

## The Sage Group plc

### Statement of Division of Responsibilities between Chairman and Chief Executive

THE CHAIRMAN should:
<ul style="list-style-type: none"> <li>• Be identified with the values and vision of the Company</li> </ul>
<ul style="list-style-type: none"> <li>• Set the tone of the Company, consistent with the high standards of behaviour demanded of all colleagues and with a commitment to high standards of governance.</li> </ul>

#### 1. REPORTING LINES

CHAIRMAN	CHIEF EXECUTIVE
1.1 The Chairman reports to the Board of The Sage Group plc (the "Board").	1.1 The Chief Executive reports to the Chairman (acting on behalf of the Board) and thus to the Board directly.
1.2 The Chairman is not responsible for executive matters regarding the Company's business. Other than the Chief Executive (to the extent set out above) and the Company Secretary (in respect of the limited matters set out herein and other matters relating directly to the Board), no executive reports to him other than through the Board.	1.2 The Chief Executive is responsible for all executive management matters affecting the Group. All members of the executive management report, either directly or indirectly, to him.
1.3 The Chairman is responsible for seeking to ensure that a close, constructive working relationship, with open and effective communication channels, is maintained with the Chief Executive. This involves acting, where necessary, as a conduit for issues and concerns raised by Non-Executive Directors in relation to the management of the Company.	1.3 The Chief Executive is responsible for seeking to ensure that a constructive working relationship, with open and effective communication channels, is maintained with the Chairman. This involves acting, where necessary, as a conduit for issues and concerns raised by the management of the Company in relation to the functioning of the Board.
1.4 The Chairman has direct access to all Executive Directors, with a normal feedback loop to the Chief Executive.	1.4 Executive Directors report to the Chief Executive, but in their capacity as Directors have the right to access the Chairman.

## 2. DUTIES AND RESPONSIBILITIES

<b>CHAIRMAN</b>	<b>CHIEF EXECUTIVE</b>
2.1 Promoting the highest standards of integrity, probity and corporate governance throughout the Group and specifically at Board level.	2.1 Promoting and conducting the affairs of the Group with the highest standards of integrity, probity and corporate governance, and ensuring that management meets the same standards.
2.2 Promoting the Company's Code of Conduct (the "Code of Conduct") at Board level and with the Company's wider stakeholders.	2.2 Demonstrating leadership and commitment in relation to the principles set out in the Code of Conduct, and requiring compliance with the Code of Conduct from colleagues at all levels.
2.3 Leading the Board of the Company and ensuring that all directors are enabled to play their full part in bringing their skills and experience to the Board. Encouraging active engagement by all the members of the Board.	2.3 Leading and promoting the profitable and sustainable development of the Group in accordance with the strategy and direction set by the Board.
2.4 Running the Board and ensuring clear structure for, and the effective running of, the Board and its Committees (with the exception of the Executive Committee ("ExCo")), including regularity and frequency of meetings.	2.4 Running the Group's business and providing leadership to the executive management of the Group's businesses and chairing the ExCo.
2.5 Ensuring that the Board as a whole is enabled to play a full and constructive part in the review and approval of the Group's strategy, financial plan, budget, planned acquisitions and overall objectives.	2.5 With input from the Chief Financial Officer, and other senior colleagues, as appropriate, proposing and developing the Group's strategy, financial plan, budget, planned acquisitions and overall commercial objectives, for approval of the Board.
2.6 Being the guardian of the Board's decision-making processes and ensuring effective implementation of Board decisions.	2.6 Together with the members of the ExCo and the direct reports to the members of the ExCo implementing the decisions of the Board and, where applicable, of its Committees.
2.7 Presiding, in accordance with the Company's Articles of Association, as chairman at all general meetings of the members of the Company (and specifically, at the Annual General Meeting ("AGM")), and for arranging for the	2.7 Attending all general meetings of the members of the Company and, in relation to the AGM, conducting such presentations of the Company's strategy and operational and financial performance as may be required.

<p>chairmen of the principal Board Committees to be available to answer questions at the AGM and for seeking to ensure that all Directors attend the AGM.</p>	
<p>2.8 Ensuring that Board agendas take full account of the important issues facing the Company and the concerns of all Board members, and that they are forward looking and include an appropriate concentration on strategic and other important matters.</p>	<p>2.8 Maintaining a dialogue with the Chairman on the important and strategic issues facing the Company, and proposing to the Chairman Board agenda items.</p>
<p>2.9 Ensuring that members of the Board receive accurate, timely and clear information on the Company's performance; the issues, challenges and opportunities facing the Company; and in relation to the Matters Reserved to the Board for decision, to enable the Board to make sound decisions, monitor effectively and provide advice to promote the success of the Company. It is particularly important that Non-Executive Directors have sufficient time to consider critical issues and are not faced with unrealistic deadlines for decision making</p>	<p>2.9 Ensuring that the ExCo give appropriate priority to Board reporting which is of an accurate, timely and clear nature and which highlights the issues, challenges and opportunities facing the Company.</p>
<p>2.10 Ensuring, with the advice of the Company Secretary, that the Board's approval procedures, including the Matters Reserved to the Board for decisions and each Committee's Terms of Reference, are complied with.</p>	<p>2.10 Ensuring, in consultation with the Chairman and the Company Secretary, that he and the ExCo comply with the Board's approved procedures, including the Matters Reserved to the Board for decision and each Committee's Terms of Reference.</p>
<p>2.11 Arranging, where appropriate, such informal meetings involving Directors, including between Non-Executive Directors, as may be required in order to ensure that sufficient time and consideration are given to complex, contentious or sensitive issues, and ensuring that the Non-Executive Directors, led by a Senior Independent Director, have the opportunity to meet at least annually without the presence of the Chairman himself or the Chief Executive.</p>	<p>2.11 Ensuring that the Chairman is alerted to forthcoming complex contentious or sensitive issues affecting the Company of which he might not otherwise be aware.</p>
<p>2.12 Proposing to the Board appropriate Matters Reserved to</p>	<p>2.12 Providing input to the Chairman and Company Secretary</p>

<p>the Board for decision, Terms of Reference for each Board Committee, and other Board policies or procedures; in all cases in consultation with the Chief Executive and, in respect of Committee Terms of Reference, the chairman of the relevant Committee and with the advice of the Company Secretary.</p>	<p>on appropriate changes to the Matters Reserved to the Board and Committee Terms of Reference.</p>
<p>2.13 Chairing the Nomination Committee and, in that role, initiating change and succession planning in Board appointments in order to retain and build an effective and complementary Board, and facilitate the appointment of effective and suitable members and chairs of Board Committees</p>	<p>2.13 Providing information and advice on succession planning to the Chairman, the Nomination Committee, and (as applicable) members of the Board, particularly in respect of the Executive Directors.</p>
<p>2.14 Ensuring that there is effective communication by the Company with its shareholders and other key stakeholders, principally by the Chief Executive (and other executive management) and also, as appropriate, by the Chairman himself and the Senior Independent Director, and ensuring that the members of the Board develop an understanding of the views of shareholders.</p>	<p>2.14 Managing and leading the communication programme with shareholders and other key stakeholders.</p>
<p>2.15 Approving the Chairman's Statement in the Annual Report and Accounts.</p>	<p>2.15 Providing input to the Chairman for the content of the Chairman's statement in the Annual Report and Accounts.</p>
<p>2.16 Representing the Company as appropriate in its engagement with its stakeholders, generally by agreement with the Chief Executive.</p>	<p>2.16 Acting as the primary representative of the Company in its engagements with its stakeholders.</p>
<p>2.17 Taking the lead in providing a full, formal, tailored and properly constructed induction programme for new Directors, facilitated by the Company Secretary who reports to the Chairman as well as to the Chief Executive in this regard.</p>	<p>2.17 Providing input to the induction programme for new directors and ensuring that appropriate management time is made available for the process.</p>

<p>2.18 Taking the lead in identifying and meeting the training and development needs of both individual Directors and of the Board as a whole, with a view to enhancing its overall effectiveness as a team. The Company Secretary shall have a key role in the provision of such training and shall work with the Chairman as well as to the Chief Executive in this regard. The directors should be able to continually update their skills and the knowledge and familiarity with the Company required to fulfill their role on the Board and its Committees.</p>	<p>2.18 Ensuring that the training and development needs of the Executive Directors and other senior management reporting to him are identified and met.</p>
<p>2.19 Ensuring that the performance of the Board as a whole, each of its Committees, and each individual Director as regards their Board and/or Committee role(s), is formally and rigorously evaluated on a regular basis and at least once a year. Acting on the results of such evaluation by recognizing the strengths and addressing the weaknesses of the Board.</p>	<p>2.19 Ensuring that performance reviews (regarding their executive and management duties) of the Executive Directors and other senior management reporting to him are carried out at least once a year. Providing input to the wider Board evaluation process and ensuring appropriate management time is made available for the process.</p>

**3. STATUS OF THIS STATEMENT**

<p>2.1 This statement was considered and approved by the Board on: 22 November 2016</p>
<p>3.2 The approval of the Board shall be required for any amendments to this statement. The Company Secretary shall be empowered to make minor, non-material changes as may be required from time to time.</p>