



# The Sage Group plc.

Notice of the 2023 Annual General Meeting  
to be held on Thursday, 2 February 2023

**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 advisor 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 the 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.

# Chair's letter

7 December 2022

The Sage Group plc.  
C23—5 & 6 Cobalt Park Way  
Cobalt Park  
Newcastle Upon Tyne  
NE28 9EJ  
United Kingdom  
[www.sage.com](http://www.sage.com)

Dear shareholder

I am pleased to invite you to the Annual General Meeting of The Sage Group plc. (the “Company”) (the “2023 Annual General Meeting”, or the “Meeting”), which will be held at and broadcast from our registered office at C23—5 & 6, Cobalt Park Way, Cobalt Park, Newcastle Upon Tyne, NE28 9EJ on Thursday, 2 February 2023 at 12 noon, with facilities to attend electronically. Enclosed with this letter is our Annual Report and Accounts for the year ended 30 September 2022 (the “FY22 Annual Report and Accounts”), the Notice of the Meeting and Form of Proxy.

The Notice of the Meeting is set out on pages 1 to 3 together with explanatory notes on pages 4 to 10. The FY22 Annual Report and Accounts and the Notice of the Meeting are also available on our website at [www.sage.com/investors/](http://www.sage.com/investors/).

## Attending the AGM

Similar to last year, the 2023 Annual General Meeting will be held as a combined physical and electronic general meeting as permitted by the articles of association of the Company. Further details and instructions on how to attend the physical venue of the Meeting, and how to attend and participate in the Meeting electronically, can be found on pages 15 and 16.

Any changes to our Meeting arrangements will be communicated to shareholders via the Company's website. Our corporate website, [www.sage.com/investors/](http://www.sage.com/investors/) is the principal means that we use to communicate with our shareholders, and we therefore encourage you to monitor this for updates about the 2023 Annual General Meeting.

## Voting arrangements

Your vote is important to us. Shareholders attending the Meeting either at the physical venue or electronically, will be able to vote in real time during the Meeting.

If you are planning to attend the physical venue, we ask you please to register your intention to do so, as soon as possible, with Equiniti, our Registrar, by ticking the tick box on either the Form of Proxy (which you should return to Equiniti) or on [www.sharevote.co.uk](http://www.sharevote.co.uk). You will be provided with a poll card at the venue.

If you are planning to attend the Meeting electronically and would like to cast your vote during the Meeting, please refer to pages 15 and 16 for an explanation of the process.

Shareholders who are unable to attend the Meeting or who would prefer to vote in advance are strongly encouraged to appoint a proxy, with voting instructions. Voting at the Meeting will be conducted on a poll and will reflect all proxy voting instructions duly received. Information on how to appoint a proxy (whether you choose the Chair of the Meeting or your own named proxy to attend on your behalf) is on pages 11 and 12. Please note that the deadline for receipt by our Registrar of all proxy appointments is 12 noon on Tuesday, 31 January 2023.

The results of the poll will be announced to the London Stock Exchange and will be published on our website at [www.sage.com/investors/](http://www.sage.com/investors/) as soon as reasonably practicable after the Meeting.

## Shareholder questions

The Annual General Meeting provides a valuable opportunity for shareholders to communicate directly with the Board and to ask questions. On behalf of the Board, I therefore encourage you to attend the 2023 Annual General Meeting. If you would like to ask a question relating to the formal business of the Meeting in advance of the Meeting, please contact us via email at [agm2023@sage.com](mailto:agm2023@sage.com), by no later than close of business on 25 January 2023. Please include your full name and Shareholder Reference Number (SRN) in your email. We will respond to your query as soon as possible.

You may also, if you prefer, ask questions during the Meeting, whether you are attending at the physical venue or electronically (using the messaging function). The Directors will aim, where possible, to answer all questions on the business of the Meeting live at the Meeting. A full transcript of the questions asked on the business of the Meeting, and the answers, will be made available on the Company's website in due course following the conclusion of the Meeting. Further details on asking questions on the formal business of the Meeting can be found on pages 13 and 14.

In addition, and similarly to last year, our external auditor (Ernst & Young LLP) will be available to answer any questions from shareholders at the Meeting.

### **Business of the Meeting**

As recently announced, we were delighted to welcome Maggie Chan Jones to the Board with effect from 1 December 2022. Maggie brings with her deep international marketing and brand experience, which will highly complement the skills we already have on the Board. Maggie will stand for election for the first time at the 2023 Annual General Meeting.

I am also looking forward to welcoming Roisin Donnelly to the Board. Roisin will join Sage after our 2023 Annual General Meeting, on 3 February 2023. Her strong background in digital transformation and data, and significant knowledge and experience of developing ESG strategies, along with extensive customer, marketing and branding experience, will bring immediate value to Board discussions. Roisin Donnelly will stand for election by shareholders, for the first time at Sage's 2024 annual general meeting, in accordance with the UK Corporate Governance Code.

In addition to the standard business that is dealt with at our annual general meeting every year, there are three additional resolutions being proposed this year.

Resolution 17 seeks shareholder approval to increase the maximum aggregate fees that can be paid each year to Non-executive Directors under the Company's articles of association, from £1,250,000 to £1,750,000. The proposed increase is intended, following the recent announcement of additional Non-executive Director appointments, to ensure the Company continues to have sufficient headroom and flexibility in setting the level of Non-executive Directors' fees in the future. Further information can be found on pages 7 and 8.

Resolution 18 proposes an amendment to the 2019 Restricted Share Plan, to allow the Remuneration Committee to use discretion and greater flexibility in granting individual awards in support of recruitment in key countries and the Group's M&A strategy. Further information can be found on page 8.

Resolution 19 proposes approval of the 2023 Colleague Share Purchase Plan. The rules have been drafted to provide maximum flexibility for the operation of an all-employee offering. Further information can be found on page 8.

### **Final dividend**

Subject to approval at the 2023 Annual General Meeting, the final dividend for the financial year ended 30 September 2022 of 12.10 pence per ordinary share will be paid on 10 February 2023 to those members whose names appear on the register at the close of business on 13 January 2023.

### **Recommendation**

The Directors are of the opinion that all resolutions to be proposed at the 2023 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



**Andrew Duff**  
Chair

# The Sage Group plc.

## Notice of 2023 Annual General Meeting

**Notice is hereby given that** the Annual General Meeting of The Sage Group plc. (the “Company”) (the “2023 Annual General Meeting”, the “Meeting”) will be held at C23—5 & 6, Cobalt Park Way, Cobalt Park, Newcastle Upon Tyne, NE28 9EJ at 12 noon on Thursday, 2 February 2023, with facilities to attend electronically, to transact the following business:

To consider and, if thought fit, to pass resolutions 1 to 20 (inclusive), which will be proposed as Ordinary Resolutions, and resolutions 21 to 24 (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 auditor for the financial year ended 30 September 2022 (the “FY22 Annual Report and Accounts”).

#### Approval of the Directors’ Remuneration Report

2. To approve the Directors’ Remuneration Report for the financial year ended 30 September 2022, set out on pages 148 to 181 of the FY22 Annual Report and Accounts (excluding the part summarising the Directors’ Remuneration Policy, which is on pages 158 to 162).

#### Final dividend

3. To declare a final dividend recommended by the Directors of 12.10 pence per ordinary share for the financial year ended 30 September 2022 to be paid on 10 February 2023 to members whose names appear on the register of members at the close of business on 13 January 2023.

#### Election and Re-election of Directors

4. That Maggie Chan Jones be elected as a Director of the Company.
5. That Andrew Duff be re-elected as a Director of the Company.
6. That Sangeeta Anand 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 Derek Harding be re-elected as a Director of the Company.
12. That Steve Hare be re-elected as a Director of the Company.
13. That Jonathan Howell be re-elected as a Director of the Company.

#### Reappointment and remuneration of the auditor

14. To reappoint Ernst & Young LLP as auditor to the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
15. That the Audit and Risk Committee of the Board be authorised to determine and agree the remuneration of the auditor to the Company.

#### Political donations

16. 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 2024.

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.

#### Non-executive Director fees

17. That the maximum aggregate fees payable to Non-executive Directors in accordance with article 63 of the Company’s articles of association be increased to £1,750,000.

### **The Sage Group plc. 2019 Restricted Share Plan amendments**

18. That the existing rules of The Sage Group plc. 2019 Restricted Share Plan (“RSP”) be amended, and the Remuneration Committee be and is hereby authorised to do all such acts and things necessary to give effect to the same.

### **The Sage Group plc. 2023 Colleague Share Purchase Plan**

19. That the rules of The Sage Group plc. 2023 Colleague Share Purchase Plan (“CSPP”), including a tax-advantaged US employee share purchase plan schedule, the principal terms of which are summarised in the Schedule on pages 17 to 20 of this Notice, be approved and the Remuneration Committee be authorised to:
- (a) do all such other acts and things as they may consider appropriate to implement the CSPP; and
  - (b) establish such further schedules for the benefit of employees overseas, based on the CSPP and modified, as may be necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any shares of the Company made available under such plans are treated as counting against any limits on individual or overall participation in the CSPP.

### **Authority to allot new shares**

20. 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 £3,585,345.47 (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 £3,585,345.47); and
  - (ii) comprising equity securities (as defined in article 8 of the Company’s articles of association) up to a maximum nominal amount of £7,170,690.94 (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 2024; 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**

21. 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 £538,340.16;
- (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 2024.

##### **Additional disapplication of pre-emption rights**

22. That:

- (a) in addition to any authority granted under resolution 21, the Directors be authorised:
  - (i) subject to the passing of resolution 20, 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 £538,340.16; and

# The Sage Group plc.

## Notice of 2023 Annual General Meeting continued

- 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 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 2024; 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.
- (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 2024 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

24. 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



**Vicki Bradin**

Company Secretary

Registered office:

C23—5&6, Cobalt Park Way, Cobalt Park,  
Newcastle Upon Tyne, NE28 9EJ, United Kingdom

Registered in England and Wales, Company number  
02231246

7 December 2022

### Authority to purchase own shares on market

23. 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 102,351,092 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;

# Explanatory notes to the Resolutions

Resolutions 1 to 20 (inclusive) are Ordinary Resolutions which require a simple majority of more than 50% of votes to be cast in favour to be passed. Resolutions 21 to 24 (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 FY22 Annual Report and Accounts. The Directors are required to present the FY22 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 148 to 181 of the FY22 Annual Report and Accounts (excluding the part summarising the Directors' Remuneration Policy, which is on pages 158 to 162).

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 12.10 pence per ordinary share. The final dividend declared cannot exceed the amount recommended by the Directors. An interim dividend of 6.30 pence per ordinary share was paid on 17 June 2022. The Board is proposing a final dividend of 12.10 pence per ordinary share, making a total dividend for the year of 18.40 pence per ordinary share. If approved, the final dividend will be paid on 10 February 2023 to members whose names appear on the register of members at the close of business on 13 January 2023. This final dividend reflects the Group's strong business performance and cash generation during FY22 and is in line with the Company's progressive dividend policy, which intends to grow the dividend over time while considering the future capital requirements of the Group. Dividends will not be paid to any sanctioned person or to any person who cannot confirm that they have not been sanctioned if requested to do so.

Further information is set out on page 182 of the FY22 Annual Report and Accounts.

### Resolutions 4 to 13—Election and re-election of Directors

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

Resolution 4 relates to the election by shareholders of Maggie Chan Jones, who was appointed to the Board as an independent Non-executive Director on 1 December 2022.

Resolutions 5 to 13 relate to the re-election of the other remaining Directors, Andrew Duff, Sangeeta Anand, Dr John Bates, Jonathan Bewes, Annette Court, Drummond Hall and Derek Harding 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 that each Director brings to the Board. In FY22, the Board carried out an external review of its own effectiveness, and that of its Committees and Directors, details of which can be found on pages 128 and 129 of the FY22 Annual Report and Accounts.

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. Andrew Duff was independent on his appointment to the Board, and as Chair.

The Board has resolved to extend Drummond's tenure for a one-year period until January 2024, subject to his re-election by shareholders at the 2023 Annual General Meeting. Further information and context can be found on pages 117 and 132 of the FY22 Annual Report and Accounts and in Drummond Hall's biography on page 6.

The Board concluded that each Director continues to be effective and that they demonstrate commitment to their roles. 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.



# Explanatory notes to the Resolutions continued

## Resolution 4—Election of Maggie Chan Jones as a Director

**Role:** Independent Non-executive Director

**Appointment date:** 1 December 2022

**Committees:** None

### Board contribution:

- Deep international marketing and brand experience gained from her time spent at some of the world's largest technology companies
- Recognised industry thought leader in marketing and technology, with experience in brand, cloud transformation and global advertising
- A passion and commitment to fostering diversity and inclusion for women in leadership roles

### Key strengths and experience:

Named as one of the world's most influential chief marketing officers by Forbes. She was SAP's first woman chief marketing officer, responsible for driving the software provider's global marketing effort across more than 180 countries, and has previously served as a Non-executive Director on the Board of Avast plc.

**Key external commitments:** CEO of Tenshey and non-executive board advisor to Open Systems AG

## Resolution 5—Re-election of Andrew Duff as a Director

**Role:** Chair

**Appointment date:** Independent Non-executive Director on 1 May 2021 and as Non-executive Chair on 1 October 2021

**Committees:** Chair of the Nomination Committee

### Board contribution:

- Extensive experience as a non-executive director and chair
- Strong track record of transforming high-profile international businesses
- Effective leader with strategic insights and international experience

**Key strengths and experience:** Strong track record as a non-executive chair with focus on culture, purpose, customer centricity, and delivering value for all stakeholders. Andrew has previously served as a non-executive chair of Elementis plc and Severn Trent plc, non-executive director of Wolseley plc and chief executive officer of npower.

**Key external commitments:** Non-executive director of UK Government Investments Ltd (UKGI)

## Resolution 6—Re-election of Sangeeta Anand as a Director

**Role:** Independent Non-executive Director

**Appointment date:** 1 May 2020

**Committees:** Member of the Audit and Risk Committee

### Board contribution:

- The Board benefits from her deep operating experience in transforming complex product portfolios and go-to-market, to capture the cloud opportunity
- Technology and business experience includes cybersecurity, cloud, enterprise software, SaaS and application services

**Key strengths and experience:** Silicon Valley-based senior technology leader with extensive experience in leading P&L and growth across a range of public, PE-owned and startup companies including having served as chief marketing officer of Alkira Inc (disruptive SaaS networking startup), senior vice president of F5 Networks Inc (Listed on NASDAQ), general manager and corporate vice president of SafeNet (part of Thales Group) and vice president of Cisco Systems.

**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, customer experience, sales and support across diverse cultural regions
- Has led the 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), head of industry solutions and chief marketing officer at Software AG, chief executive officer of Terracotta, Inc. (a subsidiary of Software AG), executive vice president of corporate strategy and chief technology officer at Progress Software, and chief executive officer at Plat.One (now part of SAP). John has also recently served as chief executive officer of the Eggplant Group, part of Keysight Technologies Inc.

**Key external commitments:** Chief executive officer of SER Group Holding GmbH



### Resolution 8—Re-election of Jonathan Bewes as a Director

**Role:** Independent Non-executive Director

**Appointment date:** 1 April 2019

**Committees:** Chair 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:** Senior independent director and chair of the audit committee of Next plc and vice chairman 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 Annette's experience of both executive and non-executive director roles at the highest levels including as chair of a FTSE 100 company, and 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 Foxtons Group plc.

**Key external commitments:** Chair of WH Smith Plc. Annette Court is also currently Chair of Admiral Group plc and will step down from this role at Admiral Group's annual general meeting in 2023.

### Resolution 10—Re-election of Drummond Hall as a Director

**Role:** Independent Non-executive Director and Senior Independent Director

**Appointment date:** 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 chair 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 officer of Dairy Crest Group plc, prior to which the majority of his career was spent with Procter and Gamble, Mars and PepsiCo.

Drummond Hall is a significant asset to Sage, with his deep knowledge of the business and workings of the Board. In view of Drummond's deep knowledge of the business, his independence and to support continuity in a period of Board evolution, the Board has resolved to extend Drummond's tenure for a one-year period until January 2024.

**Key external commitments:** None

### Resolution 11—Re-election of Derek Harding as a Director

**Role:** Independent Non-executive Director

**Appointment date:** 2 March 2021

**Committees:** Member of the Audit and Risk Committee

**Board contribution:**

- Significant financial experience, including leading business transformations
- Broad experience across a range of commercially focused financial and operational roles including strategy, investor relations, mergers and acquisitions

**Key strengths and experience:** Sharp financial acumen gained as chief financial officer at Senior plc, group finance director at Shop Direct and finance director of Wolseley UK.

**Key external commitments:** Chief financial officer at Spectris plc

# Explanatory notes to the Resolutions continued

## Resolution 12—Re-election of Steve Hare as a Director

**Role:** Chief Executive Officer

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

**Committees:** None

### Board contribution:

- Significant financial, operational and transformation experience which includes driving change programmes in a number of his previous roles
- Deep knowledge of Sage, having joined the Board in January 2014 as Chief Financial Officer
- Extensive understanding of the drivers and priorities needed to continue accelerating Sage's growth in all regions and across all cloud solutions
- Continues to drive strategic acquisitions, adding valuable new technologies, capability and talent to the Group

**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 Invensys plc, Spectris plc and Marconi plc.

**Key external commitments:** None

## Resolution 13—Re-election of Jonathan Howell as a Director

**Role:** Chief Financial Officer

**Appointment date:** 15 May 2013 as Non-executive Director and as Chief Financial Officer on 10 December 2018

**Committees:** None

### Board contribution:

- Highly experienced group finance director as well as experience as a chair 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 acted as the chair of the Audit and Risk Committee

**Key strengths and experience:** Prior to his appointment as Chief Financial Officer, Jonathan was 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 the chairman of FTSE International.

**Key external commitments:** Independent non-executive director of Experian plc

## Resolutions 14 and 15—Reappointment and remuneration of the auditor

On the recommendation of the Audit and Risk Committee, the Board proposes the reappointment of Ernst & Young LLP as the auditor for the financial year 2023.

Resolution 15 authorises the Audit and Risk Committee, on behalf of the Board, to determine and agree the auditor's remuneration. Further details of the auditor are set out on pages 146 and 147 of the FY22 Annual Report and Accounts.

## Resolution 16—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 2024.

## Resolution 17—Non-executive Director fees

Article 63 of the Company's articles of association limits the aggregate fees that can be paid each year to Non-executive Directors to £1,250,000, but provides that this limit may be increased by an ordinary resolution of the Company. Resolution 17 seeks approval for the maximum aggregate fees that can be paid to Non-executive Directors to be increased to £1,750,000. The proposed increase is intended, following the recent appointment of Maggie Chan Jones and the forthcoming appointment of Roisin Donnelly from 3 February 2023, to continue to

provide sufficient headroom and flexibility to maintain Non-executive Directors' fees and to continue to recruit and retain suitable candidates in the future. Information on the current fees paid to Non-executive Directors is on page 176 of the FY22 Annual Report and Accounts. All fees are paid in line with the Directors' Remuneration Policy approved by shareholders in 2022.

### **Resolution 18—The Sage Group plc. 2019 Restricted Share Plan Amendments**

Under The Sage Group plc 2019 Restricted Share Plan ("RSP"), a conditional free share award may only be granted over shares with an aggregate market value of up to three times the participant's annual salary, or an additional three times of salary for an award granted in connection with the recruitment of a participant. The Company is proposing that the RSP rules be amended to allow for the Remuneration Committee to use discretion to determine an individual limit above those set out in the existing RSP rules. This will allow for greater flexibility to make more competitive offers of equity in what is a highly competitive market for digital talent, e.g. when granting awards in connection with or following the acquisition of a company which has historically offered higher values.

Executive Directors remain ineligible to receive awards under the RSP.

The full terms of the RSP rules (as amended) are available for inspection, as noted on page 13 of this document.

### **Resolution 19—The Sage Group plc. 2023 Colleague Share Purchase Plan**

The Sage Group plc. 2023 Colleague Share Purchase Plan ("CSPP") rules have been drafted to provide the Company with maximum flexibility for the operation of an all-employee offering, alongside our existing Save and Share plan, and are future-proofed to meet a changing economic background and changing business needs globally.

The CSPP allows colleagues to apply to purchase shares, with ability for the Company to apply a discount to the purchase price or matching shares to encourage participation. The CSPP also allows the Company to grant one-off awards of free shares, for example, if the Company wishes to reward colleagues for a key event, or as a one off "thank you".

In addition, the CSPP includes two tax qualifying schedules, to enable beneficial tax treatment for participants who are tax-resident in France and the US.

Shares awarded under the CSPP and under any other employee share plan operated by the Company must not exceed 10% of the Company's ordinary share capital.

Awards under the CSPP may only be granted to Executive Directors insofar as is permitted under the Group's Directors' Remuneration Policy.

The principal terms of the CSPP are summarised in the Schedule on pages 17 to 20 to this Notice. The full terms of the CSPP rules are available for inspection as noted on page 13 of this document.

### **Resolution 20—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 2024.

Paragraph (a)(i) of resolution 20 will allow the Directors to allot ordinary shares up to an aggregate maximum nominal amount of £3,585,345.47 (representing approximately 33.3% of the nominal value of the Company's issued share capital, excluding shares held in treasury, on 1 December 2022, 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 20 will allow Directors to allot, including the ordinary shares referred to in paragraph (a)(i) of resolution 20, 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 £7,170,690.94 (representing approximately 66.6% of the Company's existing issued share capital, excluding shares held in treasury, on 1 December 2022, 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 2022, the latest practicable date prior to the publication of this document, the Company holds 77,278,371 shares in treasury, which represents approximately 7.55% of the total ordinary share capital (excluding shares held in treasury) in issue.

# Explanatory notes to the Resolutions continued

## Special resolutions

### Authorities to disapply pre-emption rights

#### Resolution 21—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 2024. 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 £538,340.16 (representing approximately 5% of the total issued ordinary share capital of the Company, excluding shares held in treasury, on 1 December 2022, 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 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 published by the Pre-emption Group (the “Statement of Principles”) without prior consultation with the relevant investor groups.

This resolution will be proposed as a special resolution.

#### Resolution 22—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 £538,340.16 which represents approximately 5% of the issued share capital of the Company (excluding shares held in treasury), as at 1 December 2022, (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 21.

The maximum nominal value of equity securities which could be allotted if both authorities were used would be £1,076,680.32, which represents approximately 10% of the issued share capital of the Company (excluding shares held in treasury), as at 1 December 2022, (being the latest practicable date prior to publication of this document).

The Directors are aware of the revised Statement of Principles and new template resolutions published by the Pre-emption Group in November 2022, which include an increase in the dis-application of pre-emption rights limit. The Directors have decided that they do not wish to increase the dis-application threshold at the current time, but will keep emerging market practice under review.

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 2024.

This resolution will be proposed as a special resolution.

#### Resolution 23—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 102,351,092 shares which is equivalent to approximately 10% of the Company's issued share capital, excluding shares held in treasury, as at 1 December 2022, 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 2024.

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 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. The 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 employee share schemes of the Group that were outstanding at 1 December 2022 (being the latest practicable date prior to the publication of this document) was 27,136,747. The proportion of issued share capital, excluding shares held in treasury, that they represented at that time was 2.65% 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 3.31%.

During FY22, the Company used its authority to purchase own shares in the market, as granted by shareholders at the annual general meeting held on 4 February 2021, to purchase 27,979,129 ordinary shares of 14<sup>77</sup> pence each between 1 October 2021 and 24 January 2022, as part of the share buyback programme. These shares were held in treasury, to be utilised to meet obligations arising from share option programmes, or other allocation of shares, to colleagues or Directors. The shareholder authority obtained at the annual general meeting held on 3 February 2022 has not been used and will expire at the 2023 Annual General Meeting. Further information on the share buyback programme is set out on page 185 of the FY22 Annual Report and Accounts.

Information on transactions in own shares is also publicly available via the regulatory information service and on Sage's website at [www.sage.com/investors/](http://www.sage.com/investors/).

This resolution will be proposed as a special resolution.

### **Resolution 24—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 3 February 2022.

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



**Vicki Bradin**  
Company Secretary  
7 December 2022



## Notes

### Eligibility to attend and vote

1. The arrangements for the 2023 Annual General Meeting are explained in the Chair's letter. Any changes to these arrangements will be communicated to shareholders through the Company's website at [www.sage.com/investors/](http://www.sage.com/investors/). As explained in the Chair's letter, the 2023 Annual General Meeting will be held as a combined physical and electronic general meeting as permitted by the articles of association of the Company. If you are planning to attend the physical Meeting venue, we ask you to please register your intention to do so, as soon as possible, with Equiniti, our Registrar, by ticking the tick box on either the Form of Proxy (which you should return to Equiniti) or on [www.sharevote.co.uk](http://www.sharevote.co.uk), so that we can make appropriate arrangements. You will be provided with a poll card at the venue. If you would like to attend and participate in the Meeting electronically, please refer to pages 15 and 16 for further information, including on how to ask questions and vote online during the Meeting. Shareholders who may be unable to attend the Meeting or who would prefer to vote in advance are strongly encouraged to appoint a proxy, with voting instructions.
2. Only those members registered in the register of members of the Company as at 6.30 pm on 31 January 2023 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 31 January 2023 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.

### 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.
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 Registrar, Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA by **no later than 12 noon on 31 January 2023**. A Form of Proxy, which may be

used to make such appointment and give proxy instructions, accompanies this document. The completion and return of a Form of Proxy, or the appointment of a proxy electronically, will not prevent a member who wishes to do so from attending and voting at the Meeting.

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 Registrar, Equiniti, on 0371 384 2859. Non-UK callers should dial +44(0) 121 415 7047. Lines are open 8.30 am to 5.30 pm, Monday to Friday (excluding public holidays in England and Wales).

Shareholders who appoint a proxy (other than the Chair of the Meeting) with the intention that the proxy will attend the Meeting electronically should follow the processes for appointment set out in notes 3 to 9, noting that the deadline for receipt by our Registrar of all proxy appointments is **12 noon on Tuesday, 31 January 2023**. In addition, to ensure your appointed proxy or corporate representative is able to access the Meeting electronically, please contact the Company's Registrar before 12 noon on 1 February 2023 on 0371 384 2859 or +44 121 415 7047, or by emailing [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com), to arrange a unique username and password.

### 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](http://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 if relevant should reach the Company's Registrar **no later than 12 noon on 31 January 2023**. CREST members may appoint a proxy through the CREST electronic proxy appointment service (please see note 8 below). You must inform the Company's Registrar 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 Registrar 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 2023 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](http://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.

## Electronic proxy appointment via Proxymity

9. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by **12 noon on Tuesday, 31 January 2023** in order to be considered valid. Before you can appoint a proxy via this process you must have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

## Corporate representatives

10. 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.

## Indirect investors

11. 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 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 2023 Annual General Meeting. 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.
12. 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.



## Notes continued

### Total voting rights

13. As at 1 December 2022 (being the latest practicable date prior to the publication of this document) the Company's issued share capital consists of 1,100,789,295 ordinary shares, of which 77,278,371 are held in treasury and 4,419,478 are held in The Sage Group plc. Employee Benefit Trust. Therefore, the total exercisable voting rights in the Company as at 1 December 2022 are 1,023,510,924.

### Poll voting

14. All resolutions will be put to vote on a poll. This will result in an 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.

### Publication of statement in relation to the audit of the Company

15. 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 2023 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 auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the 2023 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

16. Copies of the Company's articles of association, the service contracts, terms of appointment of the Directors, full terms of the 2019 RSP rules (as amended) and the CSPP rules are available for inspection during normal business hours by appointment at C23–5&6, Cobalt Park Way, Cobalt Park, Newcastle Upon Tyne, NE28 9EJ (and for at least 15 minutes before and during the 2023 Annual General Meeting). The full terms of the 2019 RSP rules (as amended) and the CSPP rules are also available for inspection on the national storage mechanism from the date of this Notice.

### Website information

17. 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 2023 Annual General Meeting, the total voting rights members are entitled to exercise at the 2023 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 on our website at [www.sage.com/investors/](http://www.sage.com/investors/).

### Contacts for Sage's Registrar

18. Except as otherwise provided in this Notice above, members who have general queries about the 2023 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 8.30 am to 5.30 pm, Monday to Friday (excluding public holidays)); or writing to the Company's Registrar, 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.

### Questions at the 2023 Annual General Meeting

19. Any member attending the Meeting has the right to ask questions relating to the business of 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. Shareholders are reminded that unacceptable behaviour will not be tolerated at the meeting and will be dealt with appropriately by the Chair.

Please refer to the Chair's letter for information on asking questions on the business of the Meeting. If you are planning to attend the Meeting electronically, please also refer to our user guide on pages 15 and 16.

If you would like to submit your questions about the business of the Meeting in advance, you can do so by emailing [agm2023@sage.com](mailto:agm2023@sage.com) no later than close of business on 25 January 2023. Please include your full name and SRN in your email, we will respond to your query as soon as possible.

### **Your guide to participating online**

20. We will be providing you with the opportunity to attend the Meeting online, by logging onto <https://web.lumiagm.com/114-474-741>. For further details please refer to pages 15 and 16 which provide a user guide for people participating remotely, including information on how to ask questions and cast your vote during the Meeting. An active internet connection is required for you to attend and participate in the Meeting electronically. It is your responsibility to ensure you remain connected for the duration of the Meeting.

### **Members' resolutions**

21. 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 21 December 2022, 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**

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

### **Financial calendar**

#### **Dividend payments\***

FY22 Final payable: 10 February 2023  
H1 FY23 Interim payable: 23 June 2023

#### **Results announcements**

Q1 FY23 Trading update: 19 January 2023  
H1 FY23 Interim results: 17 May 2023  
Q3 FY23 Trading update: 27 July 2023  
FY23 Full-Year results: 22 November 2023

\* Subject to Board and, in the case of the final dividend, shareholders' approval, as appropriate.

Please note that these dates are provisional and subject to change. Please access our financial calendar at [www.sage.com/investors/](http://www.sage.com/investors/), which is updated regularly.

# User guide to participating remotely at the Sage 2023 Annual General Meeting

For the 2023 Annual General Meeting, The Sage Group plc. is enabling shareholders to attend, participate and vote in the Meeting electronically.

## Accessing the Lumi Meeting website

Please visit <https://web.lumiagm.com/114-474-741> using most well-known internet browsers such as Chrome, Firefox and Safari on a PC, laptop or internet-enabled device such as a tablet or smartphone.

## Logging In

On accessing the Meeting website, you may be asked to enter a “Meeting ID” which is **114-474-741**. 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 10.30 am on Thursday, 2 February 2023. Please note that your ability to vote will not be enabled until the Chair formally opens the poll during the Meeting.

## Broadcast

Once logged in, and at the commencement of the Meeting at 12 noon on Thursday, 2 February 2023, you will be able to view the Directors conduct the proceedings of the Meeting on your device.

## Voting

Once the Chair has formally opened the Meeting, he will explain the voting procedure. Voting will be enabled on all resolutions during the formal Meeting, on the Chair’s instructions. This means that shareholders may, at any time while the poll is open, vote electronically on any or all of the resolutions in the Notice of Meeting. Once the resolutions have been proposed, the list of resolutions will appear along with the voting options available. Select the option that corresponds with how you wish to vote: “FOR”, “AGAINST” or “WITHHELD”. Once you have selected your choice, the option will change colour and a confirmation email will appear to indicate that your vote has been cast and received. There is no Submit button. If you make a mistake, or wish to change your vote, simply select the correct choice. If you wish to “cancel” your vote, select the “Cancel” button. You will be able to do this any time whilst the poll remains open and before the Chair announces its closure at the end of the Meeting.

## Questions

Shareholders participating electronically may ask questions via the website <https://web.lumiagm.com/114-474-741> by selecting the messaging icon from within the navigation bar and typing your question at the top of the screen. To submit your question, click on the arrow icon to the right of the text box.

## Requirements

An active internet connection is required at all times in order for you to cast your vote when the poll opens, submit questions and view the broadcast. It is the user’s responsibility to ensure you remain connected for the duration of the Meeting.

## Representatives of shareholders

Shareholders who appoint their own named proxy or corporate representative for the Meeting with the intention that the person will attend electronically should please contact the Company’s Registrar before 12 noon on 1 February 2023 by emailing [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com) to arrange a unique username and password. Mailboxes are monitored 9.00 am to 5.00 pm Monday to Friday (excluding public holidays in England and Wales). Please refer to notes 3 to 9 on pages 11 and 12 for information on how to appoint a proxy, noting that the deadline for receipt by our Registrar of all proxy appointments is **12 noon on Tuesday, 31 January 2023**.

**Meeting ID: 114-474-741**  
**To log in you must have your SRN and PIN**  
**(which is the first two and last two digits of your SRN)**

**Access**  
**Step 1**



Navigate to <https://web.lumiagm.com/114-474-741>. You may be prompted to enter the Meeting ID (**114-474-741**). If a shareholder attempts to log in before the meeting is live\*, a pop-up dialogue box will appear.

\* After 10.30 am on Thursday, 2 February 2023.

**Step 2**



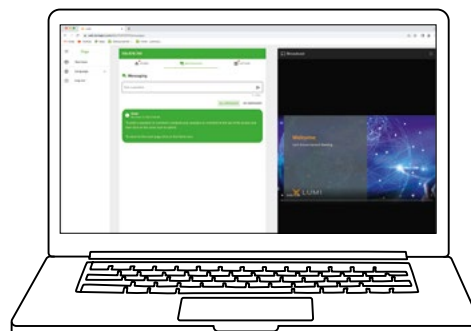
You will be prompted to enter your unique username (SRN) and PIN (which is the first two and last two digits of your SRN).

**Webcast**  
**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.

**Questions**  
**Step 4**



To ask a question, select the messaging icon from within the navigation bar and type your question at the top of the screen. To submit your question, click on the arrow icon to the right of the text box.

**Voting**  
**Step 5**



When the Chair declares the poll open, a list of resolutions and voting choices will appear. For each resolution, press the choice corresponding with the way in which you wish to vote. When selected, a confirmation message will appear.

**Step 6**



To change your vote, simply press the alternate choice to override your previous selection. To cancel your vote, press Cancel.

To return to the voting screen whilst the poll is open, select the voting icon.

## Schedule

### The Sage Group plc. 2023 Colleague Share Purchase Plan (“Plan”) summary

Plan term	Plan provision
<b>Shares</b>	Newly issued, treasury or market purchase shares may be issued under the Plan.
<b>Market value</b>	<p>The market value will be:</p> <ul style="list-style-type: none"> <li>the mid-market closing price of a Share for the immediately preceding Business Day;</li> <li>if the Board so determines, the average of the mid-market closing price of a Share on the London Stock Exchange for such number of immediately preceding Business Days as the Board determines; or</li> <li>the market value of a Share as decided by the Board.</li> </ul>
<b>Awards</b>	<p>The Board may grant the following under the Plan:</p> <ul style="list-style-type: none"> <li>Discounted Share Awards—Shares bought on behalf of a participant at a discount of up to 20% (or otherwise agreed by the Board);</li> <li>Free Share Awards—a conditional right to acquire Shares;</li> <li>Purchased Share Awards—a right to buy Shares; and</li> <li>Matching Share Awards—a conditional right to acquire Shares in connection with a Purchased Share Award.</li> </ul> <p>Awards are not pensionable or transferable (other than on death) and will lapse if the Participant becomes bankrupt or attempts to transfer, assign, charge or otherwise dispose of the Award.</p>
<b>Eligibility</b>	The Board may grant an award to any employee (including an employed executive director, insofar as said executive directors are permitted under the Group’s directors’ remuneration policy).
<b>Conditions</b>	The Board may make the purchase of a Discounted Share Award, or the Vesting of a Free Share Award or Matching Share Award conditional on the satisfaction of one or more Conditions.
<b>Plan limits</b>	<p>Total Plan Shares (being the total number of Shares that have been allocated in the previous 10 years, or could still be allocated) under the Plan and under any other employee share plans operated by the Company must not exceed 10% of the ordinary share capital.</p> <p>In the event the Plan is operated as a discretionary plan, discretionary plan shares (being the total number of Shares that have been allocated in the previous 10 years, or could still be allocated) under the Plan and any other discretionary employee share plans operated by the Company must not exceed 5% of the ordinary share capital.</p>
<b>Terms of Awards</b>	<p>The Board will approve the terms of an Award, which will be set out in the invitation to Employees.</p> <p>A Matching Share Award will Lapse on the date the Participant withdraws from the related Purchased Share Award or the Participant directs the Nominee, prior to Vesting, to sell or transfer any Purchased Shares purchased under the related Purchased Share Award.</p>

Plan term	Plan provision
<b>Contributions</b>	<p>Employees applying for the grant of a Discounted Share Award or Purchased Share Award will specify the amount of each Contribution and authorise Contributions to be deducted from their post-tax salary.</p> <p><b>Varying Contributions</b></p> <p>The Board may change the maximum and minimum amount of each Contribution not yet made, The Board may permit Participants to vary the amount of the remaining Contributions to be made by giving notice to the Company.</p> <p><b>Stopping Contributions</b></p> <p>A Participant may stop making further Contributions by giving notice to the Company. The notice will take effect as soon as practicable or on another date determined by the Company. The Board may decide that Contributions under an Award will stop and will give notice to affected Participants. Contributions already made prior to the notice taking effect may be used to purchase Discounted Shares or Purchased Shares, as applicable, or may be returned to the Participant. The Board may permit the Participant to restart Contributions.</p> <p><b>Withdrawing from the Award</b></p> <p>A Participant may withdraw from an Award by giving notice, which will take effect as soon as practicable or on another date determined by the Company. On the notice taking effect no further Contributions will be made and any Contributions still held in cash will be returned to the Participant.</p>
<b>Purchase</b>	<p>On each Purchase Date, the Board will arrange for the aggregate amount of Contributions made by the Participants to be applied in purchasing Discounted Shares or Purchased Shares on behalf of the Participants by reference to the Market Value of a Share on the Purchase Date.</p>
<b>Award limits</b>	<p><b>Discounted Share Awards—Purchase Price</b></p> <p>The purchase price of Shares bought on behalf of a Participant must not be manifestly less than 20% of the market value per share, unless the Board determines otherwise.</p> <p><b>Purchased Share Awards/Matching Share Awards—Matching Ratio</b></p> <p>The maximum matching ratio will be two Shares for every Purchased Share purchased, or, in relation to Awards granted to an executive director, such ratio as the Group's directors' remuneration policy permits.</p> <p><b>Free Share Awards</b></p> <p>Free Share Awards will not be granted to executive directors unless the Group's directors' remuneration policy permits such grants.</p>
<b>Dividend equivalents</b>	<p>Participants may be eligible for dividend equivalents for Free Share Awards and Matching Share Awards. Dividend equivalents may be automatically reinvested into Shares.</p>

## Schedule

### The Sage Group plc. 2023 Colleague Share Purchase Plan (“Plan”) summary continued

Plan term	Plan provision
<b>Vesting</b>	<p>In relation to Free Share Awards and Matching Share Awards:</p> <p><b>Timing of Vesting</b></p> <p>Awards will Vest on the latest of the Vesting Date and the date of determination of any Conditions by the Board.</p> <p><b>Extent of Vesting</b></p> <p>An Award will Vest to the extent that the Board decides that any Condition is satisfied and/or in accordance with any other factors that the Board decides are relevant.</p> <p><b>Overriding discretion</b></p> <p>The Board may reduce (including to zero) the extent to which an Award will Vest if it considers the extent of Vesting would otherwise not be appropriate, including (but not limited to) when considering:</p> <ul style="list-style-type: none"> <li>• the wider performance of the Group;</li> <li>• the conduct, capability or performance of the Participant;</li> <li>• the experience of stakeholders;</li> <li>• any windfall gains;</li> <li>• the total value that would otherwise be received by the Participant compared to the maximum value that the Award was intended to deliver; or</li> <li>• any other reason at the discretion of the Board.</li> </ul>
<b>Settlement</b>	The Board may choose to settle any Award partly or fully in cash.
<b>Malus &amp; Clawback</b>	<p>Awards may be subject to the Sage Group plc Malus and Clawback Policy. If an investigation is ongoing then, unless the Board decide otherwise, until the investigation is concluded:</p> <ul style="list-style-type: none"> <li>• Discounted Shares or Purchased Shares will not be purchased on behalf of Participants;</li> <li>• the Participant’s Free Share Award or Matching Award will not Vest; and</li> <li>• where relevant, the Participant’s Award will not be settled.</li> </ul>
<b>Dealing Restrictions</b>	Unless the Board decides otherwise, if Dealing Restrictions apply, a Free Share Award or Matching Share Award will not Vest, and the purchase or delivery of Shares or cash to settle an Award will not occur until the Dealing Restrictions cease to apply.
<b>Leavers</b>	<p>If a participant leaves due to death, ill-health, injury or disability (evidenced to the satisfaction of the Board), the Participant’s employing company ceasing to be a Member of the Group, a TUPE transfer, the business or part of the business that employs the Participant being transferred outside the Group, or any other reason at the discretion of the Board:</p> <p><b>Discounted Share Awards / Purchased Share Awards</b></p> <p>The Award that is within the purchase period will lapse as soon as practicable after Leaving. Contributions made in the purchase period before the Award Lapses will be returned to the Participant, unless the Board decides otherwise.</p> <p><b>Free Share Awards</b></p> <p>If the reason is death, the Award will Vest on the date of death. Otherwise, the Award will continue until the normal date of Vesting, unless the Board decides to accelerate Vesting. Awards will Vest to the extent the Board decides that any Conditions have been satisfied, and pro-rata to reflect the period from the Award Date until the date the Participant Leaves, as a proportion of the period from the Award Date until the Vesting Date, unless the Board decides otherwise.</p> <p><b>Matching Share Awards</b></p> <p>If the reason is death, the Award will Vest on the date of death. Otherwise, the Award will continue until the normal date of Vesting, unless the Board decides to accelerate Vesting. Awards will Vest to the extent that the Board decides any Conditions have been satisfied, or will Vest as otherwise determined by the Board.</p>



Plan term	Plan provision
<b>Corporate events</b>	<p>In the event of a Change of Control, a person becoming bound or entitled to acquire Shares, a scheme of arrangement, or a winding up:</p> <ul style="list-style-type: none"> <li>Discounted Share Awards and Purchased Share Awards within the purchase period will Lapse. Contributions made in the purchase period before the Discounted Share Awards and Purchased Share Awards Lapses will be returned to the Participant, unless the Board decides otherwise;</li> <li>Free Share Awards Vest to the extent that the Board decides that any Conditions have been satisfied, and pro-rata to reflect the period from the Award Date until the date of Participant Leaves, as a proportion of the period from the Award Date until the Vesting, Date, unless the Board decides otherwise;</li> <li>Matching Share Awards will Vest to the extent that the Board decides any Conditions have been satisfied, or will Vest as otherwise determined by the Board.</li> </ul>
<b>Amendments and termination</b>	<p>The Board may change the Plan in any way and at any time, save that any proposed amendment that is to the advantage of present or future participants and that relates to the provisions governing the persons who may receive Shares or cash under the Plan, the total number or amount of Shares or cash which may be delivered or paid under the Plan, the maximum entitlement for any Participant, and/or the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan and the rights of a Participant in the event of a variation in the share capital of the Company, including a capitalisation or rights issue, open offer, sub-division, consolidation or reduction in share capital, may not be made without the prior approval of shareholders in general meeting.</p>
<b>Schedule 2: US ESPP</b>	<p>The purpose of Schedule 2 is to make certain variations to the terms of the Plan to provide terms intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code. In summary:</p> <ul style="list-style-type: none"> <li>a tax-qualified share purchase plan where shares may be offered at a discount of up to 15% off fair market value.</li> <li>all employees must be allowed to participate, with limited exceptions. Sage can exclude employees for specified reasons in accordance with s.423 legislation, including employees who are "highly compensated", meaning anyone who earns over \$135,000 or more. This would allow Sage to exclude executive directors if the Group's directors' remuneration policy does not permit them to participate in the Plan.</li> <li>purchase period limited to no more than 27 months.</li> <li>maximum value of shares under an ESPP of USD25,000 per year, per employee.</li> <li>purchase price cannot be less than 85% of fair market value (which is the lesser of the value at grant of the option and purchase).</li> <li>plan limit of 50 million Shares—the s.423 requires a maximum limit on the Shares to be offered under the life of the Plan. This limit represents 5% of the Company's share capital.</li> </ul> <p>To qualify for the preferential tax treatment, the shares must be held for the longer of one year from the date of purchase and two years from the date of grant.</p>
<b>Schedule 3: Macron</b>	<p>The purpose of Schedule 3 is to make variations to the terms of the Plan to provide terms intended to satisfy French "Macron" requirements to offer tax advantages in France.</p>

