

Remuneration Committee Report

For the year ended 31 December 2021

Annell Bay
Chair of the
Remuneration
Committee



The Group's results in 2021 reflect the ongoing impact of the COVID-19 pandemic, despite global vaccination programmes being completed and economies being reopened throughout the year. The reluctance of many key industry players to commit to new drilling activity, despite multi-year highs in the pricing of oil and gas, has resulted in persistently low global equipment purchasing in the year, which in turn has impacted Hunting's results for the year ended 31 December 2021.

As these industry factors have played out, new pressures on labour and employee retention have emerged, as competition for skilled employees has increased. The Board was briefed on these emerging issues throughout the year. This led to action being taken to address this risk. In August 2021, the Board led a broad based review of the Group's recruitment and retention policies to address concerns over skilled labour supply and retention. The Board noted that there had been no general salary increases within the Group during the previous two years. Following a benchmarking exercise undertaken by our external advisers, the Remuneration Committee met in October 2021 to consider and approve base salary increases for the wider workforce including the Executive Committee and the executive Directors. These increases took effect on 1 October 2021 and details are included on page 123.

At the Company's 2021 Annual General Meeting, the Directors' Remuneration Policy was tabled to shareholders for approval and received a good level of support with 92.0% votes in favour of the new Policy.

During the year, the Remuneration Committee has monitored the key performance metrics attached to the Company's Annual Bonus and Long Term Incentive schemes. The Committee referred to the shareholder approved Directors' Remuneration Policy in its decision making and was mindful that the losses recorded during the year resulted in the financial targets, conditioning payment of the bonus, not being achieved. Following detailed deliberations, the Committee considered that in spite of very difficult market conditions, the executive Directors' performance measured against the personal/strategic objectives set by the Committee exceeded expectations and had been delivered in full. The Committee therefore approved a 10% vesting of the maximum bonus opportunity available to the executive Directors. In accordance with the Directors' Remuneration Policy, this outcome reflects a halving of the bonus amount, given that the financial targets were not met.

The financial and TSR targets governing the vesting of the 2019 HPSP grant were not met. The strategic scorecard performance condition was achieved however, which will lead to a 7.5% payout in March 2022. The Committee deliberated on this outcome, and concluded that this small level of vesting was proportionate to the strategic objectives of the Company, which had been achieved. This vesting also reflects a halving of the outcome, given that the financial targets set in 2019 were not met.

Overall, the total remuneration of the Chief Executive and the Finance Director takes into consideration their country of residence and primary operating location. Jim Johnson is resident in the US and operates from Hunting's office in Houston. Bruce Ferguson is a UK resident and operates from the London office. Their remuneration was broadly similar to the prior year, and the Committee considers this to be reasonable and a fair reflection of the Company's underlying performance given the market conditions and the wider shareholder experience."

A handwritten signature in black ink that reads "Annell R Bay".

Annell Bay
Chair of the Remuneration Committee

Remuneration Committee Report

continued

Introduction

On behalf of the Board, I am pleased to present the Remuneration Committee Report to shareholders for the year ended 31 December 2021. This letter provides a summary of the work completed by the Remuneration Committee (the "Committee") in the year, including the major decisions taken and details of how the approved Directors' Remuneration Policy was implemented during the year.

The Committee met six times in the year, compared to three times in 2020, reflecting the additional discussions held on employee retention.

	Member	Invitation
Number of meetings held	6	
Number of meetings attended (actual/possible):		
Annell Bay (Committee Chair)	6/6	–
Carol Chesney	6/6	–
Bruce Ferguson	–	5/5
John (Jay) Glick	–	6/6
Richard Hunting	–	6/6
Jim Johnson	–	6/6
Keith Lough	6/6	–

Major Decisions Made by the Committee

COVID-19

With the continuing impact of the COVID-19 pandemic on global economies and the slower-than-anticipated return to growth for many of the Group's businesses, the Committee has continued to adopt restraint and caution in its decisions on pay.

In determining the Annual Bonus outcome and vesting of the 2019 awards under the HPSP, the Committee applied the principles of the Directors' Remuneration Policy and halved the outcome of both the Annual Bonus and the vesting levels of the HPSP since the financial targets were not achieved. Further, the Committee also reduced the quantum of the 2021 grant under the HPSP by 22%, given the year-on-year decline in the Company's share price. This was the second year in a row where the quantum of the HPSP grant was substantially reduced.

Base Salary and Fee Review

The Committee met in August and October 2021 to consider adjustments to the base salaries of the executive Directors and the wider workforce. In August 2021, the Committee was briefed by the Chief Executive and the Chief HR Officer on employee retention and labour issues, which were emerging across the Group's US businesses. In particular, the Committee understood that the risk of loss of key executives had materially increased as the energy industry showed early signs of recovery from Q2 onwards. The risk has been reflected in the Group's principal risk register on page 90. To address the concerns of the Group's senior leadership team, the Board approved a 5.0% increase in base salaries across the Group's workforce, which was implemented in Q4 2021.

The Committee held an additional meeting in October 2021 to deliberate on possible base salary increases for the executive Directors, and received data from the Chief HR Officer on the base salary increases that were proposed for the Hunting Executive Committee, which ranged from 5.0% to 20.0%. These increases were based on independently benchmarked salary data provided by Mercer/Kepler (UK) and Pearl Meyer (US).

The Committee then considered the base salary of the Chief Executive, noting that in 2017 his salary had been set at 11% below that of his predecessor and that a base salary freeze had been in place since early 2019. The Committee decided to award Mr Johnson a salary increase of 5.0% to \$771,750 per annum, with effect from 1 October 2021, and in line with the wider workforce.

The Committee also considered the base salary of the Finance Director, noting that in 2020 his salary was set at 19% below that of his predecessor. Independent peer salary data was reviewed for the Finance Director's base salary and was benchmarked against a FTSE Small Cap peer group, with the base salary being materially below the market median, and that Mr Ferguson had performed exceptionally since his appointment in 2020, helping the Group to navigate through the impact of the pandemic. On this basis, the Committee awarded Mr Ferguson a base salary increase of 10.0% to £302,500 per annum, with effect from 1 October 2021. The Committee believes these adjustments reflect progression in role and are within the range of increases awarded to the Executive Committee.

The Committee also met in December 2021 to review the fees of the non-executive Directors and concluded that no changes would be made.

Annual Bonus

The Group did not meet its budgetary targets for 2021, given the slower-than-anticipated return to growth in many of the Group's businesses. This has resulted in a nil vesting of the financial components of the bonus.

The Committee met in January 2022 to review the delivery of the personal/strategic performance objectives by the executive Directors.

In line with the operation of the Annual Bonus Plan, the Committee noted the strong delivery of the objectives set at the start of the year, including delivery of a medium range strategic framework and other key sustainability objectives. Following discussion, the Committee agreed to award 10% of the maximum bonus opportunity to each executive Director. This reflects the full delivery of pre-determined personal targets, and a halving of the recorded outcome to reflect the nil vesting of the financial targets, in line with the operation of the Annual Bonus Plan. The Committee did not apply discretion to the annual bonus outcome.

On this basis, Mr Johnson will receive a bonus of \$154k, while Mr Ferguson will receive a bonus of \$62k, and in line with 2020, these awards will be delivered in Ordinary shares in the Company, to be retained for a minimum of one year. These are explained in detail on page 125.

HPSP Awards Granted

The Committee implemented a 22% reduction to the quantum of HPSP awards granted in March 2021 – this followed a 20% reduction to the awards issued in 2020.

HPSP Awards Vesting

The 2019 awards under the HPSP are due to vest on 21 March 2022 and incorporate four performance conditions, being ROCE (35%), EPS (25%), TSR (25%) and a Strategic Scorecard (15%). The EPS and ROCE performance conditions were based on performance targets to be delivered for the financial year ending 31 December 2021. The Strategic Scorecard comprises two non-financial sub-measures, being the Group's Safety and Quality performance across the performance period.

Following measurement of the financial elements of the award, the TSR, ROCE and EPS performance conditions for the 2019 awards recorded a nil vesting. The TSR condition was measured independently by Mercer/Kepler. The Strategic Scorecard recorded a 15% vesting (or 100% of the scorecard portion), in line with the operation of the Policy, given that the financial targets had not been met the Committee halved this amount, leading to a total vesting of 7.5%. The Committee did not apply discretion to adjust the vesting of the 2019 HPSP.

On this basis, Mr Johnson will be entitled to receive 31,688 Ordinary shares on the vesting date. Reflecting his prior role below the Board, Mr Ferguson's 2019 award under the HPSP included both performance- and time-based share awards, with the latter vesting in full on the basis of his continued service to the Group across the performance period. In total Mr Ferguson will be entitled to receive 20,031 Ordinary shares on the vesting date.

Dividend equivalents accrued during the period totalling 23.0 cents per share will be added to the vesting amount. All vested shares will be held for a minimum period of two years from the vesting date.

2021 AGM Result

At the Company's AGM held on 21 April 2021, the Company received 81.3% votes in favour of the resolution to approve the 2020 Annual Report on Remuneration. The Directors' Remuneration Policy was also tabled for approval and received 92.0% votes in favour.

Context of Remuneration Awarded in 2021

The Group's performance in the year, as noted above, has led to a 10% vesting of the maximum annual bonus opportunity and a 7.5% vesting of the 2019 HPSP award. Both elements of variable remuneration are "Below Target", given the continuing industry downturn in Hunting's core trading markets.

The single figure for total remuneration paid to Jim Johnson was \$1.1m in 2021 and to Bruce Ferguson was \$564k.

In 2020, the remuneration paid to the executive Directors reflected a "Below Target" performance for both the annual bonus award and the HPSP.

The Committee is satisfied that total pay outcomes are appropriate in the context of Group performance across the periods covered by these short- and long-term incentives.

Activities Undertaken by the Remuneration Committee During 2021

	Jan	Mar	Apr	Aug	Oct	Dec
Overall Remuneration						
Annual base salary review				•	•	
Review senior management annual emoluments paid				•		
Review total remuneration against benchmarked data				•		
Items Specific to Annual Bonus						
Approve annual bonus including delivery of personal/strategic performance targets	•					
Review Annual Bonus Plan rules				•		
Agree personal/strategic performance targets for year ahead		•				
Items Specific to Long-term Incentives						
Approve HPSP vesting and new annual grant		•				
Review HPSP performance conditions						•
Review HPSP grant performance targets		•				
Governance and Other Matters						
Approve Annual Report on Remuneration		•				
Review and approve Remuneration Policy (if required)		•				
Review governance voting reports			•			
Review AGM proxy votes received for Annual Statement of Remuneration and Policy				•		
Review Committee effectiveness						•
Review terms of reference						•

On behalf of the Board



Anell Bay

Chair of the Remuneration Committee

3 March 2022

Remuneration at a Glance

Remuneration Policy and 2021 AGM Result

The remuneration framework adopted in the year aligned with the Policy approved by shareholders on 21 April 2021, with 92.0% of votes in favour. Details of the Policy can be found within the 2020 Annual Report and Accounts at www.huntingplc.com.

At the Annual General Meeting of the Company on 21 April 2021, the resolution to approve the Annual Report on Remuneration was supported by a vote of 81.3% in favour.

Link to Strategy and KPIs

The Group's Key Performance Indicators are noted on pages 38 and 39, and include financial measures such as profit before tax, return on capital employed and earnings per share targets.

Non-financial measures are also incorporated into HPSP awards and include the Group's Quality and Safety performance. Both these metrics underpin Hunting's standing and reputation in the global energy industry which, in turn, support the Group's long-term strategy.

A significant TSR element also helps align executive remuneration with the shareholder experience. The Company's chosen financial and non-financial KPIs are central to Hunting's long-term success and are fully integrated into the remuneration framework approved by shareholders.

Base Salaries and Pension

In October 2021, the Board approved a 5.0% base salary increase across the Group's workforce and also approved base salary increases for the Hunting Executive Committee of between 5.0% to 20.0%.

The Committee discussed base salary increases for the executive Directors and, after careful consideration, approved a 5.0% base salary increase for Jim Johnson to \$771,750, and a 10.0% base salary increase for Bruce Ferguson to £302,500.

Base Salaries

Chief Executive	\$771,750 +5.0% from 01.10.21
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Finance Director	£302,500 +10.0% from 01.10.21
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Company Performance Summary

As noted in the Letter from the Chair of the Remuneration Committee, the Group reported lower revenues in the year and an underlying loss before tax of \$40.6m and ROCE of -4%.

The PBT and ROCE portions of the annual bonus did not reach the required threshold targets and therefore 80% of the maximum bonus opportunity did not vest. Following a review of the delivery of the personal/strategic performance objectives for the executive Directors in relation to the remaining 20% of the annual bonus, a substantial vesting was recorded but this was capped to 10% of the maximum bonus opportunity, in line with the operation of the plan. Performance measurement of the 2019 awards under the HPSP recorded a combined 7.5% vesting, wholly based on the vesting of the Strategic Scorecard component and a nil vesting of the EPS, TSR and ROCE performance elements.

2021 Annual Bonus Targets and Outcome

The annual bonus for executive Directors is based on profit before tax, return on capital employed and personal/strategic performance targets.

Target underlying profit before tax for 2021	\$4.0m
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Target underlying ROCE for 2021	2.0%
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Actual underlying loss before tax	\$40.6m
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Actual underlying ROCE	-4%
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Annual Bonus

The financial targets for the annual bonus were not achieved. The Committee also reviewed the delivery of the personal/strategic performance objectives by the executive Directors. Following careful consideration and discussion, it was agreed that the objectives had been met in full, leading to a full vesting of this component of the bonus award. Under the rules of the Policy, this component of the bonus is capped at half of the maximum if the financial targets have not been met. On this basis, Jim Johnson will receive a bonus of \$154k and Bruce Ferguson will receive a bonus of \$62k, which will be delivered in Ordinary shares in the Company.

Annual Bonus

Chief Executive	\$154k
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Finance Director	\$62k
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Hunting Performance Share Plan ("HPSP")

The Group's 2019 HPSP grant incorporated EPS, ROCE, relative TSR and Strategic Scorecard performance conditions.

The EPS and ROCE performance conditions were based on the financial results delivered for the year ended 31 December 2021, while the TSR and Strategic Scorecard were based on three-year performance targets. The Strategic Scorecard comprised two sub-measures being Safety and Quality performance.

	Proportion	Threshold Vesting
Underlying ROCE	35%	10.0%
Underlying diluted EPS	25%	50 cents
Relative TSR	25%	Median
Strategic Scorecard		
– Safety	7.5%	2.0
– Quality Assurance	7.5%	0.8

2019 HPSP Outcome

The outcomes are presented below:

	Performance	Vesting
Underlying ROCE	-4%	Nil
Underlying diluted LPS	(27.1) cents	Nil
Relative TSR	Below Median	Nil
Strategic Scorecard		
– Safety	0.94	3.75%
– Quality Assurance	0.22	3.75%

Under the rules of the Plan, vesting of the Strategic Scorecard element of the HPSP is capped at 7.5%, being half of the maximum of 15%, as the financial targets were not met.

Jim Johnson will therefore be entitled to receive 31,688 Ordinary shares.

Mr Ferguson was granted both performance-based and time-based awards in 2019. On this basis, he will be entitled to receive 20,031 Ordinary shares on 21 March 2022, being the vesting date of the 2019 award.

Further, under the HPSP rules, dividend equivalents accrued over the vesting period totalling 23.0 cents per vested share will be added to this award.

All the post-tax shares retained will be held for a minimum of two years, in line with the 2018 Directors' Remuneration Policy.

2019 Awards Under the HPSP Vesting in March 2022

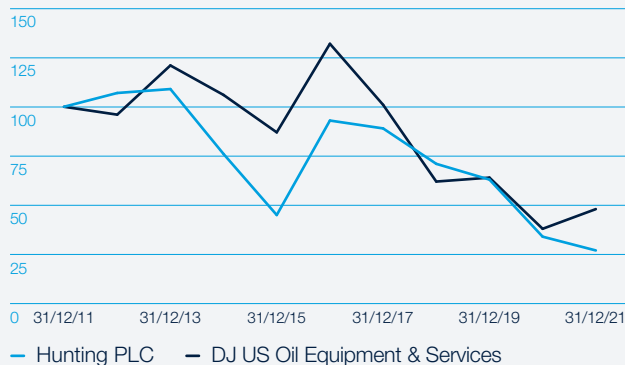
Chief Executive **31,688**
Shares will vest

Finance Director **20,031**
Shares will vest

Shareholder Returns

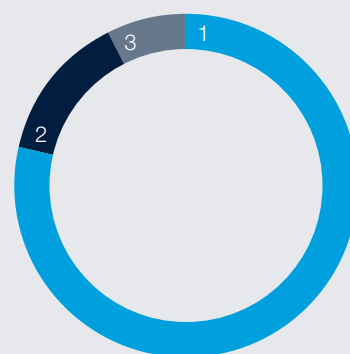
Total shareholder return is measured against a peer group of 12 companies, all focused on upstream oil and gas services.

For the three years ended 31 December 2021, Hunting had a Below Median ranking resulting in a nil vesting of the TSR element of 2019 HPSP award.



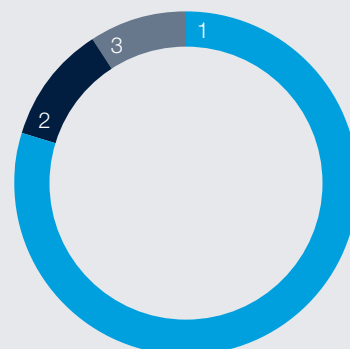
Chief Executive

1. Fixed \$865k
 2. Annual Bonus \$154k
 3. HPSP \$81k
- Total \$1,100k**



Finance Director

1. Fixed \$451k
 2. Annual Bonus \$62k
 3. HPSP \$51k
- Total \$564k**



Directors' Remuneration Policy

Policy Overview

The Directors' Remuneration Policy (the "Policy"), which will be applied by the Hunting Board for the executive and non-executive Directors of the Company, was approved by shareholders at the Annual General Meeting held on 21 April 2021. The revised Policy included a small number of changes, all of which are aimed at reflecting the evolution in investor thinking on best practice since the Policy was last approved.

The Policy is designed to comply with the principles of the UK Corporate Governance Code and the Companies Act 2006 regarding remuneration and to ensure that the Company can attract, retain and motivate talented executive Directors to promote and deliver long-term success for the Group. The package comprises fixed and variable incentives and is structured to link total reward with both corporate and individual performance.

The remuneration opportunities of the Chief Executive and Finance Director are based on externally benchmarked data aimed at providing them with competitive levels of remuneration in the relevant market. The Chief Executive's remuneration is benchmarked against global peers who are mostly headquartered, or publicly listed in the US, and who are of a similar profile and size to Hunting, while also being reputable peers in the oil and gas equipment and services sector. The Finance Director's remuneration is benchmarked against UK listed companies of a similar size.

Non-executive Director fees are set at levels that take into account the time commitment and responsibilities of each role. Given the small size of the Hunting Board, each non-executive Director is required to give an above average time commitment to Group matters. The non-executive Directors do not receive bonuses or other variable emoluments. The fees are benchmarked against other companies of a similar size, profile and profitability and are reviewed annually by the executive Directors. The Chairman's fee is set by the Remuneration Committee. The Remuneration Policy tables that follow provide an overview of each element of the Directors' Remuneration Policy.

The 2018 UK Corporate Governance Code sets out principles against which the Committee should determine the Policy for executives. A summary of the principles and how the revised Hunting Remuneration Policy reflects these is set out earlier in the Corporate Governance Report on page 104.

Remuneration Committee Discretion

The Committee has defined areas of discretion within the Directors' Policy framework. Where discretion is applied, the Committee will disclose the rationale for the application of discretion. The Committee will operate the Annual Bonus Plan and HPSP in accordance with the relevant plan rules and this Policy. The Committee retains discretion as to the operation and administration of these plans as follows:

Annual Bonus

- Discretion to adjust the amount of any bonus to reflect any fact or circumstance that the Committee considers to be relevant, and to ensure that the outcome is a fair reflection of performance.
- The assessment of part-year performance in the event of the exit of a Director including, but not limited to, reviewing forecast financial performance of the Group and the outlook of the business in the context of wider market conditions. Bonus awards for good leavers will generally be pro-rated for the proportion of the performance period completed.
- The Committee may apply discretion to vary the percentage of an award settled in cash or shares.

HPSP

- Selection of the TSR comparator group for the HPSP. The Committee reviews the comparator group annually ahead of each grant made to the executive Directors under the HPSP. The Committee also retains the discretion to make adjustments to the comparator group for subsisting awards if it believes that a constituent of the comparator group has distorted the vesting outcome if, for example, a constituent company has been subject to a material corporate action.
- The Committee may amend the performance conditions applying to an award in exceptional circumstances if the new performance conditions are considered fair and reasonable, and are neither materially more nor materially less challenging than the original performance conditions when set. The oil and gas industry is a highly cyclical industry, where sentiment is driven by oil and gas commodity prices and activity levels across the industry. Given that these market conditions are outside management's control, the Committee retains the discretion to partially adjust the performance targets of the performance conditions adopted for the HPSP, to align with the general market outlook, while continuing to be a demanding and stretching incentive. Any upward discretion would be subject to prior shareholder consultation.

Other

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) that are not in line with the Policy outlined above, where the terms of the payment were agreed either:

- before the Policy came into effect; or
- at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

Executive Director Remuneration Policy Table

Fixed Emoluments

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Changes to policy proposed
Base Salary				
<ul style="list-style-type: none"> To attract, retain and reward executives with the necessary skills to effectively deliver the Company strategy. 	<ul style="list-style-type: none"> Base salaries are set at competitive rates, which take into account the individual's country of residence and primary operating location as well as pay for similar roles in comparable companies. Aimed at the market mid-point. Annual increases take into account company performance, inflation in the UK and US and increases across the wider workforce. Relocation and tax equalisation agreements are also in place for employees working across multiple geographic jurisdictions. 	<ul style="list-style-type: none"> There is no prescribed maximum annual increase. Increases will normally be guided by the general increase for the broader employee population, but on occasions may need to recognise, for example, development in role, change in responsibility, and/or specific retention issues. 	<ul style="list-style-type: none"> Individual and Group performance are taken into account when determining appropriate salaries. 	<ul style="list-style-type: none"> None.
Pension				
<ul style="list-style-type: none"> To provide normal pension schemes appropriate to the country of residence. 	<ul style="list-style-type: none"> The Group currently contributes on behalf of the Chief Executive to a US 401K deferred savings plan and an additional deferred compensation scheme. The Finance Director receives an annual cash sum in lieu of contributions to a company pension scheme. 	<ul style="list-style-type: none"> Pension contributions vary based on individual circumstances and local market practice. Further details are set out on page 118. Any future executive Director appointees in the UK will receive a base salary pension contribution of 12% in line with the majority of UK employees. Any future executive Director appointees in the US will have a contribution cap of 12% of base salary, provided through qualified and non-qualified savings plans. 	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> None.
Benefits				
<ul style="list-style-type: none"> To provide normal benefits appropriate to the country of residence. 	<ul style="list-style-type: none"> Each executive Director is provided with healthcare insurance and a company car with fuel benefits or allowance in lieu. Additional benefits may be provided to ensure the Group remains competitive within the relevant local market. 	<ul style="list-style-type: none"> There is no maximum value set on benefits. They are set at a level that is comparable to market practice. 	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> None.

Executive Director Remuneration Policy Table

Variable Emoluments

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Changes to policy proposed
Annual Bonus				
<ul style="list-style-type: none"> To incentivise annual delivery of financial and operational targets. To provide high reward potential for exceeding demanding targets. 	<ul style="list-style-type: none"> Awards are subject to the Annual Bonus Plan rules adopted by the Board in 2010. Bonus begins to accrue when 80% of the Annual Budget targets are achieved and increases on a straight-line basis to a maximum when 120% of Budget is achieved. For an on-target performance, defined as actual results equal to the Budget, the Chief Executive is paid 100% of base salary and the Finance Director is paid 75% of base salary. 25% of any Annual Bonus is normally payable in Hunting shares. These shares are required to be held for two years from the vesting date. Malus and clawback provisions are incorporated and allow the Committee to reduce the bonus, potentially down to zero, in cases of material financial misstatement, calculation error, gross misconduct or actions that cause reputational damage to the Company. 	<ul style="list-style-type: none"> The Chief Executive and Finance Director have a maximum opportunity of 200% and 150% of salary, respectively. 	<ul style="list-style-type: none"> 80% of the Annual Bonus will be based on financial measures, with the remainder based on strategic/personal performance measures, selected annually by the Remuneration Committee to reflect key performance indicators for the year ahead. The vesting of the strategic/personal component is normally subject to a financial underpin. Should the financial targets not be met, a 50% vesting cap of the personal/strategic component would normally be implemented. 	<ul style="list-style-type: none"> None.

Hunting Performance Share Plan (“HPSP”)

<ul style="list-style-type: none"> To align the interests of executives with shareholders in growing the value of the business over the long term. 	<ul style="list-style-type: none"> The HPSP provides for annual awards of performance shares or nil cost options to eligible participants. Vesting is based on a three-year performance period. On vesting, awards are subject to an additional two-year holding period (subject to settlement of any tax charges on vesting). Awards are subject to malus and clawback provisions, which cover cases of material financial misstatement, calculation error, gross misconduct or actions that cause reputational damage to the Company. The Committee has the ability to exercise discretion to override the HPSP outcome in circumstances where strict application of the performance conditions would produce a result inconsistent with the Company’s remuneration principles. Any upward discretion would be subject to prior shareholder consultation. In respect of vested shares, participants are eligible to receive an amount equivalent to dividends paid by the Company during the vesting period once the final vesting levels have been determined, either in cash or shares. 	<ul style="list-style-type: none"> Chief Executive: 450% of base salary. Finance Director: 210% of base salary. 	<ul style="list-style-type: none"> Achievement of a threshold performance target results in a 25% vesting for any portion of the award. Awards will vest on achievement of financial and strategic performance measures, measured over a three-year performance period. Financial measures will include EPS, ROCE and TSR and will receive an aggregate weighting of 85% of each award. A fourth measure, in the form of a Strategic Scorecard, which will comprise a number of sub-measures, will have an aggregate weighting of 15% of each award. Should the financial targets of the grant not be met, the vesting of the Strategic Scorecard is halved. 	<ul style="list-style-type: none"> None.
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Directors' Remuneration Policy

continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Changes to policy proposed
Minimum Stock Ownership Requirement				
<ul style="list-style-type: none"> To encourage the retention of shares under award to the executive Directors. To align the long-term interests of the executive with shareholders. 	<ul style="list-style-type: none"> Directors have five years to achieve the required holding level from the date of their appointment to the Board. The Board has discretion to extend this time period if warranted by individual circumstances. 	<ul style="list-style-type: none"> The target holding of the Chief Executive is equal to the market value of 500% of base salary and for the Finance Director 200% of base salary. 	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> None.
Post-Employment Shareholding Requirement				
<ul style="list-style-type: none"> To continue to align the long-term interests of the executive with shareholders for a period after they have left the Group. To incentivise good succession planning. 	<ul style="list-style-type: none"> Directors are required to retain a holding in Hunting shares for a period after stepping down as an executive Director. The Committee will have discretion to reduce/waive the requirement in exceptional circumstances. 	<ul style="list-style-type: none"> Executive Directors must continue to hold shares equivalent to the lesser of their actual ownership at the date of stepping down as an executive Director and 200% of base salary, for a minimum of 12 months. This requirement will apply to shares acquired under the deferred Annual Bonus and HPSP granted after the 2021 AGM. 	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> None.

Non-executive Director Remuneration Policy Table

The remuneration of the non-executive Directors is designed to reflect the time and commitment of each to their respective roles.

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Changes to policy proposed
Chairman and Non-executive Director Fees				
<ul style="list-style-type: none"> To attract and retain high-calibre non-executive Directors by offering a market competitive fee. 	<ul style="list-style-type: none"> Fees for the Chairman and non-executive Directors are determined by the Board as a whole, following receipt of external fee information and an assessment of the time commitment and responsibilities involved. The Chairman is paid a single consolidated fee for his responsibilities including chairing the Nomination and the Ethics and Sustainability Committee. The non-executive Directors are paid a basic fee. Directors may be paid an additional fee to reflect their responsibilities — for example Directors who chair the Board's Audit and Remuneration Committees and the Senior Independent Director. The non-executive Directors and Chairman do not participate in the Group's share plans and do not receive a cash bonus or any other benefits. 	<ul style="list-style-type: none"> Fees paid to the non-executive Directors are benchmarked against other UK companies of a similar size and profile to the Group. Given the small size of the Board, each non-executive Director is expected to give an above average time commitment to Group matters and fees are based on this increased commitment. The aggregate maximum fees for all non-executive Directors within the Company's Articles of Association are £750,000. 	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> None.
Minimum Stock Ownership Requirements				
<ul style="list-style-type: none"> To align the non-executive Directors' interests with the long-term interests of shareholders. 	<ul style="list-style-type: none"> Non-executive Directors are required to build up a holding of shares in the Company and have five years to achieve the required holding level from the date of their appointment to the Board. 	<ul style="list-style-type: none"> The target holding for the Chairman and non-executive Directors is equal to 100% of the annual fee. 	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> None.

Directors' Remuneration Policy

continued

Detailed Policy

Amendments to the Policy

The oil and gas industry remains a competitive marketplace, therefore recruiting and retaining the right individuals to deliver long-term shareholder growth is a key focus of management and the Remuneration Committee. It is anticipated that recruitment and retention will remain a challenge for the sector and, therefore, the Committee will continue to keep the approved Policy under review, and will make any necessary revisions after appropriate consultation and approval from shareholders has been received.

Relevance to Employee Pay

The Policy tables summarise the remuneration structure that operates for executive Directors within Hunting and which also applies to senior executives of the Group. While bonus and pension arrangements are in place for most of the Group's employees, lower aggregate remuneration operates at below the executive Director and senior manager level, with total remuneration driven by market comparatives and the individual responsibilities of each role.

Performance condition	Variable incentive	Rationale
Underlying Profit before Taxation	Annual Bonus	PBT is a management KPI used to measure the underlying performance of the Group. PBT reflects the achievements of the Group in a given financial year and recognises sustained profitability measured against an agreed Annual Budget.
Underlying Return on Capital Employed	Annual Bonus HPSP	ROCE is a management KPI used to measure the longer-term performance of the Group. ROCE reflects the value created on funds invested in the short and medium term.
Total Shareholder Return	HPSP	Reflects the Group's long-term goal to achieve superior levels of shareholder return.
Underlying Earnings Per Share	HPSP	To encourage sustained levels of earnings growth over the long term.
Strategic/Personal Objectives	Annual Bonus HPSP	To capture and incentivise delivery of key strategic milestones that contribute to long-term success.

Base Salaries and Fees

Base salaries and fees are reviewed annually. In considering appropriate salary levels for the executive Directors, the Committee takes into account their experience and personal performance, the remuneration paid by comparable companies in terms of asset size, revenues, profits, number of employees, market capitalisation and the complexity and international spread of Group operations, as well as Group-wide salary increases and applicable rates of inflation. Other relocation and taxation agreements are also in place for key executives.

Base fee increases for the non-executive Directors are based on external benchmarking of market data for fees paid by comparable companies.

Benefits

Other benefits provided to the executive Directors as part of their remuneration package include the provision of appropriate healthcare insurance, life and disability insurance, car and fuel benefits.

Choice of Performance Metrics

The corporate strategy includes promoting the long-term success of the Group by investing in its existing products and services portfolio through capital investment or by acquisition and growing the business in a way that is aligned with the evolving global energy industry.

The performance of the executive Directors in executing this strategy is evaluated by the following key performance indicators ("KPIs"), which drive the variable components of the executive Directors' emoluments.

The HPSP performance conditions and growth targets can be amended by the Remuneration Committee, with the targets set annually when each award is granted, following an assessment of the growth prospects of the Group.

Taken together, the Committee believes that the executive Directors are appropriately incentivised to deliver both short- and long-term performance based on these metrics.

Pension

The Group contributes to the pension arrangements of both the Chief Executive and Finance Director.

Jim Johnson currently participates in the Group's US 401K deferred savings plan. In addition, and consistent with similarly long-tenured US employees, the Group contributes to a deferred compensation scheme. In practice, this compensation scheme is operated on a money purchase basis. Annual contributions for Jim Johnson are up to an equivalent of 18% of salary. Bruce Ferguson receives an annual cash sum equivalent to 12% of base salary, which is aligned with the contribution rate offered to the majority of UK employees. A similar approach will be followed for any future executive Director appointments.

Annual Bonus

An Annual Bonus Plan is in place for the executive Directors, which was adopted by the Board in 2010. The Plan is designed to provide an incentive/reward for performance and reflects the competitive markets in which the Group conducts its business.

80% of the Annual Bonus is based on financial measures, with the remainder based on personal/strategic performance objectives that are set annually by the Remuneration Committee to reflect key priorities for the year ahead.

75% of any Annual Bonus award is paid in cash with the remaining 25% paid in Hunting shares, which are required to be held by the executive Director for a period of two years from the end of the relevant financial period.

For the 2020 and 2021 Annual Bonus, the Remuneration Committee exercised discretion to award 100% in Hunting shares, to be held for a minimum of one year.

HPSP

The HPSP was approved by shareholders in April 2014. Share awards granted to the executive Directors under the HPSP in recent years have been based on a blend of Total Shareholder Return, Earnings per Share, Return on Capital Employed and a Strategic Scorecard.

All performance conditions are measured at the end of the relevant three-year performance period and awards to the executive Directors will be proportional to the total vesting level achieved. Subject to the achievement of performance conditions, awards will typically vest on the third anniversary of the grant. For awards made in 2018 and onwards, vested shares are subject to an additional two-year holding period (subject to settlement of any tax charges on vesting).

The maximum face value of the grant to the Chief Executive is 450% of base salary and 210% of base salary for the Finance Director. Actual award levels are reviewed ahead of each grant to ensure they are appropriate, taking into account factors such as share price performance and the underlying performance of the Group. An amount equivalent to dividends paid by the Company during the vesting period is added to the awards once the final vesting levels have been determined.

Stock Ownership Policy

The Company operates a stock ownership policy whereby the Directors and senior managers are required to build and maintain a minimum shareholding in the Company's Ordinary shares. For executive Directors, the primary mechanism of building the required shareholding is retaining vested shares received from the deferred element of the Annual Bonus and from long-term incentive schemes operated by Hunting. Those subject to this requirement have a period of five years from the date of employment by Hunting to comply.

The Chief Executive is required to maintain a minimum holding of shares equal to a market value of 500% of base salary, the Finance Director a minimum holding of 200% of base salary and the non-executive Directors a minimum holding of 100% of annual fees. Certain executives of the Group are required to build and maintain a minimum holding of shares in the Company equal to a market value of between 100% and 200% of base salary. The value of holdings in shares reported in the Annual Report on Remuneration includes Ordinary shares held by the individual and also the post-tax value of vested, but unexercised, share awards and options.

The Company has adopted a post-employment shareholding policy requiring executive Directors to maintain a level of share ownership after stepping down from the Board. Both the Chief Executive and the Finance Director will be required to continue to hold the lesser of their actual ownership at the date of stepping down and 200% of salary for a minimum of 12 months. This policy will apply to shares acquired under the deferred Annual Bonus and HPSP granted after the 2021 AGM, and will be subject to the discretion of the Committee in exceptional circumstances.

Executive Director Service Contracts

All existing executive Directors' Service Contracts are rolling one-year agreements and contain standard provisions allowing the Company to terminate summarily for cause, such as gross misconduct. The Service Contracts can be reviewed at the Company's Registered Office, on request by a shareholder.

Jim Johnson and Bruce Ferguson entered into Service Agreements with the Company on 7 December 2017 and 2 June 2020 respectively. Under the terms of these Service Agreements, both the Company and the Directors are required to give one year's notice of termination. Messrs Johnson and Ferguson are entitled to receive a Performance Bonus on an annual basis, the quantum being determined by the Remuneration Committee. Messrs Johnson and Ferguson are also entitled to participate in the Hunting Performance Share Plan and any other long-term incentive schemes operated by the Company. Under the terms of their Service Agreements, benefits may include the provision of a company car with fuel, long-term disability and healthcare benefits offered by the Company, as well as participation in pension schemes operated by the Company. Following a change of control, in line with standard UK practice, all stock options and stock-based awards granted will be tested for performance and pro-rated for time unless the Committee, acting fairly, decides otherwise.

Non-executive Director Letters of Appointment

On appointment, each non-executive Director is provided with a letter of appointment that sets out the responsibilities and time commitments for the role. Additional duties, as requested by the Nomination Committee, including chairing a Board subcommittee, are also incorporated into the letters of appointment and fees paid. Non-executive Director appointments are usually for a fixed three-year term, which can be terminated by either party at any time.

External Board Appointments

The Company may authorise an executive Director to undertake a non-executive directorship outside of the Group provided it does not interfere with their primary duties. During the year neither executive Director held any external positions.

Payment for Loss of Office

The Committee has considered the Company's policy on remuneration for executive Directors leaving the Company and is committed to applying an approach consistent with best practice to ensure that the Company pays no more than is necessary. In line with normal market practice, the policy distinguishes between "Good Leavers" and "Bad Leavers". A "Good Leaver" is defined as an employee who has ceased to be employed by the Group due to death, ill-health, injury, disability, redundancy, retirement, the employee's company ceasing to be a Group member or for any other reason if the Committee so decides.

In the case of a Good Leaver, taking account of local conditions, the Policy normally allows:

- payment in lieu of notice equal to 12 months' base salary, pension contributions, contractual benefits and any other legal entitlements;
- payment of a bonus for the period worked subject to the achievement of the relevant performance conditions; and
- any unvested long-term incentives vest at the normal time subject to the achievement of the relevant performance conditions, and pro-rated based on the period of service as a proportion of the vesting period.

If an employee departs the Group for any other reason than those specified in the Good Leaver definition above then he/she is treated as a bad leaver and unvested long-term incentives lapse immediately on cessation of employment.

Directors' Remuneration Policy

continued

New Director Policies

As the Board of Hunting is refreshed with new executive and non-executive Director appointments, the policy for remuneration for the new Board members will align with those detailed above. Hunting needs to be able to attract and retain the best executive and non-executive Directors in the market place. The Remuneration Committee believes that the proposed policy will enable the Company to achieve its recruitment aims.

For executive Director appointments, the fixed component of total emoluments will target the market mid-point, subject to geographic considerations of the candidate and the specific labour market conditions. Where new appointees have initial base salaries set below market, any shortfall may be managed with phased increases over a period of two to three years, subject to the individual's development and performance in the role. The Service Contracts will be rolling one-year agreements with standard provisions. The fixed component of the emoluments will comprise base salary, including any appropriate relocation or tax equalisation agreements, benefits including healthcare insurance, pension contributions, car benefits and any other components deemed necessary to secure an appointment. The variable component to the emoluments will be implemented in line with the policies above, subject to any future amendments to these arrangements being approved by shareholders. Annual performance linked cash bonus arrangements will include awards up to 150% and 200% of base salary for a new Finance Director and Chief Executive respectively. The maximum awards under the HPSP are 210% and 450% of base salary for a new Finance Director and Chief Executive respectively. The Committee anticipates applying UK market standard change of control provisions within new Service Contracts.

In addition, for new appointees, the Committee may offer additional cash and/or share-based elements when it considers these to be in the best interests of the Company and shareholders. Any such payments would take account of remuneration relinquished when leaving the former employer and would be structured to reflect the nature, time horizons and performance requirements attaching to that remuneration. Shareholders will be informed of any such payments at the time of appointment.

For non-executive Director appointments, the benchmarked fees against companies of similar size and profile to Hunting will be applied.

Consideration of Employment Conditions Elsewhere in the Group

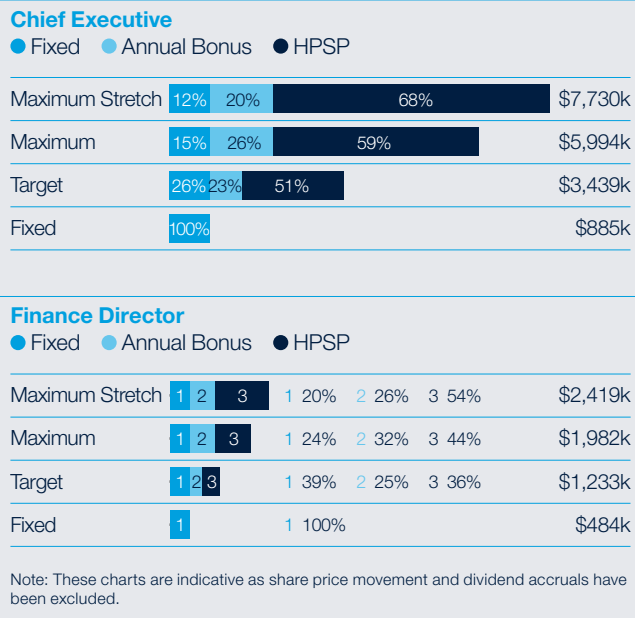
The Committee considers the general basic salary increases for the broader employee population when determining the annual salary increases for the executive Directors. Employees have not been consulted in respect of the design of the Company's senior executive remuneration policy.

Shareholder Consultation and Feedback

When determining remuneration, the Committee takes into account views of leading shareholders and best practice guidelines issued by institutional shareholder bodies. The Committee is always available for feedback from shareholders on remuneration policy and arrangements, and will undertake a further consultation with our largest shareholders in advance of any significant future changes to remuneration policy. The Committee will continue to monitor trends and developments in corporate governance and market practice to ensure the structure of executive remuneration remains appropriate.

Remuneration Scenarios for Executive Directors

The remuneration scenarios of the executive Directors for a fixed, target and maximum performance are presented in the charts below. Potential reward opportunities are based on Hunting's Remuneration Policy, applied to annualised 2021 remuneration data.



Assumptions made for each scenario are as follows:

- Fixed: latest salary, benefits and normal pension contributions or payments in lieu of pension contributions.
- Target: fixed remuneration plus half of maximum annual cash bonus opportunity plus 50% vesting of awards under the HPSP.
- Maximum: fixed remuneration plus maximum annual cash bonus opportunity plus 100% vesting of all long-term incentives.
- Maximum Stretch: including the impact of a hypothetical 50% increase in share price on the value of the HPSP in accordance with the reporting regulations.
- The Finance Director is paid in Sterling and the equivalent total remuneration scenarios are as follows – fixed £352k; target £897k, maximum £1,441k and maximum stretch of £1,759k.

On behalf of the Board



Annell Bay
Chair of the Remuneration Committee

3 March 2022

Annual Report on Remuneration

Introduction

The principles set out in the Directors' Remuneration Policy (the "Policy"), approved by shareholders in April 2021, have been applied throughout the year.

Compliance Statement

The Directors' Remuneration Policy and 2021 Annual Report on Remuneration reflect the Remuneration Committee's reporting requirements under the amended Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Shareholder Rights Directive II, as enacted on 10 June 2019 and also the 2018 UK Corporate Governance Code, which became effective for the Company from 1 January 2019.

The 2021 Annual Report on Remuneration, which includes the Letter from the Chair of the Remuneration Committee, details how the approved Directors' Remuneration Policy was applied during 2021. This report was approved by the Remuneration Committee at its meeting on Monday 28 February 2022.

Role

The Committee is responsible for developing and implementing the Directors' Remuneration Policy for the Company and has direct oversight of the remuneration of the executive Directors, Company Chair and Company Secretary. The Chair and Chief Executive are consulted on proposals relating to the remuneration of the Finance Director and designated senior management. Where appropriate, the Chair and other Directors are invited by the Committee to attend meetings, but are not present when their own remuneration is considered. The Committee also reviews and monitors the remuneration framework of the Company's Executive Committee and monitors base salary increases across the Company's workforce. The remuneration of the non-executive Directors is agreed by the Board as a whole and follows the Articles of Association of the Company, which were last approved by shareholders on 18 April 2018. The full scope of the role of the Committee is set out in its Terms of Reference, which are reviewed annually, and can be found on the Group's website at www.huntingplc.com.

Membership and Attendance

The Committee consists entirely of independent non-executive Directors. Ms Bay and Mr Lough have relevant sector expertise, while Mrs Chesney has relevant financial expertise. Ms Bay was appointed to the Committee on her appointment to the Board on 2 February 2015 and was appointed Chair on 30 August 2018. The Committee met six times during the year and attendance details are shown on page 108.

At 31 December 2021 and up to the date of signature of the accounts, the members of the Committee and their unexpired terms of office were:

Director	Latest appointment date	Unexpired term as at 3 March 2022
Annell Bay	2 February 2021	23 months
Carol Chesney	23 April 2021	26 months
Keith Lough	23 April 2021	26 months

Shareholder Voting at the 2021 AGM

At the Company's AGM held in April 2021, the resolution to approve the Directors' Remuneration Policy and Annual Report on Remuneration received the following votes from shareholders:

	Directors' Remuneration Policy		Annual Report on Remuneration	
	Number of votes cast	% of votes cast	Number of votes cast	% of votes cast
For	122,544,114	92.04	107,960,247	81.28
Against	10,600,216	7.96	24,857,711	18.72
Votes withheld ⁱ	1,906	—	328,728	—
Total votes cast	133,146,236	100.00	133,146,686	100.00

ⁱ A vote withheld is not a vote in law and is not included in the percentage for votes cast.

External Advisers

During the year, Mercer/Kepler ("Kepler") and Pearl Meyer were engaged by the Committee to provide remuneration consultancy services. Their appointments were subject to formal tenders and both companies are regarded as independent, having been appointed by and acting under direction of the Committee. Kepler provides UK governance advice and compensation benchmarking, while Pearl Meyer provides US data for consideration by the Committee.

The total cost of advice to the Committee during the year to 31 December 2021 was \$91,722 (2020 – \$58,721) and includes fees paid in respect of review work in salary benchmarking, Policy review, share plans and remuneration reporting disclosure requirements.

Fees are charged on a time basis for consultancy services received. Neither Mercer/Kepler nor Pearl Meyer have any other connection to the Company or any Director.

Director Remuneration (audited)

	Fixed				Variable			2021 total remuneration
	Base salary /fees ⁱ	Benefits ⁱⁱ	Pension ⁱⁱⁱ	Sub total	Annual bonus ^{iv}	HPSP awards ^{vi}	Sub total	
2021	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Executives								
Jim Johnson	744	67	54	865	154	81	235	1,100
Bruce Ferguson	388	18	45	451	62	51	113	564
Non-executives								
Annell Bay	96	–	–	96	–	–	–	96
Carol Chesney	96	–	–	96	–	–	–	96
Jay Glick	253	–	–	253	–	–	–	253
Richard Hunting	83	–	–	83	–	–	–	83
Keith Lough	96	–	–	96	–	–	–	96
Total	1,756	85	99	1,940	216	132	348	2,288

	Fixed				Variable			2020 total remuneration
	Base salary /fees ⁱ	Benefits ⁱⁱ	Pension ⁱⁱⁱ	Sub total	Annual bonus ^v	HPSP awards ^{vi}	Sub total	
2020 (restated)	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Executives								
Jim Johnson	735	72	53	860	147	172	319	1,179
Peter Rose (to 15 April 2020)	124	8	32	164	19	36	55	219
Bruce Ferguson (from 15 April 2020)	251	12	31	294	37	21	58	352
Non-executives								
Annell Bay	90	–	–	90	–	–	–	90
Carol Chesney	90	–	–	90	–	–	–	90
Jay Glick	236	–	–	236	–	–	–	236
Richard Hunting	77	–	–	77	–	–	–	77
Keith Lough	90	–	–	90	–	–	–	90
Total	1,693	92	116	1,901	203	229	432	2,333

Notes

- In October 2021, the Committee met to discuss base salary changes for the executive Directors. The Committee noted the 5.0% base salary increase implemented across the Group's workforce in October 2021 and also the base salary increases awarded to the Hunting Executive Committee, which ranged from 5.0% to 20.0%, and awarded a 5.0% salary increase to Mr Johnson to \$771,750 and a 10.0% salary increase to Mr Ferguson to \$302,500. The average £:\$ exchange rate in the year was 1.3753 (2020 – 1.2824).
- Benefits include the provision of healthcare insurance, a company car and fuel benefits.
- Mr Johnson's single figure pension remuneration represents Company contributions payable to his US pension arrangements. Mr Ferguson's pension figure represents a cash sum in lieu of a Company pension contribution, which is set at 12% of his annual base salary.
- Given the slower-than-anticipated economic growth seen in the year due to the ongoing impact of COVID-19, the Group did not meet its 2021 financial targets in respect of the Annual Budget, leading to a nil vesting of the financial components of the bonus. In January 2022, the Committee reviewed the delivery of the personal/strategic performance objectives of the executive Directors and concluded that both Messrs Johnson and Ferguson had completed their objectives in full. On this basis, Mr Johnson's and Mr Ferguson's annual bonuses vested at 10% of the maximum opportunity, as the annual bonus rules cap the personal objectives component to 50% of the maximum if the financial targets have not been met. Mr Johnson was therefore awarded a bonus of \$154k and Mr Ferguson a bonus of \$62k. The 2021 bonus will be satisfied through the delivery of Ordinary shares in the Company, based on the post-tax value of the bonus. 75% of these shares are to be held for one year and 25% of these shares are to be held for two years in line with the current operation of the Plan.
- In 2020, Mr Johnson's annual bonus was \$147k and Mr Ferguson's annual bonus was \$37k. The bonuses were delivered in Ordinary shares in the Company, to be retained for a minimum of one year.
- The share awards granted in 2019 under the HPSP had a three-year performance period to 31 December 2021 and incorporate four performance conditions. The awards were measured against the relevant performance conditions, with a nil vesting recorded for the EPS, TSR and ROCE performance conditions. A 7.5% vesting of the Strategic Scorecard (after application of the vesting cap on this element), has also been recorded. Further details of the vesting calculation are shown on page 126. On this basis, Messrs Johnson's and Ferguson's awards will vest at 7.5%, with Mr Johnson entitled to receive 31,688 Ordinary shares and Mr Ferguson receiving 2,026 Ordinary shares. Mr Ferguson's 2019 HPSP grant was made when he was managing director of the Group's EMEA operating segment, a below Board position and which incorporated both performance-based and time-based share awards. On the vesting date Mr Ferguson will receive an additional 18,005 Ordinary shares in respect of vested time-based awards. For the purposes of the single figure calculation, the average mid-market closing price of £1.724 during Q4 2021 has been applied to the number of vested shares and converted to dollars using the average £:\$ exchange during Q4 2021, being \$1.3481. The share price on the date of grant, being 22 March 2019, was £5.735. Further, a cash payment equalling the dividends paid during the vesting period has been added to the single figure calculation, totalling 23.0 cents per vested share. The vesting date of the 2019 award is 21 March 2022, when the final values of the awards will be determined.
- The share awards granted in 2018 under the HPSP had a three-year performance period to 31 December 2020 and vested on 19 April 2021. Following independent measurement by Mercer/Kepler 15.75% of the performance awards vested. On this basis Mr Johnson received 45,143 Ordinary shares at a market value of £2.57 per share, plus a cash payment of 19.0 cents per share, equalling the dividends paid during the vesting period. The total value of Mr Johnson's vested award was \$171,900. Mr Ferguson received 15,788 shares in total, at a market price of £2.70 per share, with a pro-rated value of \$21,299 calculated from the date of his appointment on 15 April 2020 and inclusive of a cash dividend equivalent. Mr Rose received 12,352 shares at a market price of £2.70, with a total value of \$36,161 inclusive of the cash dividend equivalent. The 2020 single figure table has been restated to reflect these amounts at a US\$ spot rate of 1.395.

The remuneration of Bruce Ferguson, and the non-executive Directors is originally denominated in Sterling and is as follows:

2021	Fixed			Variable			2021 total remuneration
	Base salary /fees	Benefits	Pension	Sub total	Annual bonus	HPSP awards	
	£000	£000	£000	£000	£000	£000	£000
Executives							
Bruce Ferguson ⁱ	282	13	33	328	45	38	411
Non-executives							
Annell Bay ⁱⁱ	70	-	-	70	-	-	70
Carol Chesney ⁱⁱⁱ	70	-	-	70	-	-	70
Jay Glick ^{iv}	184	-	-	184	-	-	184
Richard Hunting ^v	60	-	-	60	-	-	60
Keith Lough ^{vi}	70	-	-	70	-	-	70

2020 (restated ^{viii})	Fixed			Variable			2020 total remuneration
	Base salary /fees	Benefits	Pension	Sub total	Annual bonus	HPSP awards	
	£000	£000	£000	£000	£000	£000	£000
Executives							
Peter Rose (to 15 April 2020) ^{vii}	97	6	25	128	15	26	169
Bruce Ferguson (from 15 April 2020) ^{vii}	196	9	24	229	29	15	273
Non-executives							
Annell Bay	70	-	-	70	-	-	70
Carol Chesney	70	-	-	70	-	-	70
Jay Glick	184	-	-	184	-	-	184
Richard Hunting	60	-	-	60	-	-	60
Keith Lough	70	-	-	70	-	-	70

Notes:

- Bruce Ferguson's base salary was increased to £302,500 on 1 October 2021.
- Annell Bay: Chair of the Remuneration Committee with an annual fee of £70,000.
- Carol Chesney: Chair of the Audit Committee with an annual fee of £70,000.
- Jay Glick: Chair of the Company with an annual fee of £183,750.
- Richard Hunting has an annual fee of £60,000.
- Keith Lough is the Company's Senior Independent Director with an annual fee of £70,000.
- Peter Rose retired as a Director of the Company on 15 April 2020.
- The 2018 HPSP vesting value has been restated to reflect the market price on the date of vesting being 19 April 2021.

Salary and Fees

During the year, the Group's businesses have reported early signs of a return to growth, due to economies being reopened and vaccine programmes being rolled out. From Q2 2021, indications of labour pressures increasing across the Group became clearer, leading the senior leadership team to see strong evidence of the risk of losing key senior executives to competitors as the competition for talent accelerated. In August 2021, the Chief Executive briefed the Committee and wider Board on these issues leading to a 5.0% base salary being approved for the Group's workforce to be rolled out in October 2021. The Committee met in October 2021 to discuss possible base salary increases to the executive Directors and received data from the Chief HR Officer, which detailed proposed salary increases for the Hunting Executive Committee, which ranged from 5.0% to 20.0%.

Following a review, the Committee awarded a 5.0% base salary increase to Jim Johnson, the Group's Chief Executive, to \$771,750 from 1 October 2021, which aligned with the wider workforce. This was the first increase since early 2019.

Further, the Committee awarded a 10.0% base salary increase to Bruce Ferguson, Hunting's Finance Director, to £302,500 from 1 October 2021. In respect of Mr Ferguson salary adjustment, the Committee noted that on appointment, his base salary was set at 19% below that of his predecessor, and that his salary was materially below the median paid to FTSE All-Share companies of a similar size and profile to Hunting. The increase agreed also aligns with the approved Directors' Remuneration Policy where, if an executive Director's base salary is set below that of the market or predecessor, phased increases will be implemented as the individual progresses and grows within the role.

In December 2020, the Board reviewed the fee levels for non-executive Directors, which did not result in any changes being made for 2021.

Pensions (audited)

Jim Johnson is a member of a deferred compensation scheme in the US, which is anticipated to provide a lump sum on retirement, and also contributes to a US 401K match deferred savings plan. Company contributions to the former arrangement were \$36,512 (2020 – \$35,820) in the year. There are no additional benefits provided on early retirement from this arrangement. In the year, the Group contributed to Mr Johnson's 401K saving plan, totalling \$17,400 (2020 – \$17,100).

Mr Ferguson receives a cash sum in lieu of pension contributions, representing 12% of his annual base salary. This contribution level aligns with the UK workforce, as required by the 2018 UK Corporate Governance Code. In the year, Mr Ferguson's company pension contribution was \$46,520 / £33,000 (2020 – \$30,261 / £23,597).

Annual Performance-Linked Bonus Plan (audited)

The executive Director annual performance-linked bonus plan was amended following the Company's Annual General Meeting in April 2018. The operation of the bonus plan was revised to the following:

Proportion of award	Performance metric
60%	Underlying Profit before Tax
20%	Underlying Return on Capital Employed
20%	Strategic / Personal Performance Objectives

Delivery of Financial Objectives

The annual bonus targets are normally based on the Annual Budget agreed by the Board in December of the prior financial year. The 2021 Annual Budget agreed by the Board contained financial targets of an underlying loss before tax of \$16.8m and an underlying ROCE of (1.0)%, reflecting subdued trading as a consequence of the COVID-19 pandemic. Similar to the operation of the Annual Bonus in 2020, the Committee set revised bonus targets based on a return to profitability, if economic conditions recovered faster than anticipated by management.

The financial performance targets for the 2021 annual bonus were thus set as follows:

	Threshold vesting	Target vesting	Maximum vesting	Actual result	% vesting
Underlying profit (loss) before tax	\$2.0m	\$4.0m	\$8.0m	\$(40.6)m	Nil
Underlying return on capital employed	1.0%	2.0%	4.0%	(-4.4)%	Nil

As in prior years, the annual bonus starts to accrue when 80% of the Annual Budget targets are met, and increases on a straight-line basis up to 120% of the budget (or bonus) target.

Due to ongoing subdued trading throughout 2021, the financial targets contained within the 2021 Bonus Plan were not met, with these portions of the bonus recording a nil vesting.

Delivery of Strategic/Personal Performance Objectives

The strategic/personal performance objectives agreed by the Committee with the executive Directors in early 2021 are summarised in the table below. Detailed analyses of these outcomes follow this table.

**Jim Johnson
(Chief Executive)**

Strategic Development of the Group (50%)

- Develop a detailed and robust framework to enable implementation of a Board approved long-range strategic plan.
- Show how Hunting's expertise can leverage new innovation and accelerate new business opportunities.
- Present scenarios of how to address the current share price to reflect Hunting's internal view.

Organisational Effectiveness (25%)

- Human Resources – to unify practices and policies globally with emphasis on strategic workforce planning linked to the Hunting long-range Strategic Plan. Develop Hunting's succession and talent management programmes.
- IT – to deliver rollout of ERP systems for all businesses in the US and continue the cyber security goal of no breaches. Development of a three-year plan for further IT integration.
- ESG – develop internal council to address sustainability issues.

ESG and Leadership (25%)

- Define a strategic framework for ESG, including risks and opportunities.
- Continue to focus on strong quality assurance and HSE performance.
- Continue the drive for lean manufacturing efficiencies.
- Deliver trackable carbon and climate data set for external publication.

**Bruce Ferguson
(Finance Director)**

Strategic Development of the Group (50%)

- Develop a detailed and robust framework to enable implementation of a Board approved long-range strategic plan.
- Show how Hunting's expertise can leverage new innovation and accelerate new business opportunities.
- Present scenarios of how to address the current share price to reflect Hunting's internal view.

Operational and Financial Effectiveness (35%)

- Present a Capital Allocation Policy, presenting trade-offs between dividends, capital investment and gearing.
- Deliver a new Group-level borrowing facility to replace the current RCF.
- Initiate a program of standardisation of internal controls.
- IT – to deliver rollout of ERP systems for all businesses in the US and continue the cyber security goal of no breaches. Development of a three-year plan for further IT integration.

ESG and Leadership (15%)

- Define a strategic framework for ESG, including risks and opportunities.
- Develop a succession plan for key finance staff.
- Deliver trackable carbon and climate data set for external publication.

During the year, the Committee was updated on the progress of the objectives set for the executive Director's for the year ended 31 December 2021 and noted the following outcomes:

Strategic Development of the Group

The executive Directors presented a medium range Strategic Framework to the Board at its June 2021 meeting, which included a wide ranging review of the Group's businesses and product lines, a review of the Group's cost base, along with a number of strategic development initiatives to grow the Group in the long term, leveraging its expertise in oil and gas, but including revenue diversification plans.

The Board noted the strategic investment in Cumberland Additive and the provision of convertible financing to Well Data Labs that have been completed in the year. These arrangements enable the Group to participate in technology businesses in the areas of software engineering and additive manufacturing, offering the potential to provide new technology and revenue opportunities to the Group.

The Board also noted the proposed formation of a joint venture in India, which positions the Group strongly in this growth market.

Further, the Board noted the initiatives to reorganise the Group to prepare for the anticipated return to growth of the global oil and gas industry and, in particular, noted the material restructuring of Hunting's European OCTG businesses in the year, which released significant capital back to the Group to deploy in new growth opportunities.

The Committee reviewed these initiatives and concluded that this portion of the bonus had been completed in full.

Organisational and Financial Effectiveness & Leadership

The Board received detailed briefings on the Group's HR and IT functions in the year, which noted the delivery of succession planning and talent management programmes. The Board also noted the continued roll out of the D365 ERP system to key business units across the Group and the cyber security performance of Hunting's IT systems.

The executive Directors presented a Capital Allocation Policy to the Board at its October 2021 meeting, where future scenarios were debated.

In February 2022, the Group entered into a new \$150m Asset Based Lending facility, which replaced the Group's \$160m revolving credit facility, significantly increasing Hunting's liquidity position and provides the Company with a more flexible borrowing structure.

The Board also received regular updates on the development of internal control process documentation, led by the Group's internal audit function.

The Committee reviewed these initiatives and concluded that this portion of the bonus had been completed in full.

ESG and Leadership

The Board noted that, as part of a medium range Strategic Framework, an Ethics and Sustainability Board Committee was proposed by the executive Directors. The new Board Committee met in December 2021 and will be supported by an ESG internal steering group, comprising senior leaders of the Company. As part of the Group's broader development of this area, the Committee noted the formation of a TCFD steering group to further develop Hunting's carbon and climate strategies. The Committee reviewed these initiatives and concluded that this portion of the bonus had been completed in full.

Annual Bonus Outcome

Accordingly, the Committee concluded that all strategic/personal performance objectives had been met in full during the year. In line with the Remuneration Policy, vesting of the strategic/personal performance component of the annual bonus is subject to an underpin, whereby a 50% vesting cap on this element is applied in cases where the financial targets for the year are not met.

Based on this outcome, and reflecting this cap, the following bonus awards were made to the executive Directors:

Proportion of annual bonus allocated	Performance metric	Percentage of annual bonus awarded
60%	Underlying profit (loss) before tax	Nil
20%	Underlying return on capital employed	Nil
20%	Strategic/personal performance objectives	10%

As detailed in the Letter from the Chair of the Remuneration Committee, the post-tax value of the bonus will be delivered in Ordinary shares in the Company. 75% of these shares are to be held for one year, with the balance of 25% to be held for two years, in line with the normal operation of the Annual Bonus Plan.

Mr Johnson was therefore awarded a bonus for the year of \$154,350, and Mr Ferguson was awarded a bonus of \$61,888. On 3 March 2022, Mr Johnson received 24,289 Ordinary shares and Mr Ferguson 5,676 Ordinary shares in line with the Committee's policy of delivering the bonus in shares in the Company.

In 2020, the annual bonus awards to the executive Directors were as follows: Mr Johnson – \$147k and Mr Ferguson – \$37k.

Annual Report on Remuneration

continued

2019 HPSP Vesting (audited)

The 2019 awards under the HPSP have been measured against the performance conditions following completion of the three-year performance period ended 31 December 2021. The 2019 awards were based on four performance conditions – underlying ROCE (35%); underlying EPS (25%); relative TSR (25%) and a Strategic Scorecard (15%) comprising two sub-measures being the Group's Safety and Quality performance.

The EPS and ROCE performance conditions were absolute targets to be delivered in the third year of the performance period being the financial year ended 31 December 2021, while the TSR and Strategic Scorecard are three-year measures. A summary of the EPS, ROCE and Strategic Scorecard performance is detailed below:

	% of award	Threshold vesting target	Maximum vesting target	Recorded performance	% Vesting outcome
Underlying diluted EPS (LPS)	25%	50 cents	70 cents	(27.1) cents	Nil
Underlying ROCE	35%	10.0%	15.0%	-4.4%	Nil
Strategic Scorecard					
– Safety	7.5%	2.00	<1.00	0.94	3.75%
– Quality	7.5%	0.8	0.5	0.22	3.75%

Similar to the annual bonus, and in line with the Remuneration Policy, vesting of the Strategic Scorecard component of the HPSP is subject to an underpin whereby a 50% vesting cap on this element is applied in cases where the financial targets for the year are not met. The vesting outcome above reflects the application of this cap.

The Total Shareholder Return performance condition was measured by Kepler in January 2022, following completion of the three-year performance period. Hunting's TSR performance against the 12 comparator companies was then ranked, resulting in a Below Median ranking corresponding to nil vesting.

Overall the total vesting of the 2019 HPSP award is 7.5%. The vesting date of the 2019 HPSP award is 21 March 2022. As an executive Director on the grant date, Mr Johnson will receive 31,688 Ordinary shares. Mr Ferguson's 2019 HPSP award comprised both performance-based and time-based awards, the latter vesting in full given his continuing service to the Group throughout the three-year performance period. Mr Ferguson will be entitled to receive 20,031 Ordinary shares on the vesting date.

A cash equivalent of dividends paid by the Company during the vesting period, totalling 23.0 cents per vested share, will be added to the award on the vesting date. The 2019 HPSP vesting has been calculated as follows:

	No of shares granted in 2019	Vesting %	No. of shares vested*	Value of vested shares at 31 December 2021 \$	Value of dividends at 23.0 cents per share \$	Total award value \$
Jim Johnson	422,507	7.5	31,688	73,638	7,288	80,926
Bruce Ferguson						
– Performance-based	27,008	7.5	2,026	4,708	466	5,174
– Time-based	18,005	100.0	18,005	41,841	4,141	45,982

* As per the methodology for reporting the values of unvested awards, the average price of a Hunting PLC share during Q4 2021 of £1.72 has been applied and converted to US dollars at an exchange rate of 1.3481 for the period. The share price on the date of grant was £5.735.

In accordance with the Directors' Remuneration Policy, these vested shares are to be held for two years from the vesting date.

2018 HPSP Vesting (audited)

On 31 December 2020, the 2018 awards under the HPSP were measured against the performance conditions, following completion of the three-year performance period, resulting in the following outcome:

	No of shares granted in 2018	Vesting %	No. of shares vested	Value of vested shares at 31 December 2020 \$	Value of dividends at 19.0 cents per share \$	Total award value \$	Pro-rated value \$***
Jim Johnson*	286,624	15.75	45,143	161,609	10,291	171,900	n/a
Peter Rose **/***	74,424	15.75	12,352	46,516	2,578	49,094	36,161
Bruce Ferguson***							
– Performance-based	19,157	15.75	3,017	11,362	725	12,087	4,070
– Time-based	12,771	100.00	12,771	48,095	3,073	51,168	17,229

* The value of Mr Johnson's awards are restated at the market price of £2.57 per share on 19 April 2021, based on shares sold to cover tax liabilities.

** Mr Rose's award was pro-rated to his leaving date of 31 December 2020.

*** For the purposes of the single figure table, Messrs Ferguson's and Rose's awards were pro-rated for their respective tenures as a Director of the Company over the whole vesting period. The value of Messrs Ferguson and Rose's awards are restated at the closing mid-market price of £2.70 per share on 19 April 2021.

In accordance with the 2018 Directors' Remuneration Policy, these vested shares are to be held for two years from the vesting date.

2021 HPSP Grant (audited)

On 4 March 2021, the Committee approved the grant of nil-cost share awards to Jim Johnson and Bruce Ferguson under the rules of the HPSP. Awards will vest on 4 March 2024, subject to the achievement of the performance metrics, with a two-year holding period then applying to the post-tax vested shares. The normal award value for the Chief Executive is 450% and for the Finance Director 210% of base salary respectively. Given the decline in the share price since the 2020 grant, the Remuneration Committee reduced the award value by 22%, leading to the grant levels noted below.

Details of the grant are as follows:

	Award as a % of base salary	Number of shares under grant	Face value of award of threshold vesting of 25% \$	Face value of award at threshold vesting of 100% \$
Jim Johnson	351%	757,732	644,963	2,579,850
Bruce Ferguson	164%	172,203	155,065	620,260

As in previous years, for the 2021 grants to the executive Directors, the Remuneration Committee set absolute EPS and ROCE targets to be delivered for the year ending 31 December 2023, and three-year TSR targets and Strategic Scorecard. The Strategic Scorecard is subdivided equally between two non-financial KPIs, namely Quality and Safety performance metrics published by the Group for the performance period.

The targets for each performance condition are as follows:

Performance condition	Proportion of award	Threshold vesting target	Maximum vesting target
TSR	25%	Median	Upper Quartile
EPS	25%	20 cents	40 cents
ROCE	35%	6%	9%
Strategic Scorecard			
– Safety	7.5%	2.00	>1.00
– Quality	7.5%	0.8	0.5

The following quoted businesses comprise the TSR comparator group for the 2021 award:

Akastor	National Oilwell Varco	TechnipFMC
Drill-Quip	Nine Energy	Tenaris
Flotek Industries	Oceaneering	Vallourec
Forum Energy Technologies	Oil States International	
Franks International	Schoeller-Bleckmann	

The face value of the 2021 award is based on the five-day average mid-market share price up to 3 March 2021, which was 261.9 pence per share.

Payments to Past Directors (audited)

Peter Rose retired as a Director of the Company on 15 April 2020. The emoluments paid during 2021 to Mr Rose were wholly related to his vested 2018 awards under the HPSP, whereby 12,352 Ordinary shares in the Company were delivered to him when vesting on 19 April 2021, with a pro-rated value of \$36,161.

Directors' Shareholdings, Ownership Policy and Share Interests (audited)

The beneficial interests of the Directors in the issued Ordinary shares of the Company are as follows:

Director ⁱ	At 31 December 2021 ⁱⁱ	At 31 December 2020 ⁱⁱ
Executives		
Jim Johnson ⁱⁱⁱ	419,234	367,629
Bruce Ferguson ⁱⁱⁱ	124,316	101,835
Peter Rose ⁱⁱⁱ	176,594	176,594
Non-executives		
Annell Bay	18,769	13,440
Carol Chesney	14,000	9,000
Jay Glick	75,923	75,923
Richard Hunting	468,133	468,133
– as trustee	194,960	194,960
– as Director of Hunting Investments Limited	11,003,487	11,003,487
Keith Lough	24,000	19,000

i. Beneficial share interests are those Ordinary shares owned by the Director or spouse, which the Director is free to dispose.

ii. Or cessation date.

iii. Jim Johnson's total shareholding includes 51,605 Ordinary shares which were awarded under the Group's Annual Bonus Plan and which are restricted from being sold for up to a period of two years. Mr Ferguson's total shareholding includes 21,464 Ordinary shares which are subject to the same restriction.

There have been no further changes to the Directors' share interests in the period 31 December 2021 to 3 March 2022.

The Group operates a share ownership policy that requires Directors and certain senior executives within the Group to build up a holding in shares equal in value to a certain multiple of their base salary or annual fee. The multiple takes into account the post-tax value of vested but unexercised share awards or options. The Committee noted the decline in the Company's share price in the year, which had impacted the compliance levels of the Directors. The required shareholding of each Director and the current shareholding as a multiple of base salary as at 31 December 2021 is presented below:

Director	Required holding expressed as a multiple of base salary or fee	Requirement met*
Jim Johnson	5	N
Bruce Ferguson	2	N
Annell Bay	1	Y
Carol Chesney	1	N
Jay Glick	1	Y
Richard Hunting	1	Y
Keith Lough	1	Y

* The value of the holding of the Directors has been determined using the value on purchase of Ordinary shares or the share price at 31 December 2021 of £1.69.

The interests of the executive Directors over Ordinary shares of the Group under the HPSP are set out below. The vesting of options and awards are subject to performance conditions set out within the Policy.

Director	Interests at 1 January 2021	Options/ awards granted in year	Options/ awards exercised in year	Options/ awards lapsed in year	Interests at 31 December 2021	Exercise price p	Grant date	Date exercisable	Expiry date	Scheme
Jim Johnson	286,624	–	(45,143)	(241,481)	–	Nil	19.04.18	19.04.21	–	HPSP^
	422,507	–	–	–	422,507	Nil	21.03.19	21.03.22	–	HPSP^
	653,205	–	–	–	653,205	Nil	03.03.20	03.03.23	–	HPSP^
	–	757,732	–	–	757,732	Nil	04.03.21	04.03.24	–	HPSP^
Total	1,362,336	757,732	(45,143)	(241,481)	1,833,444					
Bruce Ferguson	19,157	–	(3,017)	(16,140)	–	Nil	19.04.18	19.04.21	19.04.28	HPSP~
	27,008	–	–	–	27,008	Nil	21.03.19	21.03.22	21.04.29	HPSP~
	91,022	–	–	–	91,022	Nil	03.03.20	03.03.23	03.03.30	HPSP~
	–	172,203	–	–	172,203	Nil	04.03.21	04.03.24	04.03.31	HPSP~
	12,771	–	(12,771)	–	–	Nil	19.04.18	19.04.21	19.04.28	HRSP*
	18,005	–	–	–	18,005	Nil	21.03.19	21.03.22	21.03.29	HRSP*
Total	167,963	172,203	(15,788)	(16,140)	308,238					

^ Nil-cost share awards that are not yet vested or exercisable and still subject to the performance conditions being measured in accordance with the HPSP rules.

~ Nil-cost share options that are not yet vested or exercisable and still subject to the performance conditions being measured in accordance with the HPSP rules.

* The Group operates a time-based share award programme as part of the shareholder approved Hunting Performance Share Plan for certain non-Board employees, which vest based on continued service to the Company throughout the performance period. The HRSP awards to Mr Ferguson noted above reflect historical awards made to him under this programme.

Relative Importance of Spend on Pay

The table below shows the relative importance of spend on employee remuneration in relation to corporate taxation, dividends and capital investment. The choice of performance metrics represents certain operating costs of the Group and the use of operating cash flows in delivering long-term shareholder value.

	2021 \$m	2020 \$m	Change
Employee remuneration ⁱ	177.9	205.9	(13.6)%
Net tax (received) paid ⁱⁱ	(0.6)	5.0	(112.0)%
Dividends paid to Hunting PLC shareholders ⁱⁱ	12.8	8.2	56.1%
Capital investment ⁱⁱ	6.6	14.7	(55.1)%

i. Includes staff costs for the year (note 8) plus benefits in kind of \$27.5m (2020 – \$33.1m), which primarily comprises US medical insurance costs.

ii. Please refer to page 150.

Executive Director Remuneration and the Wider Workforce

The changes to the remuneration of the Chief Executive in 2021 compared to 2020 and those of the total workforce are as follows:

	Chief Executive	Average employee
Base salary	+1.2%	+9.3%
Bonus	+4.8%	-50.0%
Benefits	-3.2%	+6.5%

The average salary for employees in 2021 increased by 9%. This reflects the change in the average monthly employee headcount compared to the prior year, along with base salary increases implemented in 2021.

Changes to Director and Employee Pay

The table below is presented in compliance with the Shareholder Rights Directive II. The changes to the pay of the executive Directors exclude pension contributions and share awards. If a Director has not served for the entire year, they are shown as not applicable. The percentage change to the emoluments of the global employees in 2021 reflects the movement in their average base salary, cash bonus and benefits in kind.

	2018 to 2019	2019 to 2020	2020 to 2021
Jim Johnson	-37%	-29%	+1%
Bruce Ferguson ⁱ	n/a	n/a	+60%
Annell Bay	+11%	Nil	Nil
Carol Chesney	+46%	Nil	Nil
Jay Glick	+5%	Nil	Nil
Richard Hunting	Nil	Nil	Nil
Keith Lough	+56%	Nil	Nil
Global employees	Nil	-7%	+8%

(i) Based on the pro-rated data from Mr Ferguson's date of appointment to the Board, being 15 April 2020.

Chief Executive Workforce Pay Ratio

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2019	Option A	49:1	38:1	22:1
	Workforce Pay Quartiles	\$45,666	\$58,603	\$99,521
2020	Option A	22:1	18:1	10:1
	Workforce Pay Quartiles	\$51,239	\$61,329	\$107,314
2021	Option A	21:1	17:1	11:1
	Workforce Pay Quartiles	\$52,699	\$63,718	\$102,807

The Company has elected to disclose voluntarily the pay ratio of the Group's Chief Executive and Workforce, in line with The Companies (Miscellaneous Reporting) Regulations 2018 and has adopted Option A from the regulations as the basis of presenting the pay ratio. Hunting is not required to present this information, given that its UK workforce is below the reporting threshold, as detailed in the regulations. Option A has been selected by the Committee as it believes this methodology aligns closely with the Chief Executive's single figure remuneration calculation.

The Remuneration Committee believes that the compensation framework in operation across the Group is appropriate and in addition to a base salary and benefits appropriate to the relevant jurisdiction of operation, can include annual bonuses and participation in long-term incentive programmes. External benchmarking is a regular feature of the Group's overall pay framework, to ensure Hunting remains competitive in its chosen markets. Hunting's UK employees averaged 165 in the year (2020 – 196), which represents 9% (2020 – 8%) of the Group's total average workforce in 2021. The basis of the workforce pay calculations is aligned with the basis of preparation of the single figure table on page 122, comprising fixed and variable emoluments and calculated on a full-time equivalent basis, in line with the requirements of the regulations. Further, the above disclosure assumes a maximum company pension contribution of 12% of base salary. However, it is noted that not all UK employees elect to receive this level of contribution. This data has been collated for the 12 months ended 31 December 2021.

The changes to the pay quanta and ratios in the year mainly reflects the base salary increases across the workforce and Executive Committee and lower annual bonus and long term incentive vestings.

Executive Director Remuneration and Shareholder Returns

The following chart compares the TSR of Hunting PLC between 2012 and 2021 to the DJ US Oil Equipment and Services indices. In the opinion of the Directors, this index is the most appropriate indices against which the shareholder return of the Company's shares should be compared because it comprises other companies in the oil and gas services sector.

The accompanying table details remuneration of the Chief Executive:

	Single figure remuneration \$000 ⁱ	Annual cash bonus % ⁱⁱ	ESOP/ PSP/ HPSP % vesting ⁱⁱⁱ	LTIP % award ^{iv}
2021 – Jim Johnson	1,100	10	8	n/a
2020 – Jim Johnson ^v	1,179	10	16	n/a
2019 – Jim Johnson	2,229	39	66	n/a
2018 – Jim Johnson	3,715	100	75	n/a
2017 – Jim Johnson (from 1 September)	819	33	4	n/a
2017 – Dennis Proctor (to 1 September)	3,974	67	13	n/a
2016 – Dennis Proctor	941	Nil	Nil	n/a
2015 – Dennis Proctor	1,031	Nil	Nil	Nil
2014 – Dennis Proctor	4,808	57	Nil	100
2013 – Dennis Proctor	4,442	42	Nil	100
2012 – Dennis Proctor	5,497	75	66	100

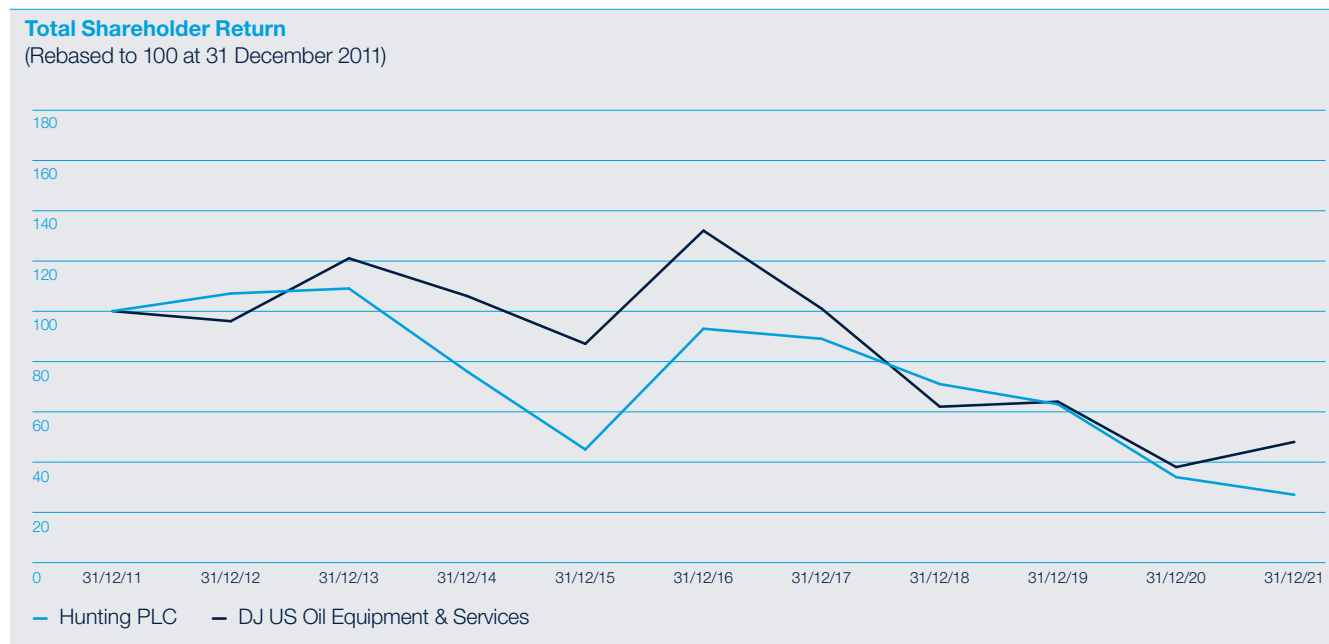
i. Single figure remuneration reflects the aggregate remuneration paid to the Chief Executive as defined within the Directors' Remuneration Policy.

ii. Annual cash bonus percentages reflect the bonus received by the Chief Executive each year expressed as a percentage of maximum bonus opportunity.

iii. Percentage vesting reflects the percentage of the ESOP that vested in the financial year and the percentage of the PSP and HPSP where a substantial portion of the performance period was completed at the financial year-end. Messrs Johnson's and Proctor's awards have been pro-rated for their period of service as Chief Executive.

iv. LTIP award percentage reflects the award value expressed as a percentage of maximum award opportunity received each year measured at 31 December. The LTIP expired in 2015 with no further awards outstanding.

v. Restated as per single figure table disclosure on page 122.



Implementation of Policies in 2022

The remuneration policies for 2022 will be applied in line with those detailed on pages 112 to 120.

Salary and Fees

In December 2021, the Board concluded that there would be no changes made to fees payable to the non-executive Directors for 2022.

The Remuneration Committee will meet in April 2022 to consider base salary changes for the executive Directors. Any changes are likely to align with any Group-wide base salary increases.

Pension and Benefits

Jim Johnson will continue to receive contributions towards a US deferred compensation scheme and a US 401K match deferred savings plan, in line with previous years. Bruce Ferguson will continue to receive a cash sum in lieu of a pension contribution, which will be fixed at 12% of his base salary. No changes are anticipated to the provision of benefits that will continue to include healthcare insurance, a company car and fuel benefits.

Annual Bonus

The annual performance-linked bonus for 2022 will operate in line with the 2021 Directors' Remuneration Policy. The Committee will disclose details of performance against the pre-set financial targets and personal/strategic performance objectives after the year-end, as the Board believes that forward disclosure of the financial targets is commercially sensitive. The annual bonus weightings will remain unchanged from 2020, being 60% PBT, 20% ROCE and 20% personal/strategic performance.

HPSP

On 3 March 2022, an award under the Hunting Performance Share Plan will be granted to the executive Directors and wider members of the Group. The awards to the Chief Executive and Finance Director will be issued at the normal quantum of 450% of base salary for Mr Johnson and 210% of base salary for Mr Ferguson. The performance conditions to be adopted for the award include EPS (20%); ROCE (25%); Free Cash Flow (20%); TSR (20%); and the strategic scorecard (15%). The performance targets will be detailed in the Stock Exchange announcement that accompanies the award, which can be located at www.huntingplc.com.

On behalf of the Board

Annell Bay
Chair of the Remuneration Committee

3 March 2022