



Notice of Annual General Meeting

9:30am on 7 May 2019

At the offices of DLA Piper UK LLP, 160 Aldersgate Street, London EC1A 4HT

SDL PLC (the Company)

Registered in England and Wales Number 2675207

New Globe House, Vanwall Road, Maidenhead, Berkshire SL6 4UB

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 the 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.

29 March 2019

To the ordinary shareholders of the Company

**Dear Shareholder,
Annual General Meeting 2019**

I am pleased to send you details of our 2019 Annual General Meeting (AGM), which will be held at the offices of DLA Piper UK LLP at 160 Aldersgate Street, London EC1A 4HT on 7 May 2019 at 9:30am.

The formal notice of the AGM, which is set out on pages 6 to 15 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 18 Resolutions. Resolutions 1 - 15 are proposed as Ordinary Resolutions. This means that, for each of those Resolutions to be passed, more than 50% of the votes cast must be in favour of the Resolution. Resolutions 16 - 18 are proposed as Special Resolutions. This means that, for each of those Resolutions to be passed, at least 75% of the votes cast must be in favour of the Resolution.

Ordinary Resolutions

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 2018, together with the report of the auditor (Annual Report).

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

Resolution 2

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 7 pence per ordinary share in respect of the financial year ended 31 December 2018. The amount declared as a final dividend may not exceed the amount recommended by Directors. If approved, the final dividend will be paid on 10 June 2019 to shareholders on the register of members at close of business on 26 April 2019.

Resolutions 3

Directors' Remuneration Report

This Resolution seeks shareholder approval for the Directors' Remuneration Report for 2018 (other than the Directors' Remuneration Policy) set out on pages 88 to 109 of the Annual Report. The shareholder vote on this Resolution is advisory and therefore does not directly affect the remuneration paid to any Director.

Resolutions 4

Directors' Remuneration Policy

This Resolution seeks shareholder approval for the Directors' Remuneration Policy set out on pages 91 to 100 of the Annual Report and in the appendix to this Notice of Meeting. The current Directors' Remuneration Policy was approved by shareholders at the 2016 AGM. As a result, we are required by legislation to put a new Directors' Remuneration Policy to shareholders for a binding vote at the AGM. If approved, the new Directors' Remuneration Policy will replace the current Directors' Remuneration Policy in its entirety and set out the Company's future policy on Directors' remuneration. The vote on Resolution 4 is binding in nature and, if approved, the revised Directors' Remuneration Policy will take effect from the end of this AGM. Once the Directors' Remuneration Policy has been approved, the Company may not make a remuneration payment or payment for loss of office to a Director or former Director of the Company unless that payment is consistent with the approved Directors' Remuneration Policy, or has otherwise been approved by a shareholder resolution. The new Directors' Remuneration Policy will apply for three years, although the Company's Remuneration Committee may seek approval for a new Directors' Remuneration Policy at an earlier point if it is considered appropriate.

Resolutions 5 to 11

Appointment and reappointment of Directors

All Directors will retire at this year's AGM and submit themselves for appointment or re-appointment in accordance with the UK Corporate Governance Code.

Resolutions 5 to 10 inclusive propose the reappointment of David Clayton, Glenn Collinson, Mandy Gradden, Adolfo Hernandez, Christopher Humphrey and Alan McWalter as Directors. Resolution 11 proposes the appointment of Xenia Walters as Director.

The Board is content that each Non-Executive Director offering themselves for reappointment is independent and there are no relationships or circumstances likely to affect their character or judgement.

The Nomination Committee noted that David Clayton has served as Chairman of SDL PLC for nine years as at the end of 2018. Alan McWalter, Chairman of the Nomination Committee reported that, from his survey of members of the Board, there was unanimous support for David Clayton to remain in position. Amongst the reasons given were stability of leadership, continuity of management and the productive relationship between Chairman and CEO. Having then consulted with major shareholders, it was agreed that David Clayton will stand for reappointment at the 2019 AGM. If reappointed this matter will be kept under review by the Nomination Committee.

Accordingly, the Board unanimously recommends the appointment and re-appointment of the Directors.

Biographies of each of these Directors are set out on pages 70 to 71 of the Annual Report.

Resolutions 12 and 13

Reappointment and remuneration of the auditor

Resolution 12 proposes the reappointment of KPMG LLP as auditor (to hold office until the next such meeting) and in accordance with normal practice, Resolution 13 authorises the Audit Committee to determine the auditor's remuneration.

Resolution 14

Amendment of the SDL (International) Sharesave Scheme ('the International Scheme')

The above Scheme was originally adopted by the Directors on 20 November 2008 pursuant to an ordinary resolution of shareholders dated 24 April 2008. It was subsequently extended for a further period of 10 years by an ordinary resolution of shareholders dated 27 April 2017.

The International Scheme replicates, as far as is practical, the UK tax advantaged Sharesave Scheme which has been operating since 2008 and which was also extended for a further period of 10 years on 27 April 2017. In summary, the UK scheme provides the opportunity for employees who have at least six months service to apply for options over SDL ordinary shares at a discount of up to 20% of the market value at the time of the invitation. Employees must agree to enter into a designated savings contract under which savings of up to £500 per month can be made and which may be used to exercise the options after completion of a three year savings period. The number of shares over which options are granted reflects the anticipated aggregate savings over the three year period. There are early exercise provisions to cover death in service and good leaver situations (injury, redundancy etc.). In the UK there is normally no income tax or national insurance contributions charged on any benefits arising.

The International Scheme reflects the above UK provisions in all substantial respects and has, to date, been offered to employees in the USA, Canada and the Netherlands with a disappointing level of take up. As a result, and following an extensive consultation process with SDL subsidiaries outside the UK, it has emerged that the three year time scale for options is considered too remote. The Directors therefore wish to make certain changes summarised below to make the International Scheme more attractive to non-UK employees and to make the savings conditions easier to administer, bearing in mind that, unlike in the UK, there are no comparable tax advantages available:

1. Although the three year option/savings period will be retained, it is proposed to allow employees, at their discretion, the additional opportunity of exercising one-third of the option on each of the first and second anniversaries of grant and the final third on the third anniversary of grant. There would be a consequential amendment to the early exercise provisions (death, redundancy etc) to ensure pro rata limitations related to the length of service prior to the date of death or the date of leaving service for a qualifying reason.
2. The savings requirement (in the relevant local currency) will be retained but, where the Directors so decide in respect of any jurisdiction, the savings institution may be selected

by each participant subject to evidence of the savings being provided before exercise of an option is permitted and, at the discretion of local management, at various "check points" during the savings period. The current monthly maximum savings limit of £500 (in local currency) will also be retained subject to any scaling down that may be necessary if there is an over subscription.

The Directors are committed to encouraging share ownership at all levels in the SDL Group and believe that these changes will increase take up levels. Subject to shareholders approval, they intend to offer the revised International Scheme to a wider group of non-UK subsidiaries in the window following publication of the Company's interim results in August 2019. The full Rules of the International Scheme (including the proposed amendments) are available for inspection at DLA Piper UK LLP's offices, 160 Aldersgate Street, London, EC1A 4HT during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 7 May 2019 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.

Resolution 15

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 15 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 15 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 £604,580 (as reduced by the aggregate nominal amount of any shares allotted or rights granted under part (b) of Resolution 15). This amount (before any reduction) represents approximately two thirds of the issued ordinary share capital of the Company as at 26 March 2019, 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 15 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 £302,290 (as reduced by the aggregate nominal amount of any shares allotted or rights granted under part (a) of Resolution 15 in excess of £302,290). This amount (before any reduction) represents approximately one third of the issued ordinary share capital of the Company as at 26 March 2019, 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 15. 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.

Special Resolutions

Resolutions 16 and 17

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 16, 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 £604,580 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) £604,580 in connection with a rights issue or (ii) £301,290 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 £45,343 (which represents approximately 5% of the issued ordinary share capital of the Company as at 26 March 2019, being the last practicable date before the publication of this document).

The powers proposed under Resolution 17 will be limited to allotments:

- (a) up to an aggregate nominal amount of £45,343 (which represents approximately 5% of the issued ordinary share capital of the Company as at 26 March 2019, 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 5% to 10%, provided that the additional 5% 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 17 which is in respect of more than 5% 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.

Since the Company's last AGM, 83,754 shares in the Company were issued to satisfy options and awards under the Company's employee share schemes. In addition, on 18 July 2018, the Company used the relevant authorities to place a total of 8,234,400 new ordinary shares. The placing represented approximately 10% of the issued ordinary share capital of the Company prior to the placing.

The Company has issued 1,156,315 ordinary shares in the last three years under the authority granted to disapply pre-emption rights, representing 1.3% of the issued ordinary share capital of the Company over the past three years. This is in line with the 2015 Principles which provide that a company should not issue shares representing more than 7.5% 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.

The Directors do not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non pre-emptive basis in any rolling three-year period (other than in connection with an acquisition or specified capital investment, as described in the Pre-emption Group's Statement of Principles) 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 18

Notice period for general meetings

Resolution 18 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.

If passed, Resolution 18 will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

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 close of business on 2 May 2019. 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

Notice of Annual General Meeting of SDL PLC

The Company's Annual Report and Accounts for the year ended 31 December 2018 are now available on the Company's website at www.sdl.com.

NOTICE IS HEREBY GIVEN that the 2019 AGM of the Company will be held at the offices of DLA Piper UK LLP at 160 Aldersgate Street, London EC2Y 5EA EC1A 4HT on 7 May 2019 at 9:30am for the following purposes:

To consider and, if thought fit, to pass Resolutions 1 to 15 (inclusive) which will be proposed as Ordinary Resolutions, and Resolutions 16 to 18 (inclusive) which will be proposed as Special Resolutions:

Ordinary 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 2018.
2. To declare a final dividend for the financial year ended 31 December 2018 of 7 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 26 April 2019.
3. To consider and approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, for the financial year ended 31 December 2018.
4. To approve the Directors' Remuneration Policy, the text of which is set out on pages 88 to 109 of the accounts.
5. To re-elect David Clayton as a Non-Executive Director.
6. To re-elect Glenn Collinson as a Non-Executive Director.
7. To re-elect Mandy Gradden as a Non-Executive Director.
8. To re-elect Adolfo Hernandez as a Director.
9. To re-elect Christopher Humphrey as a Non-Executive Director.
10. To re-elect Alan McWalter as a Non-Executive Director.
11. To elect Xenia Walters as a Director.
12. To reappoint 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.
13. To authorise the Audit Committee to fix the auditor's remuneration.
14. THAT the SDL (International) Sharesave Scheme, the Rules of which (including the proposed amendments) are produced to the meeting, be duly amended by the Directors in accordance with the summary in the attached circular dated 29 March 2019 together with any consequential amendments which they may consider necessary or desirable.
15. 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 £604,580 (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 £302,290 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (a) of this resolution in excess of £302,290),

provided that:

- (i) these authorities 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) 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

16. THAT, subject to the passing of Resolution 15 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 15 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 15, 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 16(a) of this Resolution, the allotment of equity securities pursuant to the authority granted by paragraph (b) of Resolution 15, up to an aggregate nominal value of £45,343,

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).

17. THAT, subject to the passing of Resolution 15, the Directors be and are generally empowered in addition to any authority granted under Resolution 16 to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities conferred by Resolution 15 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 £45,343; 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,

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.

18. 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 18 (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

David Clayton

Chairman
29 March 2019

Registered Office:
New Globe House
Vanwall Road
Maidenhead
Berkshire SL6 4UB

Registered in England and Wales Number: 2675207

General notes

1. 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 by close of business on 2 May 2019 (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 by close of business 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.

2. 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.

3. 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.

4. Proxy Forms must be completed, signed and received by post or (during normal business hours only) by hand at the Company's registrars, Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU, no later than close of business on 2 May 2019 (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.signalshares.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.

SDL PLC is committed to reducing paper and improving efficiency in its shareholder communications. From 2020 we will no longer be sending paper proxy cards to shareholders unless specifically asked to do so. We will provide advice on how to request a paper proxy at the appropriate time.

5. 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.

6. 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 Link Asset Services (ID RA10) no later than close of business on 2 May 2019 (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 Link 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

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13. 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.
14. As at 26 March 2019, being the latest practicable date prior to the publication of this document, the Company's issued share capital consists of 90,687,004 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 90,687,004.
15. 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.
- 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 New Globe House, Vanwall Road, Maidenhead, Berkshire SL6 4UB; or
 - by sending it to 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, 160 Aldersgate Street, London EC1A 4HT 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 70 to 71 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:
- 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
 - email to ppickering@sdl.com (please state "SDL PLC: AGM" in the subject line of the email).
- You may vote your shares electronically at www.signalshares.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.

Appendix

Remuneration Policy

The Remuneration Policy for Directors

Our policy is designed to offer competitive, but not excessive, remuneration structured so that there is a significant weighting towards performance-based elements. A significant proportion of our variable pay is delivered in shares with deferral and holding periods being mandatory, and with appropriate recovery and withholding provisions in place to safeguard against overpayments in the event of certain negative events occurring. The table below provides a full summary of the policy elements for the Company's Directors.

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION
Base salary	<p>Essential to recruit and retain Executives of a high calibre.</p> <p>Reflects an individual's experience, role and performance.</p>	<p>Salaries are paid monthly. They are reviewed annually and normally fixed for 12 months commencing 1 April.</p> <p>In deciding appropriate levels, the Committee takes into account:</p> <ul style="list-style-type: none">- the role, experience, responsibility and performance (individual and Group);- increases applied to the broader workforce; and- relevant market information for similar roles in broadly similar UK listed companies and companies of a similar size. <p>Periodic account of practice in comparable companies in terms of size and complexity will be taken (e.g. comparable technology sector peers and pan-sector companies of a broadly similar size).</p> <p>The Committee considers the impact of any salary increase on the total remuneration package prior to awarding any increases.</p>
Benefits	<p>To provide competitive benefits to help recruit and retain Executives.</p>	<p>Benefits include:</p> <ul style="list-style-type: none">- Car or car allowance- Private medical insurance- Life assurance- Income protection <p>Executive Directors are also eligible to participate in the all-employee HMRC approved share schemes on the same basis as other employees.</p> <p>Any reasonable business-related expenses (including tax thereon) can be reimbursed if determined to be a taxable benefit. Relocation or related expenses may be offered including tax equalisation to ensure the executive is no better or worse off.</p> <p>Executive Directors may be offered other benefits if considered appropriate and reasonable by the Committee.</p>
Pension	<p>To provide retirement benefits in line with the overall Company policy.</p>	<p>Directors are eligible to receive employer contributions to the Company's pension plan (which is a defined contribution plan) or a salary supplement in lieu of pension benefits or a mixture of both.</p>

MAXIMUM

There is no prescribed maximum.

Generally, the Committee is guided by average increases across the workforce. However, higher increases (in percentage of salary terms) may be awarded on occasion, for example (but not limited to):

- where an individual is promoted or has been recruited on a below market rate; or
- in relation to a change in size, scale or scope of an individual's role or responsibilities or in the size or complexity of the business or where salaries have fallen significantly below mid-market levels.

PERFORMANCE

The Committee reviews the salaries of Executive Directors each year taking due account of all the factors described in how the salary policy operates.

MAXIMUM

There is no prescribed maximum as costs may vary in accordance with market conditions.

HMRC tax-approved limits will apply to all employee share schemes.

PERFORMANCE

Not applicable.

MAXIMUM

12% of salary p.a. (although new Executive Board appointees will have their pension contributions set in line with the pension contributions provided to the majority of the workforce).

PERFORMANCE

Not applicable.

ELEMENT**Annual bonus****PURPOSE AND LINK TO STRATEGY**

To motivate Executives and incentivise the achievement of annual financial and/or strategic business targets. To ensure further alignment with shareholders through the retention of deferred equity.

OPERATION

Bonus payment is determined by the Committee after the year end, based on performance against targets set prior to the start of the year. Targets are reviewed annually.

Bonuses up to 100% of salary will be payable in cash. Any bonus earned in excess of 100% of salary will normally be deferred in shares. Deferred shares vest after two years subject to continued employment but no further performance targets.

A dividend equivalent provision allows the Committee to pay dividend equivalents on deferred shares (in cash or shares) up to the date of vesting. This may assume the reinvestment of dividends on a cumulative basis.

Bonus payments, including deferred bonus awards, are subject to recovery and withholding provisions in the event of financial misstatement, error or gross misconduct.

Participation in the bonus plan, and all bonus payments, are at the discretion of the Committee.

ELEMENT**2016 Long-Term Incentive Plan****PURPOSE AND LINK TO STRATEGY**

Incentivises selected employees and Executive Directors to achieve successful execution of business strategy over the longer term.

Provides long-term retention.

Aligns the interests of the Executives and shareholders.

OPERATION

Awards are normally granted annually in the form of nil cost options, conditional share or forfeitable share awards.

Participation and individual award levels will be determined annually at the discretion of the Committee within the policy.

Award levels will be subject to the individual limit and will take into account matters such as market practice, overall remuneration, the performance of the Company and the Executive being granted the award.

Awards normally vest after three years subject to the achievement of stretching performance conditions and continued employment.

Awards are subject to recovery and withholding provisions in the event of financial misstatement, error or gross misconduct.

A holding period will apply under which all participants are required to retain their net of tax vested awards for two years post vesting.

A dividend equivalent provision allows the Committee to pay dividend equivalents, at the Committee's discretion, on vested awards (in cash or shares) up to the point of exercise or sale (but no later than the expiry of the holding period). This may assume the reinvestment of dividends on a cumulative basis.

MAXIMUM

The maximum award under the annual bonus scheme is 150% of salary.

PERFORMANCE

Performance metrics are selected annually based on the Company's strategic objectives. The bonus will be based on the achievement of an appropriate mix of challenging financial, strategic or personal targets. Measures and weightings may change each year to reflect any year-on-year changes to business priorities.

Financial measures will represent the majority of bonus, with clearly defined non-financial targets representing the balance.

For financial metrics, a sliding scale of targets is normally set by the Committee, taking into account factors such as the business outlook for the year.

- Nothing is payable for performance below a minimum level of performance.
- Up to 25% of this part of the bonus is payable for meeting a demanding threshold target with maximum bonus payable for achieving a more demanding target.
- Where non-financial targets operate, it may not always be practicable to set targets on a graduated scale. Where these operate, not more than 25% will be payable for achieving the threshold target.

The metrics, and proportion of bonus that can be earned against each metric, will be disclosed in the Annual Remuneration Report each year for the following year.

The calculation of the annual bonuses from the actual performance achieved against each bonus target will be described retrospectively each year in the Annual Remuneration Report.

MAXIMUM

The maximum annual award that can be made in any given financial year is 250% of salary for the CEO and 150% of salary for other Executive Directors.

PERFORMANCE

A combination of financial performance (amongst adjusted EPS growth, EBITDA to cash conversion, cash flow, return on invested capital or any other of the Company's KPIs which may change during the policy window) and/or relative TSR may be used to ensure that rewards are linked to long-term shareholder value creation. The financial metrics chosen from the above list each year will be those considered by the Committee at the time of each grant to be most likely to support the Company's long-term growth strategy.

The use of TSR aligns with the Company's focus on shareholder value creation and rewards management for share price outperformance. At least one third of an award will be subject to a relative TSR measure each year. No part of the award subject to relative TSR will pay out until the return is at least equal to the median of the peer group.

Performance below the threshold target will result in zero vesting for each performance measure. No more than 25% of the award vests for achieving threshold performance. 100% of the award vests for maximum performance. There is no opportunity to retest.

In determining the target range for a financial metric, the Committee ensures it is challenging by taking into account current and anticipated trading conditions, the long-term business plan and external expectations.

Performance periods will normally start from the beginning of the financial year in which the award is made.

ELEMENT

**Non-Executive
Chairman and
Non-Executive
Directors' fees**

PURPOSE AND LINK TO STRATEGY

To attract and retain a high quality Chairman and experienced Non-Executive Directors.

OPERATION

The Non-Executive Chairman receives a single fee covering all his duties. The Non-Executive Directors receive a basic fee and additional fees payable for chairing the Audit, Nomination and Remuneration Committees and for performing the Senior Independent Director role.

The Chairman and Non-Executive Directors shall be entitled to have reimbursed all expenses they reasonably incurred in the performance of their duties, including those expenses deemed to be taxable benefits by HMRC (or equivalent body). This includes any personal tax that may become due on those expenses.

The level of Non-Executive Directors' fees reflects the time commitment and responsibility of their respective roles. Their fees are reviewed from time to time against broadly similar UK listed companies and companies of a similar size.

In exceptional circumstances, additional fees may be payable to reflect a substantial increase in time commitment of the Non-Executive Chairman and Directors.

ELEMENT

**Share ownership
guidelines**

PURPOSE AND LINK TO STRATEGY

To align the interests of management and shareholders and promote a long-term approach to performance.

OPERATION

Executive Directors are expected to build and maintain a holding of shares to the value of at least 200% of base salary after five years from the later of appointment date or approval date of this policy.

MAXIMUM

There is no prescribed maximum, however, any increase to fees will be considered in light of the expected time commitment in performing the roles, increases received by the wider workforce and market rates in comparable companies.

PERFORMANCE

Neither the Non-Executive Chairman nor the Non-Executive Directors are eligible for any performance related remuneration.

MAXIMUM

Not applicable.

PERFORMANCE

Not applicable.

Notes to the Policy table

- 1 In exceptional circumstances, the Committee may in its discretion allow participants to sell, transfer, assign or dispose of some or all of these awards before the end of the holding period.
- 2 The Committee considers pay structures across the wider Group when setting the Remuneration Policy for Executive Directors. The Committee considers the general basic salary increase for the broader employee population when determining the annual salary review for the Executive Directors. Overall, the Remuneration Policy for the Executive Directors is more heavily weighted towards variable pay than for other employees. This ensures that there is a clear link between the value created for shareholders and the remuneration received by the Executive Directors given it is the Executive Directors who are considered to have the greatest potential to influence Company value creation.
- 3 For the avoidance of doubt, in approving the Policy Report, authority is given to the Company to honour any commitments entered into with current or former Directors that have been disclosed previously to shareholders.



SDL PLC

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