significant change since his appointment as Chairman and continues to oversee comprehensive changes to the composition of the Board and its Committees
- A strong advocate of Sage's stakeholders and the wider community

Key strengths and experience: Extensive 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 also chaired the Government's Independent Review into the Quality and Effectiveness of Audit (the Brydon Review) and has recently been appointed as independent non-executive chair of Tide Holdings.

Key external commitments: None

Resolution 7 – Re-election of Dr John Bates as a Director

Role: Independent Non-executive Director

Appointment date: 31 May 2019

Committees: Member of the Nomination Committee and the Remuneration Committee

Board contribution:

- John brings his deep knowledge in the field of technology innovation including the use of Artificial Intelligence and Machine Learning functionality to improve the customer experience
- Wealth of experience in creating brand identity, go-to-market strategy, customers experiences, sales and support across diverse cultural regions
- Has led evolution of platforms for digital business

Key strengths and experience: Valuable technology skills 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 (now part of Keysight Technologies Inc)

Resolution 8 – Re-election of Jonathan Bewes as a Director

Role: Independent Non-executive Director

Appointed: 1 April 2019

Committees: Chairman of the Audit and Risk Committee

Board contribution:

- Wealth of accounting and financial experience
- Strong investment banking experience gained over a 25-year career in the sector including experience of serving as chairman on an audit committee makes him well suited to the role of independent Non-executive Director and Chair of the Audit and Risk Committee
- Advisor to boards of UK and overseas companies on a wide range of financial and strategic issues, including financing, corporate strategy and governance

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

Key external commitments: Non-executive director and chair of the audit committee of Next plc and vice chairman of Corporate and Institutional Banking at Standard Chartered Bank plc

Resolution 9 – Re-election of Annette Court as a Director

Role: Independent Non-executive Director

Appointment date: 1 April 2019

Committees: Chair of the Remuneration Committee and Member of the Audit and Risk Committee

Board contribution:

- The Board benefits from her experience of both executive and non-executive director roles at the highest levels including as chair of a FTSE 100 company including prior experience of serving as chair of a remuneration committee. This also means that Annette is appropriately placed to chair Sage's 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

Key strengths and experience: Annette's prior roles include senior independent director of Jardine Lloyd Thompson Group, chief executive officer of Europe General Insurance for Zurich Financial Services, chief executive officer of the Direct Line Group and director of the board of the Association of British Insurers and Fxtons Group plc.

Key external commitments: Chair of Admiral Group plc

Explanatory notes to the Resolutions

Resolution 10 – Re-election of Drummond Hall as a Director

Role: Independent Non-executive Director and Senior Independent Director

Appointed: 1 January 2014

Committees: Member of the Audit and Risk Committee, the Nomination Committee and the Remuneration Committee

Board contribution:

- Experienced non-executive director and chairman with wealth of knowledge 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

Key strengths and experience: Previously Drummond was the senior independent director of WH Smith plc and FirstGroup plc, 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: None

Resolution 11 – Re-election of Steve Hare as a Director

Role: Chief Executive Officer

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

Committees: None

Board contribution:

- 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 CFO
- 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

Key strengths and experience: 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 Invenys plc, Spectris plc and Marconi plc.

Key external commitments: None

Resolution 12 – Re-election of Jonathan Howell as a Director

Role: Chief Financial Officer

Appointed: Chief Financial Officer on 10 December 2018
15 May 2013 as Non-executive Director

Committees: None

Board contribution:

- Highly experienced 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

Key strengths and experience: Prior to his appointment as Chief Financial Officer, 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

Resolutions 13 and 14 – 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 2021.

Resolution 14 authorises the Audit and Risk Committee, on behalf of the Board, to determine and agree the Auditors remuneration. Further details of the Auditors are set out on page 118 and 119 of the FY20 Annual Report and Accounts.

Resolution 15 – Political Donations

Part 14 of the Companies Act 2006, amongst other things, prohibits the Company and its subsidiaries from making UK 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 2022.

Resolution 16 – Discretionary Share Plan Amendments

The Company is proposing that a new schedule / appendix to each Discretionary Share Plan be established, providing for tax-advantaged awards to be granted to eligible employees in France. These awards will be granted on similar terms to the awards that are made under the main Discretionary Share Plans, save that:

- the French Appendix and French Schedule have been drafted to fall within the "Loi Macron" and allow participants and/or the Company's group to benefit from various tax-advantages; and
- further necessary amendments or modifications have been made to take account of local laws.

In order to benefit from this tax-advantaged regime in France, awards must be subject to a minimum two-year period during which the shares cannot be disposed of. Further, awards cannot vest before the expiry of at least one year.

Shareholder approval is required to comply with the authorisation requirements under "Loi Macron" as per French law.

The full terms of the Discretionary Share Plans (as amended) are available for inspection as noted on page 10 of this document.

Explanatory notes to the Resolutions

Resolution 17 – 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 2022.

Paragraph (a)(i) of resolution 17 will allow the Directors to allot ordinary shares up to an aggregate maximum nominal amount of £3,830,707.75 (representing approximately 33.3% of the nominal value of the Company's issued share capital, excluding shares held in treasury, on 1 December 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 17 will allow Directors to allot, including the ordinary shares referred to in paragraph (a)(i) of resolution 17, 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 £7,661,415.50 (representing approximately 66.6% of the Company's existing issued share capital, excluding shares held in treasury, on 1 December 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 1 December 2020, the latest practicable date prior to the publication of this document, the Company holds 27,234,641 shares in treasury, which represents approximately 2.49% of the total ordinary share capital (excluding shares held in treasury) in issue.

SPECIAL RESOLUTIONS

Authorities to disapply pre-emption rights

Resolution 18 – 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 2022. 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 £575,181.34 (representing approximately 5% of the total issued ordinary share capital of the Company, excluding shares held in treasury, on 1 December 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 19 – 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 £575,181.34 which represents approximately 5% of the issued share capital of the Company (excluding shares held in treasury) as at 1 December 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 18.

The maximum nominal value of equity securities which could be allotted if both authorities were used would be £1,150,362.68, which represents approximately 10% of the issued share capital of the Company (excluding shares held in treasury) as at 1 December 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 2022.

This resolution will be proposed as a special resolution.

Resolution 20 – 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 109,355,465 shares which is equivalent to approximately 10% of the Company's issued share capital, excluding shares held in treasury, as at 1 December 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 2022.

Explanatory notes to the Resolutions

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

The power given by this 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 1 December 2020 (being the latest practicable date prior to the publication of this document) was 22,421,157. The proportion of issued share capital, excluding shares held in treasury, that they represented at that time was 2.05% 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 2.56%.

Information on how the Company has used its authority granted by shareholders at the last Annual General Meeting held on 25 February 2020 to purchase its own shares in the market is set out on pages 151 and 152 of the FY20 Annual Report and Accounts.

This resolution will be proposed as a special resolution.

Resolution 21 – 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 on 25 February 2020.

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.

Resolution 22 – Adoption of new Articles of Association

It is proposed to adopt new Articles of Association (the 'New Articles') in order to update the existing Articles of Association (the 'Existing Articles'), primarily to reflect changes in the law and developments in market practice and technology since the Existing Articles were adopted in 2011. The principal changes introduced in the New Articles are summarised below. Other changes which are of a minor, technical, procedural or clarificatory nature have not been noted. A copy of the New Articles and a copy of the Existing Articles marked to show all the changes proposed by resolution 22 are available for inspection as noted on page 10.

This resolution will be proposed as a special resolution.

Electronic participation in general meetings

The New Articles propose to include provisions enabling the holding of "combined physical and electronic general meetings" (also known as "hybrid" meetings). A "combined physical and electronic general meeting" is a general meeting (including an annual general meeting) held at a physical venue with additional facilities for shareholders to attend the meeting by electronic means.

The New Articles give the Company flexibility to embrace new technology as it develops and to make additional arrangements for shareholder participation in general meetings. The New Articles are in line with best practice and do not permit the Company to hold "virtual only" general meetings.

Proceedings at general meetings

The New Articles include updated provisions, in line with market practice, clarifying that the chair may adjourn a general meeting in circumstances where the facilities available are not sufficient to allow the meeting to be conducted as planned. The New Articles also clarify, in line with market practice, that the chair may take appropriate action to facilitate the conduct of the meeting, proportionate discussion on the business of the meeting and the maintenance of good order.

Methods of payment of dividends

The New Articles propose to update the provisions of the Existing Articles that relate to the way dividends are paid, in line with recent market practice and guidance issued in 2014 by the ICSA Registrars' Group. The New Articles confirm the current flexibility under the Existing Articles to allow the payment of dividends by different methods (including cheque, dividend warrant and bank transfer). However, the proposal additionally permits the directors to decide which payment method is to be used on any particular occasion. The Directors consider it important to have the flexibility to cater for new developments and changes in practice, including considering the efficiency and cost savings if, in the future, the Company changed to electronic payment only.

Retirement of Directors

The New Articles propose, in line with common practice, that at each Annual General Meeting every Director who held office on the date seven days before the date of notice of the Annual General Meeting shall retire from office, but is eligible for re-election. All of the Company's Directors are subject to annual re-election by shareholders, in accordance with the 2018 UK Corporate Governance Code.

Explanatory notes to the Resolutions

Vacation of office of Director

The New Articles propose to include updated wording, in line with relevant legislation, regarding the circumstances in which a director must vacate office where the director has become physically or mentally ill, subject to a resolution of the board. The updated wording applies the same test to both physical and mental illness of whether in the opinion of a medical practitioner the director is rendered incapable by his illness of acting as a director for more than three months.

Non-executive Directors' fees

The New Articles propose that the aggregate limit on Non-executive Directors' fees payable in any one year is £1,250,000 (unless there is an ordinary resolution of the Company determining a larger sum). The current limit, which was approved by shareholders at the AGM in 2013, is £1,000,000 per annum. The proposed increase is intended to provide sufficient flexibility in setting the level of Non-executive Directors' fees and the number of Non-executive Directors appointed in the future. Information on the current fees paid to Non-executive Directors can be found on page 131 and 133 of the FY20 Annual Report and Accounts. Fees are paid in line with the Directors' Remuneration Policy approved by shareholders.

Untraced members - tracing enquiries and sale of shares

The New Articles, in line with market practice, propose to modernise the procedure for contacting "untraced members" and update the process the Company would intend to follow in relation to any exercise of its power to sell the shares of "untraced members". "Untraced members" would be shareholders who have not claimed or cashed a dividend payment over a period of at least 12 years provided, during that time, at least three cash dividends have become payable and no communication has been received by the Company from such member or person.

The New Articles replace the requirement in the Existing Articles to place notices in newspapers with a requirement that the Company must send a notice to the last registered address of the shareholder stating that it intends to sell the shares. Before sending such a notice, the Company must have made tracing enquiries for the purpose of contacting the shareholder, which the directors consider to be reasonable and appropriate in the circumstances. The New Articles provide that, if no valid claim for the proceeds of a sale has been received by the Company during a period of two years from the date on which the relevant shares are sold, the net proceeds of the sale will be forfeited and will belong to the Company. The Company would be permitted to use the sale proceeds for any purpose the Directors may decide. The New Articles also provide that, if the Company exercises its power of sale in respect of any share of an untraced member, any dividend (and any other moneys) payable on the share at the time the share is sold will be forfeited.

Shareholder communications

The New Articles provide, in line with market practice, that a member ceases to be entitled to receive communications from the Company if, on two consecutive occasions, notices, documents or information have been sent or supplied to that member and returned undelivered. A member becomes entitled to receive communications again when he or she has supplied the Company or its Registrar with updated contact details.

Scrip dividends

The New Articles propose to update the Existing Articles, in line with market practice, to provide additional flexibility for the valuation of ordinary shares allotted under a scrip dividend to be calculated in such manner as may be determined by ordinary resolution of the Company, and to enable the Board to deal with fractional shares.

Capitalisation of reserves - employees' share schemes

The New Articles include an updated provision, in line with market practice, that clarifies the approach the Company would take with respect to a capitalisation of reserves in the context of an events based adjustment in accordance with the rules of the relevant scheme to awards granted under any of the employees' share schemes operated by the Company. The updated provision is intended, in line with the corresponding provisions in the rules of the relevant share schemes, to allow the Company to operate the schemes lawfully in respect of any awards granted under the share schemes by permitting the Company to capitalise reserves, to meet its obligation in respect of those awards and where necessary, to maintain the economic position of the outstanding awards at the same level after the event giving rise to the adjustment as it was before that event.

By Order of the Board



Vicki Bradin
Company Secretary

2 December 2020

Eligibility to attend and vote

1. The arrangements for attendance and voting at this year's Annual General Meeting, and for asking questions on the business of the Meeting, are explained in the Chairman's letter. Any changes to these arrangements will be communicated to shareholders through the Company's website at www.sage.com/investors/. As explained in the Chairman's letter, **shareholders must not attend the Annual General Meeting in person this year.**

Please refer to pages 12 and 13 for information on the facility provided for shareholders to listen to the proceedings of the Meeting and to submit questions to the Board during the Meeting.

2. Only those members registered in the register of members of the Company as at 6.30 pm on 2 February 2021 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 2 February 2021 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.

In view of the attendance arrangements for this year's Annual General Meeting, **shareholders must submit their proxy vote in advance of the Meeting by appointing the Chairman of the Meeting as proxy, with voting instructions**, to ensure your vote is counted.

Appointment of a proxy

3. 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 their rights to attend and to speak and vote instead of them. 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. As explained in the Chairman's letter, **shareholders must submit their proxy vote in advance of the Meeting by appointing the Chairman of the Meeting as proxy, with voting instructions**, for this year's Annual General Meeting.
4. 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 Tuesday, 2 February 2021. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this document.
5. 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).

Electronic appointment of a proxy

6. 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 (SRN) (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 no later than 12 noon on Tuesday, 2 February 2021. CREST members may appoint a proxy through the CREST electronic proxy appointment service (please see note 8 below). You must inform the Company's Registrars in writing of any termination of the authority of a proxy.
7. If you return both 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's terms and conditions of use carefully. Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged.

Electronic proxy appointment by CREST members

8. 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 4 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 their 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.

Notes

Corporate representatives

- 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. Please however note the arrangements for attendance and voting at this year's Annual General Meeting, as explained in the Chairman's letter.

Indirect investors

- Any person to whom this document 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 them 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. Please, however, note the arrangements for attendance and voting at this year's Annual General Meeting, as explained in the Chairman's letter. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they 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.
- The statement of the rights of shareholders in relation to the appointment of proxies in notes 3, 4 and 5 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

- As at 1 December 2020 (being the latest 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 27,234,641 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 1 December 2020 are 1,093,554,654.

Poll voting

- 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. On a poll, each shareholder has one vote for every share held. As explained in the Chairman's letter, **shareholders must submit their proxy vote in advance of the Meeting by appointing the Chairman of the Meeting as proxy, with voting instructions.**

Publication of statement in relation to the audit of the Company

- 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 Auditor's 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.

Documents available for inspection

- A copy of the Company's proposed new Articles of Association and a copy of the Company's existing Articles of Association, marked to show the changes proposed by resolution 22 will be at the offices of Allen & Overy LLP, One Bishops Square, Spitalfields, London, E1 6AD from the date of this document and until the conclusion of the Meeting, together with the full terms of the Discretionary Share Plans (as amended) referred to in resolution 16. Copies of the service contracts and terms of appointment of the Directors are at North Park, Newcastle upon Tyne, NE13 9AA and will be at the Annual General Meeting. In view of the ongoing Covid-19 pandemic and the attendance arrangements for this year's Annual General Meeting, we would ask you to contact us by email at agm2021@sage.com if you would like to inspect any documents.

Website information

- In accordance with section 311A of the Companies Act 2006, the contents of this document, 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 document can be found at www.sage.com.

Contacts for Sage's Registrars

- 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.

Notes

Questions at the Annual General Meeting

18. Any member attending the Meeting has the right to ask questions relating to the business of the Meeting being dealt with 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. Noting the attendance arrangements for this year's Annual General Meeting, **please refer to the Chairman's letter for information on how to ask a question on the business of the Meeting.**

Your guide to participating online

19. This year we will be providing you with the opportunity to listen to the Meeting online, by logging onto <https://web.lumiagm.com>. For further details please refer to pages 12 and 13 of this document which provides a user guide to participate remotely. Please note that shareholders participating remotely will not be able to cast their votes at the Meeting. As explained in the Chairman's letter, **shareholders must submit their vote in advance of the Meeting by appointing the Chairman of the Meeting as proxy, with voting instructions.**

Members' resolutions

20. Under section 338 and section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which may properly be moved and is intended to be moved at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the Company not later than 23 December 2020, being the date six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

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.

Financial calendar

Dividend payments

FY20 Final payable: 11 February 2021
*H1 FY21 Interim payable: 11 June 2021

Results announcements

Q1 FY21 Trading update: 21 January 2021
H1 FY21 Interim results: 12 May 2021
Q3 FY21 Trading update: 29 July 2021
FY21 Full Year results: 17 November 2021

* Please note this date is provisional and subject to change. Please access our financial calendar at www.sage.com/investors/, which is updated regularly.

User guide to participating remotely at the Sage 2021 Annual General Meeting

For this year's Annual General Meeting, The Sage Group plc. is for the first time enabling shareholders to participate in the Meeting electronically. You will be able to listen to a live broadcast, and submit questions. You will need an active internet connection throughout the Meeting to allow you to participate. It is the user's responsibility to ensure you remain connected for the duration of the Meeting.

Please note that shareholders participating remotely will not be able to cast their votes at the Meeting. **Shareholders must submit their vote in advance of the Meeting by appointing the Chairman of the Meeting as proxy, with voting instructions.** Voting at the Meeting will be on a poll, to reflect proxy voting instructions received. Please see pages 9 and 10 for further information.

Accessing the Annual General Meeting Website

Please visit <https://web.lumiagm.com> using most well-known internet browsers such as Internet Explorer (version 11), Chrome, Firefox and Safari on a PC, laptop or internet-enabled device such as a tablet or smartphone.

Logging In

On accessing the Annual General Meeting website, you will be asked to enter a 'Meeting ID' which is **144-280-766**. You will then be prompted to enter your unique username, which is your Shareholder Reference Number (SRN), and PIN which is the first two and last two digits of your SRN. These can be found printed on your Form of Proxy. Access to the Meeting via the website will be available from 10 a.m. on Thursday, 4 February 2021.

Audiocast

The Meeting will be broadcast in audio format. Once logged in, and at the commencement of the Meeting at 12 noon on Thursday, 4 February 2021, you will be able to listen to the proceedings of the Meeting on your device, as well as being able to see any slides presented at the Meeting.

Questions

Shareholders participating electronically may ask questions via the website by typing and submitting their question in writing.

Requirements

An active internet connection is required at all times in order for you to submit questions and listen to the audiocast. It is the user's responsibility to ensure you remain connected for the duration of the Meeting.

Representatives of shareholders

Shareholders who would like a representative to join the audiocast on their behalf should please contact the Company's Registrar before 12 noon on 3 February 2021 on 0371 384 2859 or +44 121 415 7047 to arrange a unique username and password.

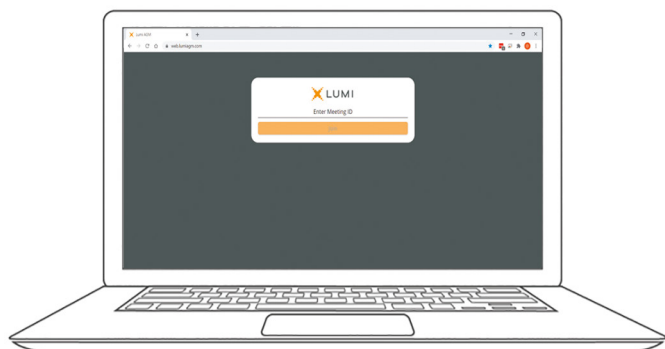
All shareholders must register their vote in advance of the Meeting by appointing the Chairman of the Meeting as proxy, with voting instructions. The deadline for proxy appointments is 12 noon on Tuesday, 2 February 2021.

User guide to participating remotely at the Sage 2021 Annual General Meeting

Meeting ID: 144-280-766

To login you must have your Username and PIN

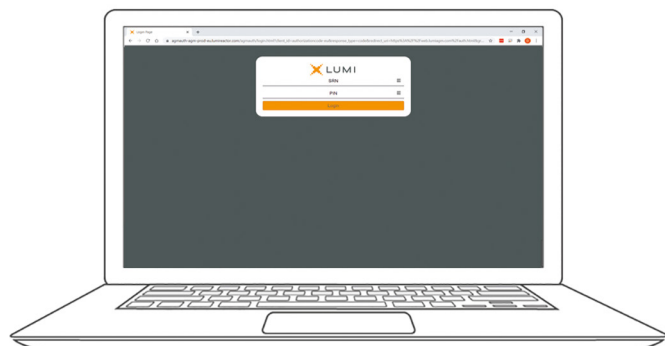
Access Step 1



Navigate to web.lumiagm.com and you will be prompted to enter the Meeting ID. If a shareholder attempts to login before the meeting is live*, a pop-up dialogue box will appear.

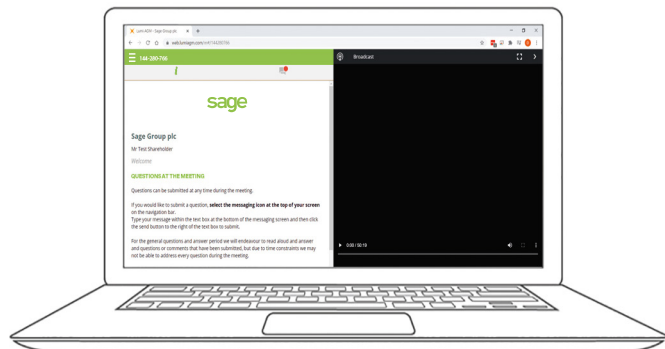
* After 10 a.m. on Thursday, 4 February 2021.


Step 2



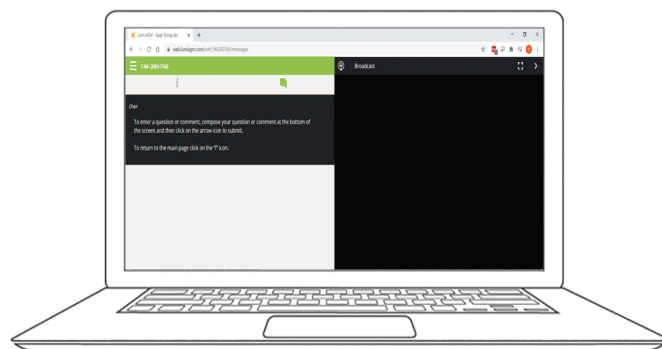
After entering the Meeting ID, you will be prompted to enter your unique username (SRN) and PIN.


Step 3



When successfully authenticated, you will be taken to the Home Screen. The Meeting presentation will appear automatically if viewing through a web browser to the side of the page. This can be minimised by pressing the  button.

Questions at the Meeting



If you would like to ask a question live at the Meeting, please select the messaging icon .

Messages can be submitted at any time during the Q&A session up until the Chairman of the Meeting closes the session. Type your message within the chat box at the bottom of the messaging screen.

Once you are happy with your message, press send. Questions sent via the 'Lumi AGM' online platform will be moderated before being sent to the Chairman of the Meeting to avoid repetition.