



**SUSTAINING  
GROWTH**

**Dechra**<sup>®</sup>  
Pharmaceuticals PLC

**Annual General Meeting 2018  
Chairman's Letter and Notice of Annual General Meeting**

Registered in England and Wales, No. 3369634

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, solicitor, accountant, fund manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or, if you are not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your ordinary shares in Dechra Pharmaceuticals PLC, you should send this document together with the accompanying Proxy Form, to the purchaser or transferee or to the stockbroker or other agent through or by whom the sale or transfer was effected, for transmission to the purchaser or transferee.



Dechra Pharmaceuticals PLC  
24 Cheshire Avenue  
Cheshire Business Park  
Lostock Gralam  
Northwich  
CW9 7UA

10 September 2018

Dear Shareholder

I am writing to explain in detail the matters to be dealt with at this year's Annual General Meeting (Meeting) to be held at DLA Piper UK LLP, 160 Aldersgate Street, London, EC1A 4HT at 10.30 am on 19 October 2018. The formal notice of the Meeting, which is set out on pages 7 to 10 of this document (Notice), sets out the business to be considered at the Meeting. The purpose of this letter is to provide you with further details about those items of business.

If you have requested a hard copy of the Annual Report and Accounts, it should be enclosed with this Notice and the Proxy Form for the Meeting. If you receive your Annual Report and Accounts electronically or did not return the Shareholder Communication Response sent to you in August 2017, please accept this letter as notification that the Annual Report and Accounts and associated documents have now been published on the Investor Relations section of our website ([www.dechra.com](http://www.dechra.com)).

This year, shareholders will be asked to approve eighteen resolutions. Resolutions 1 to 13 and Resolution 18 are proposed as ordinary resolutions requiring the approval of a simple majority of the votes cast at the Meeting. Resolutions 14 to 17 are proposed as special resolutions requiring the approval of 75% of the votes cast at the Meeting.

#### **The Annual Report and Accounts (Resolution 1)**

Shareholders will be asked to receive the Company's accounts, Strategic Report, Directors' Report and Auditor's Report for the year ended 30 June 2018.

#### **Directors' Remuneration Report (Resolution 2)**

The Company is required to seek shareholders' approval of the Directors' Remuneration Report (which describes how the Company's Directors' Remuneration Policy has been implemented during the previous financial year) and this report can be found on pages 83 to 93 of the Annual Report and Accounts. The vote is advisory in nature; the Directors' entitlements to remuneration are not conditional upon this Resolution being passed. The Directors' Remuneration Report comprises the Letter from the Remuneration Committee Chairman and the Directors' Report on Remuneration. The Directors' Remuneration Policy was approved by shareholders at the 2017 Annual General Meeting for a period of up to three years and is, therefore, not being put to shareholders for approval this year. The full Directors' Remuneration Policy can be found on the Corporate Governance section of our website.

#### **Final Dividend (Resolution 3)**

A final dividend of 18.17 pence per ordinary share is recommended by the Directors. Subject to approval at the Meeting, the dividend will be paid on 16 November 2018 to shareholders who are on the Register of Members at the close on business on 26 October 2018. The shares will become ex-dividend on 25 October 2018. An interim dividend of 7.33 pence per ordinary share was paid on 6 April 2018.

#### **Re-election of Directors (Resolutions 4 to 10)**

Notwithstanding the Company's articles of association which require just one-third of the Directors to retire by rotation at each annual general meeting, in compliance with the 2018 UK Corporate Governance Code all Directors shall stand for annual re-election. All of the Directors have indicated their willingness to offer themselves for re-election. The Board, having considered the mix of skills, knowledge and experience of the Directors, confirms that each Director continues to perform his or her duties effectively, showing integrity and high ethical standards whilst maintaining sound, independent judgement in respect of all decisions taken at both Board and, where applicable, Committee level to ensure the Company's long term sustainable success.

Biographical details for each of the Directors are located on pages 64 and 67 of the Annual Report and Accounts. The review process of the existing Directors and the Company's assessment of independence are described on pages 70 to 71 and 82 of the Annual Report and Accounts.

#### **Re-appointment of Auditor and Auditor's Remuneration (Resolutions 11 and 12)**

The Company is required to appoint an external auditor at each Annual General Meeting at which accounts are laid before the Company, to hold office until the conclusion of the next such meeting.

Resolution 11, on the Audit Committee's recommendation (the Audit Committee having evaluated the effectiveness and independence of the external auditor), proposes the re-appointment of the Company's existing external auditor, PricewaterhouseCoopers LLP, from the conclusion of the Meeting until the conclusion of the next Annual General Meeting at which the accounts are presented.

Resolution 12 is a separate resolution which gives authority to the Audit Committee to determine the external auditor's remuneration.

### **Authority to Allot Equity Securities (Resolution 13)**

The Directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by shareholders.

Resolution 13 renews a similar authority given at last year's Annual General Meeting held on 20 October 2017 and is in two parts.

#### **Allotment of Shares**

Part one of Resolution 13 will give the Directors authority to allot shares or to grant rights to subscribe for, or to convert any security into, shares in the Company) up to an aggregate nominal amount of £341,099 as reduced by the aggregate nominal amount of any shares allotted or rights granted under part two of Resolution 13 in excess of £341,099. This amount (before any reduction) represents approximately one third of the issued ordinary share capital of the Company as at 7 September 2018, being the last practicable date before the publication of this document.

#### **Rights Issue**

In line with guidance issued by the Investment Association, if passed, part two of Resolution 13 will authorise the Directors to allot shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) in connection with a rights issue only up to a nominal amount of £682,198 (as reduced by the nominal amount of any shares allotted or rights granted under part one of Resolution 13). This amount (before any reduction) represents approximately two thirds of the issued ordinary share capital of the Company as at 7 September 2018, being the last practicable date before the publication of this document.

If given, these authorities will expire at the conclusion of the Company's next Annual General Meeting or, if earlier, 15 months from the passing of the Resolution. It is the Directors' intention to renew the allotment authorities each year.

The Directors have no current intention to exercise either of the authorities sought under Resolution 13, except under paragraph 13.1 to satisfy options under the Company's share option schemes if appropriate and to ensure that the Company has maximum flexibility in managing the Group's resources. The Board would use this authority only if satisfied at the time that it is appropriate to do to respond to market developments or to take advantage of business opportunities as they arise. The terms of this Resolution are in accordance with the latest institutional guidance (Share Capital Management Guidelines) issued by the Investment Association. If the Directors do exercise this authority, the Directors intend to follow best practice as regards to its use.

As at the date of this Notice, no treasury shares are held by the Company.

### **Disapplication of Pre-emption Rights (Resolutions 14 and 15)**

Resolutions 14 and 15 will be proposed as Special Resolutions which, if passed, will enable the Directors to allot shares for cash or sell treasury shares for cash up to a maximum aggregate nominal amount of £102,330 without first having to offer them to existing shareholders in proportion to their existing holdings.

Resolution 14 will empower the Directors to allot shares or sell treasury shares for cash up to an aggregate nominal amount of

- (i) £682,198 in connection with a rights issue; or
- (ii) £341,099 in connection with an open offer or other pre-emptive offer,

in each case to ordinary shareholders and to holders of other equity securities (if required by the rights of those securities or the Directors otherwise consider necessary), but (in accordance with normal practice) subject to such exclusions or other arrangements, such as for fractional entitlements and overseas shareholders, as the Directors consider necessary; and

- (iii) in any other case, up to an aggregate nominal amount of £51,165 (which represents approximately five per cent of the issued ordinary share capital of the Company as at 7 September 2018, being the last practicable date before the publication of this document).

Resolution 15 increases the Directors' powers under Resolution 14 to allot shares or sell treasury shares for cash up to a further aggregate nominal amount of £51,165. The combined powers under Resolutions 14 and 15 would be £102,330 (which represents approximately ten per cent of the issued ordinary share capital of the Company as at 7 September 2018, being the last practicable date before the publication of this document). The power under Resolution 15 would only be used for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Group's Statement of Principles on Disapplying Pre-Emption Rights.

There are no present plans to exercise these powers and, in accordance with the guidelines issued by the Pre-Emption Group, the Directors do not expect to allot shares for cash (or sell treasury shares) on a non-pre-emptive basis pursuant to the authorities in Resolutions 14 and 15: (i) in excess of an amount equal to 5% of the issued share capital of the Company; or (ii) in excess of an amount equal to 7.5% of the issued share capital of the Company within a rolling three-year period, without prior consultation with the Company's shareholders, in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue or which has taken place in the preceding six month period and is disclosed in the announcement of the allotment.

If given, the powers in Resolutions 14 and 15 will expire at the conclusion of the Company's next Annual General Meeting or, if earlier, 15 months from the passing of these Resolutions. It is the Directors' intention to renew these powers each year.

#### **Authority to Purchase Ordinary Shares (Resolution 16)**

Resolution 16 will be proposed as a Special Resolution for the renewal of the Company's authority to purchase its own shares in the market during the period until the next Annual General Meeting of the Company for up to 10,232,963 shares, representing approximately 10% of the issued ordinary share capital of the Company as at 7 September 2018, being the last practicable date before the publication of this document.

The Directors have no current intention of exercising this authority to purchase the Company's ordinary shares, but consider the authority desirable to provide maximum flexibility in the management of the Company's capital base. The Company will only exercise this authority to make such a purchase in the market if the Directors consider it is in the best interests of the shareholders generally to do so and that to do so would result in an increase in earnings per share.

The Company is permitted to hold shares it has purchased in treasury, as an alternative to cancelling them. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy options exercised under any of the Company's share schemes. Whilst held in treasury, the shares are not entitled to receive any dividend or dividend equivalent (apart from any issue of bonus shares) and have no voting rights. The Directors believe it is appropriate for the Company to have the option to hold its own shares in treasury if, at a future date, the Directors exercise this authority in order to provide the Company with additional flexibility in the management of its capital base. The Directors will have regard to investor group guidelines which may be in force at the time of any such purchase, holding or re-sale of shares held in treasury. As at 7 September 2018 (being the latest practicable date prior to publication of this notice), no shares were held in treasury.

On 7 September 2018 (being the last practicable date prior to the publication of this notice) there were options over ordinary shares in the capital of the Company representing 0.98% of the Company's issued ordinary share capital as at that date. If the authority to purchase the Company's ordinary shares was exercised in full and those shares were subsequently cancelled, these options would represent 0.99% of the Company's issued and voting ordinary share capital.

If given, this authority will expire at the conclusion of the Company's next Annual General Meeting or, if earlier, 15 months after the passing of the Resolution. It is the Directors' intention to renew this authority each year.

#### **Notice Period for General Meetings (Resolution 17)**

Resolution 17 will be proposed as a Special Resolution and would allow the Company to hold general meetings (other than Annual General Meetings) on 14 clear days' notice. Annual General Meetings must always be called with at least 21 clear days' notice but other general meetings of the Company may be called on less notice if shareholders agree to a shorter notice period. The shareholders of the Company approved a resolution to call general meetings (other than Annual General Meetings) on 14 clear days' notice at last year's Annual General Meeting. Resolution 17 seeks approval to renew this right until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for such meetings, but only where flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole and the matter to be considered is time sensitive. The Company meets the requirement under the Companies Act 2006 that a means of electronic voting must be provided to all shareholders if a general meeting is to be called on less than 21 clear days' notice.

### **New 2018 SAYE Plan (Resolution 18)**

Shareholders will be asked to approve the Dechra Global Save As You Earn Plan 2018. The Directors recognise the benefits of employee share ownership and the existing Dechra UK Save As You Earn Scheme, which has been in place since 2001, has proved both a popular benefit to our UK employees and a helpful retention tool. The new plan is proposed as a replacement for the existing scheme, which expires, for the purposes of new option grants, in August 2020. As Dechra continues to expand internationally we propose to adopt a plan which is capable of operation for employees outside the UK, to provide the majority of our existing employee base the opportunity to benefit from share ownership which will in turn ensure a more equitable approach to our global reward schemes.

A summary of the principal terms of the new Plan is set out in the Appendix to this circular.

### **Recommendation**

The Directors believe that all of the Resolutions to be considered at the Meeting are in the best interests of the Company and its shareholders as a whole. They unanimously recommend that you vote in favour of all of the proposed Resolutions. The Directors will be voting in favour of all of the proposed Resolutions in respect of their own shareholdings in the Company.

### **Action to be taken**

Whether or not you are able to attend the Meeting, please complete and return the enclosed Proxy Form so as to reach the Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA no later than 10.30 am on 17 October 2018 (or, if the Meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). The Company also offers all shareholders the right to lodge their proxy vote electronically and details of how to do this can be found in the notes to the Notice and on the front of the enclosed Proxy Form. Completion and lodging of the Proxy Form will not prevent you from attending and voting in person at the Meeting if you so wish.

Yours sincerely

**Tony Rice**

Non-Executive Chairman

## APPENDIX

### SUMMARY OF THE PRINCIPAL TERMS OF THE DECHRA GLOBAL SAVE AS YOU EARN PLAN 2018

#### Introduction

The Company has previously operated the Dechra Pharmaceuticals Save As You Earn Option Scheme, which expires, for the purposes of new options, in August 2020. Subject to approval of the Dechra Global Save As You Earn Plan 2018 (2018 SAYE Plan) at the Company's 2018 Annual General Meeting, it is proposed that the 2018 SAYE Plan will replace the existing scheme for grants from 2019 onwards. The 2018 SAYE Plan is similar to the existing scheme as regards UK participants (but updated to reflect current practice and legislative changes) and also includes provisions to enable its operation for the benefit of employees outside the United Kingdom.

#### Overview

The 2018 SAYE Plan is an international share option plan which will give participating employees the opportunity to acquire ordinary shares in the Company (Shares). The 2018 SAYE Plan will be administered by the Board of Directors or a committee appointed by the Board, and references in this summary to the Board should be read accordingly.

Shares may be acquired using savings of up to £500 per month or such other amount permitted under the relevant legislation governing UK "tax-advantaged" SAYE schemes from time to time (the UK Savings Limit) over a fixed period of three or five years. Where the employee saves in a currency other than sterling, the maximum monthly savings permissible will be the local currency equivalent of the UK Savings Limit, as determined by the Board.

The 2018 SAYE Plan includes rules for its operation outside the United Kingdom and also rules for its operation in the United Kingdom. The rules for operation in the United Kingdom have been designed to satisfy the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 so that options granted under it will offer beneficial tax treatment to the participant and the employing company.

#### Savings Contracts

Under the 2018 SAYE Plan, employees will be required to make regular savings under a savings contract (a Savings Contract). Where employees are saving in a currency other than sterling, the Board may allow employees to make a "top-up payment" from their own funds at the end of the Savings Contract where the amount of their savings would otherwise be insufficient to exercise their option in full as a result of exchange rate movements.

#### Eligibility

Any employee (including an Executive Director) of the Company (and any of its subsidiaries which participates in the 2018 SAYE Plan) who is selected by the Board may apply for an option on any occasion on which invitations to apply for options are issued.

If the 2018 SAYE Plan is operated in the UK it is a requirement of the relevant UK legislation that the Board invites all employees in the UK, although the Board may set a qualifying period of employment of up to five years.

#### Exercise Price

The proceeds of the Savings Contract can be used to exercise an option to acquire Shares at an exercise price set at the date of invitation. The exercise price may not be less than 80 per cent (or such other percentage as may be permitted by the relevant UK legislation from time to time) of the market value of a Share at the date of invitation.

When calculating the market value of a Share for setting the exercise price, share prices may only be used from within the six week period following: (i) the approval of the 2018 SAYE Plan by the Company's shareholders, (ii) the announcement of the Company's results for any period, (iii) any day on which changes to UK legislation affecting employee share schemes are proposed or made, (iv) any day on which a new UK Savings Contract is announced or comes into effect, or (v) any day on which the Board determines that exceptional circumstances exist. However, if restrictions apply on dealing in Shares during these periods, share prices in the period of six weeks following the relevant restriction being lifted may be used.

#### Exercise of Options

Ordinarily, an option may be exercised within six months of the date the Savings Contract matures.

#### Cessation of Employment

If an employee dies whilst holding an option, the participant's personal representatives will normally have up to a year from the date of the participant's death to exercise the option.

Options may also be exercised early for a period of up to six months from the date the employee ceases employment because of: (i) his or her injury or disability; (ii) redundancy or retirement; (iii) the sale of the entity that employs the participant out of the Group; or (iv) provided the option has been held for at least three years, any other reason apart from dismissal for gross misconduct.

If a participant ceases employment with the Group in any other circumstances, any option held by the participant will lapse on the date on which the participant ceases employment.

### **Corporate Events**

Options may be exercised early in the event of a change of control or winding-up of the Company. Alternatively, options may be exchanged (with the agreement of the acquiring company) for equivalent options over shares in the acquiring company. Options will be exchanged (or will lapse) in the event of an internal reorganisation.

### **Overall Plan Limits**

Options may be satisfied using newly issued Shares, treasury Shares or Shares purchased in the market.

In any ten year period, the number of Shares which may be issued under the 2018 SAYE Plan and under any other employees' share plan adopted by the Company may not exceed 10 per cent of the issued share capital of the Company from time to time.

Shares held in treasury will be treated as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies determine otherwise.

This limit may be adjusted in the event of a variation of the Company's share capital or similar events (see Adjustments below).

### **Adjustment**

In the event of any variation of the Company's share capital, or in the case of any options other than those granted to UK participants, any demerger, delisting, special dividend or other event, which may, in the Board's opinion, affect the current or future value of Shares, the Board may make such adjustments as it considers appropriate to the number of Shares subject to an option, the exercise price applicable to an option or the limits on the maximum number of Shares that may be used in connection with the 2018 SAYE Plan.

Any adjustment to a UK "tax-advantaged" option may only be made in accordance with the requirements of the applicable legislation.

### **Amendment, Termination and Further Terms of the 2018 SAYE Plan**

The Board may amend the 2018 SAYE Plan, provided that prior approval of the Company's shareholders in a general meeting will be required for amendments to the advantage of participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Shares subject to an option and the impact of any variation of capital. Any amendment that relates to a UK "tax-advantaged" option would be in accordance with the relevant legislation.

However, any minor amendment to benefit administration, to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Board without shareholder approval.

The Company proposes in due course to adopt (or to procure the adoption by an appropriate Group Company) of a schedule to the 2018 SAYE Plan which can be operated as a qualifying Employee Stock Purchase Plan for the benefit of employees in the United States of America.

The 2018 SAYE Plan will terminate on the tenth anniversary of its approval by shareholders but the rights of existing participants will not be affected by any termination.

Options granted under the 2018 SAYE Plan are not transferable other than to the participant's personal representatives in the event of death. Options will not form part of pensionable earnings.

## DECHRA PHARMACEUTICALS PLC (THE COMPANY)

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2018 Annual General Meeting of the Company will be held at the offices of DLA Piper UK LLP, 160 Aldersgate Street, London, EC1A 4HT at 10.30 am on 19 October 2018 for the following purposes:

#### Ordinary Business

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions.

1. To receive the accounts of the Company for the year ended 30 June 2018, together with the Strategic Report, Directors' Report and the Auditor's Report (the Annual Report).
2. To approve the Directors' Remuneration Report for the year ended 30 June 2018.
3. To declare a final dividend for the year ended 30 June 2018 of 18.17 pence per ordinary share in the capital of the Company, to be paid on 16 November 2018 to members whose names appear on the Register of Members of the Company as at the close of business on 26 October 2018.
4. To re-elect William Anthony Rice as a Director of the Company.
5. To re-elect Ian Page as a Director of the Company.
6. To re-elect Richard Cotton as a Director of the Company.
7. To re-elect Anthony Griffin as a Director of the Company.
8. To re-elect Julian Heslop as a Director of the Company.
9. To re-elect Ishbel Macpherson as a Director of the Company.
10. To re-elect Lawson Macartney as a Director of the Company.
11. To re-appoint PricewaterhouseCoopers LLP as external auditor of the Company to hold office from the conclusion of the Meeting until the conclusion of the next Annual General Meeting of the Company at which accounts be laid.
12. To authorise the Audit Committee to determine the remuneration of the external auditor.

## Special Business

To consider and, if thought fit, pass the following Resolutions, of which Resolutions 13 and 18 will be proposed and voted on as an Ordinary Resolution and Resolutions 14 to 17 will be proposed and voted on as Special Resolutions.

13. That, pursuant to section 551 of the Companies Act 2006 (2006 Act), the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares of the Company:
- 13.1 up to an aggregate nominal amount of £341,099 (such amount to be reduced by any allotments or grants in excess of an aggregate nominal value of £341,099 made under paragraph 13.2 of this Resolution), and
- 13.2 comprising equity securities (as defined in section 560(1) of the 2006 Act) up to an aggregate nominal amount of £682,198 (such amount to be reduced by the aggregate nominal value of any allotments or grants made under paragraph 13.1 of this Resolution) in connection with an offer by way of a rights issue:
- 13.2.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
- 13.2.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,
- subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange;
- provided that:
- (a) these authorities (unless previously revoked, varied or renewed) shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 19 January 2020;
- (b) the Company is entitled to make offers or agreements before the expiry of such authority, which would or might require shares to be allotted or rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant rights pursuant to any such offer or agreement as if this authority had not expired; and
- (c) the authority is in substitution for all existing unused authorities.
14. That, subject to the passing of Resolution 13 and pursuant to sections 570 to 573 of the 2006 Act, the Directors are generally empowered to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the 2006 Act) for cash pursuant to the authorities granted by Resolution 13 and/or to sell ordinary shares held by the Company as treasury shares for cash, as if section 561(1) of the 2006 Act did not apply to any such allotment (or sale), provided such power be limited to the allotment of equity securities or sale of treasury shares:
- 14.1 in connection with an offer of, or invitation to apply for, equity securities ( but, in the case of an allotment pursuant to the authority granted under Resolution 13.2, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue):
- 14.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
- 14.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,
- subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

14.2 otherwise than pursuant to Resolution 14.1, up to an aggregate nominal amount of £51,165,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 19 January 2020 but, in each case, prior to its expiry the Company may make an offer or agreement which would, or might, require equity securities to be allotted for cash (or treasury shares to be sold) after this power expires and the Directors may allot equity securities (or sell treasury shares) for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in substitution for and shall replace all existing powers which, to the extent unused at the date of this Resolution, are revoked with immediate effect, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

15. That, subject to the passing of Resolutions 13 and 14 and in addition to any power granted pursuant to Resolution 14, the Directors are generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) for cash pursuant to the authorities granted by Resolution 13 and to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such power be limited to the allotment of equity securities or sale of treasury shares:

15.1 up to an aggregate nominal amount of £51,165; and

15.2 used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre Emption Rights most recently published by the Pre Emption Group prior to the date of this Notice,

and such power shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 19 January 2020, but, in each case, prior to its expiry the Company may make an offer or agreement which would, or might, require equity securities to be allotted or treasury shares to be sold for cash after this power expires and the Directors may allot equity securities or sell treasury shares for cash pursuant to any such offer or agreement as if this power had not expired.

16. That, the Company is generally and unconditionally authorised for the purposes of section 701 of the 2006 Act to make market purchases (as defined in section 693(4) of the 2006 Act) of ordinary shares in the capital of the Company (Shares) from the date this Resolution is passed until the conclusion of the next Annual General Meeting of the Company or, if earlier, 19 January 2020, subject to the following conditions:

16.1 the maximum number of Shares which may be purchased is 10,232,963 (representing 10% of the Company's issued ordinary share capital);

16.2 the minimum price (exclusive of expenses) which may be paid for a Share is £0.01;

16.3 the maximum price (exclusive of expenses) which may be paid for a Share is the higher of: (i) an amount equal to 105% of the average of the middle market quotations for the Shares as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made; and (ii) an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share on the trading venue where the purchase is carried out;

16.4 the Company shall be entitled, before the expiry of this authority, to enter into any contract to purchase Shares before the expiry of this authority under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

17. That, as permitted by section 307A of the 2006 Act, any general meeting of the Company (other than an Annual General Meeting of the Company) may be called by notice of not less than 14 clear days in accordance with the provisions of the Articles of Association of the Company, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company.
18. That:
- (a) the rules of the Dechra Global Save As You Earn Plan 2018 (the 2018 SAYE Plan), in the form produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification and the principal terms of which are summarised in the Appendix to the circular containing the Company's 2018 Notice of Annual General Meeting, be approved and the Directors are generally authorised to adopt the 2018 SAYE Plan and to do all acts and things that they consider necessary or expedient to give effect to the 2018 SAYE Plan; and
  - (b) the Directors are authorised to adopt, or to procure the adoption by any other company in the Group of, further plans based on the 2018 SAYE Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any share made available under such further schemes are treated as counting against any limits on individual or overall participation in the 2018 SAYE Plan.

By order of the Board

**Melanie Hall**

Company Secretary

10 September 2018

Registered office:  
24 Cheshire Avenue  
Cheshire Business Park  
Lostock Gralam  
Northwich  
CW9 7UA

Registered in England and Wales, No. 3369634

**Notes:****Entitlement to attend and vote**

1. The right to vote at the Meeting is determined by reference to the Register of Members. Only those shareholders registered in the Register of Members of the Company as at 6.30 pm on 17 October 2018 (or, if the Meeting is adjourned, 10.30 am on the date which is two days before the date of the adjourned meeting) shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries in the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the Meeting.

**Attending in person**

2. If you wish to attend the Meeting in person, you must comply with the procedures set out in the notes to this Notice of Meeting by the dates specified in these notes

**Proxies**

3. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend, speak and vote at the Meeting. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. To appoint more than one proxy, complete a separate proxy form in relation to each appointment. You may photocopy the Proxy Form provided or, alternatively, you may wish to contact the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or call their shareholder helpline on 0371 384 2030. Overseas shareholders should call +44 (0)121 415 7047. Lines are open 8.30 am to 5.30 pm, Monday to Friday, (London time) (except UK public holidays).

A proxy may only be appointed in accordance with the procedures set out in these notes and the notes to the Proxy Form. The notification of termination of a proxy appointment should be in writing.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the Meeting.

4. A Proxy Form is enclosed. **To be valid, a Proxy Form must be completed, signed and sent to the offices of the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to arrive no later than 10.30 am on 17 October 2018** (or, if the Meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).
5. As an alternative to completing the hard copy Proxy Form, a shareholder may appoint a proxy or proxies electronically by lodging a Proxy Form at [www.sharevote.co.uk](http://www.sharevote.co.uk). Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can vote by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and then clicking on the link to vote. **For an electronic proxy appointment to be valid, the appointment must be received by Equiniti Limited no later than 10.30 am on 17 October 2018** (or, if the Meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). Any electronic communication sent by a shareholder to the Company or Equiniti Limited which is found to contain a virus will not be accepted by the Company.
6. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### Appointment of proxies through CREST

Alternatively, if you are a member of CREST, you may register the appointment of proxy by using the CREST electronic proxy appointment services as follows:

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual subject to the provisions of the Company's Articles of Association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland's specifications and must contain the information required for such instruction as described in the CREST Manual ([www.euroclear.com](http://www.euroclear.com)). **The message, regardless of whether it relates to the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by no later than 10.30 am on 17 October 2018** (or, if the Meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors, or voting service provider(s) should note that Euroclear UK and Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### Corporate representatives

11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same shares.

### Total voting rights

12. As at 7 September 2018 (being the last practicable date before the publication of this Notice of Meeting), the Company's issued share capital consists of 102,329,635 ordinary shares of £0.01 each, carrying one vote each. The Company does not hold any ordinary shares in treasury. Therefore, the total voting rights in the Company as at 7 September 2018 are 102,329,635.

### Nominated Persons

13. Where a copy of this notice is being received by a person who has been nominated to enjoy information rights under section 146 of the 2006 Act (Nominated Person):
  - 13.1 the Nominated Person may have a right under an agreement between him/her and the shareholder by whom he/she was nominated, to be appointed, or to have someone else appointed, as a proxy for the Meeting; or
  - 13.2 if the Nominated Person has no such right or does not wish to exercise such right, he/she may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in note 3 to 11 above do not apply to a Nominated Person. The rights described in such notes can only be exercised by shareholders of the Company.

### Website publication of audit concerns

14. A shareholder or shareholders who meet the qualification criteria set out in note 15 below may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the Meeting relating to the external audit of the Company's accounts (including the Auditor's report and the conduct of the external audit) that are to be laid before the Meeting in accordance with section 527 of the 2006 Act.

Any such request must:

- 14.1 identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identifying the statement which is being supported;
- 14.2 comply with the requirements set out in note 15 and 16 below; and
- 14.3 be received by the Company at least one week before the Meeting.

Where the Company is required to publish such a statement on its website:

- (i) it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request;
- (ii) it must forward the statement to the Company's external auditor no later than the time when it makes the statement available on the website; and
- (iii) the statement may be dealt with as part of the business of the Meeting.

15. In order to require the Company to publish audit concerns as set out in note 14, the relevant request must be made by:

- 15.1 a shareholder or shareholders having a right to vote at the Meeting and holding at least five per cent of the total voting rights of the Company; or
- 15.2 at least 100 shareholders having a right to vote at the Meeting and holding, on average, at least £100 of paid up share capital.

For information on voting rights, including the total voting rights of the Company, see note 12 above and the website referred to in note 21 below.

16. Any request by a shareholder or shareholders to require the Company to publish audit concerns as set out in note 14:

- 16.1 may be made either:
  - (i) in hard copy, by sending it to the Company Secretary, Dechra Pharmaceuticals PLC, 24 Cheshire Avenue, Cheshire Business Park, Lostock Gralam, Northwich CW9 7UA; or
  - (ii) in electronic form, by sending it by fax to 01606 814731, marked for the attention of the Company Secretary or by email to [CompanySecretarial@dechra.com](mailto:CompanySecretarial@dechra.com) (please state "Dechra Pharmaceuticals PLC: AGM" in the subject line of the email);
- 16.2 must state the full name(s) and address(es) of the shareholder(s); and
- 16.3 where the request is made in hard copy form or by fax, must be signed by the shareholder(s).

### Questions at the Meeting

17. Shareholders have the right to ask questions at the Meeting relating to the business being dealt with at the Meeting in accordance with section 319A of the 2006 Act. The Company must answer any such question unless:
  - 17.1 to do so would interfere unduly with the preparation for the Meeting or would involve the disclosure of confidential information;
  - 17.2 the answer has already been given on a website in the form of an answer to a question; or
  - 17.3 it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
18. The Company has appointed Equiniti as its Registrar to manage the shareholder register, ensure that all information held about the Company's shareholders is kept up to date, and to pay dividends. Equiniti can be contacted at: Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Equiniti operate a shareholder helpline on 0371 384 2030. Overseas shareholders should call +44 (0)121 415 7047. Shareholders with a text phone facility should use 0371 384 2255. Overseas shareholders with a text phone facility should use +44 (0) 121 415 7028. Lines are open 8.30am to 5.30pm (London time), Monday to Friday (except UK public holidays).

### Documents available for inspection

19. The following documents will be available for inspection during normal business hours at the registered office of the Company and at DLA Piper UK LLP, 160 Aldersgate Street, London, EC1A 4HT from the date of this Notice until the time of the Meeting. They will also be available for inspection at the place of the Meeting from at least 15 minutes before the Meeting until it ends:
  - 19.1 Copies of the service contracts of the Executive Directors;
  - 19.2 Copies of the letters of appointment of the Non-Executive Directors;
  - 19.3 Copies of the Directors' indemnities; and
  - 19.4 the Dechra Global Save As You Earn Plan 2018.

### Biographical details of Directors

20. Biographical details of all those Directors who are offering themselves for re-election at the Meeting are set out in the Annual Report and Accounts.

### Website providing information about the Meeting

21. The information required by section 311A of the 2006 Act to be published in advance of the Meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders, is available at [www.dechra.com](http://www.dechra.com).

### Chairman

22. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes that are the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's shares already held by the Chairman, result in the Chairman holding such numbers of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

### Communication

23. You may not use any electronic address (within the meaning of section 333(4) of the 2006 Act) provided in this Notice (or in any related documents including the Chairman's Letter and Proxy Form) to communicate with the Company for any purposes other than those expressly stated.









**Dechra Pharmaceuticals PLC**

24 Cheshire Avenue  
Cheshire Business Park  
Lostock Gralam  
Northwich  
CW9 7UA

**T:** +44 (0) 1606 814730

**F:** +44 (0) 1606 814731

**E:** [corporate.enquiries@dechra.com](mailto:corporate.enquiries@dechra.com)

**[www.dechra.com](http://www.dechra.com)**