Remuneration Committee Report

Annell Bay
Chair of the Remuneration Committee

	Member	Invitation
Number of meetings held	**7**	
Number of meetings attended (actual/possible):		
Annell Bay (Committee Chair)	7/7	–
Stuart Brightman	7/7	–
Carol Chesney	7/7	–
Bruce Ferguson	–	7/7
Jay Glick	–	7/7
Paula Harris	7/7	–
Jim Johnson	–	7/7
Keith Lough	7/7	–

On behalf of the Board, I am pleased to present the Remuneration Committee Report to shareholders for the year ended 31 December 2023. This letter provides a summary of the work completed by the Remuneration Committee (the "Committee") in the year, including the major decisions taken, details of how the approved Directors' Remuneration Policy was implemented during the year, and the proposed new Policy being put to shareholders at the 2024 AGM.

Introduction

2023 has been a year of significant revenue and profit growth, as Hunting's core energy markets increased activity throughout the year. The strength of these markets enabled the Company to upgrade profit expectations three times across 2023, with most product lines within the Group seeing strong demand throughout the year. The Company also launched its new Hunting 2030 Strategy in September 2023, which laid out the strategic ambition of the Board to the end of the decade and included details of the Group's intention to grow its presence across the energy supply chain, to increase energy transition revenue and to build further non-oil and gas sales. The strategy supports a sustainable and resilient growth plan for shareholders, which has been well received with strongly positive support from all stakeholders, including institutional investors and our employees.

Remuneration paid to the Company's executive Directors in 2023 was in-line with the 2021 Directors' Remuneration Policy, with the Committee applying a consistent approach to its decision making, in-line with prior years. Base salary increases were awarded to the executive Directors in December 2022 and salaries then remained unchanged during 2023.

2023 annual bonus awards were "Above Target" due to the earnings momentum noted above, which resulted in performance that exceeded the Committee's expectations. The 2021 grant under the Hunting Performance Share Plan ("HPSP") will vest on 4 March 2024, at 34.2% of the maximum, reflecting performance against the demanding growth targets set by the Committee in 2021 as the Company exited from the COVID-19 pandemic. This award was also subject to a 22% reduction applied at the time of the grant to mitigate any potential windfall. No discretion was applied to incentive outcomes in 2023.

During 2023, the Committee undertook a review of executive Director remuneration in order to develop a new Directors' Remuneration Policy (the "new Policy") for approval at the Annual General Meeting ("AGM") on 17 April 2024. At the upcoming AGM, the Committee will also submit a new Long-Term Incentive Plan for approval, to replace the previous Hunting Performance Share Plan, which granted the last award in 2023 after ten years of use.

> "During 2023, the Committee undertook a review of executive Director remuneration in order to develop a new Directors' Remuneration Policy and Long-Term Incentive Plan for approval at the 2024 AGM."

Remuneration Committee Report continued

Hunting's businesses are mostly based in North America. For perspective, over 70% of the revenue and EBITDA are attributed to, and over 70% the workforce, including the majority of the senior leadership team are located in the United States. We think it is critical that the Company's Chief Executive remains located in the centre of activity for the global energy industry in the US where the majority of both our peer companies and customers are also based.

As highlighted in my letter last year, recent remuneration reviews conducted by the Committee have highlighted a significant misalignment between Hunting's current approach and the approach to remuneration taken by its US competitors for senior talent.

The new Policy seeks to increase alignment with the compensation practices in this important region, given that the ability to attract executive talent remains a key priority of the Board. The Hunting 2030 Strategy included a number of ambitious and stretching financial targets, and the Remuneration Committee recognises that the new Policy needs to fairly reflect the new strategic commitments to be delivered by management to meet the growth objectives of the Company.

In developing the proposals, the Committee consulted with all of Hunting's major shareholders, a process which began in July 2023 and which progressed throughout the second half of the year. The Committee wishes to thank those shareholders who have engaged constructively and had a significant role in shaping the proposals. We look forward to receiving strong support for the new Policy at the 2024 AGM.

Major decisions made by the Committee

Base salary and fee review

The base salaries of the executive Directors remained unchanged during 2023.

As part of the wider considerations for the new Directors' Remuneration Policy to be put to shareholders at the 2024 AGM, the Remuneration Committee will review the base salaries for the Chief Executive and the Finance Director in April 2024. Full details are noted below.

The Board met in December 2023 to review the annual fees of the non-executive Directors and, following discussion, it was determined that the annual fees of the non-executive Directors should remain unchanged at £64,000. From 1 January 2024, the Board agreed to increase the additional fees paid to all the Committee Chairs and Senior Independent Director to £11,000 per annum in recognition of the added workload and responsibilities associated with these roles over the past three years.

In addition, the Committee discussed the annual fee of Hunting's non-executive Company Chair in December 2023 and, following receipt of benchmarked fee data from Mercer, determined that the fee for the Company Chair should be increased from £205,000 to £225,000 p.a., also with effect from 1 January 2024.

Annual bonus

In December 2022, the Committee reviewed the 2023 Annual Budget targets, which focused on increased profitability and returns, and which reflected a further strengthening in the Company's core energy markets.

In January 2024, the Committee was pleased to review the financial outturn for 2023, which included marked improvements in pre-tax profitability and positive returns on capital employed, reflecting the strong performance throughout the Group and especially within the OCTG, Subsea and Advanced Manufacturing product lines. As a result of this performance, a vesting of 72.5% of the maximum opportunity of 80% for the financial portion of the Annual Bonus was recorded.

The Committee met in January and February 2024 to review the delivery of the executive Directors' strategic/personal performance objectives. In-line with the outcome of the financial bonus targets, the Committee noted the strong delivery of the objectives set at the start of the year, including delivery of the Hunting 2030 Strategy, which was presented to investors at a Capital Markets Day held at the London Stock Exchange in September 2023. Following discussion, the Committee agreed that the executive Directors had exceeded most of these objectives and, therefore, were awarded a vesting of 18% of the maximum of 20% of this portion of the Annual Bonus.

The Committee noted that the threshold targets set at the start of the year had been exceeded, leading to a 90.5% total vesting of the maximum annual bonus opportunity for the executive Directors. The Committee satisfied itself with the overall Annual Bonus outcome, which resulted in an Annual Bonus of $1,467k receivable in the year for the Chief Executive and $536k receivable for the Finance Director.

The 2023 Annual Bonus will be delivered in cash, with 25% of the post-tax cash bonus to be utilised to purchase Ordinary shares of the Company, which are to be held for two years from the vesting date, in-line with the usual operation of the Annual Bonus Plan.

HPSP award grant

In March 2023, the Committee granted awards under the Hunting Performance Share Plan. As part of its discussions, and in-line with the shareholder approved Directors' Remuneration Policy, the Committee retained the Free Cash Flow performance condition for the 2023 award, alongside the Return on Average Capital Employed ("ROCE"), adjusted diluted Earnings per Share ("EPS"), relative Total Shareholder Return ("TSR"), and Strategic Scorecard performance conditions. The Committee considers that these metrics continue to provide a balance of performance targets for the executive Directors to achieve. The awards encourage a good balance between earnings and cash generation growth.

Remuneration Committee Report continued

Activities undertaken by the Remuneration Committee during 2023

	Jan	Feb	Apr	Jun	Aug	Oct	Dec
Overall remuneration							
Annual base salary review							•
Review senior management annual emoluments							•
Review total remuneration against benchmarked data		•	•	•	•	•	•
Shareholder and proxy group feedback on new Policy					•	•	•
Items specific to the annual bonus							
Approve annual bonus including delivery of personal/strategic performance targets		•					
Review Annual Bonus Plan rules					•		
Agree strategic/personal 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 Report on Remuneration and Policy			•				
Review Committee effectiveness							•
Review terms of reference							•

HPSP awards vesting

The 2021 awards under the HPSP are due to vest on 4 March 2024 and incorporate four performance conditions, being ROCE (35%), adjusted diluted EPS (25%), relative TSR (25%) and a Strategic Scorecard (15%). The ROCE and EPS performance conditions were based on performance targets to be delivered for the financial year ending 31 December 2023. The Strategic Scorecard comprises two non-financial measures, being the Group's Safety and Quality performance.

Given the low share price in 2021, due to a subdued energy market, the Committee reduced the face value of the award by 22% at the time of grant to mitigate the risk of a windfall gain occurring.

Following measurement of the financial elements of the award, the ROCE and EPS performance conditions for the 2021 awards recorded a 12.7% and 6.5% vesting respectively of the maximum vesting opportunity.

The TSR performance condition was measured independently by Mercer and recorded a "Below Median" ranking against the 13 peer group comparators. This led to a nil vesting of this portion of the 2021 award.

The Strategic Scorecard recorded a 15% vesting in-line with the operation of the Policy, and given that the financial targets had been met, the Committee approved a full vesting of the Scorecard.

The Committee satisfied itself that there were no circumstances justifying the application of any discretion and therefore the overall vesting of the 2021 HPSP grant was 34.2% of the maximum vesting opportunity.

2023 AGM result

At the Company's AGM held on 19 April 2023, the Company received 88% votes in favour of the resolution to approve the 2022 Annual Report on Remuneration.

Context of remuneration awarded in 2023

The Group's performance in the year, as noted above, has led to a 90.5% vesting of the Annual Bonus opportunity and a 34.2% vesting of the 2021 HPSP grant. The Annual Bonus outcome reflects an "Above Target" outcome, reflecting strong in-year performance, while the HPSP vesting reflects an "Above Threshold" vesting given the Company's financial performance over the three-year vesting cycle.

The single figure total remuneration for Jim Johnson was, therefore, $3.5m in 2023 and $1.2m for Bruce Ferguson.

The 2022 restated single figure total for Jim Johnson was $2.7m and for Bruce Ferguson was $1.0m, following final determination of the 2020 HPSP vesting values.

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.

2024 Directors' Remuneration Policy

As noted above, the location of Hunting's Chief Executive has been in Houston, Texas since 2001 and, during this time, the Committee has sought to strike an appropriate balance between the compensation frameworks adopted by Hunting's closest trading peers within the quoted oilfield services sector in the US so as to ensure that the Policy is capable of meeting the Board's future recruitment and retention needs, and the governance expectations of the Company's mainly UK-based shareholders.

The Committee's most recent review highlighted that the balance struck by the current Policy was no longer sufficiently aligned with practices among our peers or with the pay arrangements of Hunting's wider workforce. In particular, the overwhelming majority of Hunting's direct trading peers now grant a mix of restricted stock units ("RSUs") and performance stock units ("PSUs"). Pay levels amongst our direct trading peers in the US are also higher. The Committee believes this to be a material recruitment risk to the Group as it seeks to implement the Hunting 2030 Strategy.

Within Hunting, the Chief Executive and Finance Director are the only mid-level and senior executives who do not currently receive awards of RSUs. Therefore, the Committee is also seeking to increase consistency within the Company's remuneration framework as part of the new Policy.

The Committee has engaged with its largest shareholders extensively since June 2023 on proposals to introduce a RSU element.

The feedback received, which related to the quantum, choice and weighting of long-term performance metrics and shareholding requirements, has materially influenced the final proposals, with further amendments being made to the proposals following wider shareholder engagement throughout Q4 2023 and Q1 2024. As part of this engagement, proxy voting groups were also consulted, with feedback being incorporated into the final proposals, which were communicated to shareholders in January 2024, to confirm support or otherwise to the Committee's thinking.

The majority of shareholders consulted have indicated they are supportive of the proposals given Hunting's North America business profile, including revenue, profits, people and facilities which is fairly unique to the UK listed environment.

The principal changes to the existing Policy being proposed are as follows:

- the maximum PSU award level will be reduced from 450% to 350% of salary for the Chief Executive and from 210% to 160% of salary for the Finance Director;
- a new RSU element will be introduced with an annual award level of 100% of salary for the Chief Executive and 50% of salary for the Finance Director. RSU awards will normally vest three years after grant subject to an underpin based on the Committee's assessment of underlying performance against a range of objective factors; and
- the post-cessation shareholding requirement, which currently applies to shares worth up to 200% of salary to be held for one year following the end of employment, will be extended to two years following the adoption of the new Policy.

The overall impact of these changes will be to increase alignment with shareholders through the acquisition and holding of shares and greater alignment between the remuneration arrangements of the executive Directors and their relevant labour markets as well as those of the workforce. The maximum opportunity of the long-term incentive will remain unchanged at the levels awarded since 2013, being 450% of base salary in aggregate to the Chief Executive and 210% to the Finance Director, while ensuring that target levels of remuneration are positioned competitively against our peers.

A number of shareholders, as part of the feedback received, requested that the balance of the performance conditions be increased for ROCE and TSR to ensure the executive Directors remained focused on delivering growth in the Company's enterprise value. Following this feedback, the Committee have approved an increase in the weighting attached to these measures for 2024.

In addition, the Committee has reviewed the salaries of the Chief Executive and the Finance Director for 2024 and, subject to the new Policy being approved, intends to implement a one-off adjustment by awarding base salary increases of 3.5% over the average of the workforce (an average increase of 5.0% was awarded in January 2024 to the workforce).

This increase is also in-line with increases being awarded to other high performing employees at Hunting whose remuneration is below the market level. Following these one-off adjustments, both executive Directors' remuneration will be positioned around median and, therefore, it is anticipated that future increases will be no higher than the average awarded to the workforce.

The Committee and Board welcome the support to the new Policy by those shareholders consulted since June 2023 and look to the support of all stakeholder groups to ensure the Company has the right compensation framework going forward.

On behalf of the Board

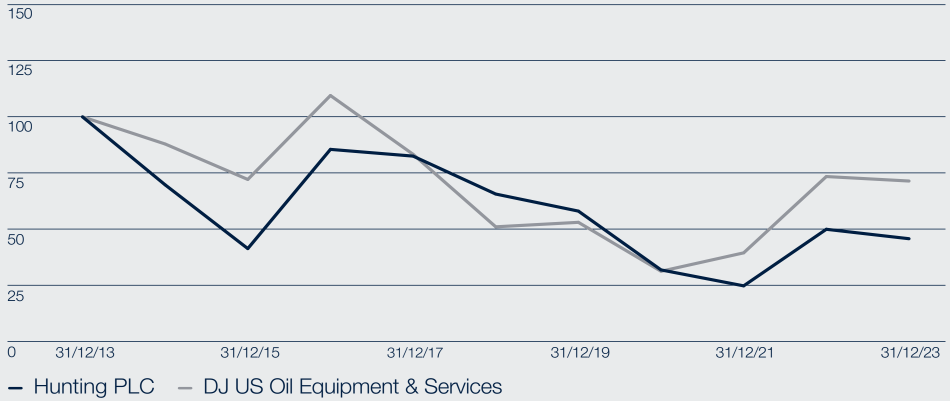
Annell Bay
Chair of the Remuneration Committee

29 February 2024

Remuneration at a glance

Remuneration paid to the executive Directors in the year was consistent with the 2021 Directors' Remuneration Policy. Base salaries were unchanged throughout 2023, given that increases were implemented in December 2022. The 2023 Annual Bonus has vested at 90.5% of the maximum bonus opportunity, which reflected an "Above Target" performance compared to the Annual Budget approved by the Directors at the start of 2023. The awards under the Hunting Performance Share Plan granted in 2021 are due to vest in March 2024, with a vesting outcome of 34.2%, which reflects an "Above Threshold" outcome.

Total shareholder return (rebased to 100 at 31 December 2013)



Performance metrics

Adjusted profit before tax

$50.0m

(2022 – $10.2m)

Adjusted diluted earnings per share

$20.3cents

(2022 – $4.7 cents)

Return on average capital employed

6.45%

(2022 – 1.45%)

Total shareholder return (1-year)

(8.6)%

(2022 – 102%)

Safety (Total recordable incident rate three-year average)

0.96

(2022 – 0.88)

Quality assurance (Internal manufacturing reject rate three-year average)

0.15%

(2022 – 0.17%)

Remuneration Policy and 2023 AGM result

The remuneration framework operated in the year was consistent with the Policy approved by shareholders on 21 April 2021, with 92% of votes in favour. Details of the Policy can be found within the 2020 Annual Report and Accounts at www.huntingplc.com.

At the 2023 Annual General Meeting of the Company on 19 April 2023, the resolution to approve the 2022 Annual Report on Remuneration was supported by a vote of 88% in favour.

Link to strategy and KPIs

The Group's Key Performance Indicators ("KPIs") are described in detail on pages 12 and 13, and incorporate financial measures including adjusted profit before tax, return on average capital employed ("ROCE") and adjusted diluted earnings per share ("EPS") targets. Non-financial measures are also included in the targets for HPSP awards and include measurable objectives related to the Group's Quality and Safety performance. Quality and Safety both 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. These KPIs are central to Hunting's long-term success and are fully integrated into the remuneration framework approved by shareholders.

Remuneration Committee Report continued
Remuneration at a glance continued

Base Salaries

As noted in the 2022 Annual Report on Remuneration, base salary increases were implemented across the Group on 1 December 2022, with no adjustments being made in 2023.

Jim Johnson's base salary was, therefore, $810,338 in the year and Bruce Ferguson's base salary was £317,625.

Arthur James (Jim) Johnson
Chief Executive

$810,338
(2022 – $774,966)

Bruce Ferguson
Finance Director

£317,625
(2022 – £303,760)

Annual Bonus

In 2023, the financial targets set by the Board within the Annual Budget were exceeded, with strong increases in pre-tax profit and average return on capital employed being recorded. The Committee also reviewed the delivery of the strategic/personal performance objectives by the executive Directors. Overall, a 90.5% vesting of the annual bonus opportunity was recorded.

On this basis, Jim Johnson will receive a bonus of $1,467k and Bruce Ferguson will receive a bonus of £431k ($536k).

The annual bonus will be delivered in cash, as per the normal operation of the Annual Bonus Plan, with 25% of the post-tax bonus to be utilised to purchase Ordinary shares, to be retained for two years from the vesting date.

$1,467k
(2022 – $1,550k)

£431k
(2022 – £456k)

Hunting Performance Share Plan

The Group's 2021 HPSP grant's performance conditions incorporated ROCE and adjusted diluted EPS, measured for the year ended 31 December 2023, and relative TSR and Strategic Scorecard, measured over the three financial years ending 31 December 2023.

	Recorded performance	Vesting
ROCE	6.45%	12.7%
Adjusted diluted EPS	20.3 cents	6.5%
Relative TSR	Below median	nil
Balanced Scorecard		
– Safety	0.96	7.5%
– Quality	0.15%	7.5%

Following measurement of the above performance conditions, the 2021 HPSP grant will vest at 34.2%.

Jim Johnson will be entitled to receive 259,144 Ordinary shares and Bruce Ferguson will be entitled to receive 58,893 Ordinary shares on the vesting date of 4 March 2024.

Dividend equivalents accrued over the vesting period totalling 26.0 cents per vested share will be added to this award.

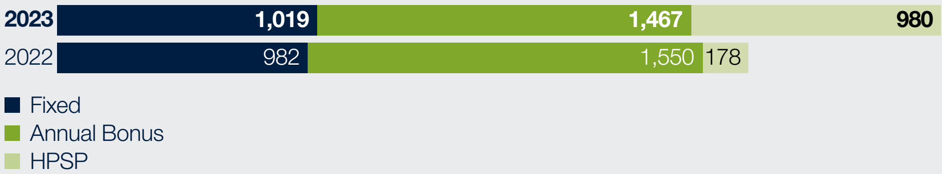
259,144 shares
(2022 – 48,990 shares)

58,893 shares
(2022 – 6,827 shares)

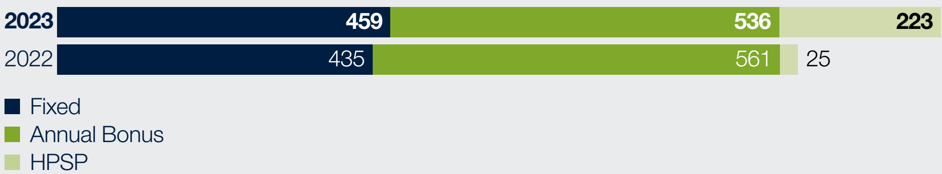
Remuneration Committee Report continued
Remuneration at a glance continued

Executive Directors' single figure remuneration $k

Jim Johnson – total $3,466k (2022 – $2,710k)



Bruce Ferguson – total $1,218k (2022 – $1,021k)



Directors' Remuneration Policy

Policy overview

This section sets out the new Directors' Remuneration Policy (the "Policy") applicable to Hunting's executive and non-executive Directors, which, if approved by shareholders at the Annual General Meeting ("AGM") to be held on 17 April 2024, will be applied with effect from 1 January 2024. Updates to the Policy have also been made to align it with the rules of the 2024 Hunting Performance Share Plan, which is being submitted to shareholders for their approval at the 2024 AGM. The Policy is designed to take account of the principles of the 2018 UK Corporate Governance Code and the Companies Act 2006 regarding remuneration. It has been designed to promote the strategy and long-term sustainable success of the Company by ensuring that rewards are competitive within the relevant market for talent and comprise fixed and variable incentives that link total reward with corporate and individual performance as well as shareholder value creation.

Executive Director pay is overseen by the Remuneration Committee. The Chief Executive's remuneration is benchmarked against global peers, the majority of which are headquartered or listed in the US, and who are of a similar profile and size to Hunting. 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 international scope of the business, each non-executive Director is required to give an above average time commitment to Group matters. Non-executive Directors do not receive bonuses or other variable emoluments. The fees are benchmarked against other UK companies of a similar size, profile and profitability and are reviewed annually by the Board. The Company Chair fee is set by the Remuneration Committee. The Remuneration Policy tables that follow provide an overview of each element of the Directors' Remuneration Policy. As no Director is involved in the setting of their own pay, this mitigates conflicts of interest as required by the relevant regulations.

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Executive Director Remuneration Policy Table
Fixed emoluments

PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	CHANGES TO POLICY PROPOSED
Base salary				
• To attract, retain and reward executives with the necessary skills to effectively deliver the Company strategy.	• 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.	• 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.	• Individual and Group performance are taken into account when determining appropriate salaries.	• None.
401k and tax-deferred saving plans (US-based roles)				
• To provide a tax efficient long-term savings arrangement for US-based Directors.	• The Group provides matching contributions (subject to limitations) to a US qualified 401K deferred savings plan and an additional non-qualified tax-deferred savings plan as allowed under US tax laws to US-based executive Directors ("EDs").	• The Company previously agreed to grandfather the incumbent Chief Executive's original 401k and deferred compensation arrangements. • Any future executive Director appointees in the US will have a contribution cap set at the same level offered to the wider workforce.	• None.	• Maximum company contributions into the 401k and tax-deferred compensation arrangements of new US EDs will be capped at the same level offered to the wider US workforce. Previously, new US executive Director contributions would be capped at 12% of salary.

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Executive Director Remuneration Policy Table continued
Fixed emoluments continued

PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	CHANGES TO POLICY PROPOSED
Pension (roles based outside of the US)				
• To provide normal pension schemes appropriate to the country of residence.	• Company contribution or an annual cash sum in lieu of contributions to a company pension scheme. • The Finance Director currently elects to receive a cash sum. • Equivalent arrangements would be offered to any future executive Director based outside of the UK or US.	• UK executive Directors receive a company pension contribution or cash alternative of up to 12% of salary, in-line with the rest of the UK workforce.	• None.	• None.
Benefits				
• To provide standard benefits appropriate to the country of residence.	• 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 and/or where these are introduced to the wider workforce.	• There is no maximum value set on benefits. They are set at a level that is comparable to market practice.	• None.	• Updated to allow for the introduction of new benefits provided these have also been introduced to the wider workforce.

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Executive Director Remuneration Policy Table continued
Variable emoluments

PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	CHANGES TO POLICY PROPOSED
Annual bonus				
• To incentivise annual delivery of financial and operational targets. • To provide high reward potential for exceeding demanding targets.	• At least 25% of any after-tax Annual Bonus must be used to acquire shares in Hunting. These shares are required to be held for two years. • 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, corporate failure, gross misconduct or actions that cause reputational damage to the Company.	• The Chief Executive and Finance Director have a maximum opportunity of 200% and 150% of salary, respectively. • For an on-target performance, 50% of the maximum opportunity will be paid.	• Typically, 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 all financial targets not be met, a 50% vesting cap of the strategic/personal component would normally be implemented.	• Removal of the requirement for bonus threshold and maximum targets to be at 80% and 120% of budget to enable greater flexibility in target setting and ensure appropriate degree of stretch.
Long-term incentive plan				
• To align the interests of executives with shareholders in growing the value of the business over the long term and provide a competitive total package that enables the Company to compete for talent in its key market of the US.	• Awards of performance shares ("HPSP") or restricted shares ("HRSP"), may be granted in the form of nil cost options or conditional awards to eligible participants. The performance conditions which apply to HPSP awards will normally be measured over a period of at least three years. • Awards normally vest three years after grant, and retained post-tax in shares for up to two years. • Vested awards granted from 2024 will normally be subject to an additional holding period of two years (subject to settlement of any tax charges on vesting). • Awards are subject to malus and clawback provisions, for five years from grant, which cover cases of material financial misstatement, calculation error, gross misconduct actions that cause reputational damage to the Company, or corporate insolvency or failure. • In respect of vested shares, participants are eligible to receive an amount equivalent to dividends paid by the Company during the vesting period, (and where relevant, the post-vesting holding period) once the final vesting levels have been determined, either in cash or shares. This dividend equivalent payment may assume the reinvestment of dividends in shares.	• In respect of any financial year of the Company: – Chief Executive: HPSP up to 350% and HRSP up to 100% of base salary. – Finance Director: HPSP up to 160% and HRSP up to 50% of base salary.	• HPSP awards will vest on achievement of financial and strategic performance targets, measured over a performance period of three years. Financial measures for HPSP awards will be aligned with the strategy and, for 2024, will include measures such as adjusted diluted EPS, FCF, and ROCE. A TSR element will also be included. Strategic measures may also be included and will not normally account for more than 15% of each award. • Achievement of threshold performance for HPSP targets results in a 25% vesting. • In the event that all of the financial measures are not met in respect of a HPSP grant, the vesting of the Strategic Scorecard will be reduced by 50%. • HRSP awards are subject to an underpin based on the Committee's assessment of the underlying performance of the business over the performance period having regard for a number of factors also measured over three financial years. • The Committee has the ability to exercise discretion to override the HPSP or HRSP outcome in circumstances where strict application of the performance conditions or underpin would produce a result inconsistent with the Company's remuneration principles. Any upward discretion would normally be subject to prior shareholder consultation.	• Introduction of the HRSP element and a reduction in the quantum of HPSP awards.

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Executive Director Remuneration Policy Table continued
Variable emoluments continued

PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	CHANGES TO POLICY PROPOSED
Minimum stock ownership requirement				
• To encourage the retention of shares under award to the executive Directors. • To align the long-term interests of the Directors with shareholders.	• 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.	• The target holding of the Chief Executive is equal to a market value of 500% of base salary and for the Finance Director 200% of base salary.	• None.	• None.
Post-employment shareholding requirement				
• To align the long-term interests of the executive Directors with shareholders for a period after they have left the Group. • To incentivise good succession planning.	• Directors are required to hold 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.	• Executive Directors must continue to hold shares equal to the lesser of their actual holding on stepping down as an executive Director and 200% of base salary, for a minimum of 24 months. • This requirement applies to shares acquired under incentives granted after the 2024 AGM.	• None.	• Extension of holding period from 12 to 24 months from the date of cessation of employment.

Remuneration Committee Report continued
Directors' Remuneration Policy continued

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
Company Chair and non-executive Director fees				
• To attract and retain high-calibre non-executive Directors by offering a market competitive fee.	• Fees for the Company Chair 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 Company Chair is paid a single consolidated fee for his responsibilities including chairing the Nomination 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, Ethics and Sustainability and Remuneration Committees and the Senior Independent Director. • The non-executive Directors and Company Chair do not participate in the Group's share plans and do not receive a cash bonus or any other benefits. Any travel or hospitality costs (including any tax thereon) related to the performance of their duties may be reimbursed by the Company.	• Fees paid to the non-executive Directors are benchmarked against other UK companies of a similar size and profile to the Group. • The aggregate maximum fees for all non-executive Directors, including the Company Chair, within the Company's Articles of Association are £750,000.	• None.	• None.
Minimum stock ownership requirements				
• To align the non-executive Directors' interests with the long-term interests of shareholders.	• 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.	• The target holding for the Company Chair and non-executive Directors is equal to 100% of the annual fee.	• None.	• None.

Remuneration Committee Report continued
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 Policy under review, and will make any necessary revisions after appropriate consultation and approval from shareholders has been received.

Remuneration Committee discretion

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

- selecting the participants in the incentive plans on an annual basis;
- determining the timing of grants of awards and/or payments;
- determining the quantum of awards and/or payments (within the limits set out in the Policy table on pages 138 to 142);
- reviewing performance against any performance targets;
- determining the extent of vesting based on the assessment of performance and to adjust the amount of any incentive pay-out 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;
- making the appropriate adjustments required in certain circumstances, for instance for changes in capital structure;
- determining "Good Leaver" status for incentive plan purposes, including assessing part-year performance for bonus awards and applying the appropriate treatment; and
- undertaking the annual review of weighting of performance measures and setting targets for the incentive plans, where applicable, from year-to-year.

If an event occurs that results in the Annual Bonus Plan or LTIP performance conditions and/or targets being deemed no longer appropriate (e.g. material change acquisition or divestment), the Committee will have the ability to adjust appropriately the measures, peer groups and/or targets and alter weightings, provided that the revised conditions are not materially less challenging than the original conditions. In addition, 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 honour any remuneration commitments (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 (i) before the Policy came into effect; or (ii) 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.

The Committee may also make any payments that it is required to make as a result of its statutory obligations or by way of settlement for any claim of breach of a director's legal entitlements.

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. In 2024, it is intended that the performance of the executive Directors in executing this strategy will be evaluated using a number of key performance indicators ("KPIs") shown in the table below, which drive the variable components of the executive Directors' emoluments. The HPSP performance conditions and growth targets can be amended by the Remuneration Committee over the life of the Policy, 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.

Performance metrics	Variable incentive	Rationale
Adjusted profit before tax ("PBT")	Annual Bonus	Adjusted PBT is a management KPI used to measure the performance of the Group. Adjusted PBT reflects the achievements of the Group in a given financial year and recognises sustained profitability measured against an agreed Annual Budget.
Return on average capital employed ("ROCE")	Annual Bonus/ HPSP	ROCE is a management KPI used to measure the performance of the Group. ROCE reflects the value created on funds invested in the short and medium term.
Total shareholder return ("TSR")	HPSP	TSR reflects the Group's long-term goal to achieve superior levels of shareholder return.
Adjusted diluted earnings per share ("EPS")	HPSP	To encourage sustained levels of earnings growth over the long term.
Free cash flow ("FCF")	HPSP	To encourage sustained levels of cash generation to fund growth and shareholder distributions.
Strategic/personal objectives	Annual Bonus/ HPSP	To capture and incentivise delivery of key strategic milestones that contribute to long-term success.
Underlying Group performance	HRSP	Ensures that executives are not rewarded where the underlying performance of the Company is not satisfactory.

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Relevance to employee pay
The Policy table on pages 138 to 142 summarises 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 below the executive Director and senior manager level, with total remuneration driven by market comparatives and the individual responsibilities of each role.

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 contracts with the Company on 7 December 2017 and 2 June 2020, respectively. Under the terms of these service contracts, 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 eligible 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 contracts, benefits may include the provision of a company car and fuel benefits or allowance in lieu, 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, which is retained by the Company Secretary at Hunting PLC's registered head office, that sets out the responsibilities and time commitments for the role. Additional duties, as requested by the Nomination Committee, including chairing a Board Committee, 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 employing company or business ceasing to be part of the Group, 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; and
- payment of a bonus for the period worked taking into account the achievement of the relevant performance conditions which may be delivered in such proportions of cash and shares, and subject to such deferral arrangements, as the Committee may determine; and any unvested long-term incentives that vest at the normal time taking into account the achievement of the relevant performance conditions and any other relevant factors, and will, unless the Committee determines otherwise, be pro-rated by reference to the performance period applicable to the award which has elapsed. If an executive Director dies (or any other exceptional circumstances), awards will vest at the time the executive Director ceases to be a Director on the same basis as set out above for other "Good Leavers".

The Company may also provide assistance with any reasonable legal costs and a contribution towards outplacement services. If an executive Director departs the Group for any other reason, no bonus would be payable and their unvested long-term incentives would lapse immediately on cessation of employment.

Corporate events
If there is a change of control of the Company, HPSP and HRSP awards will normally vest early. The extent to which awards vest in these circumstances will be determined by the Remuneration Committee, taking into account the extent to which the performance conditions have been satisfied, the underlying performance of the Company and the participant, any other relevant factors and, unless the Remuneration Committee determines otherwise, the proportion of the performance period that has elapsed. If other corporate events affect the Company such as a demerger, the Remuneration Committee may decide that awards vest on the same basis as for a change of control of the Company.

Consideration of employment conditions elsewhere in the Group
The Committee considers the general basic salary increases for the broader workforce 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.

Remuneration Committee Report continued
Directors' Remuneration Policy continued

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 the remuneration policy and arrangements, and will undertake a consultation with our largest shareholders in advance of any significant future changes to the 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.

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 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 relevant labour market practices. Where new appointees have initial base salaries set below market, any shortfall may be managed with phased increases, normally, 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. Fixed pay will comprise base salary, including any appropriate relocation or tax equalisation agreements, benefits (including healthcare insurance, pension contributions, and car benefits) and any other components deemed necessary to secure an appointment. Variable pay will be in-line with the policies above, subject to any future amendments to these arrangements being approved by shareholders. Any specific change of control provisions within new service contracts would be consistent with UK market norms.

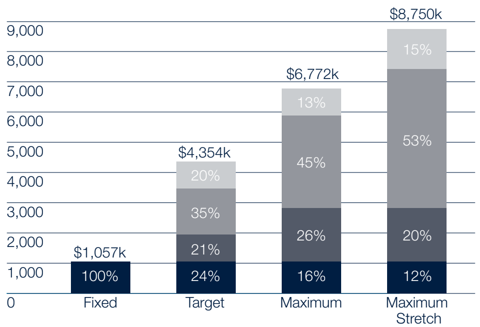
In addition, for new appointees, the Committee may offer additional cash and/or share-based elements when it considers these to be in the best interests of the Company and shareholders. Any such payments would take account of remuneration relinquished when leaving the former employer and would be structured to take account of 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.

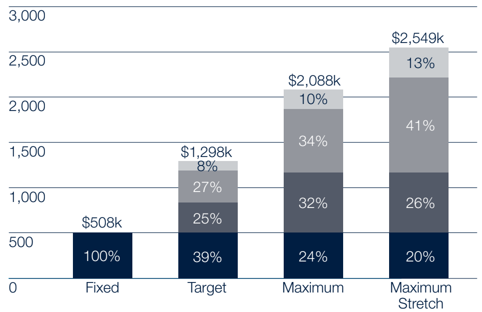
Remuneration scenarios for executive Directors

The remuneration scenarios of the executive Directors for a fixed, target and maximum performance are presented in the charts below, based on the proposed 2024 Directors' Remuneration Policy.

Chief Executive



Finance Director



■ Total Fixed ■ Annual Bonus ■ HPSP ■ HRSP

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 plus 100% vesting of awards under the HRSP;
- 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 and HRSP in accordance with the reporting regulations; and
- The Finance Director is paid in Sterling and the equivalent total remuneration scenarios are as follows – fixed £399k; target £1,020k, maximum £1,640k and maximum stretch of £2,002k.

On behalf of the Board

Annell R Bay

Annell Bay
Chair of the Remuneration Committee

29 February 2024

Remuneration Committee Report continued

Annual Report on Remuneration

Introduction

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

Compliance statement

The Directors' Remuneration Policy and the 2023 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) Regulations 2008 (as amended), 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 2023 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 2023. This report was approved by the Remuneration Committee at its meeting on Monday 26 February 2024.

Role

The Committee is responsible for developing and implementing the Directors' Remuneration Policy and has direct oversight, of the remuneration of the executive Directors, Company Chair and Company Secretary. The Company Chair and Chief Executive are consulted on proposals relating to the remuneration of the Finance Director and designated senior management. Where appropriate, the Company 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, Ms Harris and Messrs Brightman and Lough have relevant energy sector expertise, while Mrs Chesney has relevant financial expertise. Dr Amos has non-oil and gas expertise.

Ms Bay was appointed to the Committee on her appointment to the Board on 2 February 2015 and was appointed Committee Chair on 30 August 2018. The Nomination Committee has extended Ms Bay's term of appointment to the Company for one additional year to allow for appropriate succession plans to be put in place and to oversee the final implementation of a new Directors' Remuneration Policy, to be approved by shareholders at the Company's 2024 Annual General Meeting ("AGM") on 17 April 2024. Stuart Brightman was appointed by the Board and became a member of the Committee on 3 January 2023.

On 10 January 2024, Margaret Amos was appointed as a new, independent, non-executive Director and joined the Committee from this date. Further, the Company announced on 10 January 2024 that Stuart Brightman will succeed Jay Glick as Company Chair. Mr Brightman will, therefore, step down as a member of the Committee at the 2024 AGM.

The Committee met seven times during 2023 and attendance details are shown on page 131. On 29 February 2024, being the date of signing the accounts, the members of the Committee and their unexpired terms of office were:

Director	Latest appointment date	Unexpired term as at 29 February 2024 months
Margaret Amos	10 January 2024	34
Annell Bay	2 February 2024	11
Stuart Brightman	3 January 2023	22
Carol Chesney	23 April 2021	2
Paula Harris	20 April 2022	14
Keith Lough	23 April 2021	2

External advisers

Mercer and Pearl Meyer are 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. Mercer is a signatory to the UK Remuneration Consultants' Group Code of Conduct and provides UK governance advice and compensation benchmarking, while Pearl Meyer provides US remuneration data for consideration by the Committee. The total cost of advice to the Committee during the year to 31 December 2023 was $300,553 (2022 – $136,613) 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 nor Pearl Meyer have any other connection to the Company or any Director.

Shareholder voting at the 2023 AGM

At the Company's AGM held in April 2023, the resolution to approve the Annual Report on Remuneration received the following votes from shareholders:

	Number of votes cast	% of votes cast
For	108,770,961	88.0
Against	14,855,627	12.0
Votes withheld[i]	25,707	n/a
Total votes cast	**123,652,295**	**100.0**

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

The 2021 Policy was last approved by shareholders at the AGM on 21 April 2021, receiving 92.0% votes in favour. A new Policy is to be approved by shareholders at the 2024 AGM.

Remuneration Committee Report continued
Annual Report on Remuneration continued

Single figure remuneration

	Fixed								Variable						Total Remuneration	
	Base Salary[i]		Pension Provision[ii]		Benefit[iii]		Sub Totals		Annual Bonus		HPSP Awards		Sub Totals			
$k	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**[iv]	2022[v]	**2023**[vi]	2022 (restated)[vii]	**2023**	2022 (restated)	**2023**	2022 (restated)
Executive Directors																
Jim Johnson	**810**	775	**137**	139	**72**	68	**1,019**	982	**1,467**	1,550	**980**	178	**2,447**	1,728	**3,466**	2,710
Bruce Ferguson	**395**	374	**47**	44	**17**	17	**459**	435	**536**	561	**223**	25	**759**	586	**1,218**	1,021
Non-executive Directors																
Annell Bay	**92**	86	**–**	–	**–**	–	**92**	86	**–**	–	**–**	–	**–**	–	**92**	86
Stuart Brightman	**80**	–	**–**	–	**–**	–	**80**	–	**–**	–	**–**	–	**–**	–	**80**	–
Carol Chesney	**92**	86	**–**	–	**–**	–	**92**	86	**–**	–	**–**	–	**–**	–	**92**	86
Jay Glick	**255**	227	**–**	–	**–**	–	**255**	227	**–**	–	**–**	–	**–**	–	**255**	227
Paula Harris (from 20.04.22)	**80**	52	**–**	–	**–**	–	**80**	52	**–**	–	**–**	–	**–**	–	**80**	52
Richard Hunting (to 20.04.22)	**–**	22	**–**	–	**–**	–	**–**	22	**–**	–	**–**	–	**–**	–	**–**	22
Keith Lough	**92**	86	**–**	–	**–**	–	**92**	86	**–**	–	**–**	–	**–**	–	**92**	86
Totals	**1,896**	1,708	**184**	183	**89**	85	**2,169**	1,976	**2,003**	2,111	**1,203**	203	**3,206**	2,314	**5,375**	4,290

The remuneration of the Finance Director and non-executive Directors is determined in UK Sterling

	Fixed								Variable						Total Remuneration	
	Base Salary[i]		Pension Provision[ii]		Benefit[iii]		Sub Totals		Annual Bonus		HPSP Awards		Sub Totals			
£k	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**[iv]	2022[v]	**2023**[vi]	2022 (restated)[vii]	**2023**	2022 (restated)	**2023**	2022 (restated)
Executive Directors																
Bruce Ferguson	**318**	304	**38**	36	**14**	13	**370**	353	**431**	456	**179**	20	**610**	476	**980**	829
Non-executive Directors																
Annell Bay	**74**	70	**–**	–	**–**	–	**74**	70	**–**	–	**–**	–	**–**	–	**74**	70
Stuart Brightman	**64**	–	**–**	–	**–**	–	**64**	–	**–**	–	**–**	–	**–**	–	**64**	–
Carol Chesney	**74**	70	**–**	–	**–**	–	**74**	70	**–**	–	**–**	–	**–**	–	**74**	70
Jay Glick	**205**	184	**–**	–	**–**	–	**205**	184	**–**	–	**–**	–	**–**	–	**205**	184
Paula Harris (from 20.04.22)	**64**	42	**–**	–	**–**	–	**64**	42	**–**	–	**–**	–	**–**	–	**64**	42
Richard Hunting (to 20.04.22)	**–**	18	**–**	–	**–**	–	**–**	18	**–**	–	**–**	–	**–**	–	**–**	18
Keith Lough	**74**	70	**–**	–	**–**	–	**74**	70	**–**	–	**–**	–	**–**	–	**74**	70

i. There were no base salary increases awarded to the executive Directors in 2023, given that the last review by the Committee was completed in December 2022, where a 5% increase was implemented. In December 2023, the Committee received workforce salary proposals, to be implemented in January 2024. Base salary increases for the executive Directors have been proposed as part of the new Directors' Remuneration Policy and remain subject to shareholder approval. In January 2023, the base fee for the non-executive Directors was increased to £64,000.
ii. 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.
iii. Benefits include the provision of healthcare insurance, subscriptions, and a company car with fuel benefits or allowance in lieu.
iv. With the Company recording another year of growth, including an increase in adjusted profit before tax ("PBT") and return on average capital employed ("ROCE"), both of which exceeded the Annual Budget targets set in December 2022, a 90.5% vesting of the maximum opportunity has been recorded. On this basis, Mr Johnson will receive a bonus payment of $1,467k, being 181% of his base salary paid in 2023, and Mr Ferguson will receive a bonus payment of £431k ($536k), being 136% of his base salary. The bonuses will be paid in March 2024 and, in-line with the usual operation of the Annual Bonus Plan, 25% of the after-tax bonus will be utilised to purchase Ordinary shares in the Company, to be retained for two years.
v. In 2022, Mr Johnson's annual bonus was $1,550k and Mr Ferguson's annual bonus was £456k ($561k). The after-tax bonuses were utilised to purchase 68,813 and 21,004 Ordinary shares respectively in the Company, to be retained for two years.
vi. The share awards granted in 2021 under the HPSP had a three-year performance period to 31 December 2023 and will vest on 4 March 2024. The 2021 grant comprised the following four performance conditions: ROCE, EPS, TSR, and a Strategic Scorecard. The ROCE and EPS targets both recorded a threshold vesting. The TSR performance condition was independently measured by Mercer and recorded a "Below Median" outcome vesting leading to nil vesting of this portion of the 2021 grant. In total, the 2021 grant under the HPSP recorded a 34.2% vesting. On this basis, Mr Johnson will receive 259,144 Ordinary shares, plus a cash payment of 26.0 cents per share, equalling the dividends paid during the vesting period. The total value of Mr Johnson's vested award was $980k. Following measurement, Mr Ferguson will receive 58,893 Ordinary shares, plus a cash payment of 26.0 cents per share, equalling the dividends paid during the vesting period, with a total value of $223k. For the purposes of the single figure calculation, the average mid-market closing price of £2.8371 during Q4 2023 has been applied to the number of vested shares and converted to dollars using the average £:$ exchange during Q4 2023, being £1.2417. Further details of the vesting calculation are shown on page 150.
vii. The share awards granted in 2020 at £3.12 under the HPSP had a three-year performance period to 31 December 2022 and incorporated four performance conditions. The awards were measured against the relevant performance conditions, with a nil vesting recorded for the ROCE, EPS and TSR performance conditions. A 7.5% vesting of the Strategic Scorecard (after application of the vesting cap on this element), was also recorded. On this basis, Messrs Johnson and Ferguson received 48,990 and 6,826 Ordinary shares, respectively. For the purposes of the single figure calculation, the average mid-market closing price of £2.82 was applied to the share awards vested on 3 March 2023, with the 2022 single figure table being restated to reflect the actual vested amount.

Remuneration Committee Report continued
Annual Report on Remuneration continued

Salary and fees

There were no changes to the base salaries of the executive Directors during 2023.

The Committee met in December 2023 to receive management's proposals for an average increase in base salaries for the wider workforce for 2024. The Committee will deliberate on increases to the executive Directors at its meeting in April 2024, subject to approval of the new Directors' Remuneration Policy at the Company's 2024 AGM.

In December 2023, the Board reviewed the fee levels for the non-executive Directors and decided to increase the Committee Chair and Senior Independent Director additional fees to £11,000 p.a. The base fee for the non-executive Directors was left unchanged at £64,000 p.a. The Committee reviewed benchmarked fee data for the Company Chair and, following discussion, decided to increase the annual fee to £225,000 from 1 January 2024.

Pensions (audited)

In-line with other similarly long-tenured employees in the US, 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 matched deferred savings plan. Company contributions to the former arrangement were $116,823 (2022 – $121,194) 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 matched savings plan, totalling $19,800 (2022 – $18,300).

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 contribution in lieu of pension was $47,385/£38,115 (2022 – $43,902/£35,626).

Annual performance-linked bonus plan (audited)

The annual performance-linked bonus plan for 2023 was based on the following metrics:

Proportion of award	Performance metric
60%	Adjusted profit before tax
20%	Return on average 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 2023 Annual Budget agreed by the Board in December 2022 contained financial targets of adjusted profit before tax of $43.4m and ROCE of 5.4%. The financial performance targets for the 2023 Annual Bonus were thus set as follows:

	Threshold vesting	Target vesting	Maximum vesting	Actual outcome	% vesting
Adjusted profit before tax ("PBT")	$34.7m	$43.4m	$52.1m	$50.0m	52.8%
Return on average capital employed ("ROCE")	4.3%	5.4%	6.5%	6.45%	19.7%

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. Given the return to growth of the Company's core markets, the Annual Bonus targets were exceeded, with a 72.5% of a possible 80% outcome of this portion of the Annual Bonus award. The Committee awarded a 90% outcome of the 20% vesting of the personal performance component of the Annual Bonus award. The overall outcome of the Annual Bonus was 90.5%.

Remuneration Committee Report continued
Annual Report on Remuneration continued

Delivery of strategic/personal performance objectives

The strategic/personal performance objectives agreed by the Committee with the executive Directors in early 2023 are summarised in the table below. Detailed analyses of these outcomes follow this table.

OBJECTIVE	JIM JOHNSON (CHIEF EXECUTIVE)	BRUCE FERGUSON (FINANCE DIRECTOR)	PERFORMANCE ACHIEVED	OUTCOME
Managing from crisis to success (50%)	• Enhance senior executive development and training, including use of an external facilitator. • Increase operational and manufacturing data flows across the Group, and increase financial performance and accountability within the senior leadership team. • Evaluate and present development plans for the Company including the delivery of a refreshed strategic plan focusing on oil and gas, non-oil and gas and energy transition sectors. • Continue to monitor the reduction of the Group's carbon footprint, with increased accountability for initiatives flowed to the senior leadership team.	• Align financial reporting processes and systems to deliver the required operational and manufacturing data flow improvements, with particular attention to production efficiencies and working capital management. • Improve board reporting format for new data requested. • Deliver reports that detail major project opportunities for the Group and the targeted returns, to ensure rates of return are understood.	• Further progressed the implementation of the D365 ERP system. Developed new reporting formats that highlighted the Group's external sales order book, product line revenue, EBITDA, working capital and other key performance indicators based around a 'Product Line' external reporting format. • Delivered new reports on working capital efficiency and project evaluation metrics to deepen the Board's understanding of the returns of the larger OCTG orders. • These reports enabled members of the Executive Committee to present to the Directors during the year. • The Chief Executive implemented a senior leadership development programme, with Russell Reynolds being engaged to support this initiative. • Strong progress in identifying and evaluating potential non-oil and gas and energy transition opportunities. These teams were expanded as geothermal and carbon capture projects accelerated, particularly in the US and Asia Pacific. • Expanded carbon data collection and continued to drive initiatives to contain and reduce scope 1 and 2 emissions. Commenced assessment of scope 3 greenhouse gas emissions.	Exceeded "Target" delivery
Revenue diversification (25%)	• Continued focus on revenue diversification including non-oil and gas and energy transition sales.	• Continued focus on revenue diversification including non-oil and gas and energy transition sales.	• As noted in the Strategic Report, non-oil and gas revenue increased from $47.6m in 2022 to $75.9m, with progress being made particularly within the Advanced Manufacturing business units.	Fully achieved
Market value correction (25%)	• Increase engagement with institutional investors to understand Hunting's market valuation and discount to net asset value. • Present an informative narrative framework at a Capital Markets Day.	• Increase engagement with institutional investors to understand Hunting's market valuation and discount to net asset value. • Present an informative narrative framework at a Capital Markets Day.	• To enable investors to better understand the Group's opportunities within the global offshore energy industry, from 1 January 2023, executive management separated the Subsea Technologies businesses from the North America operating segment. This is aimed at increasing transparency in this segment of the market. • Increased engagement with institutional investors and wider capital markets in the year, including completion of an independent investor perception survey among the Group's top shareholders. • Investor engagement efforts refocused on highlighting the Group's technology, market leadership and strength based around its major product lines, as opposed to the geographic segmental reporting format. Profit measures based around product groups have been developed during the year, to provide greater granularity on the performance of the Group. • These initiatives combined underpinned successful delivery of executive management's maiden Capital Markets Day, held in London in September 2023 at which a long-term strategy and financial ambition to 2030 was delivered to investors, which included detailed capital allocations and key strategic growth initiatives.	Exceeded "Target" delivery

Remuneration Committee Report continued
Annual Report on Remuneration continued

Annual Bonus outcome

Based on this outcome of a vesting of 90.5%, the following bonus awards were made to the executive Directors:

Proportion of award	Performance metric	Percentage of annual bonus awarded
60%	Adjusted profit before tax	52.8%
20%	Return on average capital employed	19.7%
20%	Strategic/personal performance objectives	18.0%

Mr Johnson was, therefore, awarded a bonus for the year of $1,467k, and Mr Ferguson was awarded a bonus of $536k. In-line with the normal operation of the Annual Bonus, 100% of the bonus will be delivered in cash in March 2024, with 25% of the post-tax bonus to be utilised to purchase Ordinary shares in the Company, to be retained for two years, in-line with the 2021 Directors' Remuneration Policy.

2021 HPSP vesting (audited)

The 2021 awards under the HPSP have been measured against the performance conditions following completion of the three-year performance period ended 31 December 2023. The 2021 awards were based on four performance conditions – ROCE (35%); adjusted diluted EPS (25%); relative TSR (25%) and a Strategic Scorecard (15%) comprising two sub-measures being the Group's Safety and Quality performance. Performance is measured for the year ended 31 December 2023 for ROCE and adjusted diluted EPS and over three financial years ending 31 December 2023 for relative TSR and the Strategic Scorecard. A summary of the performance achieved is detailed below:

	% of award	Threshold vesting target	Maximum vesting target	Recorded performance	% vesting outcome
ROCE	35%	6.0%	9.0%	6.45%	12.7%
Adjusted diluted EPS	25%	20 cents	40 cents	20.3 cents	6.5%
Relative TSR	25%	Median	Upper quartile	Below Median	nil
Strategic Scorecard					
– Safety	7.5%	2.00	<1.00	0.96	7.5%
– Quality	7.5%	0.8%	0.5%	0.15%	7.5%

The ROCE and EPS components of the 2021 grant under the HPSP have recorded a threshold vesting and, based on this outcome, the Strategic Scorecard component of the HPSP grant will vest in full.

The Total Shareholder Return ("TSR") performance condition was measured by Mercer in January 2024, following completion of the three-year performance period. Hunting's TSR performance against the 13 comparator companies was then ranked, resulting in a "Below Median" performance corresponding to a nil vesting of this portion of the grant.

Overall, the total vesting of the 2021 HPSP award is 34.2%. The vesting date of the 2021 HPSP award is 4 March 2024. Mr Johnson will, therefore, receive 259,144 Ordinary shares and Mr Ferguson will receive 58,893 Ordinary shares. A cash equivalent of dividends paid by the Company during the vesting period, totalling 26.0 cents per vested share, will be added to the award on the vesting date. The 2021 HPSP vesting has been calculated as follows:

	Number of shares granted in 2021	Vesting %	Number of shares vested	Value of vested shares at 31 December 2023 $*	Value of dividends at 26.0 cents per share $	Total award value $	Value attributable to share price growth $
Jim Johnson	757,732	34.2	259,144	**912,919**	67,377	980,296	70,180
Bruce Ferguson	172,203	34.2	58,893	**207,469**	15,312	222,781	15,948

* As per the methodology for reporting the values of unvested awards, the average price of a Hunting PLC share during Q4 2023 of £2.8371 has been applied and converted to US dollars at an exchange rate of £1.2417 for the period. The share price on the date of grant was £2.619.

In accordance with the 2021 Directors' Remuneration Policy, these vested shares (net of tax) are to be held for two years from the vesting date.

2020 HPSP vesting (audited)

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

	Number of shares granted in 2020	Vesting %	Number of shares vested	Value of vested shares at 3 March 2023 $*	Value of dividends at 21.5 cents per share $	Total award value $	Value attributable to share price reduction $
Jim Johnson*	653,205	7.5	48,990	167,896	10,104	178,000	17,623
Bruce Ferguson*	91,022	7.5	6,826	23,394	1,408	24,802	2,455

* The value of awards have been restated at the market price of £2.82 per share with an FX rate of $1.2153 on 3 March 2023. Further details have been included under the share interests table.

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

Remuneration Committee Report continued
Annual Report on Remuneration continued

2023 HPSP grant (audited)

On 6 March 2023, 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 6 March 2026, subject to the achievement of the performance metrics, with a two-year holding period then applying to the post-tax vested shares. The 2023 grant under the HPSP to the executive Directors was at the normal quantum, as detailed in the Directors' Remuneration Policy on pages 137 to 145.

	Award as a % of base salary	Number of shares under grant	Face value of award at threshold vesting of 25% $	Face value of award at maximum vesting $
Jim Johnson	450	994,687	911,630	3,646,521
Bruce Ferguson	210	236,529	216,779	867,115

The performance conditions and targets encourage strong growth in earnings (EPS), capital efficiency (ROCE) and cash generation (FCF), in addition to the important ESG metrics within the Strategic Scorecard, namely Quality and Safety performance. A TSR metric is also utilised, to reflect shareholder returns over the performance period. The targets for each performance condition are as follows:

Performance condition	Proportion of award %	Threshold vesting target	Maximum vesting target
ROCE[i]	25	10.5%	13.0%
FCF[ii]	20	$200m	$250m
Adjusted diluted EPS[i]	20	25.0 cents	50.0 cents
Relative TSR[ii]	20	Median	Upper Quartile
Strategic Scorecard[ii]			
– Safety	7.5	2.00	<1.00
– Quality	7.5	0.8%	0.5%

i. Measured for the year ended 31 December 2025.
ii. Measured across the three-year vesting period.

The following quoted businesses comprise the TSR comparator group for the 2023 award:

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

The face value of the 2023 award is based on the closing mid-market share price on Friday 3 March 2023, which was 282.0 pence per share.

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 includes base salaries, benefits in kind and bonuses and exclude pension contributions and share awards. If a Director has not served for the entire year, they are shown as not applicable.

	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023
Executive Directors					
Jim Johnson					
Base salary	+4%	+1%	+1%	+4%	+5%
Annual cash bonus	-60%	-74%	+5%	+906%	-5%
Benefits	+8%	+31%	-7%	+1%	+6%
Bruce Ferguson[i]					
Base salary	n/a	n/a	n/a	+8%	+5%
Annual cash bonus	n/a	n/a	n/a	+913%	-5%
Benefits	n/a	n/a	n/a	–	+8%
Average global employee					
Base salary	–	-2%	+9%	+5%	+3%
Annual cash bonus	-14%	-81%	+9%	+726%	-21%
Benefits	+8%	+7%	+4%	-3%	+9%
Non-executive Directors (fees)					
Annell Bay	+11%	–	–	–	+6%
Carol Chesney	+46%	–	–	–	+6%
Keith Lough	+56%	–	–	–	+6%
Jay Glick	+5%	–	–	–	+11%
Paula Harris[ii]	n/a	n/a	n/a	n/a	n/a
Stuart Brightman[iii]	n/a	n/a	n/a	n/a	n/a

i. Bruce Ferguson was appointed to the Board on 20 April 2022 and therefore no change prior to 2021-2022 is applicable.
ii. Paula Harris was appointed to the Board on 20 April 2022 and therefore no change is applicable.
iii. Stuart Brightman was appointed to the Board on 3 January 2023 and therefore no change is applicable.

The average salary for employees in 2023 reflects a change in the average monthly employee headcount compared to the prior year, coupled with base salary increases implemented in December 2022 to the existing workforce. In addition some businesses exceeded maximum bonus levels while other businesses failed to reached set targets, resulting in an overall reduced bonus payout.

Remuneration Committee Report continued
Annual Report on Remuneration continued

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 2023**[i]	At 31 December 2022
Executive Directors		
Jim Johnson[iii]	**567,988**	469,463
Bruce Ferguson[iii]	**215,554**	170,839
Non-executive Directors		
Annell Bay	**21,347**	18,769
Stuart Brightman	**–**	–
Carol Chesney	**24,000**	24,000
Jay Glick	**75,923**	75,923
Paula Harris	**–**	–
Richard Hunting (to 20.04.22)[ii]	**n/a**	468,133
– as trustee	**n/a**	194,960
– as Director of Hunting Investments Limited	**n/a**	11,003,487
Keith Lough	**24,000**	24,000

i. Beneficial share interests are those Ordinary shares owned by the Director or spouse, which the Director is free to dispose.
ii. As at cessation date.
iii. The shareholdings for Messrs Johnson and Ferguson include shares restricted from sale, in-line with the rules of the Annual Bonus Plan and Hunting Performance Share Plan. At 31 December 2023, 125,497 restricted-from-sale Ordinary shares are held by Mr Johnson and 35,116 are held by Mr Ferguson.

There have been no further changes to the Directors' share interests in the period 31 December 2023 to 29 February 2024.

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 required shareholding of each Director and the current shareholding as a multiple of base salary or annual fee as at 31 December 2023 is presented below:

Director	Required holding expressed as a multiple of base salary or fee	Requirement met*
Jim Johnson	5	N
Bruce Ferguson	2	Y
Annell Bay	1	Y
Stuart Brightman	1	N
Carol Chesney	1	Y
Jay Glick	1	Y
Paula Harris	1	N
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 2023 of £2.955.

The interests of the executive Directors in Hunting PLC Ordinary shares 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 2023	Options/awards granted in year	Options/awards exercised in year	Options/awards lapsed in year	**Interests at 31 December 2023**	Exercise price p	Grant date	Date exercisable	Expiry date	Scheme
Jim Johnson	653,205	–	(48,990)	(604,215)	**–**	Nil	03.03.2020	03.03.2023	–	HPSP^
	757,732	–	–	–	**757,732**	Nil	04.03.2021	04.03.2024	–	HPSP^
	1,217,058	–	–	–	**1,217,058**	Nil	04.03.2022	04.03.2025	–	HPSP^
	–	994,687	–	–	**994,687**	Nil	06.03.2023	06.03.2026	–	HPSP^
Total	2,627,995	994,687	(48,990)	(604,215)	**2,969,477**					
Bruce Ferguson	91,022	–	(6,826)	(84,196)	**–**	Nil	03.03.2020	03.03.2023	03.03.2030	HPSP~
	172,203	–	–	–	**172,203**	Nil	04.03.2021	04.03.2024	04.03.2031	HPSP~
	289,408	–	–	–	**289,408**	Nil	04.03.2022	04.03.2025	04.03.2032	HPSP~
	–	236,529	–	–	**236,529**	Nil	06.03.2023	06.03.2026	06.03.2033	HPSP~
Total	552,633	236,529	(6,826)	(84,196)	**698,140**					

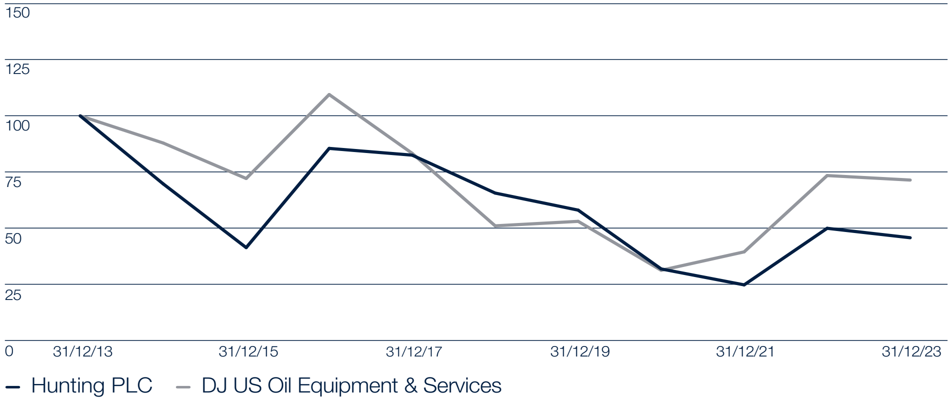
^ Nil-cost share awards that are not yet vested or exercisable and still subject to the performance conditions being measured in accordance with the HPSP rules.
~ Nil-cost share options that are not yet vested or exercisable and still subject to the performance conditions being measured in accordance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

Remuneration Committee Report continued
Annual Report on Remuneration continued

Executive Director remuneration and shareholder returns

The following chart compares the TSR of Hunting PLC between 2013 and 2023 to the DJ US Oil Equipment and Services indices. In the opinion of the Directors, this index is the most appropriate 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.

Total shareholder return (rebased to 100 at 31 December 2013)



	Single figure remuneration $000[i]	Annual cash bonus %[ii]	HPSP % vesting[iii]	LTIP award %[iv]
2023 – Jim Johnson	3,466	91	34	n/a
2022 – Jim Johnson[v]	2,710	100	8	n/a
2021 – Jim Johnson	1,165	10	8	n/a
2020 – Jim Johnson	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)	3,972	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

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 HPSP that vested in the financial year 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 in 2017.
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 147.

Chief Executive workforce pay ratio

Year	Method	25th percentage 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	$45,666	$61,329	$107,314
2021	Option A	21:1	17:1	11:1
	Workforce Pay Quartiles	$52,699	$63,329	$102,807
2022	Option A	55:1	43:1	26:1
	Workforce Pay Quartiles	$48,736	$62,108	$105,704
2023	**Option A**	**70:1**	**54:1**	**33:1**
	Workforce Pay Quartiles	**$49,837**	**$64,467**	**$106,492**

The Company has elected to voluntarily disclose 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 for 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 191 in the year (2022 – 158), which represents 8% (2022 – 8%) of the Group's total average workforce in 2023. The basis of the workforce pay calculations is aligned with the basis of preparation of the single figure table on page 147, 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 as at 31 December 2023. The changes to the Chief Executive pay ratios in the year mainly reflect a higher HPSP vesting percentage of 34.2% compared to 7.5% in 2022.

Remuneration Committee Report continued
Annual Report on Remuneration continued

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.

	2023 $m	2022 $m	Change
Employee remuneration[i]	**254.8**	223.7	14%
Net tax paid[ii]	**9.1**	3.9	141%
Dividends paid to Hunting PLC shareholders[ii]	**15.0**	13.6	10%
Capital investment[ii]	**23.7**	16.4	34%

i. Includes staff costs for the year (note 7) plus benefits in kind of $35.8m (2022 – $29.2m), which primarily comprises US medical insurance costs.
ii. Please refer to page 59.

Payments to past Directors (audited)

Peter Rose retired as a Director of the Company on 15 April 2020. The emoluments paid during 2023 to Mr Rose were wholly related to his vested 2020 awards under the HPSP, whereby 3,788 Ordinary shares in the Company were delivered to him when exercised on 3 March 2023, with a pro-rated value of $13,195. Mr Rose has no outstanding share awards under the HPSP.

Payments for loss of office

There were no payments for loss of office in the year.

Implementation of policy in 2024

The remuneration policy for 2024 will be applied in-line with those detailed on pages 138 to 142. Following consultation with a significant number of institutional investors, the Remuneration Committee is submitting a new Director's Remuneration Policy and Long-Term Incentive Plan at the Company's Annual General Meeting on 17 April 2024. Details of the new policy can be found on pages 133 and 134.

Salary and fees

Subject to approval of the new Directors' Remuneration Policy at the Company's AGM in April 2024, the base salaries of the executive Directors will be increased by the average of the workforce plus an additional 3.5%. Workforce base salary increases of 5.0% were implemented on 1 January 2024. The increases proposed for the executive Directors are in-line with increases awarded to other high performing employees of the Group.

As noted earlier, the base fees for the non-executive Directors will remain unchanged for 2024; however, the Committee Chair and Senior Independent Director fees were increased to £11,000 p.a. from the start of 2024.

The Company Chair fee was also increased to £225,000 p.a. from 1 January 2024, following deliberations by the Committee and wider Board in December 2023.

Pension and benefits

Jim Johnson will continue to receive contributions towards a US deferred compensation scheme and a US 401k matched 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 or allowance in lieu.

Annual Bonus

The annual performance-linked bonus for 2024 will operate in-line with the shareholder approved Directors' Remuneration Policy. The Committee will disclose details of performance against the pre-set financial targets and strategic/personal performance objectives after the year-end, as the Board believes that forward disclosure of the financial targets is commercially sensitive.

New Long-Term Incentive Plan

In April 2024, an award under a new Long-Term Incentive Plan will be granted to the executive Directors and wider members of the Group subject to approval of the new plan at the Company's 2024 Annual General Meeting on 17 April 2024.

Subject to approval, the performance-based awards to the Chief Executive and Finance Director will be issued share awards at the quantum of 350% of base salary for Mr Johnson and 160% of base salary for Mr Ferguson. The performance conditions to be adopted for these awards are expected to include relative TSR (30%); ROCE (25%); adjusted diluted EPS (15%); Free Cash Flow (15%); and the Strategic Scorecard (15%). The proposed TSR peer group has been expanded for 2024 in light of shareholder feedback to include Hunting's key competitors for talent and comprises: Akastor, Cactus, Core Laboratories, Dril-Quip, Expro Group Holdings, Flotek Industries, Forum Energy Technologies, Liberty Energy, Nine Energy Service, NOV, Oceaneering International, Oil States International, Patterson-UTI Energy, Petrofac, Schoeller Bleckmann, TechnipFMC, Tenaris, Tetra Technologies and Vallourec. Time-based awards will also be granted to the executive Directors, being 100% of base salary for the Chief Executive and 50% for the Finance Director, subject to approval by shareholders.

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

29 February 2024