

Nomination Committee Report

For the year ended 31 December 2020

The work of the Nomination Committee in the year has focused on the succession process for the Group's Finance Director, in addition to considering the evaluation and reappointment of two non-executive Directors. In addition, a reappointment of the Company Chairman was undertaken, led by Keith Lough, the Group's Senior Independent Director.

In December 2020, the Committee also met to discuss general succession matters and Director rotation. It is the intention of the Committee and Board to stagger Director retirements and following this meeting it has agreed to develop a framework for the future, which will also give consideration to diversity and ethnicity targets published in the UK.

John (Jay) F. Glick

Chair of the Nomination Committee

Composition and Frequency of Meetings

The Committee currently comprises the Company Chairman and the independent non-executive Directors of the Company and is chaired by John (Jay) Glick.

The Committee meets as required to discuss succession matters and, in 2020, met three times throughout the year.

The Committee operates under written terms of reference approved by the Board, which are published on the Company's website at www.huntingplc.com.

Attendance at the Nomination Committee meetings during the year are detailed in the table below:

	Member	Invitation
Number of meetings held	3	
Number of meetings attended (actual/possible):		
Annell Bay	3/3	–
Carol Chesney	3/3	–
Bruce Ferguson (from 15 April 2020)	–	2/2
John (Jay) Glick (Committee Chair)	3/3	–
Richard Hunting	–	3/3
Jim Johnson	–	3/3
Keith Lough	3/3	–
Peter Rose (to 15 April 2020)	–	1/1

Employee Engagement

In December 2020, the Committee and Board received a presentation on the activities of the Group's HR function, which included a review of key senior management personnel, succession and talent management programmes.

The presentation also included an overview of the reduction-in-force programmes which occurred during the year, as the Group's activity levels declined.

Senior Management Development and Succession

As part of the new procedures introduced, evaluation of the senior leadership team and their direct reports has been undertaken. This has led to the Board identifying high-potential candidates, who continue to receive formal development and training to enhance the pipeline of talent for the most senior roles within the Company, including at Executive Committee and Board levels.

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Change of Finance Director

The Company announced on 23 January 2020 the retirement of Peter Rose as Hunting's Finance Director and he subsequently stepped down from the Board at the conclusion of the Company's Annual General Meeting ("AGM") on 15 April 2020.

A formal succession plan for all members of Hunting's leadership team has been in place for a number of years. Following discussion at the meeting held on 22 January 2020, and the unanimous agreement of its members, the Committee were delighted to recommend the appointment of Bruce Ferguson as Finance Director, which was submitted to shareholders for approval at the AGM.

As part of the succession and appointment process, Heidrick & Struggles assisted the Committee in the interview and benchmarking process. Apart from this brief, Heidrick and Struggles do not have any other connection to the Company. Further, Kepler Associates provided benchmarked remuneration data which was reviewed by the Remuneration Committee.

Bruce is a qualified Chartered Management Accountant. He joined Hunting in 1994 and has held a number of senior finance and operational roles within the Group's European businesses and, until April 2020, was managing director of the Group's EMEA segment.

Board Reappointments

In August 2020, the Committee met to consider the reappointment of Richard Hunting as non-independent, non-executive Director and also Jay Glick as non-executive Chair of the Company. Following a discussion, the Committee unanimously reappointed both Messrs Hunting and Glick for a further three-year term, the latter process being led by Keith Lough the Group's Senior Independent Director.

In December 2020, the Committee also met to consider the reappointment of Annell Bay for a final three-year term. Following a discussion, the Committee unanimously reappointed Ms Bay from 2 February 2021.

Mr Glick and Ms Bay will reach their nine-year limit for non-executive Directors in 2024, and the Committee anticipates an orderly succession given the general discussions held in the year. The Board continues to consider Mr Glick and Ms Bay as independent given their current tenure.

Director Rotation

At its meeting in December 2020, the Committee met to discuss general succession matters. Following debate, the Committee agreed a framework for succession and Director Rotation for the non-executive Directors to ensure an enhanced framework was in place.

As part of these discussions, gender and ethnicity targets published by regulators in the UK are also being given consideration in this planning process, with support to be provided by the Group's Chief HR Officer.

Board Evaluation

As noted in the Corporate Governance Report on page 90, the Board undertook an internally facilitated Board evaluation in 2020. The process concluded that the skills and experience of the Directors were strong and appropriate for the size and profile of the Group.

Committee Effectiveness

At its August meeting, the Committee reviewed its terms of reference and in December considered its effectiveness, concluding that its performance had been satisfactory during the year.

Gender Diversity

Hunting's gender diversity policy commits the Group to:

- an embedded culture of equal opportunities for all employees, regardless of gender;
- require external recruitment consultants to submit their diversity policies to the Group prior to appointment;
- ensure that external consultants appointed by Hunting provide candidate shortlists comprising of an appropriate gender balance for consideration by the Nomination Committee; and
- a periodic review by the Nomination Committee of its progress in complying with best practice recommendations.

Following the appointment of Annell Bay in 2015 and Carol Chesney in 2018, Hunting's Board comprises 29% female Directors, which is close to the recommended UK gender target of 33%.



John (Jay) F. Glick
Chair of the Nomination Committee

4 March 2021