

Letter from the Chairman on Governance



Tony Rice Non-Executive Chairman

Dear Shareholder

On behalf of the Board I am pleased to present Dechra's Corporate Governance Report for the year ended 30 June 2017.

Managing Governance

The Board recognises that excellence in corporate governance is essential in order to generate and protect value for our investors. Our governance structure is designed to maintain effective control and oversight of our business whilst at the same time promoting the entrepreneurial spirit that has underpinned Dechra's success to date.

In our Corporate Governance Report we aim to provide a clear and meaningful explanation of how the Board leads the Group and discharges its governance duties, including how we apply the provisions of the UK Corporate Governance Code (the Code).

Leadership

We have a strong and balanced Board with a range of complementary skills to support the strategic and operational direction of the Group. There were several changes to the composition of the Board during the past year. As disclosed in last year's Annual Report, Richard Cotton was appointed as Chief Financial Officer, replacing Anne-Francoise Nesmes who resigned in July 2016. Richard joined the Company in January 2017. We also welcomed Lawson Macartney to the Board as an independent Non-Executive Director. Lawson brings a depth of knowledge and expertise of product development to the Board. His biographical details can be found on page 65.

Michael Redmond retired at the Annual General Meeting in October 2016, following which I was appointed as Chairman of the Company and the Nomination Committee. Michael played an instrumental part in the evolution and growth of Dechra and on behalf of the Board I would like to thank him for the huge contribution and guidance he has provided to the business throughout his tenure.

Board Effectiveness

As Chairman, I am responsible for the leadership of the Board and ensuring its effectiveness in all aspects of its role. During the 2017 financial year we undertook an internal evaluation of the Board, its committees and individual Directors. I am delighted to report that the overall outcome from the evaluation was that the Board and its individual Directors are performing effectively, and that the Board is well supported and presents an open forum for debate. The findings from this evaluation can be found on page 72.

Accountability

We are required by the Code to include an assessment of the viability of the Company. This is covered on page 73.

Relations with Shareholders

The Annual General Meeting will be held in Knutsford on 20 October 2017 and I would like to invite our shareholders to attend. It will provide you with an opportunity to meet the Board and ask any questions that you may have in respect of the Group's activities.

Finally, should you have any questions in relation to the report, please feel free to contact me or the Company Secretary.

Tony Rice

Non-Executive Chairman
4 September 2017