Directors' Remuneration Policy

This part of the Directors' Remuneration Report sets out Dechra's Directors' Remuneration Policy which, subject to shareholder approval at the 2017 Annual General Meeting, shall take binding effect from the close of that meeting.

The Company's first Directors' Remuneration Policy was approved at the 2014 Annual General Meeting with 98.32% of votes in favour of it, and took effect following the close of that meeting.

In accordance with the applicable regulations, Dechra is required to seek approval for a new Directors' Remuneration Policy at the 2017 Annual General Meeting. During the course of the 2017 financial year, the Remuneration Committee has reviewed the Policy approved in 2014 in the context of Dechra's strategy, developments in best practice and the forthcoming expiration of the Dechra Long Term Incentive Plan 2008. A radical overhaul of the Policy is not proposed; however, we are proposing minor changes to the Policy as follows:

- To reflect typical practice, we have formalised the malus and clawback arrangements (which apply to both the annual bonus and Long Term Incentive Plan (LTIP)) within the Policy.
- The shareholding requirement under our shareholding guidelines is now set at 200% of salary for all Executive Directors (consistent with the level which applied previously for the Chief Executive Officer). We have updated the guidelines and, in order to reflect typical practice, we have formally incorporated them within the Policy, as shown on page 87.
- We have introduced a two year holding period after the vesting of LTIP awards for awards granted in respect of the Group's 2018 financial year and future years.
- No significant changes are proposed to the Policy as it relates to salary, benefits (although an allowance may now be provided in lieu of a company car), retirement benefits or annual bonus.
- LTIP awards for the Group's 2018 financial year and future years will be made under the new LTIP for which shareholder approval is sought at the 2017 Annual General Meeting. The Policy has been updated to reflect the terms of the new LTIP and that the 2008 LTIP is now a legacy arrangement.

Other minor amendments have been made to the Policy to aid its administration, to reflect the changes referred to above and to reflect changes in practice since the Policy was first approved in 2014.

Policy Table for Executive Directors:

<table>
<tr><th colspan="2">Element: Base Salary</th></tr>
<tr><td colspan="2">Purpose and link to strategy
Core element of fixed remuneration reflecting the individual's role and experience.</td></tr>
<tr><td>Operation
The Committee ordinarily reviews base salaries annually taking into account a number of factors including (but not limited to) the value of the individual, their skills and experience and performance.
The Committee also takes into consideration:
• pay increases within the Group more generally; and
• Group organisation, profitability and prevailing market conditions.</td><td rowspan="2">Performance measure
While no formal performance conditions apply, an individual's performance in role is taken into account in determining any salary increase.</td></tr>
<tr><td>Maximum opportunity
Whilst there is no maximum salary, increases will normally be within the range of salary increases awarded (in percentage of salary terms) to other employees in the Group. However, higher increases may be awarded in certain circumstances, such as:
• on promotion or in the event of an increase in scope of the role or the individual's responsibilities;
• where an individual has been appointed to the Board at a lower than typical market salary to allow for growth in the role, in which case larger increases may be awarded to move salary positioning to a typical market level as the individual gains experience;
• change in size and complexity of the Group; and/or
• significant market movement.
Such increases may be implemented over such time period as the Committee deems appropriate.</td></tr>
</table>

Element: Retirement Benefits	
Purpose and link to strategy Provide a competitive means of saving to deliver appropriate income in retirement.	
Operation The Company operates a Group Stakeholder personal pension scheme. Tony Griffin participates in a defined benefit pension plan which has been established in the Netherlands. This is a funded career average pay arrangement, where pensionable salary is subject to a €50,000 cap. Pension contributions over this cap are paid into a defined contribution pension plan. In appropriate circumstances, an Executive Director may receive a salary supplement in lieu of contributions to a pension scheme.	**Performance measure** Not applicable.
Maximum opportunity The Company contributes up to 14% of salary to a pension scheme on behalf of the Executive Directors, and/or as a salary supplement in lieu of pension contributions where appropriate.	

Element: Benefits	
Purpose and link to strategy Provided on a market competitive basis.	
Operation The Company provides benefits in line with market practice and includes the use of a fully expensed car (or car allowance), medical cover and life assurance scheme. Other benefits may be provided based on individual circumstances, which may include relocation costs and expatriate allowances.	**Performance measure** Not applicable.
Maximum opportunity Whilst the Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value is set at a level which the Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role and individual circumstances.	

Element: Annual Bonus	
Purpose and link to strategy The executive bonus scheme rewards Executive Directors for achieving financial and strategic targets in the relevant year by reference to operational targets and individual objectives.	
Operation Targets are reviewed annually and any pay-out is determined by the Committee after the year end based on targets set for the financial period. The Committee has discretion to amend the pay-out should any formulaic output not reflect the Committee's assessment of overall business performance. Recovery provisions apply, as referred to below. **Maximum opportunity** The maximum bonus opportunity for Executive Directors is 100% of base salary.	**Performance measure** Operational targets (which may be based on financial or strategic measures) and individual objectives are determined to reflect the Company's strategy. The personal objectives for the Chief Executive Officer are set by the Chairman. The personal objectives for other Executive Directors are set by the Chief Executive Officer. The personal objectives are reviewed and endorsed by the Committee. At least 75% of the bonus opportunity is based on financial measures (which may include profit before tax). For financial measures, up to 15% of the maximum for the financial element is earned for threshold performance, rising to up to 50% of the maximum for the financial element for target performance and 100% of the maximum for the financial element for maximum performance. Vesting of the bonus in respect of strategic measures or individual objectives will be between 0% and 100% based on the Committee's assessment of the extent to which the relevant metric or objective has been met.

Directors’ Remuneration Report
continued

Element: Long Term Incentive Plan (LTIP)

Purpose and link to strategy
The LTIP provides a clear link between the remuneration of the Executive Directors and the creation of value for shareholders by rewarding the Executive Directors for the achievement of longer term objectives aligned to shareholders’ interests.

Operation
LTIP awards for the Company’s 2018 financial year and future years will be made under the new LTIP for which shareholder approval is sought at the 2017 Annual General Meeting.

Under the new LTIP, the Committee may grant awards as conditional shares, as nil (or nominal) cost options, as forfeitable shares, as market value share options with a per share exercise price equal to the market value of a share at the date of grant or as cash settled equivalents (or may settle in cash a share award). Other than in the case of ‘Qualifying LTIP awards’ as referred to below, market value share options will not be granted to Executive Directors. Awards will usually vest following the assessment of the applicable performance conditions, but will not be released (so that the participant is entitled to acquire shares) until the end of a holding period of two years beginning on the vesting date. Alternatively, awards may be granted on the basis that the participant is entitled to acquire shares following the assessment of the applicable performance conditions but that (other than as regards sales to cover tax liabilities) the award is not released (so that the participant is able to dispose of those shares) until the end of the holding period.

An additional payment (in the form of cash or shares) may be made in respect of shares which vest under the LTIP to reflect the value of dividends which would have been paid on those shares during the period beginning with the date of grant and ending with the release date (this payment may assume that dividends had been reinvested in Dechra shares on a cumulative basis).

Market value options may be granted under the LTIP as tax-advantaged Company Share Option Plan (CSOP) options, offering tax savings to the Group and the participant.

The Committee may at its discretion structure awards as Qualifying LTIP Awards, consisting of a CSOP option and an ordinary nil-cost LTIP award, with the ordinary award scaled back at exercise to take account of any gain made on exercise of the CSOP option.

Recovery provisions apply, as referred to below.

Maximum opportunity
The maximum award level under the LTIP in respect of any financial year is 200% of salary.

If a Qualifying LTIP award is granted, the value of shares subject to the CSOP option will not count towards the limits referred to above, reflecting the provisions for the scale back of the ordinary LTIP award.

Performance measure
Performance measures under the LTIP will be based on financial measures (which may include, but are not limited to, earnings per share growth, relative total shareholder return, return on capital employed and free cash flow).

Awards will vest as to 25% for threshold performance, increasing to 100% for maximum performance.

Element: All Employee Share Plans	
Purpose and link to strategy Provision of the Save As You Earn Scheme (SAYE) to Executive Directors creates staff alignment with the Group and provides a sense of ownership. Executive Directors may participate in such other all employee share plan as may be introduced from time to time.	
Operation Tax qualifying monthly savings scheme facilitating the purchase of shares at a discount. Any other all employee share plan would be operated for Executive Directors in accordance with its rules and on the same basis as for other qualifying employees.	**Performance measure** Not subject to performance conditions in line with typical market practice.
Maximum opportunity The limit on participation and the permitted discount under the SAYE scheme will be those set in accordance with the applicable tax legislation from time to time. The limit on participation under and other relevant terms of any other all employee share plan would be determined in accordance with the plan rules (and, where relevant, applicable legislation) and would be the same for the Executive Directors as for other relevant employees.	

Recovery Provisions (Malus and Clawback)

The annual bonus and LTIP are subject to recovery provisions as set out below.

Annual Bonus

The annual bonus opportunity may be cancelled or reduced before payment (malus) in the event of material misstatement of Dechra's financial statements, serious reputational damage to Dechra or gross misconduct on the part of the Executive Director.

For up to two years following the payment of a bonus, the amount paid may be recovered (clawback) in the event of material misstatement of Dechra's financial statements or gross misconduct on the part of the Executive Director.

LTIP

At any time prior to its vesting, an LTIP award may be cancelled or reduced (malus) in the event of a material misstatement of Dechra's financial statements, serious reputational damage to Dechra, if an annual bonus award has paid out at a higher level than would have been the case but for a material misstatement or serious reputational damage, or in the event of gross misconduct.

For up to two years after the vesting of an LTIP award, it may be cancelled or reduced (if it has not been exercised) or the Executive Director may be required to make a payment to the Company in respect of some or all of the shares acquired (clawback). These clawback provisions may be applied in the event of material misstatement of Dechra's financial statements or gross misconduct on the part of the Executive Director.

Malus and clawback may be applied to any CSOP option granted under the LTIP to the extent permitted by the applicable tax legislation.

Operation of Share Plans

The Committee may amend the terms of awards and options under its share plans in accordance with the plan rules in the event of a variation of Dechra's share capital or a demerger, special dividend or other similar event or otherwise in accordance with the rules of those plans.

Explanation of Performance Metrics

Performance measures for the LTIP and annual bonus are selected to reflect the Company's strategy. Stretching performance targets are set each year by the Committee taking into account a number of different factors.

Annual Bonus

The Committee considers that the underlying profit before tax is closely aligned to the Group's key performance metrics; together with annual personal objectives linked to the achievement of strategic milestones, we consider that this encourages sustainable growth year by year.

LTIP

The application of EPS and TSR targets to the LTIP aligns management's objectives with those of shareholders for the longer term.

The Committee may vary or substitute any performance measure if an event occurs which causes it to determine that it would be appropriate to do so, provided that any such variation or substitution is fair and reasonable and (in the opinion of the Committee) the change would not make the measure less demanding. If the Committee were to make such a variation, an explanation would be given in the next Directors' Remuneration Report.

Shareholding Guidelines

To align the interests of Executive Directors with those of shareholders, the Committee has adopted formal shareholding guidelines. Executive Directors are required to retain half of any shares acquired under the LTIP and, if relevant, any recruitment award (after sales to cover tax) until such time as their holding has a value equal to 200% of salary.

Shares subject to LTIP awards which have vested but not been released (that is which are in a holding period) or which have been released but have not been exercised count towards the guidelines on a net of assumed tax basis.

Directors’ Remuneration Report
continued

Policy Table for Non-Executive Directors:

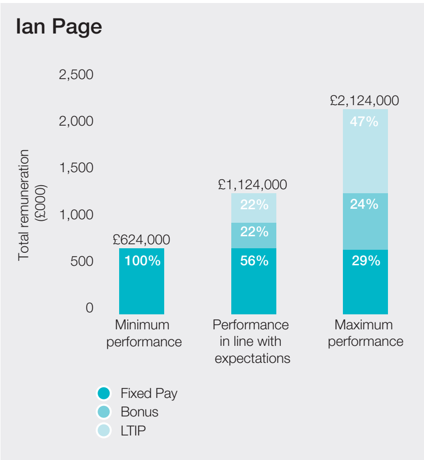
Element	Purpose and link to strategy	Operation	Opportunity
Fees and benefits	To provide fees within a market competitive range reflecting the experience of the individual, responsibilities of the role and the expected time commitment.	The fees of the Chairman are determined by the Committee and the fees of the Non-Executive Directors are determined by the Board following a recommendation from both the Chief Executive Officer and the Chairman. Non-Executive Directors are not eligible to participate in any of the Company’s share schemes, incentive schemes or pension schemes. Non-Executive Directors may be eligible to receive benefits such as travel and other reasonable expenses.	Fees are set taking into account the responsibilities of the role and expected time commitment. Non-Executive Directors are paid a basic fee with additional fees paid for the chairing of Committees. An additional fee is also paid for the role of Senior Independent Director. Where benefits are provided to Non-Executive Directors they will be provided at a level considered to be appropriate taking into account the individual circumstances.

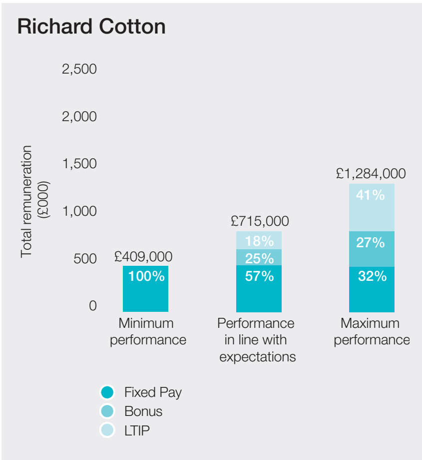
Policy for the Remuneration of Employees More Generally:

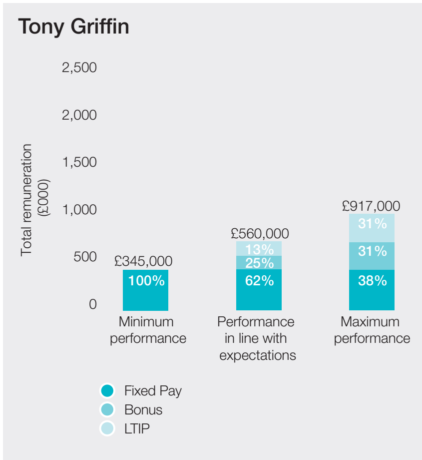
The Group aims to provide a remuneration package that is competitive in an employee’s country of employment and which is appropriate to promote the long term success of the Company. The Company intends to apply this policy fairly and consistently and does not intend to pay more than is necessary to attract and motivate staff. In respect of the Executive Directors, a greater proportion of the remuneration package is ‘at risk’ and determined by reference to performance conditions. The Company’s SAYE scheme encourages share ownership by qualifying employees and enables them to share in value created for shareholders.

Illustrations of Application of Remuneration Policy:

The following charts provide an illustration, for each of the Executive Directors, of the application for the 2018 financial year of the Policy. The charts show the split of remuneration between fixed pay (that is base salary, benefits and employer pension contributions/salary supplement), annual bonus and long term incentive pay on the basis of minimum remuneration, remuneration receivable for performance in line with Dechra’s expectations and maximum remuneration (not allowing for any share price appreciation).







In illustrating the potential reward, the following assumptions have been made.

<table>
<tr><th></th><th>Annual bonus</th><th>LTIP</th><th>Fixed pay</th></tr>
<tr><td>Minimum performance.</td><td>No bonus.</td><td>No LTIP vesting.</td><td rowspan="3">Base salary (being the latest known salary as at 1 July 2017, employer pension contributions at an assumed rate of 14% on the latest known salary, and benefits as disclosed in the single figure table on page 92 for the 2017 financial year less, in the case of Richard Cotton, a relocation allowance of £15,000 paid in the 2017 financial year and with the resulting figure then doubled to give an annual equivalent figure).</td></tr>
<tr><td>Performance in line with expectations.</td><td>Bonus equal to 50% of salary is earned.</td><td>LTIP vests as to 25% of the maximum award (50% of salary for Ian Page, 37.5% of salary for Richard Cotton and 25% of salary for Tony Griffin).</td></tr>
<tr><td>Maximum performance.</td><td>Bonus equal to 100% of salary is earned.</td><td>LTIP vests in full (200% of salary for Ian Page, 150% of salary for Richard Cotton and 100% of salary for Tony Griffin).</td></tr>
</table>

Recruitment Remuneration Policy

When hiring a new Executive Director, the Committee will typically align the remuneration package with the above Policy.

When determining appropriate remuneration arrangements, the Committee may include other elements of pay which it considers are appropriate. However, this discretion is capped and is subject to the limits referred to below.

- Base salary will be set at a level appropriate to the role and the experience of the Executive Director being appointed. This may include agreement on future increases up to a market rate, in line with increased experience and/or responsibilities, subject to good performance, where it is considered appropriate.
- Pension will only be provided in line with the above Policy.
- The Committee will not offer non-performance related incentive payments (for example a 'guaranteed sign-on bonus').
- Other elements may be included in the following circumstances:
  - an interim appointment being made to fill an Executive Director role on a short term basis;
  - if exceptional circumstances require that the Chairman or a Non-Executive Director takes on an executive function on a short term basis;
  - if an Executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus or long term incentive award for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis;
  - if the Director will be required to relocate in order to take up the position, it is the Company's policy to allow reasonable relocation, travel and subsistence payments. Any such payments will be at the discretion of the Committee.
- The Committee may also alter the performance measures, performance period, vesting period and holding period of the annual bonus or LTIP, subject to the rules of the LTIP, if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained in the next Directors' Remuneration Report.
- The maximum level of variable remuneration which may be granted (excluding 'buyout' awards as referred to below) is 300% of salary.

The Committee may make payments or awards in respect of hiring an employee to 'buyout' remuneration arrangements forfeited on leaving a previous employer. In doing so, the Committee will take account of relevant factors including any performance conditions attached to the forfeited arrangements and the time over which they would have vested. The Committee will generally seek to structure 'buyout' awards or payments on a comparable basis to the remuneration arrangements forfeited. Any such payments or awards are excluded from the maximum level of variable remuneration referred to above. 'Buyout' awards will ordinarily be granted on the basis that they are subject to forfeiture or 'clawback' in the event of departure within 12 months of joining Dechra, although the Committee will retain discretion not to apply forfeiture or clawback in appropriate circumstances.

Any share awards referred to in this section will be granted as far as possible under Dechra's ordinary share plans. If necessary and subject to the limits referred to above, recruitment awards may be granted outside of these plans as permitted under the Listing Rules which allow for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director.

Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue in accordance with their terms.

Fees payable to a newly appointed Chairman or Non-Executive Director will be in line with the policy in place at the time of appointment.

Policy on Service Contracts:

Details of the Executive Directors’ service contracts and Non-Executive Directors’ letters of appointment are set out on page 101.

Whilst the Committee’s policy is for the service contract of any newly appointed Executive Director to have a notice period of not more than 12 months, the Committee retains discretion to set an initial notice period of up to 24 months, reducing to 12 months over the initial 12 months of employment.

Policy on Payment for Loss of Office:

Individual Directors’ eligibility for the various elements of compensation is set out below:

Provision	Treatment upon loss of office
Base Salary/Fees	Base salary/fees and benefits (including pension contributions or applicable salary supplement) based on the duration of the notice period receivable from the Company.
Payments in Lieu of Notice	The Company has discretion to make a payment in lieu of notice at any time after notice has been given by either the Company or the Director. Such a payment would consist of basic salary for the unexpired period of notice and may also include benefits (including pension contributions or applicable salary supplement) for that period.
Annual Bonus	This will be reviewed on an individual basis and the decision whether or not to award a bonus in full or in part will be dependent upon a number of factors including the circumstances of their departure and their contribution to the business during the bonus period in question. Any bonus payment would typically be pro-rated for time in service to termination and paid at the usual time (although the Committee retains discretion to pay the bonus earlier in appropriate circumstances).
LTIP	If an Executive Director ceases employment with the Group before an award under the new LTIP vests as a result of ill-health, injury, death, transfer of his employing entity out of the Group or any other reason, at the discretion of the Committee, the award will usually be released on the normal release date, although the Committee has discretion to permit the award to be released on cessation or at some other time (such as following the end of the performance period). In either case, the award will vest to the extent determined by reference to the relevant performance conditions and as reduced to reflect the period of time from the start of the performance period to the date of cessation as a proportion of the performance period. If an Executive Director ceases employment for any reason after the vesting date of an award under the new LTIP but before it is released (that is if he ceases employment during the holding period), that award will continue to subsist in accordance with the rules of the new LTIP (unless the cessation is due to summary dismissal, in which case the award will lapse) and will ordinarily be released at the normal release date, although the Remuneration Committee has discretion to release the award at the date of cessation. The award will be released to the extent it vested by reference to the performance conditions. If an Executive Director ceases employment for any reason after the release date of an award under the new LTIP, that award will continue to subsist in accordance with the rules of the new LTIP (unless the cessation is due to summary dismissal, in which case the award will lapse).
Other Payments	In appropriate circumstances, payments may also be made in respect of accrued holiday pay, and outplacement and legal fees. Options under the Company’s SAYE scheme will vest on cessation in accordance with the plan rules, which do not allow for discretionary treatment.
Change of Control	In the event of a change of control, unvested awards under the new LTIP will be released to the extent determined by the Committee taking into account the relevant performance conditions and, unless the Committee determines otherwise, the extent of vesting so determined shall be reduced to reflect the proportion of the relevant performance period that has elapsed. In the event of a change of control during the holding period relating to an award under the new LTIP, that award will be released to the extent it vested by reference to the performance conditions. Options under the SAYE scheme will vest on a change of control.

Where appropriate the Committee would have regard to the departing Executive Director’s duty to mitigate loss, except in the event of dismissal following a change of control of the Company. Other than as described above, there are no express provisions within the Directors’ service contracts for the payment of compensation or liquidated damages on termination of employment.

Where a ‘buyout’ or other award is made, the leaver provisions would be determined at the time of the award.

The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director’s office or employment.

The Non-Executive Directors are entitled to compensation on termination of their appointment confined to three months’ remuneration.

Consideration of Employment Conditions Elsewhere in the Group

The Committee does not formally consult with employees as part of its process when determining Executive Director pay. However, as noted in the Policy table on page 84, the level of salary increases of employees within the wider Group is considered when setting base salary for Executive Directors. The Committee is also kept informed of general decisions made in relation to employee pay and related issues.

Consideration of Shareholders' Views

The Committee believes that ongoing dialogue with major shareholders is of key importance. During the 2017 financial year, the Committee consulted with shareholders in relation to the new policy and new LTIP, and our proposals have been finalised having regard to feedback received.

Legacy Remuneration Arrangements

The Committee reserves the right to make remuneration payments and payments for loss of office notwithstanding that they are not in line with the Policy set out above where the terms of payments were agreed:

- before the Policy came into effect (provided that, in the case of any payments agreed on or after 24 October 2014 they are in line with the Policy approved at the 2014 Annual General Meeting); or
- at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes, 'payments' includes the satisfaction of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than the time the award is granted.

Any such payment shall include the satisfaction of any awards granted under the Dechra Long Term Incentive Plan 2008 and of the recruitment awards granted to Richard Cotton on 7 March 2017 as referred to on page 88 of Dechra's Annual Report and Accounts for the year ended 30 June 2016 and as further described on page 98 of Dechra's Annual Report and Accounts for the year ended 30 June 2017. The Committee may operate the Dechra Long Term Incentive Plan 2008 in accordance with its terms, including the ability to adjust awards as referred to on page 87.

Ishbel Macpherson
Remuneration Committee Chairman
4 September 2017

Directors' Remuneration Report

continued

2017 Annual Report on Remuneration

The following section provides detail of remuneration earned by the Directors during the year in line with the Directors' Remuneration Policy approved by the shareholders at the Annual General Meeting held on 24 October 2014, along with details of how the Policy to be proposed to shareholders at the 2017 Annual General Meeting will be applied in the 2018 financial year. PricewaterhouseCoopers LLP (PwC) have audited pages 92 to 101 unless indicated otherwise.

Single Total Figure of Remuneration

The table below sets out the total remuneration for each person who has served as a Director in the period ended 30 June 2017. The table shows the remuneration for each such person in respect of the year ended 30 June 2017 and the year ended 30 June 2016:

	Salaries & Fees £000[1]		Benefits £000[2]		Annual Bonus £000[3]		Long Term Incentives £000[4]		Pension £000[5]		Total £000	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016[6]	**2017**	2016	**2017**	2016
Ian Page	**490**	440	**54**	54	**451**	317	**2,046**	1,607	**68**	62	**3,109**	2,480
Richard Cotton[7]	**175**	—	**20**	—	**161**	—	**—**	—	**25**	—	**381**	—
Tony Griffin[8]	**285**	232	**19**	28	**256**	167	**531**	424	**39**	25	**1,130**	876
Anne-Francoise Nesmes[9]	**29**	323	**—**	16	**—**	232	**—**	719	**4**	45	**33**	1,335
Tony Rice[10]	**102**	6	**—**	—	**—**	—	**—**	—	**—**	—	**102**	6
Michael Redmond[11]	**39**	126	**—**	—	**—**	—	**—**	—	**—**	—	**39**	126
Ishbel Macpherson[12]	**58**	43	**—**	—	**—**	—	**—**	—	**—**	—	**58**	43
Julian Heslop	**55**	45	**—**	—	**—**	—	**—**	—	**—**	—	**55**	45
Lawson Macartney[13]	**29**	—	**—**	—	**—**	—	**—**	—	**—**	—	**29**	—
Total	**1,262**	1,215	**93**	98	**868**	716	**2,577**	2,750	**136**	132	**4,936**	4,911

Please note the following methodologies have been used in respect of the above table:

1. Salaries & Fees – this is the cash paid or received in respect of the relevant period.
2. Benefits – this represents the taxable value of all benefits paid or received in respect of the relevant period. The benefits provided include the use of a fully expensed car, medical cover and life assurance. The amount for Richard Cotton includes a one-off relocation allowance of £15,000.
3. Annual Bonus – this is the amount of cash bonus paid in respect of the financial year.
4. Long Term Incentives – this is the value of any long term incentives vesting where the performance period ended in the relevant period.
5. Pension – this is the cash value of the employer contribution to the Group stakeholder personal pension scheme or, in the case of Tony Griffin, defined contribution pension plan plus the value of any salary supplement paid.
6. The 2016 value assigned to the long term incentives for Ian Page, Tony Griffin and Anne-Francoise Nesmes was shown in last year's Annual Report as an estimate, with the value determined by reference to a share price of £11.299 (being the average market value of a share over the last quarter of the Company's financial period ended on 30 June 2016). This has been restated to show the actual value determined by reference to a price of £12.92 (being the market value of a share on 28 November 2016, the date of vesting).
7. Richard Cotton was appointed on 3 January 2017.
8. Tony Griffin's remuneration is paid in Euros but reported in Sterling for the purpose of this table. The exchange rate used for this purpose was 1.3432 for 2016 and 1.1681 for 2017. His salary was €332,560 for 2017 (reflecting two months at a salary of €324,449 and ten months at a salary of €334,182) and €311,949 for 2016 (reflecting six months at a salary of €299,449 and six months at a salary of €324,449).
9. Anne-Francoise Nesmes resigned on 31 July 2016.
10. Tony Rice was appointed to the Board on 5 May 2016 and to the office of Chairman on 21 October 2016.
11. Michael Redmond retired on 21 October 2016.
12. Ishbel Macpherson's fee increased to £58,000 from £43,000 on her appointment as Chairman of the Remuneration Committee (the 2017 figure includes the increase in the base fee). The fee increase in 2016 was pro-rated.
13. Lawson Macartney was appointed on 1 December 2016.

Additional Disclosures in Respect of the Single Figure Table

Salaries and Fees

As disclosed in the Directors' Remuneration Report in the 2016 Annual Report, the Executive Directors' base salaries were reviewed in September 2016 in order that the review is aligned with the performance development review calendar to provide a clearer link between performance and reward.

Following that review, Tony Griffin's salary was increased by 3% to €334,182 with effect from 1 September 2016, broadly in line with the average range of increases awarded to employees in the wider Group.

Ian Page's salary was increased to £500,000 with effect from 1 September 2016, as referred to in the statement from the Remuneration Committee Chairman on page 82. Ian Page has notified the Committee that he does not wish to be considered for a salary increase in respect of the 2018 financial year.

The Committee's approach to Executive Directors' salaries for the year ending 30 June 2018 is summarised on page 100.

The Chairman and other Non-Executive Directors are paid a fee for their role. The Senior Independent Director and the chairmen of the Remuneration Committee and Audit Committee receive an additional fee for those roles. As disclosed in the Directors' Remuneration Report in the 2016 Annual Report, it had been agreed to increase the base fee from £40,000 to £50,000. No changes were made to the additional fees and the fee for the Chairman for the year ended 30 June 2017. The Non-Executive Directors' fees for the years ended 30 June 2017 and 30 June 2016 were determined on the following basis:

Office	**2017 Fee £000**	2016 Fee £000
Chairman	**126**	126
Non-Executive Director	**50**	40
Remuneration Committee Chairmanship additional fee	**5**	5
Audit Committee Chairmanship additional fee	**5**	5
Senior Independent Director additional fee	**3**	3

The Committee's approach to the Chairman's and Non-Executive Directors' fees for the year ending 30 June 2018 is summarised on page 100.

Annual Bonus

The Company operates an annual cash incentive scheme for the Executive Directors. Annual bonuses were awarded by the Committee in respect of the 2017 financial year having regard to the performance of the Group and personal performance objectives for the year.

The amount achieved for the year ended 30 June 2017 against targets for the 2017 financial year is as follows:

2017 Financial Year Targets	Amount Achieved for the Year Ended 30 June 2017
Underlying profit before tax performance: 10% of salary payable upon the achievement of 95% of Group profit target rising to 90% of salary payable upon the achievement of 110% of Group profit target.	The underlying profit before tax target was £65.6 million. Actual underlying profit before tax was £77.0 million. This converted into an achievement of 108% of the profit target when translated at constant exchange rate resulting in a payment worth 82% of salary.
Personal objectives: up to an additional 10% of salary was payable to Executive Directors upon the achievement of personal objectives*.	Actual performance resulted in payment worth 10% of salary for the period for Ian Page and Richard Cotton and 8% of salary for Tony Griffin. The objectives are based on key aspects of delivering the Group's strategy*.
Total Annual Bonus Earned for the Year Ended 30 June 2017	**92% of salary for Ian Page and Richard Cotton and 90% for Tony Griffin**

* The Committee considers that the objectives for the forthcoming financial year (2018) are commercially sensitive as they give our competitors insight into our business plans and therefore are not detailed in this report.

Further information regarding the 2017 financial year personal objectives for each Executive Director and the performance achieved is given on the following page.

Directors' Remuneration Report
continued

The personal objectives of each Executive Director for the year ended 30 June 2017 are set on an individual basis and are closely linked to the corporate, financial, strategic and other non-financial objectives of the Company. This enables the Committee to reward the Executive Directors' contribution to both the annual financial performance and the achievement of specific objectives. A summary of the objectives is set out below along with a description of the performance against them. The Committee reviewed the performance of each Executive Director against their specific objectives based on a report by the Chief Executive Officer and with respect to the Chief Executive Officer, a report by the Chairman.

Director	Objective	Performance
Ian Page	Pipeline Delivery	Successful launch of Amoxi-Clav
	Portfolio Focus	Development of vaccines strategy
	Acquisition	Acquisition of business and assets of Apex Laboratories Pty Ltd and 33.0% stake in Medial Ethics Pty Ltd
	Geographical Expansion	Establishment of Dechra Veterinary Products International
Richard Cotton	Onboarding	Completed a rigorous induction
	Leadership of finance team	Established as Leader of finance team and developed the treasury strategy
Tony Griffin	Portfolio Focus	Companion Animal Product sales increased by 9.0%
	Geographical Expansion	Key new territories performed in line with expectations
	Revenue Growth	Strong sales growth in Italy and Poland
	Technology Enabler	Implementation of the Oracle DVP EU ERP solution has fallen behind schedule and will now be completed during the 2018 financial year

Based on the above assessment against objectives set, the Committee determined that the performance of Ian Page and Richard Cotton warranted maximum payout in relation to the non-financial elements of their respective bonuses. Tony Griffin warranted a payout of 8% in relation to the non-financial elements of his bonus. The Committee's approach to Executive Directors' annual bonus opportunities for the year ending 30 June 2018 is summarised on page 100.

LTIP Awards Vesting in Respect of the Year Ended 30 June 2017

The LTIP awards granted on 15 September 2014 are due to vest on 15 September 2017. Ian Page and Tony Griffin were granted LTIP Awards on 15 September 2014, the performance targets for which are as follows: 50% of the award is subject to a performance condition based on the Company's total shareholder return (TSR) performance over the performance period relative to the constituent companies of the FTSE 250 index (excluding investment trusts) over the performance period as follows:

TSR performance	Vesting percentage
Below median	0%
Median	25% of the TSR portion will vest
Between median and upper quartile	Pro-rata vesting between 25% and 100% based on the Company's ranking in the comparator group
Upper quartile	100% of the TSR portion will vest

50% of each award is subject to a performance condition based on the growth in the Company's underlying diluted earnings per share (EPS) over the performance period as follows:

EPS compound annual growth rate	Vesting Percentage
<8% CAGR	0%
8% CAGR	25% of the EPS portion will vest
CAGR between 8% and 13%	Pro-rata vesting between 25% and 100%
>13% CAGR	100% of the EPS portion will vest

Both the TSR element and the EPS element are subject to an additional return on capital employed (ROCE) performance measure. Unless the Group's ROCE is 10% or more in the final year of the performance period, the awards will lapse in full regardless of TSR and EPS performance. The percentage vesting will be reduced by 10% for every 1% that ROCE falls below 15%.

The Company's TSR performance was over 168.1% compared with a 64.7% TSR for the upper quartile company in the comparator group (FTSE 250 Index (excluding Investment Trusts)). Therefore 100% of the TSR element will vest. In addition, the compound annual growth in the Group's underlying diluted EPS for the performance period was 21.0%. Accordingly, 100% of the EPS element will vest. Overall, taking into account that ROCE performance for 2017 was 17.7%, the LTIP awards will vest as to 100% of maximum opportunity. In the single figure table on page 92, the value attributable to this award is calculated by multiplying the number of shares in respect of which the award is expected to vest by £17.741 (being the average market value of a share over the last quarter of the Company's financial period ended on 30 June 2017).

Anne-Francoise Nesmes' LTIP award granted on 15 September 2014 lapsed on 31 July 2016.

The details of the LTIP awards granted during the year ended 30 June 2017 are set out below. The Committee's approach to Executive Directors' LTIP awards for the year ending 30 June 2018 is summarised on page 100.

SAYE Exercised During the Year Ended 30 June 2017

	Date of grant	Number of options	Option price	Exercise date
Ian Page	7 April 2014	1,630	£5.52	2 May 2017

The aggregate gain made by the Executive Directors on share options and LTIP awards exercised during 2017 was £2,872,032 (2016: £1,803,017).

Pension

Ian Page was a member of the Dechra Pharmaceuticals PLC Group Stakeholder personal pension scheme throughout the year, and Richard Cotton became a member of the scheme following his joining the Group in January 2017. Tony Griffin is a member of a defined benefit pension plan in the Netherlands. Contributions made by Dechra Pharmaceuticals PLC on behalf of the Executive Directors during the year equated to no more than 14% of pensionable salary for each Executive Director.

The annual allowance for tax relief on pension savings for individuals earning over £150,000 per annum reduced from £40,000 to £10,000 on 6 April 2016. Richard Cotton elected to receive a salary supplement in lieu of the employer contribution over and above the £10,000 limit for the entire period under review. From 6 April 2016, Ian Page's pension savings reached the lifetime allowance and from this date he elected to receive his pension contributions as a salary supplement.

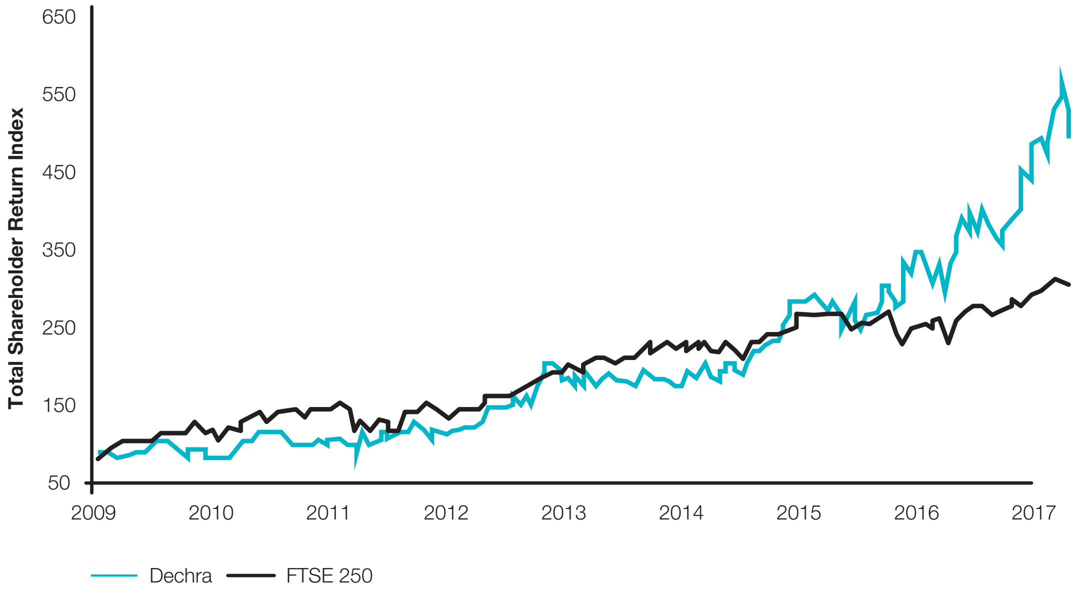
Tony Griffin is a member of the Basispensioen, a defined benefit pension plan established in the Netherlands. The table below sets out the arrangements for Tony Griffin for the period under review.

Accrued benefit at 1 July 2016	€10,940
Increase in accrued benefit excluding inflation allowance	€11,631
Increase in accrued benefit including inflation allowance	€12,086
Transfer value of benefit accrued during the period less member contributions	€45,000
Transfer value at 1 July 2016	€206,000
Transfer value at 30 June 2017	€253,000
Increase in transfer value over the period after member contribution	€47,000

The defined benefit pension plan is capped at €50,000. Pensionable salary over this cap is paid into a defined contribution plan. Following the implementation by the Dutch government of a reduction in the cap on maximum amount of pensionable income to €100,000, Tony Griffin elected to receive a salary supplement in lieu of the pension premium entitlement for earnings above €100,000. This was effective from 1 January 2015. The earliest date that a non-reduced pension is payable is 10 February 2040.

Total Shareholder Return (TSR) Graph

The graph below shows the TSR performance of the Company over the past eight financial years compared with the TSR over the same period for the FTSE 250 Total Return Index. Throughout the financial year ended 30 June 2017 the Company has been a constituent member of the FTSE 250; for this reason it is considered that the TSR performance of the FTSE 250 Index is the appropriate comparator for this report.



Chief Executive Officer Remuneration for Eight Previous Years

Year ended	Total single figure remuneration £000	Annual bonus payout (% of maximum opportunity)	LTIP vesting (% of maximum number of shares)
30 June 2017	3,109	92	100.0
30 June 2016	2,480	72	96.25
30 June 2015	1,934	80	93.1
30 June 2014	1,589	80	100.0
30 June 2013	1,201	36	100.0
30 June 2012	682	60	0
30 June 2011	984	60	71.1
30 June 2010	768	44	100.0

Percentage Change in Chief Executive Officer Remuneration

The table below sets out in relation to salary, taxable benefits and annual bonus the percentage change in pay for Ian Page and the average percentage change for all UK based employees, comparing pay in respect of the year ended 30 June 2016 and the year ended 30 June 2017. For these purposes, UK employees were chosen as a comparator group reflecting that Ian Page is UK based and the number of UK employees was sufficiently large to provide a robust comparison. Employees outside the UK were not included in the comparator group since country specific differences could distort the comparison.

	Chief Executive Officer			**Average per all UK based Employees**		
	2017 £000	2016 £000	Increase %	**2017 £000**	2016 £000	Increase %
Salary[1]	**490**	440	11.4	**35.6**	31.6	12.5
Taxable benefits[2]	**54**	54	—	**1.7**	1.6	8.6
Annual bonus	**451**	317	42.3	**3.0**	2.8	9.8

1. As referred to in the Remuneration Committee Chairman's statement on page 82, prior to September 2016 Ian Page's salary had not been increased since January 2014, since which date there has been an exceptional change in the scale and complexity of the Group. The increase in Ian Page's salary between 2016 and 2017 should be viewed in this context. Ian Page has elected to waive any increase in his salary for 2018.
2. Excludes SAYE options granted in the financial year.

Relative Importance of Spend on Pay

The following table sets out the percentage change in distributions to shareholders by way of dividend and share buyback and total remuneration paid to or receivable by all Group employees comparing the year ended 30 June 2016 and the year ended 30 June 2017.

	Year ended 30 June 2017 £000	Year ended 30 June 2016 £000	% change
Distributions to shareholders by way of dividend and share buyback	**19,973**	16,865	18.4
Overall expenditure on pay	**76,117**	56,504	34.7

Directors' Remuneration Report
continued

Long Term Incentive Arrangements and Share Schemes:

LTIP Awards Made During the Year Ended 30 June 2017

Awards were granted to the Executive Directors on 19 September 2016, on the following basis:

	Type of award	Maximum opportunity	Number of shares	Face value at grant[1]	% of award vesting at threshold	Performance period
Ian Page	Nil cost option under the LTIP	200% of salary	73,260	£999,999	25%	1 July 2016 – 30 June 2019
Tony Griffin[2]	Conditional award under the LTIP	100% of salary	20,858	£284,712	25%	1 July 2016 – 30 June 2019

1. For these purposes, the face value of the award is calculated by multiplying the number of shares by £13.65 (being the average share price used to determine the number of shares comprised in the awards).
2. The exchange rate used for this purpose was 1.1737 (the exchange rate at grant).

50% of each award is subject to a performance condition based on the Company's TSR performance over the performance period relative to the constituent companies of the FTSE 250 index (excluding investment trusts) over the performance period as follows:

TSR performance	Vesting percentage
Below median	0%
Median	25% of the TSR portion will vest
Between median and upper quartile	Pro-rata vesting between 25% and 100% based on the Company's ranking in the comparator group
Upper quartile	100% of the TSR portion will vest

50% of each award is subject to a performance condition based on the growth in the Group's underlying diluted EPS over the performance period. As disclosed in the Directors' Remuneration Report in the 2016 Annual Report, following the acquisitions of Genera and Putney in 2016, we increased the EPS growth target required for maximum vesting, recognising the additional earnings forecasted, to 20% CAGR. Accordingly, the EPS target is as follows:

Original EPS compound annual growth rate	Vesting percentage
<8% CAGR	0%
8% CAGR	25% of the EPS portion will vest
CAGR between 8% and 20%	Pro-rata vesting between 25% and 100%
>20% CAGR	100% of the EPS portion will vest

Both the TSR element and the EPS element are subject to an additional ROCE performance measure. Unless the Group's ROCE is 10% or more in the final year of the performance period, the awards will lapse in full regardless of TSR and EPS performance. The percentage vesting will be reduced by 10% for every 1% that ROCE falls below 15%.

Recruitment Award for Richard Cotton

As disclosed in the Directors' Remuneration Report for the 2016 financial year, as part of his recruitment, the Committee agreed to award Richard two 'buyout' awards in respect of incentives forfeited as a consequence of joining Dechra. Each award was over shares with a value of £350,000 at the date of grant.

The awards were granted on 7 March 2017 as follows:

Type of award	Number of shares subject to award	Face value of award	Performance condition	Vesting date
Nil cost option	21,033[1]	£349,998[2]	Performance in role	3 January 2018
Nil cost option	21,033[1]	£349,989[2]	The performance conditions applying to the LTIP awards granted on 15 September 2015	15 September 2018

1. Either award may be reduced to take into account of any relevant performance conditions for the forfeited awards not being achieved.
2. For these purposes, the face value of the awards is calculated by multiplying the number of shares by £16.64 (being the average closing mid-market price for the five dealing days preceding to the award date).

SAYE Options Granted in the Year

No Directors were granted SAYE options during the year ended 30 June 2017.

Payments to Past Directors

There were no payments made to past Directors during the period.

Payments for Loss of Office

There were no payments for loss of office made to Directors during the period.

Shareholding Guidelines and Statement of Directors' Shareholdings and Interests:

Executive Directors

In respect of the financial year ended 30 June 2017, the Company's shareholding guidelines for Executive Directors required that by the third anniversary of their appointment to the Board, Executive Directors are required to have acquired and retained a holding of Dechra shares equivalent to the value of at least 100% of their base salaries. Thereafter, by the fifth anniversary of appointment, the Chief Executive Officer and Chief Financial Officer are required to have acquired and retained a holding equivalent to the value of at least 200% and 150% respectively of their base salary. The holdings of each person who served as an Executive Director during the period ended 30 June 2017 (and their families as at 30 June 2017 or, if earlier, the date of resignation) are as follows:

Name	Appointment date	Ordinary shares Number	Ordinary shares £000*	% of salary
Ian Page	13 June 1997	676,808	11,506	2,301.5
Richard Cotton	3 January 2017	12,837	218	62.4
Tony Griffin	1 November 2012	64,320	1,093	382.2
Anne-Francoise Nesmes	2 April 2013	39,502	525	162.7

* Calculated using the share price as at 30 June 2017 (or, if earlier, the date of resignation).

Non-Executive Directors

By the third anniversary of their appointment to the Board, Non-Executive Directors are required to have acquired and retained a holding of Dechra shares equivalent to the value of at least 50% of their annual base fee. The holdings of the Non-Executive Directors and their families as at 30 June 2017 (or, if earlier, the date of retirement) are as follows:

Name	Appointment date	Ordinary shares number	Ordinary shares £000*	% of base fee
Tony Rice	5 May 2016	40,000	680	539.7
Ishbel Macpherson	1 February 2013	5,848	99	198.8
Julian Heslop	1 January 2013	10,000	170	340.0
Lawson Macartney	1 December 2016	—	—	—
Michael Redmond	19 April 2001	73,417	1,088	800.0

* Calculated using the share price as at 30 June 2017 (or, if earlier, the date of retirement).

There have been no changes in the holdings of the Directors between 30 June and 4 September 2017.

Executive Directors' Interests under Share Schemes Long Term Incentive Plan

Awards held under the Long Term Incentive Plan by each person who was a Director at during the year ended 30 June 2017 are as follows:

	Award date	Number of shares at 30 June 2016	Granted during the year	Lapsed during the year	Exercised during the year	Number of shares at 30 June 2017[1]	Status	Performance period
Ian Page	27 November 2013	129,221	—	(4,846)	(124,375)	**—**	Vested	2013–2016
	15 September 2014	115,334	—	—	—	**115,334**	Unvested	2014–2017
	15 September 2015	90,721	—	—	—	**90,721**	Unvested	2015–2018
	19 September 2016	—	73,260	—	—	**73,260**	Unvested	2016–2019
Richard Cotton	7 March 2017[2]	—	21,033	—	—	**21,033**	Unvested	2017–2018
	7 March 2017[2]	—	21,033	—	—	**21,033**	Unvested	2015–2018
Tony Griffin	27 November 2013	34,129	—	(1,280)	(32,849)	—	Vested	2013–2016
	15 September 2014	29,937	—	—	—	**29,937**	Unvested	2014–2017
	15 September 2015	22,641	—	—	—	**22,641**	Unvested	2015–2018
	19 September 2016	—	20,858	—	—	**20,858**	Unvested	2016–2019
Anne-Francoise Nesmes	27 November 2013	66,079	—	(2,478)	(63,601)	**—**	Vested	2013–2016
	15 September 2014[3]	60,747	—	(60,747)	—	**—**	Lapsed	2014–2017
	15 September 2015[3]	49,993	—	(49,993)	—	**—**	Lapsed	2015–2018

1. Number of shares as at 30 June 2017, or at the date of leaving if earlier.
2. These awards are Recruitment Awards granted to Richard Cotton as referred to on page 98. They were granted outside the rules of the LTIP.
3. These awards lapsed on 31 July 2016.

SAYE Scheme

Options held under the SAYE Scheme by each person who was served as a Director during the year ended 30 June 2017 are shown below:

	Date of grant	Number of options at 30 June or, if earlier, date of resignation	Option price	Exercise date
Ian Page	13 October 2014	1,465	£6.14	December 2017
Anne-Francoise Nesmes[1]	13 October 2014	1,465	£6.14	December 2017

1. This options lapsed on 31 July 2016.

Implementation of the Directors' Remuneration Policy in the Year Ending 30 June 2018 (Unaudited):

Subject to approval at the 2017 Annual General Meeting, the Directors' Remuneration Policy outlined on pages 84 to 91 will be implemented in the year ending 30 June 2018, as set out below.

Salary and Fees

The next review of Executive Directors' salaries will be undertaken in September 2017. It is planned that the Executive Directors' salaries for 2017 will increase in line with the range of increases proposed for the wider workforce, although Ian Page has notified the Committee that he does not wish to be considered for a salary increase in respect of 2018 financial year.

No changes will be made to the fee for the Chairman and Non-Executive Directors for the year ending 30 June 2018. There will be no changes to the additional fees.

Annual Bonus

No changes have been made to the bonus structure. Consequently Executive Directors will have a bonus opportunity of 100% of salary for the year ending 30 June 2018, on the same basis as for the year ended 30 June 2017. Details of the bonus structure can be found on pages 93 and 94. In the opinion of the Board, the performance targets applying to the annual bonus are commercially sensitive, and prospective disclosure could provide competitors with insight into the Group's business plans and expectations. However, the Company will disclose how any bonus earned relates to performance against targets on a retrospective basis when the targets are no longer considered commercially sensitive, as shown on pages 93 and 94 in respect of bonuses for the Group's 2017 financial year.

LTIP

The Committee proposes that LTIP awards for the year ending 30 June 2018 (the 2018 Grant) will be made at the level of 200% of salary for Ian Page, 150% for Richard Cotton and 100% of salary for Tony Griffin.

The performance measures for the awards will be based on TSR (one third) and EPS (two thirds), with an underpin based on ROCE. The TSR targets will be the same as for the awards made in the 2017 financial year, details of which can be found on page 94.

As referred to on page 82, the EPS growth target required for maximum vesting for the 2018 Grant has been decreased to 15.5% CAGR to reflect the fact that the acquisitions are now included in the base year and to reflect the lower 2020 financial year broker forecasts. Accordingly, the EPS targets for the 2018 Grant are:

EPS compound annual growth rate	Vesting percentage
<8% CAGR	0%
8% CAGR	25% of the EPS portion will vest
CAGR between 8% and 15.5%	Pro-rata vesting between 25% and 100%
>15.5% CAGR	100% of the EPS portion will vest

Both the TSR element and the EPS element will be subject to an additional ROCE performance measure. Unless the Company's ROCE is 10% or more in the final year of the performance period, the awards will lapse in full regardless of TSR and EPS performance.

Subject to its approval by shareholders, the Awards in respect of the 2018 Grant will be granted under the new LTIP for which shareholder approval is sought at the 2017 Annual General Meeting. The awards will ordinarily be subject to a two year post vesting holding period.

Consideration by Directors of Matters Relating to Directors' Remuneration:

Governance

The Board has overall responsibility for the Group's Remuneration Policy and the setting of the Non-Executive Directors' fees, although the task of determining and monitoring the remuneration packages of the Executive Directors and agreeing the Chairman's fee level has been delegated to the Committee.

Membership

Details of each member's attendance at the Committee's meetings is detailed on page 68.

The Chief Executive Officer attended all meetings held during the financial year in order to assist on matters concerning remuneration of other senior executives within the Group. However, he was not present during the part of the meetings where his own remuneration was discussed. Furthermore, the Group HR Director has attended all meetings held during the financial year.

Responsibilities
The Committee has its own terms of reference, which are approved by the Board. These are reviewed on an annual basis to ensure that they continue to adhere to best practice. During the 2017 financial year this review took place at the July 2017 meeting. Copies can be obtained via the Company website at www.dechra.com. The Committee Chairman and the Company Secretary are available to shareholders to discuss the Remuneration Policy.

An overview of the Committee's terms of reference is provided on page 69.

Service Contracts and Letters of Appointment
Details of the Executive Directors' service contracts and Non-Executive Directors' letters of appointment are set out below.

		Notice Period	
Name	**Commencement date**	**Director**	**Company**
Tony Rice	5 May 2016	3 months	3 months
Ian Page	1 September 2008	6 months	12 months
Richard Cotton	3 January 2017	6 months	12 months
Tony Griffin	1 November 2012	6 months	12 months
Julian Heslop	1 January 2013	3 months	3 months
Lawson Macartney	1 December 2016	3 months	3 months
Ishbel Macpherson	1 February 2013	3 months	3 months

There are no expiry dates applicable to either Executive or Non-Executive Directors' service contracts. The Non-Executive Directors are entitled to compensation on termination of their appointment confined to three months' remuneration.

While the Committee's policy is for the service contract of any newly appointed Executive Director to have a notice period of not more than 12 months, the Committee retains discretion to set an initial notice period of up to 24 months, reducing to 12 months over the initial 12 months of employment.

Policy on External Appointments
The Company recognises that Executive Directors may be invited to become Non-Executive Directors of other companies and that this can help broaden the skills and experience of a Director. Executive Directors are only permitted to accept external appointments with the approval of the Board.

The only Executive Director to hold an external appointment is Ian Page. He is Non-Executive Chairman of Sanford DeLand Asset Management Limited, a position which he has held since 7 October 2010. During the year, Ian Page received no remuneration for this appointment.

Advisers
The following have provided advice to the Committee during the year in relation to its consideration of matters relating to Directors' remuneration:

- Chief Executive Officer, Chief Financial Officer, Group HR Director and Company Secretary; and
- Deloitte LLP (Deloitte).

Deloitte is retained to provide independent advice to the Committee as required. Deloitte is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. Deloitte's fees for providing remuneration advice to the Committee were £19,000 for the year ended 30 June 2017. The Committee assesses from time to time whether this appointment remains appropriate or should be put out to tender and takes into account the Remuneration Consultants Group Code of Conduct when considering this. Deloitte was appointed by the Committee and has provided share scheme advice and general remuneration advice to the Company. Details of additional services which Deloitte provided to Dechra are detailed on page 78.

Statement of Voting at Previous Annual General Meeting
The Company remains committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. The following table sets out actual voting in respect of the advisory vote on the Directors' Remuneration Report and the binding vote on the Remuneration Policy at the Company's Annual General Meeting on 21 October 2016 and 24 October 2014 respectively:

Resolution	Votes for	% of vote	Votes against	% of vote	Votes withheld
To approve Remuneration Report	66,616,092	98.76	834,805	1.24	1,734,331
To approve Remuneration Policy	66,935,753	98.32	1,140,380	1.68	302,814

Ishbel Macpherson
Remuneration Committee Chairman
4 September 2017