

Update Statement

26 October 2018

SDL PLC is publishing this Update Statement in response to notification of the Company's inclusion in the Investment Association's Public Register of listed companies that received opposition of more than 20% on any resolution in a General Meeting. At our AGM on 26 April 2018, 27.92% of the shares voted were not in favour of the resolution on the Annual Report on Remuneration.

Following discussions with some shareholders and a review of the reports produced by the major shareholder representatives, concerns centred around the degree of stretch in the 2018 Long Term Incentive Plan EPS targets, an inflationary salary increase awarded to the Chief Executive Officer and the retrospective disclosure of annual bonus targets.

Over the past two months, the Board has completed a review of the Directors' Remuneration Policy taking note of the feedback received from investors in respect of the 2017 Directors' Remuneration Report and 2018 LTIP awards. Following this review the Remuneration Committee Chairman has written to major shareholders and representative bodies, outlining the Board's proposals for the new, 2019 Directors' Remuneration Policy and seeking further comments. The Remuneration Committee Chairman will continue this consultation with shareholders during the next four months before the new 2019 Directors' Remuneration Policy is finalised and published in the SDL 2018 Annual Report and Accounts in March 2019, in advance of seeking binding shareholder approval at the 2019 AGM.

We look forward to engaging further with shareholders over the coming months.

For and on behalf of SDL PLC

Glenn Collinson, Chairman of the Remuneration Committee