

SDL*

Notice of Annual General Meeting

2017



This document is important and requires your immediate attention. If you are in any doubt as to the action to be taken you should seek your own personal advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the financial services and markets act 2000 or, if you are resident outside the united kingdom, another appropriately qualified independent adviser.

If you have sold or otherwise transferred all your ordinary shares in SDL PLC ("Company") please pass this document and the enclosed proxy form to the purchaser or transferee or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Company's Annual Report and Accounts for the year ended 31 December 2016 are now available on the Company's website at www.sdl.com

24 March 2017

To the ordinary shareholders of the Company

Dear Shareholder,

Annual General Meeting 2017

I am pleased to send you details of our 2017 annual general meeting ("AGM"), which will be held at the offices of DLA Piper UK LLP at 1 London Wall, London EC2Y 5EA on 27 April 2017 at 9:30am.

The formal notice of the AGM, which is set out on pages 8 to 12 of this document ("Notice"), sets out the business to be considered at the AGM. The purpose of this letter is to provide you with further details about those items of business.

This year, shareholders will be asked to approve 17 resolutions. Resolutions 1 to 14 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than 50 per cent of the votes cast must be in favour of the resolution. Resolutions 15 to 17 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least 75 per cent of the votes cast must be in favour of the resolution.

Resolution 1: Annual Report and Accounts

The board of directors ("Board") asks that shareholders receive the report of the directors, the strategic report and the financial statements for the year ended 31 December 2016, together with the report of the auditor ("Annual Report").

The Annual Report is available on the Company's website (www.sdl.com).

Resolution 2: Directors' Remuneration Report

The Directors' Remuneration Policy was put to a vote and passed in April 2016. The legislation requires that the Directors' Remuneration Policy be put to a vote at least every three years or sooner if there are changes required to the policy. As there are no changes proposed to the Directors' Remuneration Policy shareholders are being asked only to consider the Annual Remuneration Report section of the Directors' Remuneration Report this year. The relevant part of the Directors' Remuneration Report is set out on pages 107 to 120 of the Annual Report. This vote is advisory only, therefore it does not affect the historical remuneration paid to any individual director.

Resolution 3: Declaration of a final dividend

Under the articles of association of the Company, a final dividend must be approved by shareholders by ordinary resolution. The directors are recommending that shareholders declare a final dividend of 6.2 pence per ordinary share in respect of the financial year ended 31 December 2016. The amount declared as a final dividend may not exceed the amount recommended by directors. If approved, the final dividend will be paid on 9 June 2017 to shareholders on the register of members at close of business on 12 May 2017.

The Company's Annual Report and Accounts for the year ended 31 December 2016 are now available on the Company's website at www.sdl.com

Resolutions 4 to 10: Appointment and Reappointment of directors

All directors, except for Chris Batterham who does not seek reappointment, will retire at this year's AGM and submit themselves for election or re-election in accordance with the UK Corporate Governance Code.

Resolutions 4 to 8 inclusive propose the reappointment of David Clayton, Glenn Collinson, Mandy Gradden, Dominic Lavelle and Alan McWalter as directors. Resolutions 9 and 10 propose the appointment of Adolfo Hernandez and Christopher Humphrey as directors.

Biographies of each of these directors are set out on pages 77 to 80 of the Annual Report.

Resolutions 11 and 12: Appointment and remuneration of the auditor

Resolution 11 proposes the appointment of KPMG LLP as auditor (to hold office until the next such meeting) and in accordance with normal practice, resolution 12 authorises the Audit Committee to determine the auditor's remuneration.

Resolution 13: Extension of the SDL Sharesave and SDL (International) Sharesave schemes

The SDL Sharesave Scheme (the "UK Scheme") was adopted by shareholders on 24th April 2008 and is nearing the end of its ten year life (ten years being the maximum period permitted under institutional shareholder guidelines). The UK Scheme is operated on similar terms for the benefit of all UK SDL Group employees who meet the conditions for eligibility. The scheme was originally formally approved by HM Revenue and Customs ("HMRC") for UK tax purposes

and has subsequently been registered with HMRC under the self-certification regime introduced in 2014.

The directors believe that the UK Scheme has provided a meaningful incentive to our employees in promoting share ownership at all levels in the UK and therefore wish to extend the operation of the scheme for a further period of ten years, subject to compliance with the relevant legislation and to the HMRC self-certification requirements.

In addition to renewing the UK Scheme the directors also propose to extend the SDL (International) Sharesave Scheme (the "International Scheme"), which was authorised by shareholders on 24th April 2008, for a further period of ten years. The International Scheme operates on a similar basis



Resolutions

to the UK Scheme for the benefit of SDL Group employees outside the UK. The scheme is operated within the relevant limits on the number of new shares that may be issued (or treasury shares that may be re-issued) under the UK Scheme and contains limitations so as to ensure, as far as the directors consider practicable, that participants obtain benefits similar to (and not greater than) those available to participants under the UK Scheme. The International Scheme can be amended to the extent considered necessary or desirable to take account of overseas tax, securities or exchange control laws or regulations. To date the scheme has been offered to SDL employees in the USA, Canada and the Netherlands.

The principal terms of the UK Scheme are summarised in the Appendix hereto and the full Rules are available for inspection at the Company's registered office and at the offices of DLA Piper UK LLP at 3 Noble Street, London EC2V 7EE during normal business hours on any weekday (Saturdays and public holidays excepted). The full Rules will be available from the date of this Notice up to and including 27 April 2017 and at the AGM itself, from at least 15 minutes prior to the appointed time for the meeting until the meeting is concluded or adjourned. The full Rules of the International Scheme (which are broadly similar to the UK Scheme) are also available for inspection as above.

Resolution 14: Authority to allot shares

Generally, the directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by shareholders.

Resolution 14 renews a similar power given at last year's AGM and is in two parts.

In line with guidance issued by The Investment Association, if passed, part (a) of resolution 14 will authorise the directors to allot ordinary shares in the Company (and to grant rights to subscribe for, or to convert any security into, ordinary shares in the Company) in connection with a rights issue only up to an aggregate nominal amount of £543,984 (as reduced by the aggregate nominal amount of any shares allotted or rights granted under part (b) of resolution 14). This amount (before any reduction) represents approximately two thirds of the issued ordinary share capital of the Company as at 17 March 2017, being the last practicable date before the publication of this document. The directors intend to follow emerging best practice as regards the use of this authority.

If passed, part (b) of resolution 14 will authorise the directors to allot shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) up to an aggregate nominal amount of £271,992 (as reduced by the aggregate nominal amount of any shares allotted or rights granted under part (a) of resolution 14 in excess of £271,992). This amount (before any reduction) represents approximately one third of the issued ordinary share capital of the Company as at 17 March 2017, being the last practicable date before the publication of this document.

If given, these authorities will expire at the conclusion of the Company's next AGM or on a date which is 15 months after the passing of the resolution (whichever is the earlier). It is the directors' intention to renew the allotment authority each year.

As at the date of this document, no ordinary shares are held by the Company in treasury.

The directors have no current intention to exercise either of the authorities sought under resolution 14. However, the directors consider that it is in the best interests of the Company to have the authorities available so that they have the maximum flexibility permitted by institutional shareholder guidelines to allot shares or grant rights without the need for a general meeting should they determine that it is appropriate to do so to respond to market developments or to take advantage of business opportunities as they arise.

Resolutions 15 and 16: Disapplication of pre-emption rights

Generally, if the directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Companies Act 2006 ("2006 Act")) for cash, then under the 2006 Act they must first offer such shares or securities to ordinary shareholders in proportion to their existing holdings. These statutory pre-emption rights may be disapplied by shareholders.

Resolution 15, which will be proposed as a special resolution, renews a similar power given at last year's AGM and, if passed, will enable the directors to allot equity securities for cash up to a maximum aggregate nominal amount of £543,984 without having to comply with statutory pre-emption rights, but this power will be limited to allotments:

- (a) up to an aggregate nominal amount of (i) £543,984 in connection with a rights issue or (ii) £271,992 in connection with an open offer or other pre-emptive offer, in each case to ordinary shareholders and to holders of other equity securities (if required by the rights of those securities or the directors otherwise consider necessary), but (in accordance with normal practice) subject to such exclusions or other arrangements, such as for fractional entitlements and overseas shareholders, as the directors consider necessary; and
- (b) in any other case, up to an aggregate nominal amount of £40,799 (which represents approximately five per cent of the issued ordinary share capital of the Company as at 17 March 2017, being the last practicable date before the publication of this document).

The powers proposed under resolution 16 will be limited to allotments:

- (a) up to an aggregate nominal amount of £40,799 (which represents approximately five per cent of the issued ordinary share capital of the Company as at 17 March 2017, being the last practicable date before the publication of this document); and
- (b) used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the directors determine 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.

This disapplication authority is in line with the Statement of Principles issued by The Pre-Emption Group in 2015 ("2015 Principles"). The 2015 Principles increased the percentage of shares which could be issued for cash on a non pre-emptive basis from five per cent to ten per cent, provided that the additional five per cent is used only in connection with an acquisition or specified capital investment. The directors therefore confirm that they will only use the authority to issue shares on a non pre-emptive basis granted in resolution 16 which is in respect of more than five per cent of the issued share capital of the Company in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

The Company has issued 210,259 ordinary shares in the last year and 1,103,102 ordinary shares in the last three years on a non-pre-emptive basis, representing 0.26 and 1.35 per cent, respectively, of the issued ordinary share capital of the Company. This is in line with the 2015 Principles which provide that a company should not issue shares representing more than 7.5 per cent of its issued ordinary share capital for cash in any rolling three-year period, other than on a pre-emptive basis, without prior consultation with shareholders.

If given, this power will expire at the conclusion of the Company's next AGM or on a date which is 15 months after the passing of the resolution (whichever is the earlier). It is the directors' intention to renew this power each year.

Resolution 17: Notice period for general meetings

Resolution 17 will be proposed as a special resolution to allow the Company to call general meetings (other than an AGM) on 14 clear days' notice.

The 2006 Act provides that the minimum notice period required for general meetings of the Company is 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice.

If the resolution is passed, the shorter notice period would only be used where it is merited by the business of the meeting and is considered to be in the interests of shareholders as a whole. Note that 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.

Recommendation

The directors believe that the proposals set out above are in the best interests of the Company and its shareholders as a whole. The directors will be voting in favour of the resolutions set out in the Notice, and unanimously recommend that you do so as well.

If you would like to vote on the resolutions set out in the Notice but cannot come to the AGM, please appoint a proxy or proxies:

- by completing the Proxy Form sent to you with this document, and returning it to our registrars; or
- (if you are a CREST member) using the CREST electronic proxy appointment service.

Your proxy appointment must be received by 9:30am on 25 April 2017. Further details relating to voting by proxy are set out in the notes to the Notice and in the Proxy Form.

Yours faithfully

David Clayton
Chairman

Appendix

Summary of the principal terms of the SDL Sharesave Scheme ("the UK Scheme")

1. Eligibility; The UK Scheme will be open to all UK employees of SDL plc ("the Company") and of designated UK subsidiaries (including full-time directors of the Company), who have been continuously employed by the group for at least one year on the relevant invitation date. The directors may waive or reduce the service qualification.
2. Invitations; Invitations to eligible persons may be issued within the periods of 42 days following the date on which the Company announces its annual or interim results in any year while the UK Scheme subsists.
3. Subscription/Exercise Price; Options are granted at a price which represents not less than 80 per cent. of the middle market quotation of an ordinary share on the dealing day immediately preceding the date of invitation, as derived from the Daily Official List of the London Stock Exchange plc (subject to options not being granted at a price below the nominal value of such share).
4. Savings Contract; A condition of the grant of an option is that the participant agrees to enter into a Save as You Earn contract with a designated savings institution under which he or she contracts to save between £5 and £500 per month, by deduction from net salary. A tax-free bonus may be added by the savings institution at the end of a three or five year savings period ("the bonus date"). Currently there is no interest or bonus payable under new contracts.
5. Number of shares under option; Options are linked to the three or five year bonus date described in paragraph 4 above (as selected by the applicant at the outset) or, if the directors so determine, to the three year bonus date only. Currently only three year contracts are offered. The number of shares under option is calculated by dividing the anticipated savings proceeds (including any bonus) by the subscription/exercise price as determined in 3 above.
6. Total number of new shares available; The maximum number of shares that may be issued or issuable, in any ten year period ending on the relevant date of grant, under the UK Scheme and under any other employee share schemes operated by the Company (including any commitments to re-issue treasury shares), may not exceed 10 per cent. of the issued ordinary share capital of the Company from time to time (currently representing approximately 8,159,756 ordinary shares).
7. Exercise date; Options are normally exercisable within the six months following the relevant bonus date under the savings contract but may be exercised early in certain circumstances such as death, redundancy, retirement, divestment of the employing company etc. In the event of early exercise, the exercise is restricted to the proceeds of the savings contract at the relevant time. An exercise period of up to twelve months is provided in the case of death.
8. Scaling down; In the event that the number of shares applied for exceeds those available the directors will scale down the number of shares over which options are to be granted in a manner which complies with HMRC requirements.
9. Changes in control and winding-up; In the event of a change in control of the Company pursuant to a general offer (or a compromise or arrangement sanctioned by the Court), options may be exercised within six months of such event. However, if the acquirer becomes bound or entitled to compulsorily acquire outstanding shares, options will lapse at the end of the compulsory acquisition period. If the acquiring company agrees, options may be released in return for options of equivalent value in the acquiring company so long as options remain exercisable under any of these provisions. In the event of the voluntary winding-up of the Company, options may be exercised within three months of the passing of the appropriate resolution.
10. Variation of Capital; If a variation in the capital of the Company shall occur by reason of a rights or capitalisation issue or a sub-division, consolidation, reduction or other variation, then the directors shall make appropriate adjustments to the subscription/exercise price and/or the number of shares under option provided that the auditor (or other independent advisers) of the Company for the time being shall have confirmed in writing that such adjustments are, in their opinion, fair and reasonable and subject also to compliance with HMRC requirements.
11. Amendment and duration of the UK Scheme; The principal terms of the UK Scheme may only be amended to the advantage of eligible employees or participants with the prior authority of the Company in General Meeting save that any amendment (other than an amendment affecting the number of shares which may be issued under the UK Scheme) may be made without such authority if it is:-
 - (a) to enable the UK Scheme to continue to meet the statutory requirements; or
 - (b) a minor alteration to benefit the administration of the UK Scheme, to take account of a change in legislation or to obtain or maintain favourable tax treatment for participants, the Company or any company in the Group.

No options will be granted under the UK Scheme later than ten years following its adoption date (or the date of its renewal) and any benefits under the UK Scheme are non-pensionable.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2017 Annual General Meeting of the Company will be held at the offices of DLA Piper UK LLP at 1 London Wall, London EC2Y 5EA on 27 April 2017 at 9:30am for the following purposes:

Ordinary Resolutions

To consider and, if thought fit, to pass resolutions 1 to 14 (inclusive) which will be proposed as ordinary resolutions, and resolutions 15 to 17 (inclusive) which will be proposed as special resolutions:

1. To receive and consider the Company's Annual Report and Accounts together with the strategic report and the reports of the directors and the auditor for the financial year ended 31 December 2016.
2. To consider and approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, for the financial year ended 31 December 2016.
3. To declare a final dividend for the financial year ended 31 December 2016 of 6.2 pence per ordinary share in the capital of the Company payable to holders of ordinary shares whose names appear on the register at the close of business on 12 May 2017.
4. To re-elect David Clayton as a non-executive director.
5. To re-elect Glenn Collinson as a non-executive director.
6. To re-elect Mandy Gradden as a non-executive director.
7. To re-elect Dominic Lavelle as a director.
8. To re-elect Alan McWalter as a non-executive director.
9. To elect Adolfo Hernandez as a director.
10. To elect Christopher Humphrey as a non-executive director.
11. To appoint KPMG LLP as auditor of the Company from the conclusion of this meeting until the conclusion of the next general meeting before which accounts are laid.
12. To authorise the Audit Committee to fix the auditor's remuneration.

13. To approve:
 - a. THAT the SDL Sharesave Scheme, the principal features of which are summarised in the Appendix to this letter and the Rules of which are produced to the meeting, be and is hereby extended for a further period of 10 years from the date of this meeting, subject to and in accordance with the Rules of the Scheme.
 - b. THAT the SDL (International) Sharesave Scheme, the Rules of which are produced to the meeting, be and is hereby extended for a further period of 10 years from the date of this meeting, subject to and in accordance with the Rules of the Scheme.
14. THAT, pursuant to section 551 of the Companies Act 2006 ("the Act"), the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot Relevant Securities:
 - (a) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £543,984 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (b) of this resolution) in connection with a rights issue:
 - (i) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - (ii) to holders of other equity securities in the capital of the Company as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - (b) otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £271,992 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (a) of this resolution in excess of £271,992),

provided that:

 - (i) these authorities shall expire at the conclusion of the next annual general

The Company's Annual Report and Accounts for the year ended 31 December 2016 are now available on the Company's website at www.sdl.com

- (i) meeting of the Company after the passing of this resolution or on the date which is 15 months after the passing of this resolution (whichever is the earlier) unless previously varied, revoked or renewed by the Company in general meeting;
- (ii) the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such authority and the directors may allot any Relevant Securities pursuant to such offer or agreement as if such authority had not expired; and
- (iii) all prior authorities to allot Relevant Securities pursuant to section 551 of the Act be revoked and substituted with this authority with immediate effect but without prejudice to the allotment of any Relevant Securities already made or to be made pursuant to such authorities.

In this resolution, "Relevant Securities" means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

Special Resolutions

15. THAT, subject to the passing of resolution 14 and pursuant to section 570 of the Act, the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities conferred by resolution 14 as if sub-section (1) of section 561 of the Act did not apply to any such allotment provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with an offer of equity securities (whether by way of a rights issue, open offer, or otherwise, but in the case of an allotment pursuant to the authority granted by paragraph (a) of resolution 14, such power shall be limited to the allotment of equity securities in connection with a rights issue):
 - (i) to holders of ordinary shares in the capital of the Company in proportion (as nearly as

- practicable) to the respective numbers of ordinary shares held by them; and
- (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- (b) otherwise than pursuant to paragraph 15(a) of this resolution, the allotment of equity securities pursuant to the authority granted by paragraph (b) of resolution 14, up to an aggregate nominal value of £40,799,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date which is 15 months after the passing of this resolution (whichever is the earlier), save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted for cash after such expiry and the directors may allot equity securities for cash in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

This power is in substitution for all existing powers under section 570 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).
16. THAT, subject to the passing of resolution 14, the directors be and are generally empowered in addition to any authority granted under resolution 15 to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities conferred by resolution 14 as if sub-section (1) of section 561 of the Act did not apply to any such allotment provided that this power shall be limited to:
 - (a) up to an aggregate nominal value of £40,799; and
 - (b) used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on

Notice of Annual General Meeting

Disapplying Pre Emption Rights most recently published by the Pre Emption Group prior to the date of this notice,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date which is 15 months after the passing of this resolution (whichever is the earlier), save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted for cash after such expiry and the directors may allot equity securities for cash in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

17. THAT a general meeting of the Company (not being an annual general meeting) may be called by notice of at least 14 clear days.

The directors believe that the proposals in resolutions 1 to 17 (inclusive) are in the best interests of the Company and its shareholders as a whole and they unanimously recommend that you vote in favour of all the resolutions.

By order of the Board

Dominic Lavelle
Director

27 March 2017

Registered Office:
Globe House
Clivemont Road
Maidenhead
Berkshire SL6 7DY

Registered in England and Wales Number: 2675207

Notes:

- To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members at 9:30am on 25 April 2017 (the "specified time"). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at 6pm on the date which is two working days before

the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

- If you wish to attend the meeting in person please bring identification such as a current passport or valid photo ID and a copy of your share certificate or most recent shareholding statement.
- A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote at the meeting instead of him/her. A proxy need not also be a member of the Company. A Proxy Form is enclosed. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. To appoint more than one proxy, the Proxy Form should be photocopied and a separate proxy form completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. The box on the Proxy Form must also be ticked to indicate that the proxy instruction is one of multiple instructions being given. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. A proxy may only be appointed in accordance with the notes set out below and the notes to the Proxy Form.
- Proxy Forms must be completed, signed and received by post or (during normal business hours only) by hand at the Company's registrars, Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU, no later than 9:30am on 25 April 2017 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). You may submit your proxy electronically using the Shareportal Service at www.capitashareportal.com. If you are not already registered for the share portal, you will need your investor code which can be found on your share certificate or dividend tax voucher.
- CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available at www.euroclear.com/CREST). 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 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 is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Asset Services (ID RA10) no later than 9:30am on 25 April 2017 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). 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 Capita Asset Services 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 Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- Details of proxy votes lodged on all resolutions will be disclosed at the meeting prior to any vote to be taken on a show of hands, or following completion of a validly requested poll.
- The return of a completed Proxy Form, other such instrument or any CREST Proxy Instruction will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.

- Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- The statement of the rights of shareholders in relation to the appointment of proxies in notes 3-8 and 10 does not apply to Nominated Persons. The rights described in such notes can only be exercised by shareholders of the Company.
- A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.
- As at 17 March 2017, being the latest practicable date prior to the publication of this document, the Company's issued share capital consists of 81,597,555 ordinary shares of £0.01 each, carrying one vote each. As at the date of this document, no ordinary shares are held by the Company in treasury. Therefore the total voting rights in the Company as at that date are 81,597,555.
- A member or members having a right to vote at the meeting and holding at least five per cent of the total voting rights of the Company, or at least 100 members having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, may require the Company to publish on its website a statement setting out any matter that such members propose to raise at the meeting 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 meeting or any circumstances connected with an auditor ceasing to hold office since the last annual general meeting of the Company in accordance with section 527 of the Act.

Notice of Annual General Meeting

- 15.1. Any such request must:
- identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identifying the statement which is being supported;
 - comply with the requirements set out in note 15.3 below; and
 - be received by the Company at least one week before the meeting.
- 15.2. Where the Company is required to publish such a statement on its website:
- it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
 - it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website; and
 - the statement may be dealt with as part of the business of the meeting.
- 15.3. Any request by a member or members to require the Company to publish audit concerns as set out above may be made either:
- in hard copy, by sending it to Globe House, Clivemont Road, Maidenhead, Berkshire SL6 7DY; or
 - in electronic form, by sending it to 01628 416386, marked for the attention of the Company Secretary's office or ppickering@sdl.com (please state "SDL PLC: AGM" in the subject line of the email); and
- must state the full name(s) and address(es) of the member(s) and (where the request is made in hard copy form or by fax) must be signed by the member(s).
16. Members have the right to ask questions at the meeting relating to the business being dealt with at the meeting in accordance with section 319A of the Act. The Company must answer any such question unless:
- to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
17. The following documents will be available for inspection during normal business hours at the registered office of the Company and at DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE from the date of this Notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends.
- A statement or summary of transactions of directors (and their family interests) in the share capital of the Company.
 - Copies of the service contracts of the executive directors.
 - Copies of the letters of appointment of the non-executive directors.
18. Biographical details of all those directors who are offering themselves for appointment or reappointment at the meeting are set out on pages 77 to 80 of the enclosed Annual Report and Accounts.
19. The information required by section 311A of the Act to be published in advance of the meeting, which includes the matters set out in this Notice and information relating to the voting rights of shareholders, is available at www.sdl.com.
20. Except as provided above, shareholders who wish to communicate with the Company in relation to the meeting should do so by using the following means:
- 20.1 calling our shareholder helpline on 0871 664 0300* (calls cost 12 pence per minute plus network extras; lines are open Mon-Fri 9:00am - 5:30pm); or
- 20.2 in electronic form to 01628 416386, marked for the attention of the Company Secretary's office or ppickering@sdl.com (please state "SDL PLC: AGM" in the subject line of the email).
- You may vote your shares electronically at www.capitashareportal.com.
- No other methods of communication will be accepted. Any electronic communication sent by a shareholder to the Company which is found to contain a virus will not be accepted by the Company.



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