

SCHEDULE 5

ANNOUNCEMENT PURSUANT TO S430(2b) COMPANIES ACT 2006

The following information is provided in accordance with Section 403(2B) of the Companies Act 2006.

The Remuneration Committee of the Board of SDL PLC (the "**Company**") has approved the arrangements below which are in line with the Directors Remuneration Report approved by the Company's shareholders on 28 April 2016.

Dominic Lavelle will step down as Chief Financial Officer and as a director of SDL plc (the "**Company**") with effect from 29 March 2018. His employment will cease on the same date.

Payments and benefits

Mr Lavelle will continue to receive his contractual salary and benefits up to the date his employment ceases. In addition he will receive a payment consisting of:

- £320,000 in respect of 12 months' salary for his contractual notice period;
- £51,395 in respect of 12 months' benefit entitlements for his contractual notice period;
- £185,000 to settle a claim arising from his employment;
- £54,580 in respect of arrears of Company sick pay;
- £82,851 in lieu of arrears of wages, accrued but not taken holiday entitlement, and expenses incurred.

The payments made in lieu of his notice period will be made in quarterly instalments and are subject to a duty to mitigate his loss.

Incentives

- In accordance with the rules of the SDL Remuneration Policy and the rules of the SDL Long Term Incentive Plan (2016), the Remuneration Committee exercised its discretion to determine the amount of unvested awards that would not lapse on his cessation of employment and the number of shares under those awards to be transferred to Mr Lavelle when his employment ends.
- The Remuneration Committee took into account the Company's performance from the commencement of the performance period to the cessation of his employment, amongst other factors, and applied a pro-rating for the proportion of the performance period served. It has determined the following:
 - 2015 award - all 62,957 unvested awards will lapse with effect from the cessation of his employment.
 - 2016 award - the award shall vest as to 12,408 shares out of a total of 92,482 on the cessation of his employment and the remainder shall lapse.
 - 2017 award - the award shall vest as to 2,944 shares out of a total of 68,828 on the cessation of his employment and the remainder shall lapse.

- The Remuneration Committee exercised its discretion in accordance with the Deferred Annual Bonus Share Plan (2016) such that the Nil-Cost Option over 8,052 shares shall vest on the cessation of his employment.
- Mr Lavelle shall have no entitlement to a bonus for the 2017 and 2018 financial years.

No further payments will be made to Mr Lavelle in connection with his loss of office. Details of the above payments will be disclosed in the Directors' remuneration Report for the year ending 31 December 2018.