



HUNTING PLC

2018 ANNUAL GENERAL MEETING

Resolution 3 – Annual Report on Remuneration

The Companies Act 2006 requires the Company to seek shareholder approval on an annual basis at its AGM for the Annual Report on Remuneration for the prior financial year and the accompanying letter from the Remuneration Committee Chairman. The vote on this Report and letter is “advisory” which means that payments to the Directors are not conditional on this resolution being approved. The Annual Report on Remuneration is set out on pages 83 to 92 of the Company’s 2017 Annual Report and Accounts and the letter from the Remuneration Committee Chairman can be found on pages 71 and 72.

Resolution 8 – Re-election of Richard Hunting

In accordance with the recommendations of the UK Corporate Governance Code, all current Directors will stand for re-election at the AGM, with the exception of John Nicholas who is not seeking re-election and will retire as a Director at the conclusion of the AGM. Biographical details of each of the Directors standing for re-election can be found on pages 56 and 57 of the Company’s 2017 Annual Report and Accounts and also on the Company’s website www.huntingplc.com. The Board is confident that each non-executive Director has the necessary skills and expertise required for the Hunting group, including significant energy industry experience and/or knowledge of the legal and regulatory environment to which Hunting is required to comply. The Board is also satisfied that each non-executive Director, with the exception of Richard Hunting, remains independent in character and judgement and is free from any relationship or circumstance which is likely to affect, or could appear to affect, his or her judgement.

As detailed in the “Results of Annual General Meeting” Stock Exchange Announcement, dated 18 April 2018, the Directors of the Company note the votes received in respect of resolutions 3 and 8.

In accordance with the UK Corporate Governance Code, the Directors make the following statement:

Resolution 3

- The votes against resolution 3 reflect investor concerns in relation to the cessation of employment payment made to the Company’s former Chief Executive and related disclosures made in the Annual Report on Remuneration.
- The Service Contract of the former Chief Executive was a legacy contract. The Remuneration Committee was required to honour the terms of the Service Contract and other legal entitlements.
- The cessation of employment payment was made in accordance with the Directors’ Remuneration Policy approved by shareholders at the 2017 Annual General Meeting.
- The key terms of the Service Contract of the Company’s new Chief Executive align with best practice recommendations published by UK institutions and regulatory bodies. On this basis, the concerns highlighted by investors have been addressed and therefore there are no further actions planned by the Board.
- The new Directors’ Remuneration Policy, approved by shareholders on 18 April 2018, contains new provisions aligned with UK best practice recommendations, including bonus deferral and the introduction of a post-vesting holding period for its long term incentive awards.

Resolution 8

- The votes against resolution 8 reflect investor concerns about Mr Hunting's membership of the Audit Committee, and his status as a non-independent non-executive Director.
- The Board will shortly be appointing two new independent non-executive Directors of the Company, both of whom will sit on the Audit Committee. Simultaneously, Mr Hunting will step down as a member of the Audit Committee. Following these changes, the Audit Committee will wholly comprise independent non-executive Directors.