



The Sage Group plc.

Notice of the 2025 Annual General Meeting
to be held on Thursday, 6 February 2025

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 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

5 December 2024

The Sage Group plc.
C23-5 & 6 Cobalt Park Way
Cobalt Park
Newcastle Upon Tyne
NE28 9EJ
United Kingdom
www.sage.com

Dear shareholder

I am pleased to invite you to the Annual General Meeting of The Sage Group plc. (the “Company”) (the “2025 Annual General Meeting”, or the “Meeting”), which will be held at our registered office at C23—5 & 6, Cobalt Park Way, Cobalt Park, Newcastle Upon Tyne, NE28 9EJ on Thursday, 6 February 2025 at 12 noon. Enclosed with this letter is our Annual Report and Accounts for the year ended 30 September 2024 (the “FY24 Annual Report and Accounts”), the Notice of Meeting and Form of Proxy.

The Notice of Meeting, which is set out on pages 1 to 3 together with explanatory notes on pages 4 to 11 and additional notes on pages 12 to 15, describes the business that will be proposed at the Meeting and sets out the procedures for your participation and voting. The FY24 Annual Report and Accounts and the Notice of Meeting are also available on our website at www.sage.com/investors/.

Attending the 2025 Annual General Meeting

We value the opportunity to meet our shareholders in person where possible and I am therefore pleased that the 2025 Annual General Meeting will be an in person meeting at our registered office, and we look forward to welcoming you there. If you are planning to attend the Meeting, we request that you please register your intention with Equiniti, our Registrar, by ticking the box on either the Form of Proxy (which you should return to Equiniti) or on www.shareview.co.uk. This will help us plan appropriately.

If you are unable to join us in person on the day, we strongly encourage you to register your vote in advance and invite you to contact us with any questions you have on the business of the Meeting (as described under “Voting” and “Asking questions” below).

Our corporate website, www.sage.com/investors/ is the principal means which we use to communicate with our shareholders, and we encourage you to monitor this site for any updates about the 2025 Annual General Meeting.

Voting

Your vote is important to us. We encourage all shareholders to vote online in advance of the Meeting. 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 12 and 13. **Please note that the deadline for receipt by our Registrar of all proxy appointments is 12 noon on 4 February 2025.**

Submitting a proxy appointment will not prevent you from also attending the Meeting and voting in person. If you attend the 2025 Annual General Meeting in person, you will be provided with a poll card at the venue.

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/ as soon as reasonably practicable after the Meeting.

Asking questions

The views of our shareholders are important to us and the Annual General Meeting provides a valuable opportunity for shareholders to ask questions on the business of the Meeting.

If you would like to ask a question related to the business of the Meeting, in advance of the 2025 Annual General Meeting, please contact us via email at agm2025@sage.com, by no later than close of business on 27 January 2025. We will aim to provide a response to all pre-submitted questions relating to the business of the Meeting, before the deadline for proxy appointments, so that you can make a fully informed voting decision. Please include your full name and Shareholder Reference Number (“SRN”) in your email.

Details of any 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.

Formal business of the Meeting

In addition to the standard business that is dealt with at our annual general meeting every year, I would like to draw your attention to the following items of business.

Remuneration Policy

This year we are seeking your approval for the Directors' Remuneration Policy (the "2025 Remuneration Policy" or the "Policy"). The directors' remuneration policy is required to be approved at least every three years, with the current remuneration policy last approved by shareholders in 2022. Resolution 3 seeks shareholder approval for the Policy, and if approved by shareholders, is intended to apply for up to three years from the date of the Meeting. Unless the Company wishes to change the Policy, no further shareholder approval will be required during this period.

The Remuneration Committee conducted an extensive review of the existing directors' remuneration policy, and the new Policy is being proposed to enable us to support the delivery of our strategy while appropriately balancing the incentivisation of our experienced Executive Directors who have delivered significant shareholder value creation to date, within a highly competitive global technology market. The changes proposed are also intended to strengthen the link between pay, performance and long-term value creation, with the interests of our shareholders, and all our stakeholders at the forefront. We undertook an extensive consultation, engaging with shareholders representing approximately 75% of Sage's voting rights and the three leading proxy agencies to seek feedback on our proposals for the Policy. The feedback received has strongly influenced the proposed Policy, and you can find details on our consultation process, the proposed changes and the Policy in our FY24 Annual Report and Accounts on pages 117 to 136.

External auditors

As previously communicated with our shareholders last year, Resolution 14 proposes the appointment of KPMG as the Group's new external auditor for the financial year ending 30 September 2025. I would like to take the opportunity to thank Ernst & Young LLP, who will cease to hold office at the conclusion of the Meeting, for its significant contribution and service as external auditor.

Long Term Incentive Plan and removal of discretionary 5% dilution limit under share plans

Resolution 17 proposes approval of the Company's new incentive plan, The Sage Group plc Long Term Incentive Plan and Resolution 18 proposes the removal of the discretionary 5% dilution limit in existing share plans operated by the Company. Further details are provided in the explanatory notes section on pages 8 to 9.

Directors

As announced on 3 October 2024, Sangeeta Anand is stepping down from the Board at the end of the 2025 AGM and is therefore not seeking re-election. The Board thanks Sangeeta for her valuable contribution, knowledge and industry expertise since her appointment and wishes her well in her future endeavours.

Final dividend

Subject to approval at the 2025 Annual General Meeting, the final dividend for the financial year ended 30 September 2024 of 13.50 pence per ordinary share will be paid on 11 February 2025 to those members whose names appear on the register at the close of business on 10 January 2025.

Board Recommendation

The Directors are of the opinion that all resolutions to be proposed at the 2025 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 2025 Annual General Meeting

Notice is hereby given that the Annual General Meeting of The Sage Group plc. (the “Company”) (the “2025 Annual General Meeting”, or the “Meeting”) will be held at C23-5 & 6, Cobalt Park Way, Cobalt Park, Newcastle Upon Tyne, NE28 9EJ at 12 noon on Thursday, 6 February 2025, to transact the following business:

To consider and, if thought fit, to pass resolutions 1 to 19 (inclusive), which will be proposed as Ordinary Resolutions, and resolutions 20 to 23 (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 2024 (the “FY24 Annual Report and Accounts”).

Approval of the Directors’ Remuneration Report

2. To approve the Directors’ Remuneration Report for the financial year ended 30 September 2024, set out on pages 116 to 155 of the FY24 Annual Report and Accounts (excluding the Directors’ Remuneration Policy, which is on pages 129 to 136).

Approval of the Directors’ Remuneration Policy

3. To approve the Directors’ Remuneration Policy, set out in full on pages 129 to 136 of the FY24 Annual Report and Accounts.

Final dividend

4. To declare a final dividend recommended by the Directors of 13.50 pence per ordinary share for the financial year ended 30 September 2024 to be paid on 11 February 2025 to members whose names appear on the register of members at the close of business on 10 January 2025.

Re-election of Directors

5. That Andrew Duff be re-elected as a Director of the Company.
6. That Dr John Bates be re-elected as a Director of the Company.
7. That Jonathan Bewes be re-elected as a Director of the Company.
8. That Maggie Chan Jones be re-elected as a Director of the Company.
9. That Annette Court be re-elected as a Director of the Company.
10. That Roisin Donnelly 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.

Appointment and remuneration of the auditor

14. To appoint KMPG 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 2026.

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.

The Sage Group plc Long Term Incentive Plan

17. That the rules of The Sage Group plc Long Term Incentive Plan (the “LTIP”), produced to the Meeting and summarised in Appendix 2 to this Notice of Meeting, be approved and the directors be authorised to:
 - (i) do all such acts and things necessary to establish and give effect to the LTIP; and

- (ii) establish schedules to, or further incentive plans based on, the LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any awards made under any such schedules or further plans are treated as counting against the limits on individual and overall participation in the LTIP.

Removal of discretionary plan 5% dilution limit for share plans

18. That the Board be authorised to:

- (i) remove all dilution limits in existing share incentive plans operated by the Company (and noting such limit will not be included in the LTIP) which restrict the number of shares which may be issued or shares transferred from treasury, to 5% of the Company's ordinary share capital over 10 years, under the Company's discretionary share incentive plans, and to apply a single limit for new issue and treasury shares such that no more than 10% of the Company's ordinary share capital over 10 years may be used to satisfy awards for all share plans operated by the Company; and
- (ii) do all such acts and things necessary to give effect to this amendment in The Sage Group plc. incentive and reward plans, programmes and policies.

Authority to allot new shares

19. 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 £3,516,796.70 (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 £3,516,796.70); and
 - (ii) comprising equity securities (as defined in article 8 of the Company's articles of association) up to a maximum nominal amount of £7,033,593.40 (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 2026; 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

20. 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:
 - (i) the allotment of equity securities having a nominal amount not exceeding in aggregate £1,056,095.10; and
 - (ii) the allotment of equity securities (otherwise than under paragraph (i) above) up to an aggregate amount equal to 20% of any allotment of equity securities from time to time under paragraph (i) above such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice;
- (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 2026.

Additional disapplication of pre-emption rights

21. That:

- (a) in addition to any authority granted under resolution 20 the Directors be authorised:
 - (i) subject to the passing of resolution 19, 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;
 - (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 limited to:

The Sage Group plc.

Notice of 2025 Annual General Meeting continued

- A. the allotment of equity securities up to a maximum nominal amount of £1,056,095.10, such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 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; and
- B. the allotment of equity securities (otherwise than under paragraph (A) above) up to an aggregate nominal amount equal to 20% of any allotment of equity securities from time to time under paragraph (A) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of 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 2026; 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.
- (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 2026 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

23. 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

5 December 2024

Authority to purchase own shares on market

22. 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 100,394,226 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:

Explanatory notes to the Resolutions

Resolutions 1 to 19 (inclusive) are Ordinary Resolutions which require a simple majority of more than 50% of votes to be cast in favour to be passed. Resolutions 20 to 23 (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 FY24 Annual Report and Accounts. The Directors are required to present the FY24 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 116 to 155 of the FY24 Annual Report and Accounts (excluding the Directors' Remuneration Policy, which is on pages 129 to 136). 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—Approval of the Directors' Remuneration Policy

The Directors' Remuneration Policy (the "2025 Remuneration Policy" or the "Policy") sets out the Company's proposed policy on Directors' remuneration and potential payments to Directors in the future. The 2025 Remuneration Policy is set out in full on pages 129 to 136 of the FY24 Annual Report and Accounts. Section 439A of the Companies Act 2006 requires that a directors' remuneration policy be put to vote by shareholders at least every three financial years. The vote is binding which means that payments cannot be made under the 2025 Remuneration Policy until it has been approved by shareholders. The current remuneration policy for Directors was previously approved by shareholders at the Annual General Meeting held in 2022 and can be found in full on <https://www.sage.com/investors/governance/remuneration-policy/>.

The Remuneration Committee conducted an extensive review of the existing directors' remuneration policy, and the new Policy proposed is designed to enable delivery of Sage's strategy while appropriately balancing the incentivisation of our experienced Executive Directors who have delivered significant shareholder value creation to date, within a highly competitive global technology market. Following an extensive consultation process with shareholders representing approximately 75% of Sage's voting rights and the three leading proxy agencies, the changes proposed for the new Policy are intended to strengthen the link between pay, performance and long-term value creation, with the interests of all of Sage's stakeholders at the forefront.

Key conclusions of the Remuneration Committee's review are outlined in the Remuneration Committee Chair's Letter on pages 117 to 125 of the FY24 Annual Report and Accounts. The Policy has been drafted to address key themes identified in that review. These are focused on strengthening pay for performance and mitigating the retention and talent attraction risks endemic in the global talent market in which Sage operates, whilst retaining the standard UK remuneration structure of salary, annual bonus and performance shares. Much of the remuneration framework applicable to our current Directors' Remuneration Policy remains relevant and is unchanged, key proposed amendments are set out below:

Base Salary: A UK comparator group will be retained as the primary market benchmark. The group will be updated to include FTSE companies 11-50 (excluding financial services) which reflects Sage's increased size and its global breadth.

Annual Bonus: The requirement to defer one-third of bonus into shares for three years is retained unless a Director is compliant with their enhanced shareholding guideline (as noted below). If already compliant, the deferral requirement reduces to 15% of any annual bonus earned.

Long-Term Incentive Plan: The overall individual limit of a performance share award (the "PSA") will increase to 400% of salary (from 300%). Additionally, to simplify the vesting schedule of PSAs, the requirement to have a "stretch" vesting point within the target range has been removed (with "target" and "exceptional" vesting points to remain in place).

Shareholding Guideline: The Directors' shareholding requirement will increase to 500% of salary (from 350%) for the CEO and 350% of salary (from 275%) for the CFO.

Recruitment arrangements: In order to be competitive in the global talent market, the Committee will have the flexibility under the Policy to offer a new Director, in their first year within the role an enhanced total long-term equity award of up to 650% of salary (excluding buyouts), delivered in such combination of performance shares and restricted shares as is viewed appropriate (with the face value of restricted shares being discounted by 50% compared with performance shares in line with current standard UK practice). Weighting of the total award would be up to a maximum of 50% restricted shares. Any use of this flexibility would be fully detailed and explained in the relevant Directors' Remuneration Report following the new Director's appointment. A vesting period of three years, with a two-year holding period, would be applicable regardless of award type.

Resolution 4—Final dividend

This resolution seeks shareholder approval for the proposed final dividend of 13.50 pence per ordinary share. The final dividend declared cannot exceed the amount recommended by the Directors. An interim dividend of 6.95 pence per ordinary share was paid on 28 June 2024.

Explanatory notes to the Resolutions continued

The Board is proposing a final dividend of 13.50 pence per ordinary share, making a total dividend for the year of 20.45 pence per ordinary share. If approved, the final dividend will be paid on 11 February 2025 to members whose names appear on the register of members at the close of business on 10 January 2025. This final dividend reflects the Group's strong business performance and cash generation during FY24 and is in line with the Company's progressive dividend policy, 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 pages 60 and 156 of the FY24 Annual Report and Accounts.

Resolutions 5 to 13—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.

Resolutions 5 to 13 relate to the re-election of the Directors who wish to continue to serve, Andrew Duff, Dr John Bates, Jonathan Bewes, Maggie Chan Jones, Annette Court, Roisin Donnelly and Derek Harding as Non-executive Directors and Steve Hare and Jonathan Howell as Executive Directors.

Sangeeta Anand is stepping down from the Board at the end of the 2025 AGM and is not seeking re-election.

When making its decision to recommend the re-election of Directors, the Board considered the balance of skills and experience, diversity, external time commitment, tenure and knowledge of each Director on the Board. The Board considers that the independent character and judgement of the Non-executive Directors and the varied and relevant experience of all the Directors combine to provide an appropriate balance of skills and knowledge. Accordingly, the Board has resolved that each of the Directors continues to be effective, committed to their role and has sufficient time available to perform their duties for the Company and to the Committees on which they sit. Details of the Board evaluation process, which this year was internally facilitated, can be found on pages 98 and 99 of the FY24 Annual Report and Accounts.

The interests of the Non-executive Directors have also 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. It is the Board's view that the Directors' biographies below illustrate why the contribution of each Director standing for re-election is, and continues to be, important to the long-term sustainable success of the Company.

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 Limited

Resolution 6—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 served as chief executive officer of Eggplant (now part of Keysight Technologies Inc.)

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

Resolution 7—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 and member of the Nomination 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 chair 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 and was previously vice-chair, corporate and institutional banking at Standard Chartered Bank plc.

Key external commitments: Senior independent director and chair of the audit committee of Next plc, non-executive director and chair of the audit and risk committee of the Court of the Bank of England, and non-executive director and chair designate of MONY Group Plc (anticipated to become chair on 1 January 2025)

Resolution 8—Re-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 and is the founder and former CEO of Tenshey, Inc.

Maggie has a personal passion for driving inclusivity, gender diversity and wider ESG matters which led to her appointment as the ESG Non-executive Director in March 2023. While the role of the ESG Non-executive Director is not a formal Board role, it serves to enhance the Board's visibility of driving Sage's ESG agenda.

Key external commitments: Non-executive board advisor to Ontinue, non-executive director and member of the nomination and responsible business committees, and designated NED for workforce engagement of BT Group plc

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

Role: Senior Independent Director

Appointment date: Independent Non-executive Director on 1 April 2019, and Senior Independent Director on 1 January 2024

Committees: Member of the Remuneration Committee, Audit and Risk Committee and the Nomination 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
- Considerable understanding of the Sage business, culture and the workforce placed Annette in an appropriate position to assume the role of Senior Independent Director in January 2024
- 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, director of the board of the Association of British Insurers and non-executive director of Foxtons Group plc. She was also previously chair of Admiral Group plc.

Key external commitments: Chair of WH Smith Plc and director of Admiral Europe Compañía de Seguros SAU (AECS)

Resolution 10—Re-election of Roisin Donnelly as a Director

Role: Independent Non-executive Director

Appointment date: 3 February 2023

Committees: Chair of the Remuneration Committee

Explanatory notes to the Resolutions continued

Board contribution:

- Roisin has the requisite prior experience of serving on a remuneration committee as required under the Code and brings with her a wealth of knowledge and practical experience having served on a number of listed company boards
- The Board also benefits from her significant experience in customer, marketing and branding
- Digital transformation and data background
- ESG strategy development at board level

Key strengths and experience: Extensive customer, marketing and branding experience, gained during her executive career at Procter & Gamble. Roisin has previously served as non-executive director of Just Eat plc, HomeServe Limited, Holland & Barrett Limited and Bourne Leisure Limited.

Key external commitments: Non-executive director of NatWest Group plc and non-executive director of Premier Foods plc

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, finance director of Wolseley UK and more recently as chief financial officer of Spectris plc

Key external commitments: President, Spectris Scientific and board member of Spectris plc

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 chair of FTSE International.

Key external commitments: Non-executive director of Experian plc

Resolutions 14 and 15—Appointment and remuneration of the auditor

On the recommendation of the Audit and Risk Committee, the Board proposes the appointment of KPMG LLP as the auditor for the financial year ending 30 September 2025. Ernst & Young LLP will cease to hold office at the conclusion of the 2025 Annual General Meeting and have provided a statement as required by company law, noted in Appendix 1. For further information on the change in external auditor, please refer to page 115 of the FY24 Annual Report and Accounts.

Resolution 15 authorises the Audit and Risk Committee, on behalf of the Board, to determine and agree the auditor's remuneration.

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 2026.

Resolution 17—The Sage Group plc Long Term Incentive Plan

The Company wishes to obtain shareholder approval for The Sage Group plc Long Term Incentive Plan (the "LTIP"). The LTIP is being proposed in connection with the approval of the 2025 Remuneration Policy as outlined in the explanatory note relating to Resolution 3 above, and in order to implement the Policy, the Company wishes to obtain shareholder approval for the LTIP. The LTIP is intended to replace the Company's existing The Sage Group plc 2015 Performance Share Plan (the "PSP") (which was approved by shareholders on 3 March 2015 and is due to expire on 3 March 2025) and The Sage Group plc 2019 Restricted Share Plan (the "RSP") (which was approved by shareholders on 27 February 2019 and is due to expire on 27 February 2029) and to provide a flexible framework under which both performance based and non-performance based share awards can be made to the Company's

executives and Group employees on a discretionary basis, and within the terms of the new 2025 Remuneration Policy, to support the Group's long term strategic vision, drive growth and to recruit and incentivise key employees.

The LTIP will be used for awards which would otherwise be made under the PSP and RSP after the date of the Meeting.

The main provisions of the LTIP are summarised in Appendix 2 to this Notice and Resolution 17 proposes the approval of the LTIP. That Resolution also gives the directors the authority to establish appendices or schedules to the LTIP, or separate plans, that are commercially similar, for the purposes of granting awards to employees and any executive directors who are based outside the UK. Any awards made under such schedules or separate plans will count towards the limits on individual and overall participation in the LTIP.

Resolution 18—Removal of discretionary 5% dilution limit under share plans

Share incentive arrangements operated by the Group and which have been approved by shareholders, contain terms which limit the number of shares the Company may issue (or transfer out of treasury) under those plans. The limits, broadly, state that:

- (i) the Company's commitments to issue new shares or transfer treasury shares, under the Company's discretionary share plans must not exceed 5% of the issued ordinary share capital (adjusted for share issuance and cancellation) in any rolling 10 year period; and
- (ii) the Company's commitments to issue new shares or transfer treasury shares, under all of the Company's share plans must not exceed 10% of the issued ordinary share capital (adjusted for share issuance and cancellation) in any rolling 10 year period.

Whilst the Company's existing PSP and RSP are technically "discretionary" share plans, in practice, the Group operates them on a broad basis as is market practice in the global technology sector (8% of the Group's workforce received an award under one of these plans in FY24). Also, our global technology comparators (many of which are US-based) are generally not subject to a restriction on share usage that applies specifically to "discretionary" plans. Accordingly, to ensure our remuneration practices can remain globally competitive, we propose to remove the 5% in 10-year "discretionary" plan dilution limit which we believe is a constraint on our ability to effectively compete for global talent in the sector. The Board is acutely mindful of the importance of dilution to many shareholders so would emphasise that the overarching 10% in 10 year "all plan" dilution limit will be retained in all share plans so there will be no increase in maximum overall potential dilution as a result of this change.

Explanatory notes to the Resolutions continued

For completeness, this revised arrangement is consistent with the 2024 edition of the Investment Association's Principles of Remuneration which removed previous guidance that companies should have a 5% "discretionary plan" dilution limit and instead recommended that companies adhere to "appropriate dilution limits" which should, other than in exceptional cases include a 10% in 10 year "all plan" dilution limit.

The effect of this resolution is to authorise removal of the 5% "discretionary" limit across the Group's existing share incentive arrangements (and such limit will not be included in the LTIP). The Remuneration Committee has consulted with key shareholders and the three largest proxy agencies and has received widespread support for this proposal in recognition of both our broad-based award philosophy and the importance of the Group having remuneration practices that allow it to compete for talent within the global technology sector.

Resolution 19—Authority to allot new shares

This resolution will be proposed to enable the Directors to renew their 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 2026.

Paragraph (a)(i) of Resolution 19 will allow the Directors to allot ordinary shares up to an aggregate maximum nominal amount of £3,516,796.70 (representing approximately 33.3% of the nominal value of the Company's issued share capital, excluding shares held in treasury, on 26 November 2024, the latest practicable date prior to the publication of this document).

Paragraph (a)(ii) of Resolution 19 will allow Directors to allot, including the ordinary shares referred to in paragraph (a)(i) of Resolution 19, further of the Company's ordinary shares in connection with a rights issue or other pre-emptive offer to ordinary shareholders up to a maximum nominal amount of £7,033,593.40 (representing approximately 66.6% of the Company's existing issued share capital, excluding shares held in treasury, on 26 November 2024, 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 Investment Association.

As at 26 November 2024, the latest practicable date prior to the publication of this document, the Company holds 66,624,098 shares in treasury, which represents approximately 6.64% of the total ordinary share capital (excluding shares held in treasury) in issue.

Special resolutions

Authorities to disapply pre-emption rights Resolution 20—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, in line with the latest institutional shareholder guidelines, including the Statement of Principles published by the Pre-emption Group in 2022 (the "Statement of Principles") 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 2026.

If approved, the resolution, which follows the Pre-Emption Group's template resolution, will empower the Directors, in accordance with the Company's articles of association and the Statement of Principles, to issue shares in connection with a rights issue or other pre-emptive offer and otherwise to issue shares and/or sell treasury shares for cash:

- (A) for general corporate purposes (under paragraph (b) (i) of the resolution), up to a maximum nominal amount of £1,056,095.10 (representing approximately 10% of the issued share capital of the Company (excluding shares held in treasury) as at 26 November 2024 (being the latest practicable date prior to publication of this document)); and
- (B) for the purposes of making a follow-on offer to existing shareholders (under paragraph (b)(ii) of the resolution and as described in the Statement of Principles), up to an additional aggregate amount equal to 20% of any allotment under paragraph (b)(i) of the resolution. The maximum additional nominal amount that could be issued under paragraph (b)(ii) of the resolution (based on the authority under paragraph (b)(i) being used in full) is £211,219.02 (representing approximately 2% of the issued share capital of the Company (excluding shares held in treasury) as at 26 November 2024).

The total maximum nominal amount of equity securities to which Resolution 20 relates is £1,267,314.12 (representing approximately 12% of the issued share capital of the Company (excluding shares held in treasury) as at 26 November 2024).

The Directors have no present intention of exercising this authority. However, if they do exercise this authority, they intend to follow best practice as regards its use, including: (i) following the shareholder protections in Part 2B of the Statement of Principles; and (ii) in respect of any follow-on offer, following the expected features set out in paragraph 3 of Part 2B of the Statement of Principles.

This resolution will be proposed as a special resolution.

Resolution 21—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 and/or sell treasury shares for cash without first being required to offer such securities to existing shareholders.

The resolution follows the Pre-Emption Group's template resolution and reflects the Statement of Principles.

The authority granted by this resolution, if passed, will be limited to the allotment of equity securities and the sale of treasury shares for cash:

- (A) under paragraph (A) of the resolution, up to an aggregate nominal value of £1,056,095.10 (representing approximately 10% of the issued share capital of the Company (excluding shares held in treasury) as at 26 November 2024 (being the latest practicable date prior to publication of this document)), to be used only 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 12-month period and is disclosed in the announcement of the allotment; and
- (B) under paragraph (B) of the resolution, up to an additional aggregate amount equal to 20% of any allotment under paragraph (A) of the resolution, for the purposes of making a follow-on offer to existing shareholders as described in the Statement of Principles. The maximum additional nominal amount that could be issued under paragraph (B) of the resolution (based on the authority under paragraph (A) being used in full) is £211,219.02 (representing approximately 2% of the issued share capital of the Company (excluding shares held in treasury) as at 26 November 2024).

The total maximum nominal amount of equity securities to which Resolution 21 relates is £1,267,314.12 (representing approximately 12% of the issued share capital of the Company (excluding shares held in treasury) as at 26 November 2024).

The authority granted by this resolution would be in addition to the general disapplication of pre-emption rights under Resolution 20.

The Directors have no present intention of exercising this authority. However, if they do exercise this authority, they intend to follow best practice as regards its use, including: (i) following the shareholder protections in Part 2B of the Statement of Principles; and (ii) in respect of any follow-on offer, following the expected features set out in paragraph 3 of Part 2B of the Statement of Principles.

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 2026.

This resolution will be proposed as a special resolution.

Resolution 22—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 100,394,226 shares which is equivalent to approximately 10% of the Company's issued share capital, excluding shares held in treasury, as at 26 November 2024, 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 2026.

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.

Explanatory notes to the Resolutions continued

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 are 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 has the option of holding those shares in treasury, rather than cancelling them. The Board would 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 26 November 2024 (being the latest practicable date prior to the publication of this document) was 22,959,537. The proportion of issued share capital, excluding shares held in treasury, that they represented at that time was 2.29% and the proportion of issued share capital that they will represent if the full authority to purchase shares, existing and being sought, is used is 2.81%.

Sage obtained shareholder authority at the AGM held on 1 February 2024 to buy back in the market up to 102,607,262 ordinary shares (the "2024 Buyback Authority"). The 2024 Buyback Authority was used between the date of the 2024 AGM and 11 April 2024 to purchase 14,662,765 shares as part of the share buyback programme announced by Sage on 22 November 2023. The 2024 Buyback Authority has also, as at 26 November 2024, been used to purchase 1,419,887 shares in connection with the new share buyback programme announced by Sage on 20 November 2024, which is expected to end no later than 3 June 2025 (the "2024/2025 Share Buyback Programme"). The 2024 Buyback Authority will expire at the 2025 Annual General Meeting but will, subject to shareholder approval at the Meeting, be replaced with a similar authority as set out in Resolution 22, which it is anticipated will be used to complete the 2024/2025 Share Buyback Programme. Shares purchased under the 2024/2025 Buyback Programme will be cancelled.

Further information on the 2024/2025 Buyback Programme can be found in our announcement of 20 November 2024. 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/.

This resolution will be proposed as a special resolution.

Resolution 23—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.

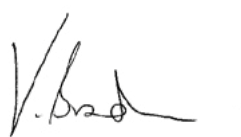
Annual General Meetings must always be held on at least 21 clear days' notice.

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 1 February 2024.

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
5 December 2024

Notes

Eligibility to attend and vote

1. The arrangements for the 2025 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/. The 2025 Annual General Meeting will be held as an in person (physical) general meeting. If you are planning to attend the Meeting, we ask you please to register your intention to do so with Equiniti, our Registrar, by ticking the tick box on either the Form of Proxy (which you should return to Equiniti) or on www.shareview.co.uk, so that we can make appropriate arrangements. You will be provided with a poll card at the venue. 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 6.30pm on 4 February 2025 or, in the event that this Meeting is adjourned, in the register of members as at 6.30pm 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 6.30pm on 4 February 2025 or, in the event that this Meeting is adjourned, in the register of members after 6.30pm 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 4 February 2025. 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 in person.

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 +44 (0)371 384 2859. Lines are open 8.30 am 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.shareview.co.uk. You will need to create an online portfolio using your Shareholder Reference Number. If you have already created an online portfolio, you can log-in using your usual username and password and click on the link to vote. 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 4 February 2025. 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 2025 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

Notes continued

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. Your proxy must be lodged by 12 noon on 4 February 2025 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 2025 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 and 4 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

13. As at 26 November 2024 (being the latest practicable date prior to the publication of this document) the Company's issued share capital consists of 1,070,566,358 ordinary shares, of which 66,624,098 are held in treasury and 8,474,882 are held in The Sage Group plc. Employee Benefit Trust. Therefore, the total exercisable voting rights in the Company as at 26 November 2024 are 1,003,942,260.

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 2025 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 2025 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 (i) the Company's articles of association, (ii) the service contracts and terms of appointment of the Directors, (iii) the full terms of the LTIP (as referred to in Resolution 17) and (iv) the full terms of the proposed amendments to each of the Company's existing share plans (as proposed under Resolution 18) 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 2025 Annual General Meeting). The full terms of the LTIP and the proposed amendments to each of the Company's share plans (as proposed under Resolutions 17 and 18) are also available for inspection on the FCA's National Storage Mechanism at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

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 2025 Annual General Meeting, the total voting rights members are entitled to exercise at the 2025 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/.

Contacts for Sage's Registrar

18. Except as otherwise provided in this Notice above, members who have general queries about the 2025 Annual General Meeting should use the following means of communication (no other methods of communication will be accepted): calling our shareholder helpline on +44 (0)371 384 2859 (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 2025 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.

If you would like to submit your questions about the business of the Meeting in advance, you can do so by emailing agm2025@sage.com no later than close of business on 27 January 2025. We will aim to provide a response to all pre-submitted questions relating to the business of the Meeting, before the deadline for proxy appointments, so that you can make a fully informed voting decision. Please include your full name and SRN in your email.

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.

Notes continued

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 25 December 2024, 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

21. If you have any questions relating to the enclosed documents, please call the Company's Registrar, Equiniti, on +44 (0)371 384 2859. 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*

FY24 Final payable: 11 February 2025
H1 FY25 Interim payable: 27 June 2025

Results announcements

Q1 FY25 Trading update: 30 January 2025
H1 FY25 Interim results: 15 May 2025
Q3 FY25 Trading update: 30 July 2025
FY25 Full-Year results: 19 November 2025

* 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/, which is updated regularly.

Appendix 1—Letter from EY



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1 More London Place,
SE1 2AF

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ey.com

The Sage Group plc
C23 - 5 & 6 Cobalt Park Way
Cobalt Park
Newcastle Upon Tyne
United Kingdom
NE28 9EJ

Date: 27/11/2024

Direct line: +44 7710 179329

Email: kbarrow@uk.ey.com

To The Directors

Re: The Sage Group plc. (the “Company”) Company Registered Number: 02231246

In accordance with section 516 of the Companies Act 2006 (the “Act”), we write to notify you that we are ceasing to hold office as auditor of the Company. This takes effect from the date of the Annual General Meeting on 06 February 2025.

In accordance with section 519(1) of the Act, we are ceasing to hold office following a competitive tender as a result of which another firm of auditors will be appointed.

We are required to send a copy of this statement to the appropriate audit authority in accordance with section 522 of the Act, and send a copy to the registrar in accordance with section 521 of the Act. We draw your attention to the fact that the Company has its own statutory obligations where an auditor has ceased to hold office (as detailed, in particular, in sections 520 and 523 of the Act).

If you have any questions in respect of your legal obligations, we recommend that you seek independent legal advice.

Yours faithfully

Ernst & Young LLP
ICAEW Registration Number – C009126168

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Appendix 2

Summary of the Sage Group plc Long Term Incentive Plan¹

1. General

The operation of The Sage Group plc Long Term Incentive Plan (the “LTIP”) will be overseen by the Company’s Board of Directors (the “Board”) and the Company’s remuneration committee (the “Committee”), (or a duly authorised committee of the Committee).

Decisions of the Board and Committee (as appropriate) are final and conclusive.

Benefits under the LTIP are not pensionable.

2. Eligibility

Employees (including employed executive directors) of the Company and its subsidiaries (the “Group”) will be eligible to participate in the LTIP at the discretion of the Committee.

Awards made to Executive Directors of the Company (“Executive Directors”) will comply with the shareholder-approved directors’ remuneration policy in effect at that time (the “Remuneration Policy”), particularly the application of individual limits, performance conditions, malus/clawback, vesting periods, holding periods and post-termination shareholding requirements.

3. Awards under the LTIP

Awards will be granted in one or more of the following forms, at the discretion of the Committee:

- a share award, being a conditional right to acquire fully paid ordinary shares in the capital of the Company (“Shares”) in the future;
- a share option, structured as an option to acquire Shares for an exercise price (which may be nil or nominal price value or such other price determined by the Committee) in the future; or
- a phantom award, being a right to receive a cash sum in the future linked to the value of a number of notional Shares, structured as an option or a conditional right.

Share awards and options may be settled using newly issued, treasury or existing Shares.

Awards may not be transferred or otherwise disposed of except on the participant’s death and no payment is required for the grant of an award.

4. Timing of awards

Awards may only be granted within a period of 42 days starting on any of the following:

- the day the LTIP is approved by shareholders;
- the business day following the announcement or publication of the Company’s results for any period;
- any day on which changes to the legislation affecting share plans are announced or take effect;
- any day on which the Committee decides that exceptional circumstances justify the grant of awards; or
- if restrictions on dealings or transactions in securities (“Dealing Restrictions”) prevented the granting of awards in the periods mentioned above, the day those Dealing Restrictions are lifted.

Awards may not be granted after 6 February 2035.

5. Dilution limits

Awards cannot be granted if they would cause the “total plan shares” to exceed 10%, of the ordinary share capital of the Company in issue immediately before the Awards are made.

The “total plan shares” figure looks at the total number of new issue or treasury Shares that have been used to satisfy awards in the previous 10 years (or could still be used to satisfy awards) granted under the LTIP or any other employee share plan operated by the Company.

For so long as required by institutional investor guidelines, treasury Shares count towards these limits. Where certain variations of capital occur, the number of Shares taken into account under these limits will be adjusted as the Committee considers appropriate to take account of that variation.

6. Individual limits

Awards to Executive Directors may only be granted in accordance with the limit(s) set out in the Remuneration Policy.

Awards granted to other employees, must have a value that is not greater than the maximum otherwise permitted to an Executive Director in the Remuneration Policy.

Similarly, the Committee may grant awards in connection with the recruitment of an employee, subject to the additional limit applicable to Executive Directors set out in the Remuneration Policy.

¹ The terms herein are those as defined in The Sage Group plc Long Term Incentive Plan

7. Performance conditions

Awards may be granted subject to performance or other conditions, that must normally be satisfied in order for awards to vest. All LTIP awards granted to Executive Directors will be subject to performance conditions, determined in accordance with the Remuneration Policy.

The Committee may change a performance condition, or change or waive any other conditions, in accordance with its terms, or if anything happens which causes the Committee to reasonably consider the change would be appropriate. An amended performance condition will not be materially less difficult to satisfy than the original performance condition was intended to be.

8. Vesting and exercise of awards

Subject to the satisfaction of the performance conditions, and any other conditions that apply, awards will normally vest on the later of (i) the date the Committee decides the performance conditions/other conditions have been satisfied and (ii) the vesting date specified by the Committee at the grant date. Awards will not normally vest until at least 3 years from grant. Awards may vest in tranches, in which case each tranche may have a different vesting date.

The Committee may adjust the extent to which an award will vest in light of:

- the performance of the Group;
- the conduct, capability or performance of the participant;
- the experience of stakeholders;
- any windfall gains;
- the total value that would otherwise be received by the participant compared to the maximum value that the award was intended to deliver; or
- any other reason at the discretion of the Committee.

Following vesting of an award, or on exercise of a share option, Shares or cash (as appropriate) will normally be delivered to the participant as soon as practicable.

Awards granted as options must typically be exercised in full. They will be exercisable for a specified period following vesting (ending not later than the 10th anniversary of grant) and if not exercised during that period they will lapse.

The Committee may decide to settle an award over Shares partly or fully in cash instead of Shares.

Vesting, exercise (where relevant) and/or settlement of an award may be delayed due to Dealing Restrictions, or where an investigation is ongoing that might lead to malus and/or clawback being triggered. In some circumstances, the exercise window for an option may be extended by such delays.

Awards may carry the right to receive an additional amount, relating to the value of any dividends with a record date from the grant date until the vesting of an award, as if the participant had owned the Shares (in respect of which the award vests or is exercised) during that period.

To the extent an award or any part of it is no longer capable of vesting (or of being exercised), it will lapse.

If a participant moves jurisdiction (without leaving employment) and, as a result, there may be adverse legal, regulatory or tax consequences in relation to the participant's awards, the Committee may adjust or replace those awards as it considers appropriate.

Where awards are granted in tranches, the rules relating to vesting, exercise and delivery will apply to each tranche separately as if each tranche was a separate award.

9. Holding period

Awards may be granted subject to a holding period meaning that participants must not dispose of the Shares acquired for a specified period following vesting (or exercise their share options). Some exceptions apply, including for Shares sold to cover liabilities such as taxes and/or social security contributions.

Awards granted to an Executive Director will be granted subject to a holding period consistent with the Remuneration Policy.

10. Malus and clawback

Awards are subject to the Group's malus and clawback policy, as updated from time to time. Under the policy, the Committee may decide to reduce, cancel or forfeit an award (malus) or recover all or part of the value of an award that has been satisfied (clawback) if certain circumstances occur.

Appendix 2 continued

11. Leavers

If a participant leaves the Group before an award vests, their award will normally lapse. However, if the reason for leaving is death, ill-health, injury or disability (evidenced to the satisfaction of the Committee), the transfer of the participant's employment to an entity outside the Group, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006, the transfer of the participant's employing business or company outside of the Group or any other reason at the Committee's discretion (i.e. the participant is a "Good Leaver"), the award will normally:

- continue until the normal vesting date (although vesting is accelerated in the case of death);
- only vest to the extent the Committee decides any performance or other applicable conditions have been satisfied (with appropriate adjustments, if vesting is accelerated); and
- be time pro-rated (with Committee discretion to take an alternative approach if appropriate).

Where a participant leaves after an award vests, the award will normally continue in accordance with the provisions of the LTIP.

In the case of options that do not lapse as a consequence of leaving, there will normally be a six month exercise period (12 months in the case of death) from vesting or, where vesting occurred prior to leaving, from leaving.

Any holding period will normally continue to apply after leaving unless the Committee decides otherwise, except on death, where any holding period will cease to apply.

Where a participant leaves and the award is subject to the Company's malus and clawback policy, the policy will continue to apply unless the Committee decides otherwise.

A participant will be considered to have left the Group when no longer employed by any member of the Group (or an associated company).

The Committee can cash settle awards following death where requisite information has not been provided by the estate.

If, at any time, a participant is summarily dismissed or leaves in circumstances that would have justified the participant's summary dismissal, their awards will immediately lapse.

Where awards are granted in tranches, with each tranche having different vesting dates, the leaver rules will apply to each tranche separately as if each tranche was a separate award.

12. Post-termination restriction for retirees

Executive Directors' awards are subject to a post-termination restriction, which means that the participant's award may be reduced, or amounts recovered in respect of it, if they receive good leaver treatment as a consequence of retirement and, within a specified period from leaving (normally 12 months), become employed or engaged as an executive director in another business.

13. Company events

In the event of a takeover (including a person becoming bound or entitled to acquire Shares under UK company law) or proposed voluntary winding up of the Company, awards will normally vest early. In the event of a scheme of arrangement in relation to the Company's Shares, awards may be released early if the Committee decides.

In these circumstances, awards will normally vest:

- only to the extent the Committee decides any performance or other applicable conditions have been satisfied (on such basis that the Committee considers appropriate);
- on a time pro-rated basis (with Committee discretion to choose another approach if appropriate); and
- taking into account such factors that the Committee considers appropriate.

Options will normally be exercisable for a period of one month from the relevant date and will then lapse.

Any holding period will normally continue to apply, with any amendments the Committee deems appropriate.

The Group's malus and clawback policy will normally continue to apply to an award, or the Committee may decide that it will be varied in its application, if there is a company event.

In some circumstances (including internal reorganisations in particular), awards may instead be exchanged for new awards. Awards that are exchanged will lapse and awards which would otherwise have been settled at the time of the event will continue to be subject to holding periods and/or the Groups' malus and clawback policy, subject to such variations the Committee considers appropriate.

Where awards are granted in tranches, these rules will apply to each tranche separately as if each tranche was a separate award.

14. Variation of share capital

In the event of a variation in the share capital of the Company, a demerger, special dividend or distribution or any other transaction that will materially affect the value of Shares, the Committee may adjust the number or class of Shares to which an award relates.

Alternatively, if the Committee considers an adjustment of awards is not practicable or appropriate, vesting may be accelerated on a similar basis as for other company events.

15. Rights attaching to Shares

All Shares issued in connection with the LTIP will rank equally with other shares of the same class then in issue. The Company will apply for the listing of any Shares issued in connection with the LTIP.

Participants will not be entitled to any dividend, voting or other rights in respect of Shares until the Shares are issued or transferred to them (as appropriate).

16. Amendments and termination

The Board may change the LTIP in any way at any time, but the Company will obtain prior shareholder approval for any change that is to the advantage of present or future participants and which relates to any of the following: the persons who may receive Shares or cash under the LTIP; the total number or amount of Shares or cash that may be delivered under the LTIP; the maximum entitlement for any participant; the basis for determining a participant's entitlement to, and the terms of, Shares or cash provided under the LTIP; the rights of a participant in the event of a capitalisation issue, rights issue, open offer, sub-division or consolidation of shares, reduction of capital, any other variation of capital; or to the provision in the rules requiring shareholder approval for changes.

There is an exception for minor amendments to benefit the administration of the LTIP, to comply with or take account of a change in legislation and/or to obtain or maintain favourable tax, exchange control or regulatory treatment of any member of the Group or any present or future participant.

No change may be made to the material disadvantage of one or more participants in respect of subsisting rights without the written consent of the affected participant(s) or unless all such disadvantaged participants have been asked for their consent and a majority of those who respond give consent. Similar exceptions for minor amendments as apply to the shareholder approval requirement apply to the obligation to seek participant consent.

The Board may establish further plans or schedules based on the LTIP, but modified to take account of any local tax, exchange control or securities laws in other jurisdictions, provided any awards made under them count towards the individual and plan limits in the LTIP. At the date of this Notice, a number of international schedules are attached to the LTIP:

1. awards granted to US participants (comprising: (i) securities law statements and (ii) terms which secure exemption from and compliance with the US "section 409A" penalty regime and which can otherwise trigger potentially adverse tax outcomes, as well as (iii) ensuing compliance with state securities law requirements for Californian residents); and
2. further appendices for
 - (i) French employees and intended to qualify for the specific tax and social security treatment in France under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code; and
 - (ii) Israeli resident employees, which is intended to satisfy the Israeli tax requirements, so that awards may qualify for the specific tax and social security treatment in Israel under Section 102 of the Israeli Income Tax Ordinance [New Version] 1961 on a tax qualified basis.

The LTIP will terminate on 6 February 2035 (or on such earlier date as the Board decides), although this will not affect any subsisting rights under the LTIP.

This summary does not form part of the rules of the LTIP and should not be taken as affecting the interpretation of their detailed terms and conditions. The Board reserves the right to amend or add to the rules of the LTIP up until the time of the Meeting, provided that such amendments or additions do not conflict in any material respect with this summary.

