Directors' Remuneration Policy

This part of the Directors' Remuneration Report sets out Dechra's Directors' Remuneration Policy which, subject to shareholder approval at the 2023 Annual General Meeting (to the extent the same is being held), shall take binding effect from the close of that meeting. The Policy has been determined by the Committee.

Policy Table for Executive Directors:

Element: Base Salary

Purpose and Link to Strategy:

Core element of fixed remuneration reflecting the individual's role and experience.

Operation	Performance Measure
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.	Whilst no formal performance conditions apply, an individual's performance in role is taken into account in determining any salary increase.

Maximum Opportunity

Whilst there is no maximum salary, increases will normally be within or below the range of salary increases awarded (in percentage of salary terms) to other employees in the Group. However, higher increases may be awarded in appropriate 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 salary set at a level that is lower than the Committee's view of a market salary to allow for growth in the role, in which case larger increases may be awarded to move salary positioning to a market level as the individual gains experience;
- change in size and/or complexity of the Group; and/or
- significant market movement.

Such increases may be implemented over such time period as the Committee deems appropriate.

Directors' Remuneration Report

Element: Retirement Benefits

Purpose and Link to Strategy:

Provide a competitive means of saving to deliver appropriate income in retirement.

Operation	Performance Measure
Executive Directors are eligible to participate in defined contribution pension arrangements. In appropriate circumstances, an Executive Director may receive a salary supplement in lieu of some or all of the contributions to a pension scheme. Executive Directors outside the UK may also participate in non-UK pension arrangements.	Not applicable.

Maximum Opportunity

The Company contribution will not exceed the contribution available to the majority of the Group's UK workforce (currently 8% of salary), subject to any increase to take account of any higher rate which applies to the majority of the workforce in any other country or countries relevant to a particular Executive Director.

A salary supplement may be paid in lieu of some or all of the pension contributions otherwise payable.

Benefits under any non-UK pension arrangement may be provided in accordance with the terms of the applicable scheme.

Element: Benefits

Purpose and Link to Strategy:

Provided on a market competitive basis.

Operation	Performance Measure
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.	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 or if the Committee considers the formulaic outturn is not appropriate in the context of other factors considered by the Committee to be relevant.

If a bonus opportunity of 100% of salary is awarded, no deferral will apply. If a bonus opportunity in excess of 100% of salary is awarded, a proportion of any bonus earned will be deferred into shares for a period of two years.

- If a bonus opportunity of 125% of salary is awarded, 20% of any bonus earned will be deferred.
- If a bonus opportunity of 150% of salary is awarded, 33% of any bonus earned will be deferred.
- If a bonus opportunity of 175% of salary is awarded, 50% of any bonus earned will be deferred.

Deferred bonus awards may take the form of nil cost options, conditional awards of shares or such other form as has a similar economic effect.

Additional shares may be delivered in respect of shares subject to deferred bonus awards to reflect the value of dividends paid during the period beginning with the date of grant and ending with the date of release (this payment may assume that dividends had been reinvested in Dechra shares on such basis as the Committee determines).

Recovery provisions apply, as referred to on page 145.

Performance Measure

Operational targets (which may be based on financial or strategic measures) and individual objectives are determined to reflect the Group's strategy.

The personal objectives for the Chief Executive Officer are set by the Chair. 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 50% of the bonus opportunity is based on financial measures (which may include profit before tax).

Subject to the Committee's discretion to override formulaic outturns, 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 on target performance and 100% of the maximum for the financial element for maximum performance.

Subject to the Committee's discretion to override formulaic outturns, 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.

Maximum Opportunity

The maximum bonus opportunity for Executive Directors is 175% of salary.

As referred to in the Remuneration Committee Chair's statement on page 135 , annul bonus opportunities for the financial year ending 30 June 2024 will be 150% of salary for Ian Page and Paul Sandland and 125% of salary for Tony Griffin.

The maximum combined annual bonus and Long Term Incentive Plan opportunity for any year is 400% of salary.

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

The Committee may grant awards as conditional shares, as nil (or nominal) cost options, as forfeitable shares or as market value share options with a per share exercise price equal to the market value of a share at the date of grant. 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, which will usually be assessed over three years, 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 and any applicable exercise price) the award is not released (so that the participant is able to dispose of those shares) until the end of the holding period.

The Committee has discretion to vary the formulaic vesting outturn if it considers that the outturn does not reflect the Committee's assessment of performance or is not appropriate in the context of other factors considered by the Committee to be relevant.

Additional shares may be delivered 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 such basis as the Committee determines).

Recovery provisions apply, as referred to on page 145.

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.

The provisions of this Policy will apply to any CSOP option granted under the LTIP to the extent permitted by the applicable tax legislation.

Performance Measure

Performance measures under the LTIP will include financial metrics and may also include non-financial metrics.

At least 70% of an award will be subject to one or more performance measures based on financial metrics (which may include, but are not limited to, earnings per share growth, relative total shareholder return, return on capital employed and free cash flow). Any balance of an award will be subject to one or more performance measures based on non-financial metrics determined to reflect the Group's strategy (which may include ESG measures).

Subject to the Committee's discretion to override formulaic outturns, awards will vest as to 25% for threshold performance, increasing to 100% for maximum performance.

Maximum Opportunity

The maximum award level under the LTIP in respect of any financial year is 250% of salary (or, 300% of salary in exceptional circumstances). As referred to in the Remuneration Committee Chair's statement on page 135 , the Committee does not currently intend to grant LTIP awards for the financial year ending 30 June 2024.

The maximum combined LTIP and annual bonus opportunities for any year is 400% 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.

Element: All Employee Share Plans

Purpose and Link to Strategy:

Provision of the Save As You Earn Scheme (SAYE), including the Employee Stock Purchase Plan (ESPP) in the United States of America, 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 plans as may be introduced from time to time.

Operation	Performance Measure
SAYE and ESPP: 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.	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 and ESPP 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.

Malus provisions apply, which enable the Committee to determine before the payment of an annual bonus or the vesting of an LTIP award, that the bonus opportunity or LTIP award may be cancelled or reduced.

Clawback provisions apply, which enable the Committee to determine for up to two years following the payment of a cash bonus or the vesting of an LTIP award, that the amount of the bonus paid may be recovered (and any deferred bonus award may be reduced or cancelled, or recovery may be applied to it if it has been exercised) and the LTIP award may be cancelled or reduced (if it has not been exercised) or recovery may be applied to it (if it has been exercised).

The malus and clawback provisions may be applied in the event of material misstatement of Dechra's financial statements, serious reputational damage to Dechra, material corporate failure, material failure of risk management, gross misconduct on the part of the Executive Director, or 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.

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. Awards may be settled, in whole or in part, in cash, although the Committee would only settle an Executive Directors' award in cash in appropriate circumstances, such as where there is a regulatory restriction on the delivery of shares or in respect of the tax liability arising in connection with an award.

Explanation of Performance Metrics

Performance measures for the LTIP and annual bonus are selected to reflect the Group'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 elements of the LTIP awards based on financial metrics are subject to an underpin based on Return on Capital Employed. This ROCE underpin focuses executives on using capital efficiently and appropriately to allow the business to capitalise on growth opportunities whilst maintaining returns.

Directors' Remuneration Report

Variation or Substitution of Performance Measures

The Committee may vary or substitute any performance measure applying to the annual bonus or LTIP if an event occurs which causes it to determine that it would be appropriate to do so (which may include an acquisition), 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 materially 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.

Shareholding Guidelines During Employment

During employment, Executive Directors are required to retain half of any shares acquired under the LTIP, any deferred bonus award and, if relevant, any recruitment award (after sales to cover tax) until such time as their holding has a value equal to the higher of:

- 200% of salary; and
- the value at grant (as a percentage of salary) of the Executive Director's usual annual LTIP award.

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

Shareholding Requirement after Employment

The Committee has adopted a post-employment shareholding requirement. Shares are subject to this requirement only if they are acquired from share plan awards (LTIPs, deferred bonus awards and, if relevant, any recruitment award) granted after 1 July 2020. Following employment, an Executive Director must retain:

- for the first year after employment, such of their shares, which are subject to the post-employment requirement as have a value for these purposes equal to the shareholding guideline that applies during employment (currently 200% of salary); and
- for the second year after employment, such of those shares as have a value for these purposes equal to 50% of the shareholding guideline that applies during employment.

Or in either case and if fewer, all of those shares.

Following employment, an Executive Director appointed on or after 1 July 2023 must retain for two years, such of their shares which are subject to the post-employment requirement as have a value for these purposes equal to 100% of the shareholding guideline that applies during employment, or if fewer, all of those shares.

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 Chair 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 Chair. 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. Reimbursed expenses may include a gross-up to reflect any tax or social security due in respect of the reimbursement.	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, holding the role of Senior Independent Director, and holding the role of Employee Engagement Designated Non-Executive Director. Additional fees may also be paid for other responsibilities or time commitments. 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, which is appropriate to promote the long term success of the Group and which is determined having regard to the Dechra Pay Principles which are summarised on page 136. 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 and ESPP encourage share ownership by qualifying employees and enable them to share in value created for shareholders.

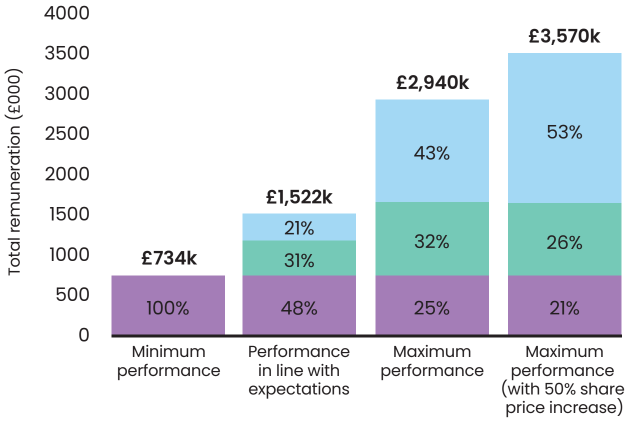
The following charts provide an illustration, for each of the Executive Directors, of the application of the Policy for the 2024 financial year. The charts show the split of remuneration between fixed pay (that is base salary, benefits and employer pension contributions/salary supplement), annual bonus and long term incentive pay on the basis of minimum remuneration, remuneration receivable for performance in line with Dechra's expectations, maximum remuneration, and maximum remuneration also assuming a 50% increase in the Company's share price for the purposes of the LTIP element. As referred to in the Remuneration Committee Chair's statement on page 135, the Committee does not currently intend to grant LTIP awards for the financial year ending 30 June 2024. However, in the interests of transparency and for consistency with prior years we have assumed LTIP grants for the purposes of the following chart.

<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="4">• Base salary (being the latest known salary as at 1 July 2023).
• Employer pension contributions at an assumed rate of 8% (in the case of Ian Page and Paul Sandland) and 7.7% of salary (in the case of Tony Griffin) on the latest known salary.
• Benefits as disclosed in the single figure table on page 152 for the 2023 financial year.</td></tr>
<tr><td>Performance in line with expectations</td><td>Bonus equal to 50% of maximum opportunity is earned.
• 75% of salary in the case of Ian Page and Paul Sandland.
• 62.5% of salary in the case of Tony Griffin.</td><td>LTIP vests as to 25% of the maximum award.
• 50% of salary for Ian Page.
• 37.5% of salary for Paul Sandland.
• 25% of salary for Tony Griffin.</td></tr>
<tr><td>Maximum performance</td><td rowspan="2">Bonus equal to 100% of maximum opportunity is earned.
• 150% of salary in the case of Ian Page and Paul Sandland.
• 125% of salary in the case of Tony Griffin.</td><td>LTIP vests in full.
• 200% of salary for Ian Page.
• 150% of salary for Paul Sandland.
• 100% of salary for Tony Griffin.</td></tr>
<tr><td>Maximum performance plus share price increase</td><td>LTIP vests in full as above, plus an assumed 50% increase in the share price.</td></tr>
</table>

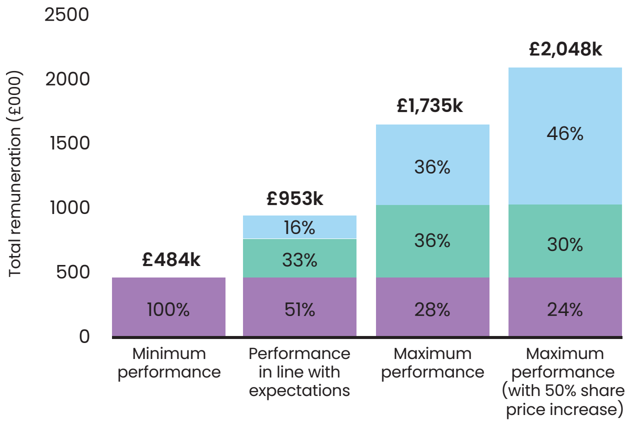
Directors' Remuneration Report

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

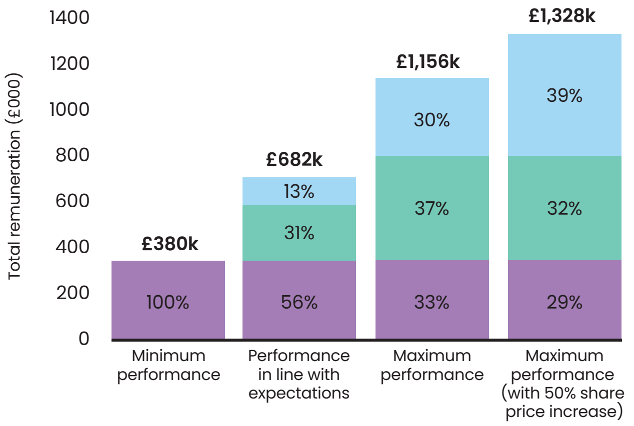
Ian Page



Paul Sandland



Tony Griffin



- Base salary, benefits and pension
- Annual bonus
- LTIP

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 Chair 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; and
  - 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, holding period and deferral 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 400% 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 Chair 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 below:

		Notice Period	
Name	**Commencement date**	**Director**	**Company**
Alison Platt	1 March 2020	3 months	3 months
Ian Page	1 September 2008	6 months	12 months
Paul Sandland	30 October 2019	6 months	12 months
Tony Griffin	1 November 2012	6 months	12 months
Lisa Bright	1 February 2019	3 months	3 months
Lawson Macartney	1 December 2016	3 months	3 months
John Shipsey	1 June 2022	3 months	3 months
Geeta Gopalan	1 January 2023	3 months	3 months

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.

Directors' Remuneration Report

Policy on Payment for Loss of Office

Eligibility for the various elements of compensation is set out below:

Provision	Treatment upon loss of office
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, such that a bonus will be paid only in circumstances that the Committee considers are "good leaver" circumstances. 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, and may pay the full bonus in cash in compassionate circumstances).
Deferred Bonus Awards	Awards lapse on the date of termination in the event of dismissal for gross misconduct. In other circumstances, awards will ordinarily continue and be released on the ordinary release date, although the Committee retains discretion to release any such award on the date of termination in appropriate circumstances (such as in the event of cessation due to death or ill-health). In either case, the award will vest in full.
LTIP	If an Executive Director ceases employment with the Group before an award under the LTIP vests as a result of ill-health, injury, death, transfer of their 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 take account of 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 LTIP but before it is released (that is if they cease employment during the holding period), that award will continue to subsist in accordance with the rules of the 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 LTIP, that award will continue to subsist in accordance with the rules of the 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, ESPP and any other all employee share plans 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 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; • awards under the LTIP which are in a holding period will be released to the extent vested by reference to the performance conditions; • deferred bonus awards will be released in full; and • options under the SAYE scheme, ESPP and any other all employee share plan will vest on a change of control. In appropriate circumstances, share plan participants may be invited (or required) to exchange their awards over Dechra shares for equivalent awards over shares in the acquiring company.

Where appropriate, the Committee will 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 137, the level of salary increases of employees within the wider Group is considered when setting base salary for Executive Directors. In line with the Corporate Governance Code the Committee reviews workforce remuneration and related policies and the alignment of incentives and reward with culture, taking these into account when setting the Policy for Executive Director remuneration, and sets the remuneration of the Senior Executive Team. The Non-Executive Director designated under the Corporate Governance Code for employee engagement engages directly with employees on a range of topics of interest to them, providing an upward channel to the Committee for views, comments and debate. 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 2023 financial year, the Committee consulted with shareholders in relation to the new Policy.

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 any applicable shareholder approved directors' remuneration policy in force at the time they were agreed or were otherwise approved by shareholders); or
- at a time when the relevant individual was not a Director of the Company (or other person to whom the Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company (or other such person).

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.

Geeta Gopalan
Remuneration Committee Chair
12 October 2023

Directors' Remuneration Report

2023 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 27 October 2020. This section also includes information on how the Policy to be proposed to the shareholders at the 2023 Annual General Meeting (to the extent the same is being held), is intended to be applied in the 2024 financial year, although as noted in the letter from the Remuneration Committee Chair, the application of that Policy will depend upon the proposed acquisition of the Company by Freya Bidco Limited (the Proposed Acquisition). The sections of the 2023 Annual Report on Remuneration that are audited by PricewaterhouseCoopers LLP (PwC) are indicated on pages 152 to 161.

Executive Directors' Remuneration (Audited)

Single Total Figure of Remuneration

The table below sets out the total remuneration for each person who has served as an Executive Director in the period ended 30 June 2023. The table shows the remuneration for each such person in respect of the year ended 30 June 2023 and in respect of the year ended 30 June 2022:

Executive Director	Year	Salary £000	Benefits £000	Annual Bonus £000	Long Term Incentive £000	Pension £000	Total £000	Total Fixed £000	Total Variable £000
Ian Page	**2023**	**621**	**53**	**124**	**189**	**50**	**1,037**	**724**	**313**
	2022	597	65	549	672	48	1,931	710	1,221
Paul Sandland	**2023**	**411**	**33**	**82**	**82**	**33**	**641**	**477**	**164**
	2022	383	33	351	117	23	907	439	468
Tony Griffin	**2023**	**340**	**9**	**68**	**61**	**26**	**504**	**375**	**129**
	2022	322	9	245	210	25	811	356	455
Total 2023	**2023**	**1,372**	**95**	**274**	**332**	**109**	**2,182**	**1,576**	**606**
Total 2022	2022	1,302	107	1,145	999	96	3,649	1,505	2,144

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

1. Salary – 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 Company provides benefits in line with market practice and each Executive Director has the use of a fully expensed car (Ian Page: £51,176), medical cover and life assurance.
3. Annual Bonus – this is the amount of cash and deferred shares bonus earned in respect of the financial year.
4. Long Term Incentive – this is the value of any relevant long term incentives vesting where the performance period ended in the relevant period.
5. Pension – this is the amount 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 2022 value assigned to the long term incentives was shown in last year's Annual Report as an estimate, with the value determined by reference to a share price of £35.405 (being the average market value of a share over the last quarter of the Company's financial period ended on 30 June 2022). This has been restated to show the actual value determined by reference to a price of £29.22 (being the market value of a share on 20 September 2022, the date of vesting).
7. 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 1.1807 for 2022 and 1.1504 for 2023. His salary was €396,594 from 1 January 2023 and €385,043 from 1 January 2022.

Additional Disclosures in Respect of the Single Figure Table (Audited)

Salaries and Fees

Our approach to Executive Directors' salaries in the financial year is explained in the Committee Chair's letter on pages 134. The Executive Directors' salaries applying with effect from 1 January 2023 are as follows.

Executive Director	Salary with effect from 1 January 2023	Previous Salary	% increase
Ian Page	**£630,360**	£612,000	3.0%
Paul Sandland	**£417,150**	£405,000	3.0%
Tony Griffin	**€396,594**	€385,043	3.0%

The Committee's approach to Executive Directors' salaries for the year ending 30 June 2024 is summarised in the Committee Chair's letter on page 135.

Benefits

The Company provides benefits in line with market practice and each Executive Director has the use of a fully expensed car, medical cover and life assurance.

Annual Bonus

Annual bonuses were awarded by the Committee in respect of the 2023 financial year having regard to the performance of the Group and personal performance and ESG objectives for the year. The amount achieved for the year ended 30 June 2023 against targets for the 2023 financial year is set out below. Bonuses for the year equal to 20% of salary have been earned by Ian Page, Paul Sandland and Tony Griffin. In line with the Directors' Remuneration Policy, 33% of any bonus earned will be deferred into Dechra shares for two years for Ian Page and Paul Sandland and 20% for Tony Griffin. Deferred bonus awards are not subject to any further performance conditions but remain subject to the leaver provision in the Deferred Bonus Plan and Policy. The Committee considers that the level of payout is reflective of the overall performance of the Group in the year and is appropriate.

Ian Page and Paul Sandland: Group underlying profit before tax

				Bonus earned (percentage of salary)	
				Ian Page	Paul Sandland
Threshold (10% of salary) £168.1 million	Target (65% of salary) £177.0 million	Maximum (130% of salary) £194.7 million	Actual (at budgeted rates) £131.1 million	0%	0%

Tony Griffin: Group underlying profit before tax and Dechra Veterinary Products EU underlying operating profit

					Bonus earned (percentage of salary)
					Tony Griffin
Group underlying profit before tax	Threshold (5% of salary) £168.1 million	Target (26.25% of salary) £177.0 million	Maximum (52.5% of salary) £194.7 million	Actual (at budgeted rates) £131.1 million	0%
Dechra Veterinary Products EU underlying operating profit	Threshold (5% of salary) €138.8 million	Target (26.25% of salary) €146.1 million	Maximum (52.5% of salary) €160.7 million	Actual (at budgeted rates) €127.7 million	0%

Personal Objectives and ESG Measure

		Bonus earned (percentage of salary)		
		Ian Page	Paul Sandland	Tony Griffin
Personal Objectives	Each Executive Director could earn a bonus of up to 10% of salary by reference to the achievement of personal objectives based on key aspects of delivering the Group's strategy (see table opposite)	10%	10%	10%
ESG measure	Each Executive Director could earn a bonus of up to 10% of salary by reference to the achievement of ESG measures aligned with their area of responsibility (see table below)	10%	10%	10%

Directors' Remuneration Report

The personal objectives of each Executive Director for the year ended 30 June 2023 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 Chair. The ESG measure for each Executive Director was similarly set on an individual basis linked to the Executive Director's area of responsibility.

The Committee considered achievements against each of the objectives in the round in determining the overall outturn. Notwithstanding the challenges faced by the business over the 2023 financial year including embedding the acquisitions made, the Committee considered the pivotal role played by the Executive Directors in supporting the Proposed Acquisition that crystallised value for shareholders. In doing so, the Committee judged that a full payout against personal objectives was warranted.

Personal Objectives

Director	Strategic Enabler	Objective	Performance
Ian Page	Acquisition	Bring in a balance of strategic acquisitions (novel versus generic) which future proof Dechra alongside those which strengthen us operationally and are immediately profit accretive. Navigate the use of financing appropriately to, in combination, enable growth, innovation and continued low leverage over the next three to five years	Piedmont acquisition integrated into the pipeline and Med-Pharmex acquisition completed and integration plan underway
	Pipeline Delivery	Embed the new Chief Scientific Officer and the restructured PDRA teams enabling greater value from the pipeline and better utilising resource (people) to strengthen both Business Development and Regulatory capability	The Chief Scientific Officer onboarded and with support from the Chief Executive Officer have developed clear plan and outcomes for pipeline of products contributing to the five and ten year plan horizons. Some restructuring has taken place and investments made into resources
	Succession Planning	To assess the strengths and gaps for the Senior Executive Team succession plan	The first cohort on the Future Facing Leaders programme (sponsored by the Chief Executive Officer) completed the course in July 2023, and a number of them have been identified as potential successors to the SET.

Director	Strategic Enabler	Objective	Performance
Paul Sandland	Shareholder	Improve effective engagement with shareholders	New Head of Investor Relations role successfully recruited and onboarded, Investor Relations plan implemented with sustained improvement to guidance and consensus tracking
	IT	Develop, support and strengthen the IT function, whilst driving efficiencies through implementation of technology solutions	Chief Information Officer role recruited and onboarded, review of major projects undertaken and seeing on time implementation and progress of significant IT projects (Travelpool/Concur, Oracle, Veeva and eQMS)
	Internal Controls	Strengthen our internal control environment through sponsoring transition to Internal Controls Over Financial Reporting (ICOFR)	Successfully transitioned to Financial Control Framework during this timeframe
	Finance	Lead re-financing of the business	Private placement and equity raise successfully completed
Tony Griffin	Commercial	To define the next phase of the European change programme Iceberg 2028 to ensure the organisation is ready for the future	Strategy defined, communicated and relevant change management programmes to support transition have been developed and rolled out across European team
	Commercial	Roll out the *Vetoryl* defence plan and ensure the organisation is prepared for the launch of the first generic in 2023	Pet owner portal and engagement plan implemented
	People	Support the One Dechra organisation working closely with the SET in building a strong cohesive team	Significant work undertaken with DPM&S leadership team and management levels below to drive improved supply levels across all countries

ESG Measure

Director	Objective	Performance
Ian Page	Embed the Sustainability agenda within the organisational culture through the provision of resources and setting of clear, accountable and challenging measures	Continued to lead Executive sponsorship of the sustainability agenda and provide direction and resources to all parts of the Group. Holding functional Directors accountable for delivering measures
Paul Sandland	Act as Executive sponsor and execute the agreed Sustainability strategy	Established and submitted the carbon reduction targets in accordance with science based targets. Have continued to meet the TCFD reporting requirements
Tony Griffin	Work closely with the Sustainability Director to reduce the carbon footprint of the European business and in delivering the Group's science based goals for the 2023 financial year	All countries have local sustainability plans in place. Focus on the logistics centre in Uldum to reduce the number of shipments within EU

Directors' Remuneration Report

Long Term Incentive Plan

The LTIP awards granted on 22 September 2020 are due to vest on 12 October 2023. The performance targets for these awards are as follows: one third of the award is subject to a performance condition based on the Company's total shareholder return (TSR) performance 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

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

Diluted EPS compound annual growth rate (CAGR)	Vesting Percentage
<8% CAGR	0%
8% CAGR	25% of the EPS portion will vest
CAGR between 8% and 16%	Pro rata vesting between 25% and 100%
>16% 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 underpin. 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 Company's TSR performance was 32.4% compared with a 16.1% TSR for the median company and 62.7% TSR for the upper quartile company in the comparator group (FTSE 250 Index (excluding investment trusts)). Therefore, 50.4% of the TSR element will vest. As we explained in previous Directors' Remuneration Reports, having regard to the impact of the Akston licensing agreement and in order to measure performance on a fair and consistent basis, the Committee has adjusted, for the purposes of this LTIP grant, the underlying diluted EPS for the base year (financial year 2020) and for financial year 2023 to take into account the actual Akston R&D costs recognising that these are lumpy and uncertain as to timing between financial years. For the purpose of this LTIP grant, this adjustment changes the 2020 underlying diluted EPS from 92.19 pence to 93.83 pence and the 2023 underlying diluted EPS from 94.57 pence to 104.17 pence resulting in CAGR of 3.5% such that 0% of the EPS element will vest. Overall, taking into account that ROCE performance for 2023 was 15.3%, the LTIP awards will vest as to 16.8% of the maximum opportunity.

The Committee considered that the level of vesting reflected the underlying performance of the Group over the period.

In the single figure table on page 152, 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 £34.9997 (being the average market value of a share over the last quarter of the Company's financial year ended on 30 June 2023).

The September 2020 awards were granted when the value of a share was £32.37 (being the three day average middle market quotation preceding the grant). The following table shows the amount of the award attributable to share price appreciation from that value to £34.9997 (being the average market value of a share over the last quarter of the Company's financial year ended on 30 June 2023).

Executive Director	Number of shares in respect of which the Award was granted	Number of shares in respect of which the Award is expected to vest	Amount of award attributable to share price at grant £000	Amount attributable to share price appreciation £000	Total award £000
Ian Page	32,128	5,397	£174,700.89	£14,192.49	£188,893.38
Paul Sandland	13,901	2,335	£75,583.95	£6,140.35	£81,724.30
Tony Griffin	10,303	1,730	£56,000.10	£4,549.38	£60,549.48

Each award is subject to a two year post vesting holding period. Other than shares sold to satisfy tax liabilities arising in connection with the acquisition of shares or to fund the exercise price of the tax qualifying option, no shares acquired may be sold before the second anniversary of vesting. The Company has measures in place to prevent the shares from being sold or transferred during the holding period. During the holding period, the Executive Directors, as beneficial owners of the shares, will be entitled to any dividend payments and will be able to vote at any general meeting of the Company.

SAYE
No options were exercised under the SAYE Scheme by Executive Directors during the year.

Pension
Ian Page and Paul Sandland were members of the Dechra Pharmaceuticals PLC Group Stakeholder personal pension scheme throughout the year. Ian Page elected to receive his entire pension contributions as a salary supplement and both Ian Page and Paul Sandland received a contribution of 8% of base salary. The wider UK workforce are eligible for employer pension contributions of between 8% (increased from 6%) and 12% of base salary dependent on length of service and/or grade.

Tony Griffin received an employer's contribution of 7.7% of salary into the Netherlands pension scheme in line with the wider Dutch workforce.

Non-Executive Directors' Remuneration

Single Total Figure of Remuneration (Audited)
The table below sets out the total remuneration for each person who has served as a Non-Executive Director in the year ended 30 June 2023. The Chair and the other Non-Executive Directors are paid a fee for their role. The table shows the remuneration for each such person in respect of the year ended 30 June 2023 and, where relevant, the year ended 30 June 2022:

		Base fee £000		Additional fee £000		Benefits‡ £000		Total £000	
	Additional responsibilities	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Alison Platt	Chair and Nomination Committee Chair (from 1 January 2022)	**203**	129	**–**	–	**4**	3	**207**	132
Ishbel Macpherson†	Senior Independent Director (to 28 February 2022) and Remuneration Committee Chair (to 1 March 2023)	**58**	58	**10**	22	**1**	3	**69**	83
Julian Heslop^π^	Audit Committee Chair until 5 September 2022 (apart from between the period 22 October to 1 December 2021)	**10**	58	**3**	14	**2**	2	**15**	74
Lawson Macartney	Senior Independent Director (from 1 March 2022)	**60**	58	**10**	3	**37**	17	**107**	78
Lisa Bright	Employee Engagement Designated Non-Executive Director	**60**	58	**10**	10	**2**	4	**72**	72
John Shipsey	Audit Committee Chair from 5 September 2022	**60**	5	**12**	–	**1**	–	**73**	5
Geeta Gopalan*	Remuneration Committee Chair from 1 March 2023	**30**	–	**5**	–	**1**	–	**36**	–
Total		**481**	366	**50**	49	**48**	29	**579**	444

π Julian Heslop retired on 5 September 2022.
† Ishbel Macpherson retired on 22 June 2023.
* Geeta Gopalan was appointed on 1 January 2023.
‡ Benefits relate to PAYE Settlement Agreement amounts on travel and expenses reimbursed from attending Board Meetings. Lawson Macartney benefits includes his flights to and from the USA and UK. He attended more meetings face to face in the 2023 financial year compared to the 2022 financial year.

The Non-Executives are not eligible to participate in any of the Company's share schemes, incentive schemes or pension schemes.

Directors' Remuneration Report

The Committee's approach to the Chair's fee in the financial year is explained in the Committee Chair's letter on pages 132 to 136. As explained in the letter, at the same time as the Committee considered the Executive Directors' salaries and the Chair's fee, fees for the other Non-Executive Directors were reviewed by the Board. The Chair's and other Non-Executive Directors' fees applying with effect from 1 January 2023 are as follows:

Office	Fee with effect from 1 January 2023	Previous fee
Chair	**206**	200
Non-Executive Director	**60**	58
Chair of the Audit Committee	**15**	15
Chair of the Remuneration Committee	**15**	15
Senior Independent Director	**10**	10
Designated Non-Executive Director for Employee Engagement	**10**	10

The Committee's approach to the Chair's and Non-Executive Directors' fees for the year ending 30 June 2024 is summarised in the Committee Chair's letter on page 135.

Further Information on Directors' Remuneration

Long Term Incentive Arrangement and Share Scheme awards during the financial year

Long Term Incentive Awards (Audited)

Awards were made under the Dechra 2017 Long Term Incentive Plan on 9 September 2022, as set out in the table below.

	Type of award	Maximum opportunity	Number of shares	Face value at grant*	% of award vesting at threshold	Performance Period
Ian Page	Nil cost option under the LTIP	200% of salary	38,261	£1,223,969	25%	1 July 2022 – 30 June 2025
Paul Sandland†	Nil cost option under the LTIP	150% of salary	18,990	£607,490	25%	1 July 2022 – 30 June 2025
Tony Griffin	Conditional award under the LTIP	100% of salary	10,429	£333,624	25%	1 July 2022 – 30 June 2025

* Based on a share price of £31.99 being the three day average middle market quotation preceding the grant.

† Paul Sandland has also been granted a tax qualifying option over 431 shares at an exercise price of £31.99 as part of his LTIP award. This tax qualifying option is linked to the nil cost option such that, at the time of exercise, to the extent that there is a gain in the tax qualifying option, the nil cost option will be forfeited to the value of that gain, to ensure that the pre-tax value of the LTIP award is not increased by the grant of the tax qualifying option.

One third 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) 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

Two thirds 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 noted in the letter from the Remuneration Committee Chair in the 2019 Directors' Remuneration Report, the underlying EPS for the final year of the performance period (the financial year to 30 June 2024) will be adjusted to exclude actual R&D costs associated with the Akston development, recognising that these are lumpy and uncertain as to timing between financial years.

EPS compound annual growth rate (CAGR)	Vesting Percentage
<8% CAGR	0%
8% CAGR	25% of the EPS portion will vest
CAGR between 8% and 15%	Pro rata vesting between 25% and 100%
>15% CAGR	100% of the EPS portion will vest

Both the TSR element and the EPS element are subject to an additional ROCE performance underpin. 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 awards are subject to a two year post vesting holding period. Other than shares sold to satisfy tax liabilities arising in connection with the acquisition of shares or to fund the exercise price of the tax qualifying options, no shares acquired may be sold before the second anniversary of vesting.

Deferred Bonus Plan Awards (Audited)

Awards were made under the Dechra 2021 Deferred Bonus Plan on 20 September 2022 in respect of bonuses earned for the year ended 30 June 2022 as set out in the table below.

	Type of award	Basis of award	Number of shares	Face value at grant*	Deferral period
Ian Page	Nil cost option under the DBP	20% of the bonus earned	3,580	£109,870	Two years
Paul Sandland	Nil cost option under the DBP	20% of the bonus earned	2,293	£70,372	Two years
Tony Griffin	Conditional awards under the DBP	20% of the bonus earned	1,655	£50,792	Two years

* Based on a share price of £30.69, being the three day average middle market quotation preceding the grant

SAYE (Audited)

No SAYE options were granted to Executive Directors during the year ended 30 June 2023.

Payments to Past Directors (Audited)

There were no payments to past Directors during the period.

Payments for Loss of Office (Audited)

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

Dilution Limits

Awards granted under the Company's LTIP, Executive Share Option Schemes and SAYE Schemes are met by the issue of new shares when the awards/options are exercised. The Committee monitors the number of shares issued under each of these schemes and their impact on dilution limits. The Company's usage of shares compared to the Investment Association dilution limits as at 30 June 2023 is as follows:

Executive Share Plans	All Share Plans
Limit: 5%	Limit: 10%
Usage: 2.0%	Usage: 2.58%

Shareholdings (Audited)

Executive Directors

In respect of the financial year ended 30 June 2023, the Company's shareholding guidelines required Executive Directors to have acquired and retained 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 which are vested, but which remain subject to a holding period and/or clawback, and deferred bonus scheme shares may count towards the holding requirement on a net of assumed tax basis. The holdings of each person who served as an Executive Director during the period ended 30 June 2022 and their families as at 30 June 2023 are as follows:

Name	Appointment date	Ordinary shares Number	Ordinary shares £000*	% of salary
Ian Page	13 June 1997	404,535	14,911	2,365
Paul Sandland	30 October 2019	11,714	432	104
Tony Griffin	1 November 2012	37,049	1,366	402

* Calculated using the share price as at 30 June 2023 and the base salaries as at 30 June 2023.

Shareholding Requirement After Employment

The post-employment shareholding requirement that is proposed be included in the new Directors' Remuneration Policy for which approval is proposed to be sought at the 2023 Annual General Meeting (to the extent the same is being held) is set out in that Policy.

Directors' Remuneration Report

Executive Directors' Total Interest under Shares Schemes (Audited)

Awards held under the Long Term Incentive Plan for each person who was a Director during the year ended 30 June 2023 are as follows:

	Award date	Type of award	Option price for market value options (£)	Number of shares as at 1 July 2022	Granted	Lapsed	Exercised	Number as at 30 June 2023	Status	Performance Period
Ian Page	06-Sep-19	LTIP	N/A	35,087	–	12,106	22,981	–	Vested and exercised in the year	2019–2022
	22-Sep-20	LTIP	N/A	32,128	–	–	–	32,128	Unvested[1,2]	2020–2023
	19-Sep-21	LTIP	N/A	23,727	–	–	–	23,727	Unvested	2021–2024
	09-Sep-22	LTIP	N/A	–	38,261	–	–	38,261	Unvested	2022–2025
Tony Griffin	06-Sep-19	LTIP	N/A	10,984	–	3,790	7,194	–	Vested and exercised in the year	2019–2022
	22-Sep-20	LTIP	N/A	10,303	–	–	–	10,303	Unvested[1]	2020–2023
	19-Sep-21	LTIP	N/A	6,508	–	–	–	6,508	Unvested	2021–2022
	09-Sep-22	LTIP	N/A	–	10,429	–	–	10,429	Unvested	2021–2024
Paul Sandland	06-Sep-19	LTIP	N/A	6,106	–	3,999	2,107	–	Vested and exercised in the year	2019–2022
	22-Sep-20	LTIP	N/A	13,901	–	–	-	13,901	Unvested[1]	2020–2023
	19-Sep-21	LTIP	N/A	11,000	–	–	–	11,000	Unvested[3]	2021–2024
	09-Sep-22	LTIP	N/A	–	18,990	–	–	18,990	Unvested[4]	2022–2025

1 Will vest on 12 October 2023 as to 16.8%.

2 Ian Page was granted a tax qualifying option over 926 shares at an exercise price of £32.37 as part of his LTIP award. This tax qualifying option is linked to the nil cost option such that, at the time of exercise, to the extent there is a gain in the tax qualifying option, the nil cost option will be forfeited to the value of that gain.

3 Paul Sandland was granted a tax qualifying option over 330 shares at an exercise price of £49.09 as part of his LTIP award. This tax qualifying option is linked to the nil cost option such that, at the time of exercise, to the extent there is a gain in the tax qualifying option, the nil cost option will be forfeited to the value of that gain. Ian Page decided to waive his right to the tax qualifying option.

4 Paul Sandland was granted a tax qualifying option over 431 shares at an exercise price of £31.99 as part of his LTIP award. This tax qualifying option is linked to the nil cost option such that, at the time of exercise, to the extent there is a gain in the tax qualifying option, the nil cost option will be forfeited to the value of that gain. Ian Page decided to waive his right to the tax qualifying option.

The aggregate gain made by the Executive Directors on share options and LTIP awards exercised during 2023 was £950,311 (2022: £2,491,641).

Non-Executive Directors (Audited)

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 2023 are as follows:

Name	Appointment date	Ordinary shares number	Ordinary shares £000*	% of base fee
Alison Platt	1 March 2020	3,709	137	66
Ishbel Macpherson†	1 February 2013	6,722	248	410
Julian Heslop‡	1 January 2013	6,000	221	367
Lawson Macartney	1 December 2016	5,880	217	358
Lisa Bright	1 February 2019	1,373	51	84
John Shipsey	1 June 2022	600	22	37
Geeta Gopalan	1 January 2023	-	-	-

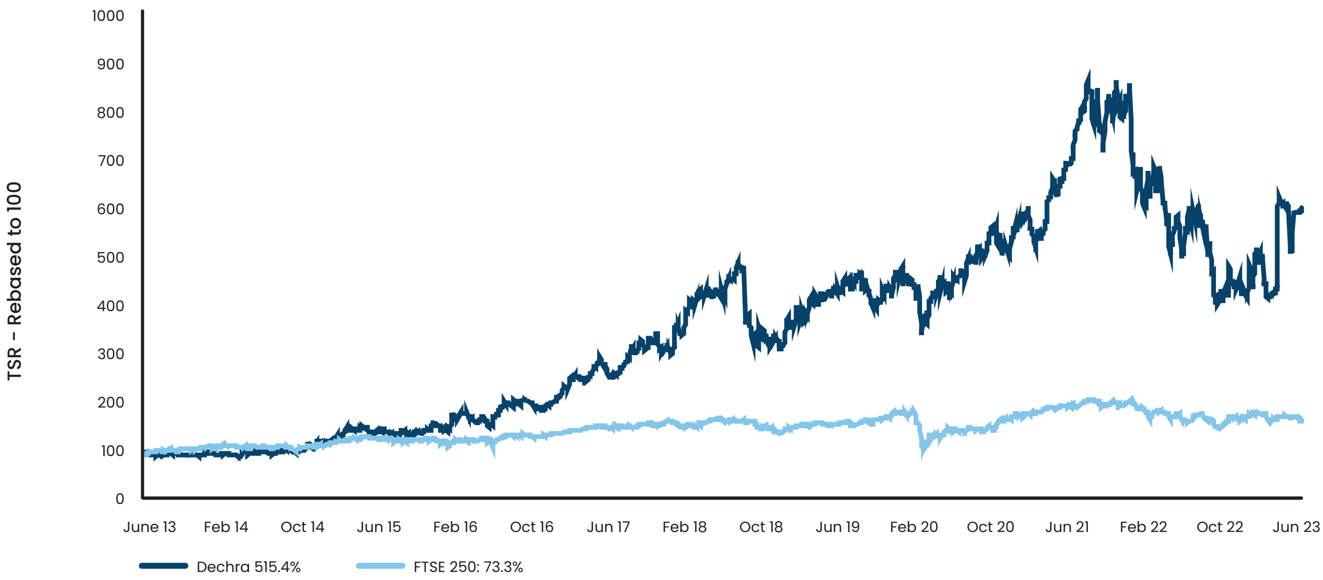
* Calculated using the share price as at 30 June 2023 and the fees as at 30 June 2023.
† Retired on 22 June 2023.
‡ Retired on 5 September 2022.

There have been no changes in the holdings of the Company's Directors between 30 June and 12 October 2023.

Performance and Chief Executive Remuneration

TSR

This graph shows the TSR performance of the Company over the past ten financial years compared with the TSR over the same period for the FTSE 250 Total Return Index. For the majority of the period, the Company was a constituent of the FTSE 250 and for this reason it is considered that the TSR performance of the FTSE 250 Index is the appropriate comparator for this report.



Directors' Remuneration Report

Chief Executive Officer Remuneration for Ten Previous Years

Year ended	Total single figure remuneration £000	Annual bonus payout (% of maximum opportunity)	LTIP vesting (% of maximum number of shares)
30 June 2023	1,037	13.3	16.8
30 June 2022	1,931	73.6	65.5
30 June 2021	2,995	100	73.8
30 June 2020	1,763	28	73.7
30 June 2019	3,035	72	100.0
30 June 2018	3,058	76	100.0
30 June 2017	3,420	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

Annual Percentage Change in Remuneration of Directors and Employees

The table below shows the annual percentage change in each Director's salary/fees, benefits and bonus between the year ended 30 June 2022 and the year ended 30 June 2023, and the average percentage change in the same remuneration over the same period in respect of the employees of the Company on a full time equivalent basis.

The average employee change has been calculated by reference to the average of the percentage change in each of salary, benefits and bonus for every employee of the listed parent company except that anyone who joined or left the business part way through the year has been excluded from the calculations. Julian Heslop retired from the Board during the year ended 30 June 2023 and Geeta Gopalan was appointed during that year. Accordingly, each has been excluded from the table below. Information in relation to the changes between 2022 and 2023 is noted below the table. Information in relation to the changes between other years is included in the relevant Directors' Remuneration Reports.

		Average employee	Ian Page	Paul Sandland	Tony Griffin	Alison Platt[2]	Ishbel Macpherson[3]	Lawson Macartney	Lisa Bright	John Shipsey
Salary/ fees	**2022– 2023**	**7.3%**	**4.0%**	**7.3%**	**3.0%**	**57.4%**	**(12.9%)**	**14.8%**	**2.9%**	**2.9%**
	2021– 2022	6.4%	8.3%	16.1%	3.0%	138.9%	8.1%	13.0%	9.7%	N/A
	2020– 2021	32.8%	6.6%	10.0%	(0.9%)	3.8%	10.4%	3.8%	8.8%	N/A
	2019– 2020	(11.8%)	4.0%	N/A	6.8%	N/A	6.3%	4.0%	14.0%	N/A
Taxable benefits[1]	**2022– 2023**	**(14.3%)**	**(18.5%)**	**0%**	**1.3%**	**33.3%**	**(66.7%)**	**117.6%**	**(50.0%)**	**100%**
	2021– 2022	(2.1%)	(4.4%)	6.5%	1.2%	100%	100%	100%	100%	N/A
	2020– 2021	(7.3%)	6.3%	20.8%	2.3%	N/A	N/A	N/A	N/A	N/A
	2019– 2020	16.3%	(1.7%)	N/A	(10.0%)	N/A	N/A	N/A	N/A	N/A
Annual bonus[3]	**2022– 2023**	**(79.7%)**	**(77.4%)**	**(76.6%)**	**(72.2%)**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
	2021– 2022	(4.8%)	(0.4%)	6.4%	(9.6%)	N/A	N/A	N/A	N/A	N/A
	2020– 2021	137.3%	280.0%	292.9%	194.6%	N/A	N/A	N/A	N/A	N/A
	2019– 2020	(47.4%)	(59.7%)	N/A	(58.7%)	N/A	N/A	N/A	N/A	N/A

1 Excludes SAYE options granted during any relevant year.

2 Alison Platt was appointed Chair in January 2022. The increase shown is the increase between her fee as Chair with effect from 1 January 2022 and her fee as Chair with effect from 1 January 2023.

3 Ishbel Macpherson retired from the board with effect from 22 June 2023. Her remuneration for 2023 is annualised for the purposes of calculating the percentage change between 2022 and 2023. Her fee was reduced in March 2023 when she stepped down as Remuneration Committee Chair and in March 2022 when she stepped down as Senior Independent Director.

4 No benefits were provided to Non-Executive Directors prior to 2022. Therefore, the change in benefits between 2022 and 2021 is not considered a meaningful disclosure.

The increase in the average employee's salary between the 2020 financial year and the 2021 financial year reflects the changes following the business wide review of remuneration, which were effective from 1 January 2021.

Chief Executive Officer's Pay Ratio

The table below shows the ratio of the Chief Executive Officer's remuneration for years since 2019 using the Single Total Figure as disclosed on page 163 to the full time equivalent remuneration of the UK employee whose remuneration was ranked at the 25th percentile, median and 75th percentile. Employees' pay was calculated on the same basis as the Single Total Figure Remuneration except that anyone who joined or left the business part way through the year has been excluded from the calculations along with anybody on reduced pay for illness, maternity, paternity, adoption or shared parental leave. The Company believes that the ratio is consistent with the Company's wider policies on employee pay, reward and progression.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	**Option A**[1]	**35:1**	**25:1**	**13:1**
2022	Option A[1]	73:1	54:1	28:1
2021	Option A[1]	121:1	87:1	44:1
2020	Option A[1]	75:1	58:1	31:1
2019	Option A[1]	139:1	107:1	56:1

1. The applicable regulations provide for three methods of calculating the pay ratio. We have chosen Option A and have calculated the pay and benefits of all of the Group's UK employees in order to identify the employees at the 25th, median and 75th percentile. We have chosen this approach reflecting that guidance recognises this as the most statistically accurate method. In each year, the employees at the 25th, median and 75th percentile were identified by reference to remuneration at 30 June that year.

	2023[1] **Total pay and benefits (salary) £000**	2022 Total pay and benefits (salary) £000
Chief Executive Officer	**1,037** **(621)**	1,931 (597)
25th percentile employee	**30** **(28)**	26 (25)
Median employee	**41** **(38)**	36 (34)
75th percentile employee	**80** **(53)**	69 (47)

1. The 2023 figure includes share options and awards, which have been valued by reference to £34.9997 (being the average market value of a share over the last quarter of the Company's financial year ended 30 June 2023). SAYE options granted in 2022 and 2023 financial years have also been included in the benefits column in respect of any year in which there was a grant. These have been valued using the fair value as per note 26 to the Group's financial statements.

In 2023, there were a total of 572 UK employees (2022: 556 UK employees), 186 of whom have been excluded for the above stated reasons (2022: 239), leaving 386 employees within the 'full pay relevant' data set (2022: 317) for comparison against the Chief Executive Officer. We believe that the final figures detailed above are representative of the majority of the data set.

The ratio of Chief Executive Officer's total remuneration to that of employees has reduced as a result of the increase in the employers contribution to the UK Company Pension Scheme to 8% of base pay for all UK employees who are members of the pension scheme. Furthermore, we adopted a tiered approach to base salary increases with the lower paid members of the workforce receiving higher increases which were weighted taking into account specific country inflation. The average increase across the Group was 6.6%. In the UK, all employees earning a base salary of less than £45,000 received a minimum increase of 7%. Against this background, the Chief Executive Officer's salary was increased by 3% with effect from 1 January 2023. In addition, the Chief Executive Officer's annual bonus at 20% of base salary was lower than that in 2022 (92%) as was the value and percentage vesting of his LTIP in the year at 16.8% as opposed to 65.5% in 2022.

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 2022 and the year ended 30 June 2023.

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000	% change
Distributions to shareholders by way of dividend and share buyback	**51,700**	44,800	15.4%
Overall expenditure on pay	**163,800**	131,600	24.4%

Directors' Remuneration Report

Implementation of the Directors' Remuneration Policy in the Year Ending 30 June 2024

As noted in the letter from the Remuneration Committee Chair, the Proposed Acquisition impacts our approach to remuneration in respect of the 2024 financial year. Subject to the completion of the transaction and to the approval at the 2023 Annual General Meeting (to the extent it is being held), the Directors' Remuneration Policy outlined on pages 141 to 151 will be implemented in the year ending 30 June 2024, as set out below.

Salary and Fees

The approach to Executive Directors' salaries and to the fees for the Chair and Non-Executive Directors is described in the letter from the Remuneration Committee Chair.

Annual Bonus

As noted in the letter from the Remuneration Committee Chair, notwithstanding the additional flexibility in the new Policy, bonuses for the 2024 financial year will continue for:

- the Chief Executive Officer and Chief Financial Officer at 150% of salary, with a bonus deferral requiring that 33% of any bonus earned (and not just any additional bonus earned) is deferred into Dechra shares for two years; and
- Tony Griffin at 125% of salary with a bonus deferral of 20%.

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.

LTIP

Due to the Proposed Acquisition the Committee will not be granting any awards for the year ending 30 June 2024. Should the acquisition not complete then the Committee will consider whether to grant awards for the year ending 30 June 2024 later in the year, with information on performance conditions and targets disclosed at the time of grant.

Consideration by the Directors of Matters relating to Directors' Remuneration

Purpose

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 Senior Executive Team and of agreeing the Chair's fee level has been delegated to the Committee. The Committee exercises independent judgement and discretion when authorising remuneration outcomes.

Membership, Meetings and Attendance

The Committee comprises of the Non-Executive Directors. Geeta Gopalan was appointed as Committee Chair on 1 March 2023, succeeding Ishbel Macpherson. Geeta had previously served as a Chair of a Remuneration Committee for over 12 months prior to her appointment. Details of each member's attendance at the Committee's meetings is detailed on pages 93 to 95. The Chief Executive Officer and Group HR Director both attended all meetings held during the financial year in order to assist on matters concerning remuneration of other senior executives within the Group. However, neither was present during the part of the meetings where their own remuneration was discussed.

Effectiveness of Committee

The Committee's performance was evaluated as part of the 2023 Board and Committee Internal Evaluation (further details of which can be found on page 121 of the Governance Report). The Committee considered the results of the evaluation and it was agreed that the Committee functions well with a clear remit and good support from executives and advisers.

Responsibilities

The Committee has its own terms of reference, which are approved by the Board. These are reviewed on an annual basis so that they continue to adhere to best practice. During the 2023 financial year, this review took place at the June 2023 meeting and only minor changes were made. Copies can be obtained via the Company website at www.dechra.com. The Committee Chair 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 pages 109 and 132.

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, which were charged on a time and materials basis, were £38,200 for the year ended 30 June 2023. The Committee considers the advice to be objective and independent, and assesses from time to time whether this appointment remains appropriate or should be put out to tender; in doing so, it takes into account the Remuneration Consultants Group Code of Conduct. Deloitte was appointed by the Committee following a competitive process and has provided share scheme advice and general remuneration advice to the Company.

During the year, Deloitte also performed tax advisory work for Dechra.

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. No Executive Director currently holds external appointments.

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 at the Company's Annual General Meeting on 20 October 2022 and the binding vote on the Remuneration Policy at the Company's Annual General Meeting on 27 October 2020:

Resolution	Votes for	% of vote	Votes against	% of vote	Votes withheld
To approve Remuneration Report	79,297,256	95.31	3,901,808	4.69	3,933
To approve Remuneration Policy	74,112,644	90.81	7,501,119	9.19	6,768

Geeta Gopalan
Remuneration Committee Chair
12 October 2023