Directors' Remuneration Report

Letter from the Remuneration Committee Chair

6

Remuneration Committee Meetings Held

Areas of Focus This Year

- Review of compensation across the Group, including the Executive Directors
- Review of Chair's fee
- Executive Director and Senior Executive Team (SET) Performance Objectives, including ESG targets

Key Responsibilities

- To determine the remuneration, bonuses, long term incentive arrangements, contract terms and other benefits in respect of the Executive Directors, the Chair and SET
- To oversee any major changes in employee benefit structures
- To approve the design of any employee share scheme
- To oversee workforce pay policies

Read more about our Committee Membership and Attendance on page 87

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the year ended 30 June 2022. Following this letter we have set out the following additional information:

- Our Pay Principles, which we adopted in 2020, together with a summary of the market reference points considered by the Committee and our approach to wider workforce remuneration.
- Remuneration Philosophy: The link between our Directors' Remuneration Policy and our Strategy.
- Governance: How our Remuneration Policy is aligned with the requirements of the UK Corporate Governance Code.
- Remuneration at a glance: Summary of Executive Directors' Total Remuneration for the 2021 and 2022 financial years.

There then follows the two principal sections of the Remuneration Report: the Annual Report on Remuneration and an abbreviated form of the Directors' Remuneration Policy (the Policy) (the full version can be found at www.dechra.com). The Annual Report on Remuneration provides details of the amounts earned in respect of the 2022 financial year and how the Policy will be implemented in the 2023 financial year.

The Directors' Remuneration Report (excluding the Policy) will be subject to an advisory vote at the 2022 Annual General Meeting.

Our Directors' Remuneration Policy

The Policy was approved by shareholders at the Annual General Meeting on 27 October 2020, with 90.81% of all votes cast in favour, and will remain in force until 2023. We review the application of this Policy regularly, with a view to it remaining appropriate, linked to strategy and reflective of developing market practices. No changes to the Policy are proposed for the forthcoming year.

Further details on how the Policy was implemented during the 2022 financial year and our approach to the implementation of the Policy in the 2023 financial year, including our approach to performance measures for the annual bonus and LTIP awards, are described later in this letter.

Directors’ Remuneration Report

Remuneration Committee Decisions in 2022

Our 2022 financial year has been another one of success for Dechra, with continued strong progress and a move into the FTSE100. On remuneration, our aim is to always consider the wider workforce, our shareholders and other stakeholders by taking a fair, prudent and balanced approach. The table below summarises the implementation of the Policy for Executive Directors in respect of the 2022 financial year.

Element	Implementation
Salary	As discussed with shareholders during our consultation process last year, Ian Page’s salary was increased to £612,000 and Paul Sandland’s to £405,000. The increases were effective from 1 January 2022. The 2022 base salary increase for Ian Page and Paul Sandland moved their base to around 90% of the market median of companies ranked 51 to 150 in the FTSE 350 and companies with a market capitalisation of £2.5 billion to £4.5 billion (based on 12 month average market capitalisation to 31 December of 2020). Tony Griffin’s salary was increased by 3% to €385,043, which was broadly in line with the average range of increases awarded to employees throughout the Group.
Retirement Benefit	Company pension contribution/cash in lieu of pension of 8% of salary for Ian Page and 6% of salary for Paul Sandland. Tony Griffin received an employer’s contribution of 7.7% of salary into the Netherlands pension scheme. In line with the commitment made in our 2020 Remuneration Report, the employer pension contribution rate for our UK employees was increased to 8% from 1 July 2022.
Annual Bonus	Maximum opportunity for the 2022 financial year of 125% of base salary. The bonus for the 2022 financial year was based on underlying profit before tax (as regards up to 110% of salary), personal objectives (up to 10% of salary) and ESG measures (up to 5% of salary). We have delivered underlying profit before tax during the year of £170.0 million, an improvement of 15.5% at constant exchange rates (13.3% at actual exchange rates) on the prior year. Reflecting the performance of the Group in relation to profit targets and the performance of Executive Directors against personal objectives and ESG measures as described on pages 134 to 136, bonuses for the year equal to 92.0% of salary have been earned by Ian Page and Paul Sandland. The profit element of Tony Griffin’s bonus is calculated by reference to the underlying operating profit of Dechra Veterinary Products EU (up to 55% of salary) and Group underlying profit before tax (up to 55% of salary). His bonus earned for the year is 76.5% of salary, which reflects the financial performance and the satisfaction of his personal objectives and ESG measures. The Committee considers the level of payout is reflective of the overall performance of the Group in the year and is appropriate. The bonus is subject to a bonus deferral, requiring that 20% of any bonus earned is deferred into Dechra shares for two years. The annual bonus is subject to malus and clawback provisions.
Long Term Incentive Plan	Awards of 200% of base salary for Ian Page, 150% of base salary for Paul Sandland and 100% of base salary for Tony Griffin were granted in September 2021. All of these awards are subject to a two year post vesting holding period. LTIP awards granted on 6 September 2019 are scheduled to vest on 5 September 2022: • as to 96% of the TSR element (one third of the total award) reflecting just under upper quartile performance; and • as to 50.3% of the underlying diluted EPS element (two thirds of the total award) reflecting that the compound annual growth in the underlying diluted EPS at 11.0%, whilst strong, was below the maximum threshold of 17% (with the assessment of underlying EPS taking into account the Akston licensing agreement, as referred to below). In aggregate, taking into account the ROCE underpin (reflecting that the ROCE at 19.5% had not fallen below 10.0%), the LTIP awards will vest as to 65.5%. The Committee considers the level of payout is reflective of the overall performance of the Group over the three year performance period ended 30 June 2022 and is appropriate. See page 139 for further details. Awards made under the LTIP are subject to malus and clawback provisions.

Chair's Fee

In last year’s Remuneration Report we reported that we decided to increase the Chair’s fee in two stages, with an increase to £159,000 (which included the fee for being Chair of the Nomination Committee, £5,000) from 1 January 2021 and to £188,000 from 1 January 2022.

As part of the Shareholder Consultation on Remuneration, which was undertaken between February and July 2021, we highlighted that we would revisit the appropriate fee level in the event of Dechra becoming a constituent of the FTSE 100, or in the event of a change of Chair. On the appointment of Alison Platt as Chair in January 2022 the Chair’s fee was set at £200,000. This positions the Chair fee below lower quartile compared to the FTSE 30–100 and around lower quartile of the FTSE 100–150. As at 1 July 2022, Dechra was ranked 95 in the FTSE 100.

Performance Conditions for LTIP Awards

As detailed in the Directors' Remuneration Report last year, the impact of the Akston licensing agreement is relevant for the 2020 Grant (three year performance period to 30 June 2022) and 2021 Grant (three year performance period to 30 June 2023). In order to measure performance on a fair and consistent basis, the Committee has adjusted the final year underlying EPS for the 2020 Grant to reflect the actual Akston R&D costs incurred at the vesting date. This adjustment recognises that these R&D costs were not included in the base year of the performance period and maintains the overall level of stretch in the targets so the targets are not less difficult to satisfy. For the 2022 Grant (three year performance period to 30 June 2024) and future years, the Committee is mindful that the base year will have some R&D actual costs from the Akston deal. Therefore, the actual Akston R&D costs will be adjusted for both the base year and the year of vesting to enable performance to be measured on a like-for-like basis as was agreed for the 2021 Grant. The Committee believes that this is the right approach as the payments for the development of Akston are lumpy and uncertain as to timing between financial years.

Forward Looking: Implementation of Policy for 2023 Financial Year

We will apply the Policy in the 2023 financial year as follows (more information is given on page 144):

- **Salary:** Executive Directors' salaries will continue to be reviewed in January. It is planned that any increases to Executive Directors' salaries will be in line with the range of any increases proposed for the wider workforce.
- **Pension:** From 1 July 2022 the employer pension contribution for the wider UK workforce (including Paul Sandland) was increased to 8%. This aligns the pension contribution to that of Ian Page (who may receive cash in lieu). Tony Griffin received an employer's contribution of 7.7% of salary, in line with the wider Dutch workforce.
- **Bonus:** Our Policy, approved by shareholders at the 2020 Annual General Meeting, allows for a maximum annual bonus opportunity of 150% of base salary. Taking into account the growth in the size and complexity of the Group since the Policy was approved, the maximum bonus opportunity for the 2023 financial year with respect to the Chief Executive Officer and the Chief Financial Officer will increase from 125% to 150% of salary. This positions the maximum bonus at lower quartile compared to the FTSE 30–100 for the Chief Executive Officer (around median for the Chief Financial Officer) and around median of the FTSE 100–150. The value of the total package continues to be modest against the market norm for a company of our size and complexity. The value of total package for our Chief Executive Officer and Chief Financial Officer continues to be positioned towards the lower quartile of the market.

  In line with our Policy for the Chief Executive Officer and the Chief Financial Officer, the level of bonus deferred into Dechra shares for two years will increase from 20% to 33% of any bonus earned (and not just any additional bonus earned). The increase in the level of deferral alongside the increase in the maximum bonus opportunity means that the amount of cash earned for any level of performance is not increased. The increase in the bonus opportunity is, therefore, delivered in deferred shares, which further enhances the alignment with shareholders. The bonus will be based on a mix of stretching underlying profit before tax targets (in respect of a bonus of up to 130% of salary), personal objectives (in respect of a bonus of up to 10% of salary) and an ESG measure (in respect of a bonus of up to 10% of salary).

  The bonus opportunity for Tony Griffin will remain at 125%. The level of bonus deferred into Dechra shares for two years will be 20% of any bonus earned (and not just any additional bonus earned). The bonus will be based on a mix of stretching underlying profit targets (in respect of a bonus of up to 105% of salary), personal objectives (in respect of a bonus of up to 10% of salary) and an ESG measure (in respect of a bonus of up to 10% of salary). For Tony Griffin, and consistent with the approach for the 2022 financial year, half of the opportunity based on underlying profit (i.e. up to 52.5% of salary) will be assessed by reference to the underlying operating profit of Dechra Veterinary Products EU, reflecting his responsibility for that part of our business, and the other half of the profit based opportunity by reference to Group underlying profit in line with the other Executive Directors, so that a significant part of the profit based opportunity is aligned with the shareholder experience in respect of overall Group performance.

  The Committee has also reviewed the level of stretch in the annual bonus targets to reassure itself that the higher maximum opportunity for the 2023 financial year will only be earned for delivery of appropriately stretching levels of performance.
- **LTIP:** No changes are proposed to the maximum LTIP opportunity for the 2023 financial year. Awards for the 2023 financial year will be granted at the level of 200% of salary for Ian Page, 150% of salary for Paul Sandland and 100% of salary for Tony Griffin.

  The Remuneration Committee is aware that, despite strong performance in line with expectations, the Company's share price is lower than the £49.09 share price used to determine the number of shares subject to the LTIP awards granted on 19 September 2021. It is intended that the LTIP awards for the 2023 financial year will be granted in the 42 days following the announcement of the Company full year results. The Committee will finalise the quantum of the grants at that time having regard to business and share price performance and market conditions at that time. Taking into account the fact that the current share price is higher than the share price used for the LTIP awards granted in 2020 and 2019 (£32.37 and £25.06 respectively) our current intention is that LTIP awards for the 2023 financial year will be granted in line with our standard approach (with the number of shares to be awarded based on the three day average middle market quotation preceding the grant).

  Any shares that vest will be subject to a two year holding period. The performance measures remain as per the grant of LTIP awards made on 19 September 2021, details of which can be found on page 139. The upper target for the underlying diluted EPS performance condition will be 15% CAGR. Taking account of internal forecasts of performance over the performance period including the impact of the recent acquisitions, the markets in which the Group operates, our long term growth ambitions and the expectations of the investment community of the Group's future potential performance, this upper target is considered to be a stretching and ambitious upper target, which requires significant out-performance. The strong performance delivered in the 2022 financial year, which is the base year for the 2023 LTIP grant, also adds to the stretch.

Directors' Remuneration Report

Chair and Non-Executive Directors

A review of the Chair and Non-Executive Directors' base and additional fees will also be undertaken in January 2023 along with the pay review process for the wider workforce.

Wider Workforce Remuneration and Employee Engagement

We recruit and promote people on the basis of their personal ability, contribution and potential. We are committed to promoting, supporting and maintaining a culture of fairness, respect and equal opportunity for all. We are also committed to fair employment practices and comply with national legal requirements regarding wages and working hours.

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 Group. The Company's SAYE scheme and Employee Stock Purchase Plan (ESPP) encourage share ownership by qualifying employees and enable them to share in value created for shareholders. In the 2022 financial year, we offered SAYE to 1,636 employees in 19 countries, and received a 38.57% take up. In the 2023 financial year, we propose to offer the SAYE to our employees in Brazil, so offering 270 additional employees the opportunity to acquire shares in Dechra.

Further details on our pay principles and workforce remuneration are set out on page 129.

As the Non-Executive Director designated under the 2018 Code for employee engagement, Lisa Bright engages directly with employees on a range of topics of interest to them. As discussed on page 101, workforce engagement activities during the 2022 financial year included seven discussions with cross function teams in the EU and US. These have provided an upward channel for views, comments and debate, as well as an opportunity to provide positive feedback on the Group's decision not to furlough employees during the pandemic. The Committee provided an update on the Remuneration Review, including the Executive Directors' remuneration increases, to the wider workforce via the OneDechra intranet.

Gender Pay

We are pleased to report that, as a result of our proactive management with regards to our gender pay gap in Dechra Limited (who employ 69.3% of our UK employees), the gap has reduced from 17.7% in 2017 to 2.8% in 2021. However, the latest decrease relates largely to the payment of COVID-19 bonuses to all site-based staff at the Skipton site during the pandemic and will rise again next year as this is not applicable on an ongoing basis.

Looking Ahead: Key Focus Areas for the Committee for 2023

During the course of the 2023 financial year, we will be reviewing our Policy to check that it continues to support our strategic priorities. The Committee is mindful of the need to attract and retain high calibre individuals in an increasingly competitive market and to remunerate executives fairly and responsibly. As part of this review, and alongside the development of our science based climate targets, we will also consider the extent to which we should enhance the focus on ESG targets in the reward framework. We will consult with our shareholders in advance of the next triennial shareholder vote on the policy at the 2023 Annual General Meeting.

I will also transfer Remuneration Committee responsibilities to a new Committee Chair during the course of the year.

In Conclusion

We greatly appreciate the feedback and the level of support we have received from shareholders regarding our approach to remuneration.

We remain committed to a responsible approach to executive pay, as I trust this Directors' Remuneration Report demonstrates. We believe that the Policy operated as intended and consider that the remuneration received by the Executive Directors in respect of the 2022 financial year was appropriate, taking into account Group performance, personal performance and the experience of shareholders and employees.

I trust that we will continue to receive your support at the Annual General Meeting later this year. Should you have any queries in relation to this report, please contact me or the Company Secretary.

Ishbel Macpherson
Remuneration Committee Chair
5 September 2022

Additional Remuneration Information

Information Dechra Pay Principles

Our pay principles adopted in the 2020 financial year and detailed below, support us in attracting, motivating and retaining the key talent required to support the sustainable improvement of animal health and welfare globally.

Fair Pay	Equal pay for work of equal value
Market Competitiveness	We aim to remain competitive on compensation in our different marketplaces, whilst maintaining internal integrity
Living Wage	We set a target to become a real Living Wage Employer* in the UK during the 2021 financial year. Living wages vary by country, but our aim does not. As we continue to grow in countries across the globe, we will implement elsewhere in the world**
Stake in the Company	We want to increase the number of employees who are able to hold a stake in the Company through employee share ownership
Reward for Contribution	In addition to base pay, we have a number of different local incentive schemes across the Group

* Defined in the UK by The Living Wage Foundation.

** Implemented early during the 2021 financial year.

Workforce Remuneration

	Executive Directors	Senior Executive Team	Wider Workforce
Base Salary	Increases considered in the context of business wide review of remuneration, focusing on the lowest paid in our organisation and the top 60 Senior Leaders.		We are accredited as a Living Wage Employer in the UK and have implemented the equivalent elsewhere in the world.
Pension	**Ian Page:** Reduced to 8% of base salary with effect from 1 July 2021. **Paul Sandland:** 8% of base salary with effect from 1 July 2022 in line with the increase in the employer pension contribution rate for the UK wider workforce. **Tony Griffin:** 7.7% of base salary pension contribution in line with the employer pension contribution for the wider Dutch workforce.	Between 8% and 12% of base salary dependent on length of service.	For the 2021 financial year: between 6% and 12% of base salary dependent on length of service and/or grade*. We increased our minimum employer pension contribution from 6% to 8% with effect from 1 July 2022 in the UK.
Bonus	125% of base salary for the 2022 financial year, 150% of base salary for the 2023 financial year for Ian Page and Paul Sandland and 125% for Tony Griffin. **Ian Page and Paul Sandland**: Targets for the 2023 financial year: personal (up to 10% of salary), ESG (up to 10% of salary) and financial (up to 130% of salary). **Tony Griffin**: Targets for the 2023 financial year: personal (up to 10% of salary), ESG (up to 10% of salary) and financial (up to 105% of salary).	Increased from 50% of salary to 75% of salary for 2022 financial year. Targets: from 1 July 2021 financial and personal. From 1 July 2022 financial, ESG and personal.	All senior managers and professionals. Max. 40% of base salary. Targets: financial and personal.
Long Term Incentive Plan	Max. 200% of base salary. Currently 200% of base salary for Ian Page, 150% of base salary for Paul Sandland and 100% of base salary for Tony Griffin. Three year performance period, two year holding period. Target: TSR (one third), underlying diluted EPS (two thirds) and ROCE underpin.	Max. 100% of base salary. Three year performance period. Target: TSR and underlying diluted EPS with a ROCE underpin.	All senior managers and professionals. Discretionary awards. Market value options, three year performance period. Target: EPS growth 12% above inflation.
Sharesave†	Up to £500 per month Three year savings period or two years for the Employee Stock Purchase Plan (US)		

* Data provided for UK only.

† Austria, Belgium, Canada, Croatia, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, UK and USA.

Directors' Remuneration Report

Remuneration Philosophy

The Link between our Directors' Remuneration Policy and our Strategy

The table below describes how certain remuneration elements are linked to our strategy.

Remuneration Element	Strategic Growth Driver and Enabler	Link to our Key Performance Indicators
Annual Bonus Our annual bonus incentivises the delivery of the long term strategy through the achievement of short term objectives. Up to 130% of salary can be earned based on a stretching profit target, which requires performance above budget and market expectations to trigger the payment of a maximum bonus. Up to 10% of salary can be earned based on the achievement of personal objectives, which reflect the priorities of the business, achievement of which is necessary to deliver the longer term strategy. Up to 10% of salary can be earned based on ESG measures.		**Sales Growth** Strong sales performance is required to maximise profit
Long Term Incentive Plan The LTIP is designed to reward the generation of long term value for shareholders. Performance measures reflect our long term objectives, including sustainable profit growth and the enhancement of shareholder value. Awards are based on growth in underlying diluted EPS and the delivery of shareholder returns. For the 2022 and 2023 financial year awards, the weightings are two thirds underlying diluted EPS and one third total shareholder return. The application of a ROCE underpin focuses Executives on using capital efficiently and appropriately to allow the business to capitalise on growth opportunities in new territories and markets, whilst maintaining returns. The post vesting holding period aligns management with the long term interests of shareholders and the delivery of sustained performance. The performance conditions for LTIP awards made in respect of the year ended 30 June 2022 and future years include discretion to override formulaic outcomes.		**Underlying Diluted EPS Growth** This is a key measure of our performance and the return we generate for our stakeholders **Return on Capital Employed** This measures how efficiently we use our capital to generate returns in the medium and long term **New Product Sales** This measure encourages innovation, growth and sustainability

Alignment of Policy with Code

In determining the Policy, the Committee took into account the principles of clarity, simplicity, risk, predictability, proportionality and alignment to culture, as set out in the Code.

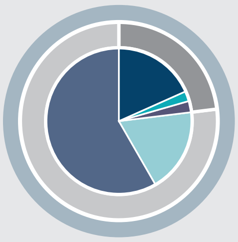
Principle	
Clarity: remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	Our remuneration arrangements are transparent and aligned with our Purpose, Values and Strategy and our disclosures are clear to both our shareholders and our employees. Performance targets are set in line with Group budgets and plans and reviewed and tested by the Committee.
Simplicity: remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	We believe that our remuneration structures are as simple as they practicably can be. We follow a standard UK market approach to remuneration with established variable incentive schemes that operate on a clear and consistent basis.
Risk: remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	• Both the annual bonus and LTIP are subject to malus and clawback provisions, and the Committee has discretion to override formulaic outcomes, which may not accurately reflect the underlying performance of the Group. • LTIP awards are subject to a two year post-vesting holding period, and any bonus opportunity in excess of 100% of salary requires deferral into shares also applies. Each of these factors provides longer term alignment with shareholders' interests. • The post-employment shareholding requirement means that alignment with shareholders' interests continues after an Executive Director has left Dechra.
Predictability: the range of possible values of rewards to individual directors and other limits or discretions should be identified and explained at the time of approving the policy.	The range of possible values of rewards and other limits or discretions can be found in the full Policy included in the 2020 Remuneration Report, and the Risk section above refers to limits and Committee discretion.
Proportionality: the link between individual awards, the delivery of strategy and the long term performance of the Company should be clear. Outcomes should not reward poor performance.	The variable elements of awards are linked to base salary. The performance targets 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 of the Company, so that poor performance cannot be rewarded. In determining the Policy, the Committee was clear that this should drive the right behaviours, reflect our Values and support the Company Purpose and Strategy. The Committee will review the remuneration framework regularly so that it continues to support our Strategy.
Alignment to Culture: incentive schemes should drive behaviours consistent with Company Purpose, Values and Strategy.	

Directors' Remuneration Report

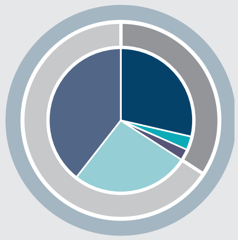
Executive Director Total Remuneration

Ian Page

2021



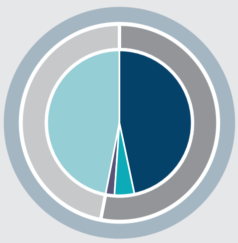
2022



		2021	2022
	Fixed		
	Salary	18.4%	**28.8%**
	Benefits	2.3%	**3.1%**
	Pension	2.6%	**2.3%**
	Performance-linked		
	Bonus	18.4%	**26.5%**
	LTIP	58.3%	**39.3%**

Paul Sandland

2021

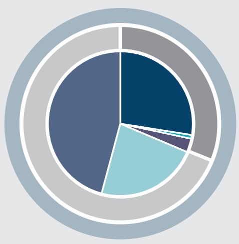


2022

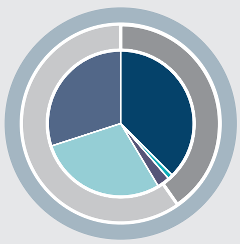
		2021	2022
	Fixed		
	Salary	46.9%	**41.1%**
	Benefits	4.4%	**3.5%**
	Pension	1.8%	**2.5%**
	Performance-linked		
	Bonus	46.9%	**37.7%**
	LTIP	N/A	**15.2%**

Tony Griffin

2021



2022



		2021	2022
	Fixed		
	Salary	27.5%	**37.7%**
	Benefits	0.8%	**1.0%**
	Pension	3.0%	**2.9%**
	Performance-linked		
	Bonus	22.8%	**28.6%**
	LTIP	45.9%	**29.8%**

2022 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, along with details of how the Policy will be applied in the 2023 financial year. The sections of the 2022 Annual Report on Remuneration that are audited by PricewaterhouseCoopers LLP (PwC) are indicated on pages 133 to 141.

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 2022. The table shows the remuneration for each such person in respect of the year ended 30 June 2022 and in respect of the year ended 30 June 2021:

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	**2022**	**597**	**65**	**549**	**814**	**48**	**2,073**	**710**	**1,363**
	2021	551	68	551	1,748	77	2,995	696	2,299
Paul Sandland	**2022**	**383**	**33**	**351**	**142**	**23**	**932**	**439**	**493**
	2021	330	31	330	N/A	13	704	374	330
Tony Griffin	**2022**	**322**	**9**	**245**	**255**	**25**	**856**	**356**	**500**
	2021	327	9	271	547	36	1,190	372	818
Total 2022	**2022**	**1,302**	**107**	**1,145**	**1,211**	**96**	**3,861**	**1,505**	**2,356**
Total 2021	2021	1,208	108	1,152	2,295	126	4,889	1,442	3,447

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. Included in the 2021 base salary, are increases which were effective 1 January 2021 and paid post 2021 year end.
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: £53,372), medical cover and life assurance. SAYE options granted in the 2021 financial year 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.
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. The value of any contribution or salary supplement for the 2021 financial year in respect of the salary increases effective 1 January 2021 were paid post year end as referred to in note 1 above.
6. The 2021 value assigned to the long term incentives for Ian Page and Tony Griffin was shown in last year's Annual Report as an estimate, with the value determined by reference to a share price of £40.422 (being the average market value of a share over the last quarter of the Company's financial period ended on 30 June 2021). This has been restated to show the actual value determined by reference to a price of £51.30 (being the market value of a share on 20 September 2021, 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 1.1287 for 2021 and 1.1807 for 2022. His salary was €385,043 from 1 January 2022 and €373,831 from 1 January 2021.

Directors' Remuneration Report

Additional Disclosures in Respect of the Single Figure Table

Salaries and Fees

Our approach to Executive Directors' salaries in the financial year is explained in the Committee Chair's letter on pages 125 to 128. The Executive Directors' salaries applying with effect from 1 January 2022 are as follows.

Executive Director	Salary with effect from 1 January 2022	Previous Salary	% increase
Ian Page	**£612,000**	£582,400	5.1%
Paul Sandland	**£405,000**	£360,000	12.5%
Tony Griffin	**€385,043**	€373,831	3.0%

The Committee's approach to Executive Directors' salaries for the year ending 30 June 2023 is summarised in the Committee Chair's letter on page 127.

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 2022 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 2022 against targets for the 2022 financial year is set out below. Bonuses for the year equal to 92.0% of salary have been earned by Ian Page and Paul Sandland. Tony Griffin's earned a bonus for the year of 76.5% of salary. In line with the Policy, 20% of any bonus earned will be deferred into Dechra shares for two years. 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) £156.9 million	Target (55% of salary) £165.2 million	Maximum (110% of salary) £181.7 million	Actual (at budgeted rates) £171.6 million	77%	77%

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) £156.9 million	Target (27.5% of salary) £165.2 million	Maximum (55% of salary) £181.7 million	Actual (at budgeted rates) £171.6 million	38.0%
Dechra Veterinary Products EU underlying operating profit	Threshold (5% of salary) €132.7 million	Target (27.5% of salary) €139.7 million	Maximum (55% of salary) €153.7 million	Actual (at budgeted rates) €137.8 million	23.0%

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 5% of salary by reference to the achievement of ESG measures aligned with their area of responsibility (see table opposite)	5%	5%	5%

The personal objectives of each Executive Director for the year ended 30 June 2022 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. A summary of the measure and performance against it is set out below.

Personal Objectives

Director	Strategic Enabler	Objective	Performance
Ian Page	People	Recruit and onboard a new Chief Scientific Officer to replace Dr Longhofer, bringing new experience and innovation to the PDRA group	Patrick Meeus, a veterinarian with wide experience in product development and regulatory affairs, commenced employment on 1 July 2022
	Pipeline Delivery	Through business development; expand our new product pipeline for 2022/23 and beyond, through acquisition, investment or partnering arrangement	A number of new candidates were explored; *Laverdia* was added to the pipeline through acquisition and Piedmont significantly strengthened the scale and novelty of the pipeline
	Governance	Work with the Chair and the Nominations Committee to continue to shape the Board structure to build stability and continuity for the long term Provide mentorship to the Chief Financial Officer to continue to develop a succession strategy	We have successfully appointed Alison Platt as Chair of the Board and in the year we have recruited a new Non-Executive Director, John Shipsey, as Audit Chair and have commenced the search for a new Remuneration Committee Chair The Chief Financial Officer continues to develop and has exceeded expectations. We have recruited a number of talented people below the Senior Executive Team to strengthen the organisation with a view to potential future succession opportunities
Paul Sandland	Shareholder	Improve effective engagement with shareholders	Established investor relations function, onboarded Head of Investor Relations (post year end), developed IR plan, timetable and investor engagement programme, improved guidance and consensus tracking
	IT	Drive efficiencies through implementation of technology solutions	Appointed Chief Information Officer (joined June 2022). Successful implementation of/progress against key milestones on pivotal Group IT projects (Veeva, eQMS, Oracle, ADP, Concur). Enhanced security and reduced risk of cyber-attacks through sponsoring delivery of NCSC 10 steps
	Governance	Sponsor transition to Internal Controls Over Financial Reporting (ICOFR)	Launched Financial Control Framework, identified and remediated any weaknesses, established BEIS project team with a view to full transition in the 2023 financial year in line with anticipated timetable and requirements
Tony Griffin	Commercial	Drive the European change programme to ensure the organisation is ready for the future	Workshops held with senior team to determine future model/framework, and roll out has commenced. All markets now on Sales Force CRM. All country managers trained in Change Management and all have carried out training of own teams. Analysis of top 20 products completed for pricing alignment
	People	Agree focus areas for improvement as a result of the Great Place to Work (GPTW) survey	Career and development were the agreed focus areas for DVP EU. A mentor programme has commenced and all product managers have received specific training
	People	Support the One Dechra organisation working closely with the SET in building a strong cohesive team	Monthly meetings with the Group DPM&S Director, resulting in the establishment of cross functional teams to solve problems as they arise

Directors' Remuneration Report

ESG Measure

Director	Objective	Performance
Ian Page	Provide sponsorship to the Sustainability strategy of the Group and drive changes through the organisation to support meeting the targets set in the Group Strategy. Act as sponsor of the One Dechra Engagement actions during the financial year specifically the Group wide actions on Communication and Wellbeing	ESG is permanently embedded within the organisation. All global team members understand and are engaged in achieving the objectives set by the ESG Committee
Paul Sandland	Sponsor and execute the agreed Sustainability strategy	Established carbon reduction targets in accordance with Science Based Targets, met TCFD reporting requirements and enhanced employee engagement through roll out of Deedster application, execution of multi-channel communication plan and recruitment of ESG ambassadors
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 2022 financial year	All DVP EU facilities have established and are implementing a sustainability plan which includes green electricity, recycling, and LED lighting. Uldum has completed the shipment analysis to reduce the number of small inefficient shipments. All countries are now offering either hybrid or fully electric cars

Long Term Incentive Plan

The LTIP awards granted on 6 September 2019 are due to vest on 5 September 2022. 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:

EPS compound annual growth rate (CAGR)	Vesting Percentage
<8% CAGR	0%
8% CAGR	25% of the EPS portion will vest
CAGR between 8% and 17%	Pro rata vesting between 25% and 100%
>17% 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 34.8% compared with a 11.5% TSR for the median company and 35.7% TSR for the upper quartile company in the comparator group (FTSE 250 Index (excluding investment trusts)). Therefore, 96% of the TSR element will vest. As we explained in the 2019 Directors' Remuneration Report, 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 financial year 2022 to exclude the actual Akston R&D costs incurred as these costs were not included in the base year. This adjustment changes the 2022 underlying diluted EPS for the purposes of this LTIP grant from 120.84 pence to 123.23 pence resulting in CAGR of 11.0% such that 50.3% of the EPS element will vest. Overall, taking into account that ROCE performance for 2022 was 19.5%, the LTIP awards will vest as to 65.5% 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 133, 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 £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).

The September 2019 awards were granted when the value of a share was £29.64 (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 £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).

Executive Director	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	22,981	£681	£133	£814
Paul Sandland	3,999	£119	£23	£142
Tony Griffin	7,194	£213	£42	£255

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.

Contributions made by Dechra Pharmaceuticals PLC on behalf of the Executive Directors during the year equated to no more than 8% of pensionable/base salary for both Ian Page and Tony Griffin. Tony Griffin received an employer's contribution of 7.7% of salary into the Netherlands pension scheme. As explained in the Committee Chair's letter on pages 125 to 128 with effect from 1 July 2022, 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.

Our Chief Financial Officer, Paul Sandland's, pension was already aligned with the wider workforce, and therefore increased from 6% to 8% with effect from 1 July 2022.

Directors' Remuneration Report

Non-Executive Directors' Remuneration (Audited)

(Audited) Single Total Figure of Remuneration

The table below sets out the total remuneration for each person who has served as a Non-Executive Director in the period ended 30 June 2022. 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 2022 and, where relevant, the year ended 30 June 2021:

	Additional responsibilities	Base fee £000		Additional fee £000		Benefits £000		Total £000	
		2022	2021	2022	2021	2022	2021	2022	2021
Tony Rice π	Chair and Nomination Committee Chair	**80**	144	**–**	3	**4**	–	**84**	147
Alison Platt	Chair and Nomination Committee Chair (from 1 January 2022)	**129**	54	**–**	–	**3**	**–**	**132**	54
Ishbel Macpherson	Senior Independent Director (to 28 February 2022) and Remuneration Committee Chair	**58**	54	**22**	20	**3**	–	**83**	74
Julian Heslop	Audit Committee Chair (apart from between the period 22 October to 1 December 2021)	**58**	54	**14**	12	**2**	–	**74**	66
Lawson Macartney	Senior Independent Director (from 1 March 2022)	**58**	54	**3**	–	**17**	–	**78**	54
Lisa Bright	Employee Engagement Designated Non-Executive Director	**58**	54	**10**	8	**4**	–	**72**	62
Denise Goode†		**24**	11	**1**	–	**1**	–	**26**	11
John Shipsey*		**5**	–	**–**	–	**–**	–	**5**	–
Total		**470**	425	**50**	43	**34**	–	**554**	468

∏ Tony Rice retired on 31 December 2021.
† Denise Goode was appointed on 26 April 2021 and resigned on 30 November 2021.
* John Shipsey was appointed on 1 June 2022.

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

The Committee's approach to the Chair's fee in the financial year is explained in the Committee Chair's letter on pages 125 to 128. 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 2022 are as follows.

Office	Fee with effect from 1 January 2022	Previous fee
Chair	**200**	159*
Non-Executive Director	**58**	57
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 Chair had previously received a fee of £159,000 inclusive of his fee for chairing the Nomination Committee. Alison Platt on her appointment received a base fee of £200,000.

The Committee's approach to the Chair's and Non-Executive Directors' fees for the year ending 30 June 2023 is summarised in the Committee Chair's letter on page 128.

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 16 September 2021, are 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	23,727	£1,164,758	25%	1 July 2021 – 30 June 2024
Paul Sandland†	Nil cost option under the LTIP	150% of salary	11,000	£539,900	25%	1 July 2021 – 30 June 2024
Tony Griffin	Conditional award under the LTIP	100% of salary	6,508	£319,478	25%	1 July 2021 – 30 June 2024

* Based on a share price of £49.09 being the three day average middle market quotation preceding the grant.

† Paul Sandland has also been 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 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.

SAYE (Audited)

No SAYE options were granted to Executive Directors during the year ended 30 June 2022.

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 2022 is as follows:

Executive Share Plans	All Share Plans
Limit: 5%	Limit: 10%
Usage: 2.1%	Usage: 2.6%

Directors' Remuneration Report

Shareholdings (Audited)

Executive Directors

In respect of the financial year ended 30 June 2022, 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 2022 are as follows:

Name	Appointment date	Ordinary shares Number	Ordinary shares £000*	% of salary
Ian Page	13 June 1997	392,388	13,568	2,217
Paul Sandland	30 October 2019	9,651	333	82
Tony Griffin	1 November 2012	33,463	1,157	355

* Calculated using the share price as at 30 June 2022 and the base salaries as at 30 June 2022.

Shareholding Requirement After Employment

As detailed in the Remuneration Policy approved by shareholders at the 2020 Annual General Meeting, 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 2021. 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.

Executive Directors' Total Interest under Shares Schemes (Audited)

Awards held under the Long Term Incentive Plan (and, in the case of Paul Sandland, market value options) for each person who was a Director during the year ended 30 June 2022 are as follows:

	Award date	Type of award	Option price for market value options (£)	Number of shares as at 1 July 2021	Granted	Lapsed	Exercised	Number as at 30 June 2022	Status	Performance Period
Ian Page	26-Oct-18	LTIP	N/A	46,168	–	12,097	34,071	–	Vested and exercised in the year	2018–2021
	06-Sep-19	LTIP	N/A	35,087	–	–	–	35,087	Unvested[1]	2019–2022
	22-Sep-20	LTIP	N/A	32,128	–	–	–	32,128	Unvested[2]	2020–2023
	19-Sep-21	LTIP	N/A	–	23,727	–	–	23,727	Unvested	2020–2023
Tony Griffin	26-Oct-18	LTIP	N/A	14,444	–	3,785	10,659	–	Vested and exercised in the year	2018–2021
	06-Sep-19	LTIP	N/A	10,984	–	–	–	10,984	Unvested[1]	2019–2022
	22-Sep-20	LTIP	N/A	10,303	–	–	–	10,303	Unvested	2020–2023
	19-Sep-21	LTIP	N/A	–	6,508	–	–	6,508	Unvested	2021–2024
Paul Sandland	02-Mar-18[4]	Approved	£25.06	550	–	–	550	–	Vested and exercised in the year	2017–2020
	02-Mar-18[4]	Unapproved	£25.06	2,450	–	–	2,450	–	Vested and exercised in the year	2017–2020
	26-Oct-18[4]	Unapproved	£21.66	3,000	–	–	3,000	–	Vested and exercised in the year	2018–2021
	06-Sep-19	LTIP	N/A	6,106	–	–	–	6,106	Unvested[1]	2019–2022
	22-Sep-20	LTIP	N/A	13,901	–	–	–	13,901	Unvested	2020–2023
	19-Sep-21	LTIP	N/A	–	11,000	–	–	11,000	Unvested[3]	2021–2024

1. Will vest on 5 September 2022 as to 65.5%.
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 held market value options. These options and awards were granted to Paul Sandland prior to his appointment as an Executive Director. These options are subject to a performance condition based on the percentage growth in the adjusted diluted EPS, which must exceed the sum of the percentage growth in RPI and 12%.

The aggregate gain made by the Executive Directors on share options and LTIP awards exercised during 2022 was £2,491,641 (2021: £1,319,184).

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 2022 are as follows:

Name	Appointment date	Ordinary shares number	Ordinary shares £000*	% of base fee
Alison Platt	1 March 2020	3,709	128	64
Ishbel Macpherson	1 February 2013	5,848	202	344
Julian Heslop	1 January 2013	6,000	207	353
Lawson Macartney	1 December 2016	5,880	203	346
Lisa Bright	1 February 2019	788	27	46
John Shipsey	1 June 2022	Nil	N/A	N/A
Tony Rice†	5 May 2016	20,000	692	435
Denise Goode‡	26 April 2021	136	5	8

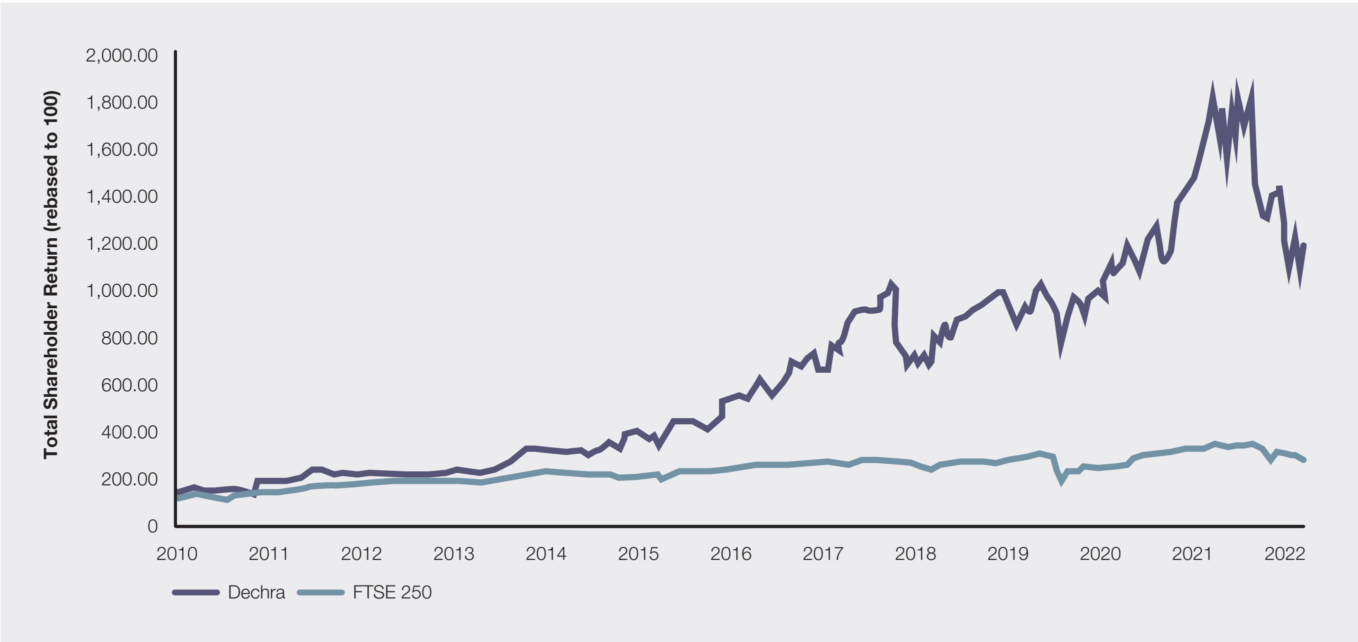
* Calculated using the share price as at 30 June 2022 and the fees as at 30 June 2022.
† Retired on 31 December 2022.
‡ Resigned on 30 November 2022.

There have been no changes in the holdings of the Company's Directors between 30 June and 5 September 2022, with the exception of Ishbel Macpherson who acquired 874 ordinary shares in the Company via the Retail Offer and these shares were admitted on 25 July 2022.

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. During the period 1 July 2021 to 19 December 2021, the Company was a constituent of the FTSE 250. From 20 December 2021, it was a constituent of FTSE 100; for this reason it is considered that the TSR performance of the FTSE 250 Index is the appropriate comparator for this report In line with the regulations the TSR chart should show only ten years (1 July 2012 to 30 June 2022).



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 2022	2,073	92	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
30 June 2013	1,201	36	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 2021 and the year ended 30 June 2022, 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. John Shipsey was appointed during the year ended 30 June 2022 and, accordingly, has been excluded from the table below. Alison Platt has also been excluded as the increase in her fee is a result of her being appointed as Chair in January 2022.

		Average employee	Ian Page	Paul Sandland	Tony Griffin	Ishbel Macpherson	Julian Heslop	Lawson Macartney[2]	Lisa Bright
Salary/fees	**2021– 2022**	**6.4%**	**8.3%**	**16.1%**	**3.0%**	**8.1%**	**9.1%**	**13.0%**	**9.7%**
	2020– 2021	32.8%	6.6%	10.0%	(0.9%)	10.4%	6.5%	3.8%	8.8%
	2019– 2020	(11.8%)	4.0%	N/A	6.8%	3.2%	3.3%	4.0%	3.6%
Taxable benefits[1]	**2021– 2022**	**(2.1%)**	**(4.4%)**	**6.5%**	**1.2%**	**N/A**	**N/A**	**N/A**	**N/A**
	2020– 2021	(7.3%)	6.3%	20.8%	2.3%	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
Annual bonus[3]	**2021– 2022**	**(4.8%)**	**(0.4%)**	**6.4%**	**(9.6%)**	**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
	2019– 2020	(47.4%)	(59.7%)	N/A	(58.7%)	N/A	N/A	N/A	N/A

1. Excludes SAYE options granted during any relevant year.
2. Included in Lawson Macartney fee for the 2022 financial year is the fee for Senior Independent Director which was effective from 1 March 2022.
3. The difference in bonuses for the Executive Directors is due to the increase in the bonus potential of up to 125% compared to 100% in the 2021 financial year.

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 2022, 2021, 2020 and 2019 using the Single Total Figure as disclosed on page 133 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
2022	**Option A**[1]	**78:1**	**58:1**	**30:1**
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.

	2022[1] Total pay and benefits (salary) £000	2021 Total pay and benefits (salary) £000
Chief Executive Officer	**2,073**	2,995
	(597)	(551)
25th percentile employee	**26**	25
	(25)	(23)
Median employee	**36**	35
	(29)	(31)
75th percentile employee	**69**	67
	(47)	(44)

1. The 2022 figure includes share options and awards, which have been valued by reference to £35.405 (being the average market value of a share over the last quarter of the Company's financial period ended 30 June 2022). SAYE options granted in 2021 and 2022 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 2022, there were a total of 556 UK employees (2021: 478 UK employees), 239 of whom have been excluded for the above stated reasons (2021: 169), leaving 317 employees within the 'full pay relevant' data set (2021: 309) 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 lowering of his employer's pension contribution to align it with that of the UK workforce. Further, the Chief Executive Officer's annual bonus at 92% of base salary was lower than that in 2021 (100%) as was the value and percentage vesting of his LTIP in the year at 65.5% as opposed to 73.8% in 2021. In addition the number of employees eligible for a bonus was increased in the 2022 financial year.

Of the employees within the 'full pay relevant' data set, 186 worked in our Manufacturing business, which is predominately shop floor workers (2021: 177). During the 2021 financial year, we addressed the pay levels of these employees moving them from minimum wage to National Living Wage and we have retained this in the 2022 financial year. These actions have contributed to the reduction in the ratio this 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 2021 and the year ended 30 June 2022.

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000	% change
Distributions to shareholders by way of dividend and share buyback	**44,800**	37,900	18.2%
Overall expenditure on pay	**131,600**	120,300	9.4%

Directors' Remuneration Report

Implementation of the Directors' Remuneration Policy in the Year Ending 30 June 2023

The Directors' Remuneration Policy outlined on pages 146 to 150 will be implemented in the year ending 30 June 2023, as set out in the Committee Chair's letter on pages 125 to 128.

Further information on the performance targets for the annual bonus and LTIP are detailed below.

Annual Bonus

As noted in the letter from the Remuneration Committee Chair, the maximum bonus potential for the Chief Executive Officer and Chief Financial Officer for the financial year 2023 will increase to 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. The increase in the annual bonus opportunity for the 2023 financial year recognises the increase in the size and complexity of the Group since the last Remuneration Policy was approved by shareholders. The Committee has also reviewed the level of stretch in the annual bonus targets to reassure itself that the higher maximum opportunity for the 2023 financial year will only be earned for delivery of appropriately stretching levels of performance. This positions the maximum bonus at lower quartile compared to the FTSE 30–100 for the Chief Executive Officer (around median for the other executive directors) and around median of the FTSE 100–150. The value of the total package continues to be modest against the market norm for a Company of our size and complexity. The value of total package for our Chief Executive Officer and Chief Financial Officer continues to be positioned towards the lower quartile of the market.

Tony Griffin's bonus arrangements will not change, save that the ESG measure will represent up to 10% of his maximum bonus and underlying profit 105%. Personal objectives will continue to comprise up to 10% of maximum bonus.

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 page 134 in respect of bonuses for the Group's 2022 financial year.

LTIP

The Committee proposes that LTIP awards for the year ending 30 June 2023 (the 2023 Grant) will be made at the level of 200% of salary for Ian Page, 150% of salary for Paul Sandland and 100% of salary for Tony Griffin. The performance measures for the 2023 Grant 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 2022 financial year, details of which can be found on page 139. Taking account of internal forecasts of performance over the performance period including the impact of the recent acquisitions, the markets in which the Group operates, our long-term growth ambitions and the expectations of the investment community of the Group's future potential performance, the upper target of 15% CAGR for the underlying diluted EPS performance condition is considered to be a stretching and ambitious upper target, which requires significant out-performance. This also reflects the strong performance delivered in the 2022 financial year, which is the base year for the 2023 LTIP grant.

As noted in the letter, the Committee is aware that, despite a strong financial performance in line with expectations, the Company's share price is lower than the £49.09 share price used to determine the number of shares subject to the LTIP awards granted on 19 September 2021. Taking into account the fact that the current share price is higher than the share price used for the LTIP awards granted in 2020 and 2019, our current intention is that LTIP awards for the 2023 financial year will be granted in line with our standard approach (with the number of shares to be awarded based on the three day average middle market quotation preceding the grant). The underlying diluted EPS targets for the 2023 Grant are:

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

As with the 2022 Grant, the Committee will retain discretion to adjust the vesting outcome where the formulaic outcome is inappropriate in the context of underlying performance or other factors considered by the Committee to be relevant. The awards will be subject to a two year post vesting holding period.

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 SET and of agreeing the Chair's fee level has been delegated to the Committee.

Membership, Meetings and Attendance

Details of each member's attendance at the Committee's meetings is detailed on page 87. 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 2022 Board and Committee Internal Evaluation (further details of which can be found on page 115 of the Corporate 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 2022 financial year, this review took place at the July 2022 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 104 and 125.

Service contracts and letters of appointment

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

Name	Commencement date	Notice Period Director	Notice Period 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
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
John Shipsey	1 June 2022	3 months	3 months

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 £17,750 for the year ended 30 June 2022. 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 21 October 2021 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	73,810,257	92.98	5,568,679	7.02	876,657
To approve Remuneration Policy	74,112,644	90.81	7,501,119	9.19	6,768

Ishbel Macpherson
Remuneration Committee Chair
5 September 2022

Directors' Remuneration Report

Directors' Remuneration Policy

The Remuneration Policy was approved by shareholders at the 2020 Annual General Meeting held on 27 October 2020, and became effective from that date. The full Remuneration Policy as approved by shareholders is available in the Corporate Governance section of our website at www.dechra.com. We have set out a summary below of those parts of the Remuneration Policy which we consider shareholders will find most useful.

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 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.

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 contributions to a pension scheme. Executive Directors outside the UK may also participate in non-UK pension arrangements (including the defined benefit pension scheme in the Netherlands, benefits under which are based on career average pay).	Not applicable.

Maximum Opportunity

For Executive Directors appointed on or after 1 July 2019, a Company contribution not exceeding the contribution available to the majority of the Group's workforce (currently 4% of salary).

For Executive Directors appointed before 1 July 2019, 14% of salary. However, the Company contribution will be aligned with the rate available to the wider workforce by the end of 2022 (this will include enhancing the wider UK workforce rate alongside a reduction in the rate for Executive Directors).

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	Performance Measure
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 in excess of 100% of salary is awarded, up to 33% of any bonus earned will be deferred into shares for a period of two years. 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 a cumulative basis). Recovery provisions apply, as referred to below.	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 150% of base salary.

Directors' Remuneration Report

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	**Performance Measure**
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 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.	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). 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 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.	

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, 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.

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 200% of salary.

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.

Directors' Remuneration Report

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.	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 and may 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.

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 350% 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.

Ishbel Macpherson
Remuneration Committee Chair
5 September 2022