Corporate Governance Overview

Letter from Chairman

The challenges presented during 2020 will be remembered for many years to come, given the impact of COVID-19 on global economies and the actions by governments to curtail the spread of the virus, but also the significant impact the virus has had on the global oil and gas industry and the Group's operations in the year.

The Board's work in the year changed in response to COVID-19. In Q2/Q3 2020 the Directors increased the frequency of their meetings and met fortnightly to receive market, trading and health and safety updates, in addition to scrutinising the Group's finances including cash levels and overall liquidity as the downturn impacted our businesses. While we have reported losses in the year, which includes significant impairments to assets, our year-end net cash and healthy balance sheet position us strongly as the global market slowly returns to growth.

The work of the Remuneration, Nomination and Audit Committees is described in detail throughout the following section of the Annual Report. I would like to thank my fellow Directors and the Group's employees for their support and commitment which has helped us navigate these extraordinary and challenging times.

Introduction

The Group's governance framework remained unchanged from the prior year, following the introduction of the 2018 UK Corporate Governance Code on 1 January 2019. Most areas of Hunting's governance procedures have been reviewed during the year, with the Board confirming that the Purpose and Culture remains robust, despite the downturn in the global energy market and the unfortunate reductions in the Group's headcount which were implemented as industry activity levels reduced.

COVID-19

The focus of the Group during the year has been to keep our employees safe and healthy, given the challenges presented by the pandemic.

As an essential industry, Hunting's facilities were allowed to remain open, albeit with social distancing and other safety measures being put in place.

The work of the Group's Health and Safety and Human Resources teams in the year have been outstanding as they supported senior management, as well as providing advice to employees through the year.

Dividends

The Group has continued to declare dividends during the year, which totalled 9.0 cents per share (2019 – 5.0 cents), given the strong cash and bank position throughout the year and the healthy balance sheet which has been maintained throughout the market downturn.

The Board considered this area carefully and believes that the policy adopted in the year reflects the Board's confidence in the prospects of the Group over the long term and the importance of shareholder distributions as part of our long-term investment case.

Workforce and Executive Remuneration

While base salaries have been frozen across the Group in the year, certain businesses within Hunting have achieved their budgetary targets set for 2020 and will receive bonuses to reflect this excellent performance.

The Board and Remuneration Committee considered carefully its approach to its compensation framework and concluded that, given the strongly cyclical nature of the oil and gas industry, no changes to the operation of the Group's remuneration framework would be made.

In the year, the Group has accepted furlough monies across its various regions of operation, which totalled $3.6m. These monies were passed directly to employees to support them through the challenges in the year, with no funds being retained by Group businesses for other purposes.

In light of the quantum of the monies received, compared to other capital allocations and with the intention of retaining a consistent and fair approach to remuneration, the executive Directors will be paid a small annual bonus which reflects the normal operation of the executive annual bonus plan and which reflects the full delivery of certain strategic goals which were set at the beginning of the year.

Directors' Remuneration Policy

In line with the requirements of UK legislation, the Board is proposing a new Directors' Remuneration Policy for approval by shareholders. During the year, the Remuneration Committee met to discuss its approach to this requirement, given the recommendations by UK regulators and the impact of the COVID-19 pandemic.

The Remuneration Committee and Board concluded that the current remuneration framework and Policy remains fit for purpose, due to a demonstrable track record of alignment between performance and executive pay.

Therefore, the Remuneration Committee recommended that the amendments to the current Policy should be limited to those areas which better align with the 2018 UK Corporate Governance Code as compared to a full review of the remuneration framework.

The Board is recommending changes to the pensions arrangements for future executive Director appointments; reducing the maximum grant limit under the Hunting Performance Share Plan and introducing an executive Director post-employment shareholding policy.

The new Policy is to be tabled at the Company's Annual General Meeting in April 2021.

Subject to approval, the Company will be fully compliant with the 2018 Code, with the exception of one remuneration provision, which is noted on page 85. Further details of these proposals can be found within the Remuneration Committee Report.

Going Concern and Viability

The Group's results reflect an unprecedented contraction of the oil and gas industry, with the Company reporting losses in the year and impairments to the carrying values of assets held on the consolidated balance sheet.

The Board has closely monitored trading projections, projected cash generation and liquidity throughout the year, with rigorous review and challenge being undertaken by Deloitte, the Group's external auditor, to confirm our disclosures on going concern and viability.

The work of management to reduce working capital and increase net cash balances has been commendable and supports these statements.

Retirement and Appointment of Finance Director

As noted in last year's Annual Report, Peter Rose gave notice to the Company of his intention to retire at the end of 2020, and he stepped down from the Board on 15 April 2020 following conclusion of the Company's Annual General Meeting. The Nomination Committee met in December 2019 and January 2020, and following discussion recommended the appointment of Bruce Ferguson as Hunting's new Finance Director. Bruce was duly appointed by shareholders at the AGM, with his base salary set at £275,000.

John (Jay) F. Glick
Chairman

4 March 2021

Board of Directors and Company Secretary

John (Jay) F. Glick
Non-executive Chairman

Nationality
American.

Length of Service
6 years; appointed to the Board as a non-executive Director in 2015 and is viewed as independent. In 2017, Jay was appointed non-executive Chairman. In September 2020, Jay was re-appointed for a further three-year term. Age 68.

Skills and Experience
Jay was formerly the president and chief executive officer of Lufkin Industries Inc and, prior to that, held several senior management roles within Cameron International Corporation.

External Appointments
Jay is currently a non-executive director of TETRA Technologies Inc.

Committee Membership
Nomination Committee (Chair) and by invitation.

Arthur James (Jim) Johnson
Chief Executive

Nationality
American.

Length of Service
29 years; appointed to the Board as a Director and Chief Executive in 2017. Age 60.

Skills and Experience
Jim held senior management positions within Hunting from 1992 up to his appointment as Chief Operating Officer of the Group in 2011. In this role, he was responsible for all day-to-day operational activities of the Company. Jim is a member of, and chairs, the Executive Committee.

External Appointments
None.

Committee Membership
By invitation.

Bruce Ferguson
Finance Director

Nationality
British.

Length of Service
27 years; appointed to the Board as a Director and Finance Director in 2020. Age 49.

Skills and Experience
Bruce is a Chartered Management Accountant and has held senior financial and operational positions within the Group since 1994. From 2003 to 2011 Bruce was the financial controller of the Group's European operations. From 2011, Bruce held the position of managing director of Hunting's EMEA operating segment and has been a member of the Executive Committee since its formation in 2018.

External Appointments
None.

Committee Membership
By invitation.

Annell Bay
Non-executive Director

Nationality
American.

Length of Service
6 years; appointed to the Board as a non-executive Director in 2015 and is viewed as independent. In February 2021, Annell was re-appointed for a final three-year term. Annell is Chair of the Remuneration Committee and is also the Company's designated non-executive Director for employee engagement. Age 65.

Skills and Experience
Annell was formerly a vice-president of global exploration at Marathon Oil Corporation and, prior to that, vice-president of Americas Exploration at Shell Exploration and Production Company.

External Appointments
Annell is currently a non-executive director of Apache Corporation and Verisk Analytics Inc.

Committee Membership
Nomination Committee.
Remuneration Committee (Chair).
Audit Committee.

Carol Chesney
Non-executive Director

Nationality
American and British.

Length of Service
3 years; appointed to the Board as a non-executive Director in 2018 and is viewed as independent. Carol is Chair of the Audit Committee. Age 58.

Skills and Experience
Carol is a Fellow of the Institute of Chartered Accountants in England and Wales. Carol was formerly the Group Financial Controller and, latterly, the Company Secretary of Halma plc.

External Appointments
Carol is currently a non-executive director of Renishaw plc, IQE plc and Biffa plc.

Committee Membership
Nomination Committee.
Remuneration Committee.
Audit Committee (Chair).

Richard Hunting, CBE
Non-executive Director

Nationality
British.

Length of Service
48 years; elected an executive Director in 1989 and was Chairman from 1991 to 2017. Richard remains on the Board as a non-independent, non-executive Director and was re-appointed for a further three-year term in September 2020. Age 74.

Skills and Experience
Richard has previously held a variety of management positions around the Hunting Group.

External Appointments
None.

Committee Membership
By invitation.

Keith Lough
Senior Independent Non-executive Director

Nationality
British.

Length of Service
3 years; appointed to the Board as a non-executive Director in April 2018 and appointed Senior Independent Director in August 2018. Age 62.

Skills and Experience
Keith was formerly the non-executive Chairman of Gulf Keystone Petroleum plc and previously held a number of executive positions within other energy-related companies, including British Energy plc and LASMO plc.

External Appointments
Keith is currently the non-executive Chairman of Rockhopper Exploration plc and Southern Water and a non-executive director of Cairn Energy plc.

Committee Membership
Nomination Committee.
Remuneration Committee.
Audit Committee.

Ben Willey
Company Secretary

Nationality
British.

Length of Service
11 years; joined Hunting in 2010 and was appointed Company Secretary in 2013. Age 47.

Skills and Experience
Ben is a Fellow of the Institute of Chartered Secretaries and Administrators. He was formerly a partner at Buchanan, a WPP company, and, prior to that, worked in investment banking.

External Appointments
None.

Committee Membership
Audit Committee (Secretary).
Nomination Committee (Secretary).
Remuneration Committee (Secretary).

Executive Committee

Rick Bradley
Chief Operating Officer

Nationality
American.

Length of Service
10 years; joined Hunting in 2011 and was appointed Chief Operating Officer in 2017. Age 61.

Jason Mai
Managing Director – Hunting Titan

Nationality
American.

Length of Service
6 years; joined Hunting in 2015 and was appointed Managing Director in 2017. Age 52.

Scott George
Managing Director – US Operations

Nationality
American.

Length of Service
11 years; joined Hunting in 2010 and was appointed Managing Director in 2011. Age 47.

Stewart Barrie
Managing Director – Europe, Middle East and Africa Operations

Nationality
British.

Length of Service
9 years; joined Hunting in 2012 and was appointed Managing Director in 2020. Age 52.

Daniel Tan
Managing Director – Asia Pacific Operations

Nationality
Singaporean.

Length of Service
13 years; joined Hunting in 2008 and was appointed Managing Director in 2011. Age 58.

Corporate Governance Report

Compliance

The Board of Hunting PLC has adopted governance principles aligned with the 2018 UK Corporate Governance Code (the "Code"), which can be found at www.frc.org.uk. The Company is reporting its Corporate Governance compliance against this Code.

The Board has assessed its compliance with the Code and notes the following provisions to which it is not compliant:

The pension contribution rates of the Chief Executive currently do not align with the workforce as required by provision 38 of the Code. Mr Johnson was appointed prior to the implementation of the 2018 Code. However, in the year, shareholders elected Bruce Ferguson as Hunting's new Finance Director at the Company's Annual General Meeting on 15 April 2020. Mr Ferguson's cash sum in lieu of a Company contribution aligns with the UK workforce, as required by the Code, with a contribution rate of 12% of base salary. The Board anticipates further alignment with the new Code over time as and when new executive Director appointments are made.

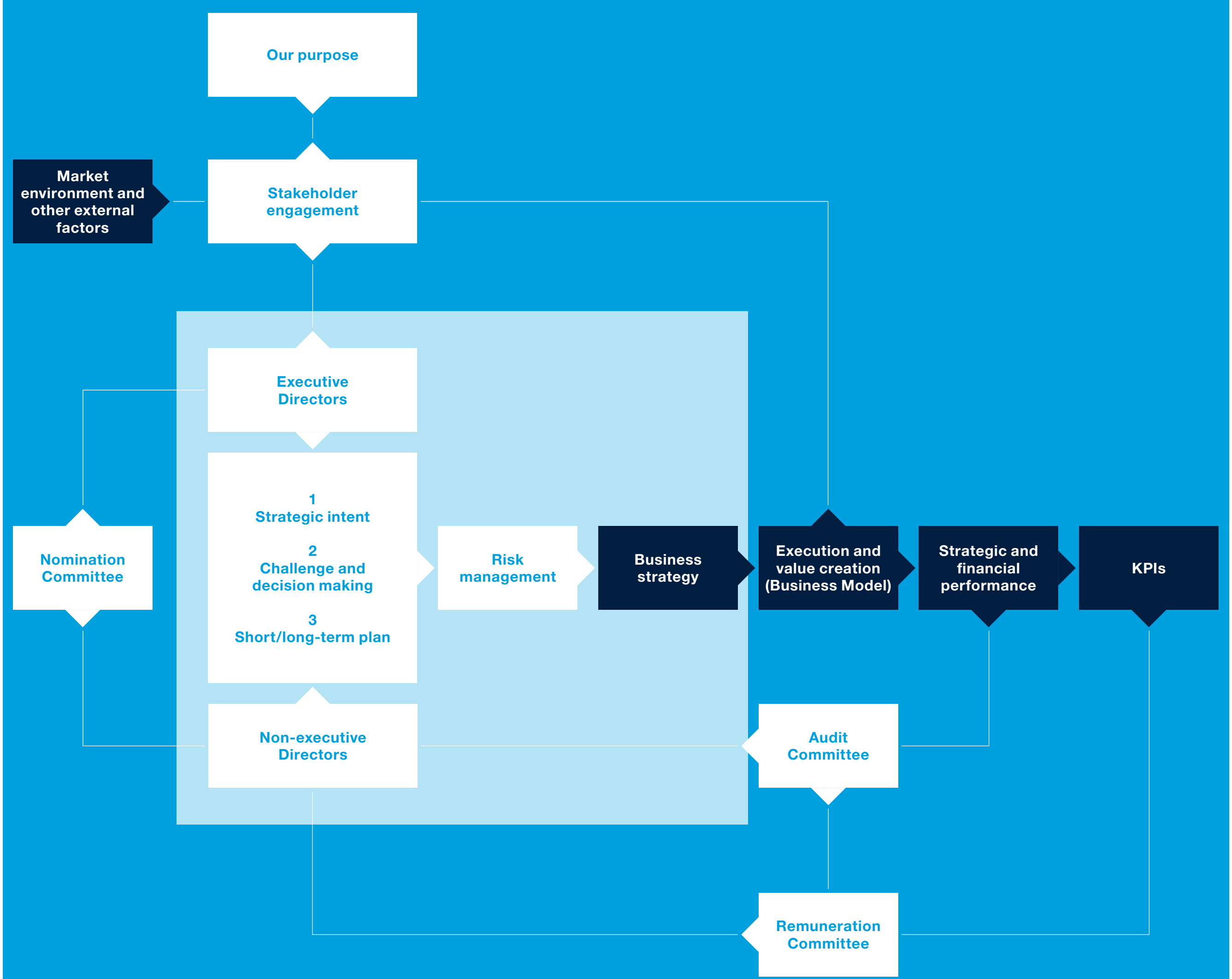
Governance Framework

Subject to the Company's Articles of Association, UK legislation and any directions prescribed by resolution at a general meeting, the business of the Company is managed by the Hunting PLC Board ("the Board").

The Board is responsible for the management and strategic direction of the Company and to ensure its long-term success by generating value for its shareholders, while giving due consideration to other stakeholders, as prescribed by UK law.

Hunting's governance framework is driven by its Purpose, Culture and Values, which are noted on pages 6 and 8, and are derived from engagement with its shareholders and principal stakeholders.

Hunting Governance Framework



Corporate Governance Report

continued

Introduction

The Board discusses strategic planning and long-term growth objectives. A detailed Strategic Plan is prepared biennially, with updates to the Plan presented in intervening years. Strategic plans consider the future direction of the Group, taking into account Environmental, Social and Governance ("ESG") matters. Once the Board has agreed on the strategic plans, these are rolled out across the Group's operations and relayed to key stakeholders more generally. Embedded within strategic planning is the Group's appetite for risk. The Group's Risk Management framework (see pages 50 to 59), and supporting procedures, help the Board refine its decision making, as the opportunities and risks for long-term success and growth are evaluated against their risk appetite and the risk culture of the Group. Following this, the Group's Business Strategy and Model are put into action.

The Board has three subcommittees to which it delegates governance and compliance procedures: the Remuneration Committee, whose report can be found on pages 93 to 118; the Nomination Committee, whose report can be found on pages 119 and 120; and the Audit Committee, whose report can be found on pages 121 to 125.

The Board Committees support the Directors in their decision making. The Audit Committee's responsibilities include reviewing the Group's financial results and challenging management, internal audit and external audit functions. The Remuneration Committee ensures the executive Directors remain motivated and incentivised, as the senior leadership team executes the approved strategy on a day-to-day basis. The Remuneration Committee ensures that executive pay remains aligned with Company performance and the broader shareholder experience. The work of the Nomination Committee supports the Board's responsibility for ensuring that a framework of recruitment and retention of talent is in place to run the Company and that succession is well planned and executed in a timely manner.

The Board and its Committees are further supported by an Executive Committee, comprising of executive Directors and managing directors of each operating segment of the Group. The Executive Committee oversees the implementation of the Group's growth objectives and ensures the risks and opportunities presented are actively managed.

Responsibilities of the Board

The Board of Hunting PLC has clearly defined areas of responsibility, which are separate to those of the Chairman, executive Directors and the Committees of the Board. The non-executive Directors approve the strategic goals and objectives of the Company, as proposed by the executive Directors. The Board approves all major acquisitions, divestments, dividends, capital investments, annual budgets and strategic plans.

The Board has overall leadership of the Company, setting the values of the Hunting Group and providing a strong tone from the top, which all businesses within the Group and its employees are encouraged to adopt. Governance principles of the Company are set by the Board and key Group-level policies are reviewed and approved by the Directors.

The Directors monitor Hunting's trading performance, including progress against the Annual Budget, reviewing monthly management accounts and forecasts, comparing forecasts to market expectations and reviewing other financial matters. They review and approve all public announcements, including financial results, trading statements and set the dividend policy of the Group.

The internal control and risk management framework and associated procedures are reviewed by the Board; however, key monitoring procedures are delegated to the Audit Committee. Remuneration of the executive Directors is set by the Remuneration Committee, who also review and monitor the remuneration of the Executive Committee, as well as monitoring the remuneration structure of the wider workforce.

The Board approves all key recommendations from the Remuneration, Nomination and Audit Committees and approves all appointments to these Committees.

Board Activities

Board and Committee materials are circulated in a timely manner ahead of each meeting.

At each meeting, the Chief Executive updates the Board on key operational developments, provides an overview of the market, reports on Health and Safety, and highlights important milestones reached towards the delivery of Hunting's strategic objectives.

The Finance Director provides an update on the Group's financial performance, position, outlook, banking arrangements, legal issues, analyst discussions and statutory reporting developments relevant to Hunting. These topics lead to discussion, debate and challenge among the Directors.

The Group's governance framework includes the Board and the Executive Committee. Medium-term planning initiatives are formalised within the Executive Committee, which are then reviewed regularly by the Board and are supported by periodic presentations by members of the Executive Committee.

In Q2/Q3 2020, the Board met an additional five times as the impact of the COVID-19 pandemic and consequent energy market downturn significantly reduced trading levels. At these additional meetings, reports from the Chief Executive were received, which included the short-term market outlook, current trading levels for each major business unit and Health and Safety measures being implemented to keep our workforce safe and to enable the Group's facilities to remain operational. The Finance Director also presented reports which highlighted cash generation and liquidity projections. In addition to these meetings, the Board fulfilled its regular calendar where the normal items of business were presented.

2020 Board Meetings and Agenda Items	25 Feb	16 Mar	1 Apr	15 Apr	30 Apr	12 May	5 Jun	13 Jul	24 Aug	6 Oct	1 Dec
Standing Items											
Chief Executive's Report	•	•	•	•	•	•	•	•	•	•	•
Finance Director's Report	•	•	•	•	•	•	•	•	•	•	•
Operational Reports	•	•	•	•	•	•	•	•	•	•	•
Quality Assurance, Health, Safety and Environmental Reports	•	•	•	•	•	•	•	•	•	•	•
Shareholder Report	•			•			•		•	•	•
Other Items											
Annual/Interim Report and Accounts	•								•		
Board Evaluation											•
Risk Review	•										
AGM Preparation			•	•							
Trading Statement				•			•			•	
Strategy							•				•
Organisation and Personnel Review, Development and Succession							•				•
Annual Budget											•
Chairman/Senior Independent Director Investor Feedback	•										

The Board met 11 times in 2020 (2019 – six times), with a 100% attendance record as noted in the table below.

Number of meetings held	**11**
Number of meetings attended (actual/possible):	
Annell Bay	11/11
Carol Chesney	11/11
Bruce Ferguson (from 15 April 2020)	8/8
John (Jay) Glick	11/11
Richard Hunting	11/11
Jim Johnson	11/11
Keith Lough	11/11
Peter Rose (to 15 April 2020)	4/4

From March 2020, all Board and Committee meetings were held via teleconference or video conference, given the travel and social distancing restrictions in place in the UK and US.

Board Leadership and Company Purpose (Section 1 of the Code)

Culture and Purpose

The Group has been operating since 1874 and, as such, has a long history, with a strong culture, including support for employees across all of its global operations. The Culture of the Group extends to maintaining high business standards and creating value for investors by building strong and lasting relationships with its core stakeholders. More information on engagement with, and support to, the Group's key stakeholders can be found on pages 12 to 33.

Our Purpose is to be a deeply trusted innovator and manufacturer of technology and products that create sustainable value for our stakeholders. Hunting's core businesses are focused on the manufacture of products which deliver oil and gas. The Directors have approved Hunting's continued focus on energy-related markets.

The Group's disclosures on Purpose and Culture can be found on pages 6 to 8 within the Strategic Report. As noted in the disclosures, the Culture of the Group is based on:

- a flat organisational structure;
- strong HSE and Quality Assurance policies;
- a highly skilled workforce;
- providing fair remuneration; and
- engagement and dialogue with all key stakeholders.

In the year, the Directors reviewed the organisational structure of the Group, noting its simplicity, with short chains of command to allow for rapid business decision making. It was noted that this also allowed all levels of the workforce to communicate with the senior management team directly. As part of its regular Board meeting schedule, the Directors review HSE and Quality Assurance reports from the Group's global operations.

The Board also monitored the work of the Remuneration Committee in respect to decisions on executive remuneration, the Executive Committee and the workforce and in the year approved the revised Directors' Remuneration Policy, which is being submitted to shareholders at the Company's AGM on 21 April 2021.

In line with the recommendations of the Code, the Board has established procedures to monitor Culture and to ensure the views of the workforce are understood by the Directors. In 2019, the Group launched a global, all-employee engagement survey. The results of the survey were reviewed by the Directors, with appropriate actions being undertaken, following a number of areas of feedback that were received. It is anticipated that the survey will be repeated in 2021. Supporting this initiative has been a process of formalising other employee engagement initiatives including management briefings and introducing roundtable employee discussion forums.

Shareholder Views

The Chairman and Senior Independent Director met with shareholders in January 2020 and January 2021 to discuss governance, strategy and other matters.

During the year, the Chief Executive and Finance Director also regularly met shareholders to discuss performance and strategy. Investor meeting feedback reports are also prepared by the Group's advisers and are circulated to the Directors.

Corporate Governance Report
continued

Annual General Meeting
The Annual General Meeting ("AGM") of the Company is the normal mechanism for all shareholders to meet the Directors and to ask questions about the strategy and performance of the Group.

The formal business of the AGM includes receiving the Annual Report and Accounts, approving remuneration policies and outcomes, re-electing Directors, appointing the auditor and providing the Directors with powers to transact company business on behalf of its members. The Chief Executive normally provides a presentation of the Group's performance and answers questions from shareholders.

At the Company's Annual General Meeting in April 2020, and in line with UK government guidance in respect of public meetings, attendance to the meeting was limited to the quorum of two shareholders. All resolutions were passed at the meeting with strong majorities, with no resolutions receiving less than 80% of votes in favour. Details of the resolutions put to shareholders at the meeting can be found within the Notice of Meeting located within the "General Meetings" section of the Company's website www.huntingplc.com.

The Company's 2021 Annual General Meeting is being planned as a closed meeting, given the ongoing risks of COVID-19. The meeting will be accessible to shareholders via a webcast, where questions submitted ahead of the meeting will be answered by the Board. At the meeting, a new Directors' Remuneration Policy will be submitted for shareholder approval, following a consultation process with major institutional investors which completed in Q1 2021.

Stakeholder Engagement
Details of engagement activities with all our key stakeholders and the Board can be found, within the Strategic Report, on pages 12 to 33.

Speak Up/Whistleblowing Service
An independent and anonymous whistleblowing reporting service has been in place for many years, allowing any employee access to the Board to raise matters of concern. During the year, there were two reports received through the SafeCall service (2019 – nine reports), all of which were reviewed by Keith Lough, the Group's Senior Independent Director, who also receives and approves all investigation reports and corrective actions. Mr Lough verbally reports these activities to the Board during the year.

Conflicts of Interest
Each Director is required to declare any potential conflict of interest that exists, or which may arise. These are formally recorded by the Company Secretary.

Appropriate decision making, in light of this declaration, is undertaken which could include a Director not participating in a Board decision or vote. Each Director is required to complete a declaration of known conflicts of interest annually.

Division of Responsibilities (Section 2 of the Code)
The Hunting Board comprises the non-executive Chairman, Chief Executive, Finance Director, three independent non-executive Directors, one of whom is the Senior Independent Director and one non-independent, non-executive Director.

The profiles and experience of each Director are found on pages 82 and 83. In line with the Code's recommendations, the Notice of Annual General Meeting incorporates details of the contribution in the year and the Board's reasons for proposing the re-election of each Director.

There is a clear division of responsibilities between the Chairman and Chief Executive, with the Chairman required to lead the Board, while the Chief Executive runs the Group's businesses as shown below:

Responsibilities of the Chairman
- lead and build an effective and balanced Board;
- chair meetings of the Board, ensuring the agenda and materials are fit for purpose;
- ensure the Directors are provided with accurate, timely and relevant information;
- encourage good dialogue between all Directors, with strong contributions encouraged from all Board members;
- meet the non-executive Directors without the executive Directors present;
- discuss training and development with the non-executive Directors;
- arrange Director induction programmes;
- arrange an annual Board evaluation and act on its findings; and
- ensure shareholders and other stakeholders are communicated with effectively.

Responsibilities of the Chief Executive
- manage the day-to-day activities of the Group;
- make strategic plan recommendations to the Board and implement the agreed Board strategy;
- identify and execute new business opportunities, acquisitions and disposals;
- ensure appropriate internal controls are in place;
- report to the Board regularly on the Group's performance and position; and
- present to the Board an annual budget and operating plan.

Responsibilities of the Non-executive Directors
- provide independent challenge to executive management on the proposed strategy;
- monitor the execution of the approved strategy and of the financial performance of the Company on an ongoing basis;
- ensure executive management remain motivated and incentivised through a responsible remuneration policy; and
- ensure the integrity of financial information and internal control and risk management processes are effective and defensible.

To ensure an effective relationship between the Chairman and the Chief Executive and other members of the Board, the responsibilities of the Senior Independent Director are shown below:

Responsibilities of the Senior Independent Director
- provide a sounding board for the Chairman and serve as an intermediary to other Directors when required;
- be available to shareholders, should the normal channels through the Chairman and Chief Executive not be appropriate;
- chair meetings of the Board, in the absence of the Chairman;
- lead an annual performance evaluation of the Chairman, supported by the other non-executive Directors; and
- attend meetings with shareholders, to develop a balanced understanding of any issues or concerns.

Responsibilities of the Company Secretary
The Company Secretary is appointed by the Board and supports the Chairman in providing all materials and information flows between the executive and non-executive Directors, specifically on matters of governance and regulatory compliance. The Company Secretary is also available to the Board and all its Committees for advice and ensures that all procedures are followed.

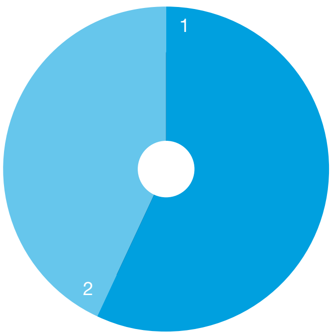
Directors' and Officers' Liability Insurance
Hunting maintains insurance against certain liabilities, which could arise from a negligent act or a breach of duty by the Directors and Officers in the discharge of their duties. This is a qualifying third-party indemnity provision that was in force throughout the year.

Board Independence
As at 31 December 2020, excluding the Chairman, the Board comprised 50% independent non-executive Directors. Including the Chairman, 57% of the Board comprised independent Directors.

The Board, including the Chairman, has access to professional advisers, at the Company's expense, to fulfil their various Board and Committee duties.

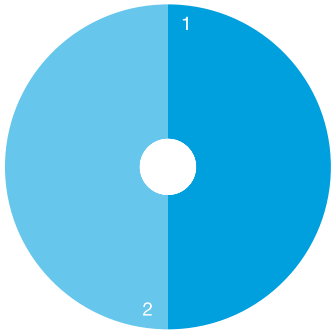
Board Independence (including Chairman)

1. Independent 57%
2. Non-Independent 43%



Board Independence (excluding Chairman)

1. Independent 50%
2. Non-Independent 50%



External Appointments
The Group has procedures in place that permit the executive Directors to join one other company board. In the year, neither the Chief Executive nor the Finance Director held any external board appointments.

Executive Committee
The Group has an Executive Committee ("ExCo") comprising the regional managing directors of the Group and the executive Directors.

As part of the actions to address the COVID-19 pandemic the ExCo met fortnightly during Q2/Q3 2020 with the executive Directors to enable updates to be presented.

In addition, the ExCo met formally four times, to discuss the quarterly performance of each operating segment, strategic initiatives, including the progress of capital investment programmes, quality assurance and HSE performance, in addition to Human Resources and Risk Management reports.

The Company Secretary and Head of Investor Relations are also invited to meetings of the ExCo.

Composition, Succession and Evaluation (Section 3 of the Code)
Board Appointments
All appointments to the Board are in accordance with the Company's Articles of Association and the Code and are made on the recommendation of the Nomination Committee. Recruitment of new Directors follows Group policy, including the formulation of a detailed description of the role that gives consideration to the required skills, experience and diversity requirements for the process. The Directors usually review a list of candidates, prior to a shortlist being recommended by the Nomination Committee, ahead of face-to-face interviews with each Director.

Bruce Ferguson was appointed as a Director by shareholders at the Company's Annual General Meeting on 15 April 2020. Peter Rose retired as an executive Director on the same date.

Further, in the year, the Nomination Committee completed an evaluation and re-appointment process for Jay Glick, Richard Hunting and Annell Bay, who were all re-appointed for a further three-year term.

The activities of the Nomination Committee are reported on pages 119 and 120.

Corporate Governance Report
continued

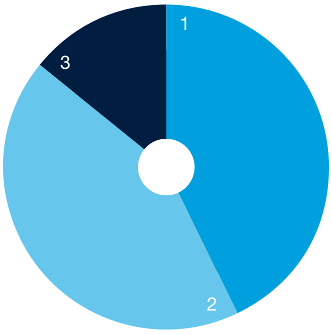
Board Skills and Experience
The expertise and competencies of the non-executive Directors are noted in the table below, and underpin the balance of skills and knowledge of the Board:

Director	Expertise
Annell Bay	Upstream oil and gas, US energy market development and US quoted companies.
Carol Chesney	Accounting, UK corporate governance, ethics compliance and UK quoted companies.
Jay Glick	Oilfield services and manufacturing, US energy market development and US quoted companies.
Richard Hunting	UK corporate governance, investor relations.
Keith Lough	Accounting, upstream oil and gas, UK energy regulation and market development and UK quoted companies.

The tenure of the Board of Directors, as at 4 March 2021, is noted in the chart below.

Board Tenure

1. < 3 years 43%
2. 3 to 9 years 43%
3. > 9 years 14%



None of the independent non-executive Directors have been in the role for greater than nine years. Jay Glick was appointed to the Board in 2015 and appointed Chairman in 2017.

For the appointment of executive Directors, the Company enters into a Service Contract with the Director, which reflects the terms of employment, remuneration and termination, taking into account country of residence and local employment laws applicable at the time of appointment. For more information on the Service Contracts of the current executive Directors, please see the Remuneration Committee Report on page 105.

On appointment, each non-executive Director is provided with a letter of appointment, outlining the time commitments, responsibilities and fiduciary duties required under Company Law and, following Company policy, appointed for a three-year term. All appointment letters are available for inspection at the Company's AGM or at Hunting's registered office. Due to the small size of the Hunting Board, non-executive Directors are paid fees that are above the UK market median, reflecting a high level of time commitment required for Company matters.

Senior management appointments are reported to the Board by the executive Directors. Further, when the succession of the Company Chairman is being considered, the Senior Independent Director chairs the Nomination Committee.

Annual Re-election
At the 2020 AGM, all Directors proposed were appointed or re-elected by shareholders, with Peter Rose retiring as planned. All Directors will retire and submit themselves for annual re-election at the 2021 AGM.

Board Succession
Succession planning has become an area of increased focus for the Company, in line with best practice.

The Group's Chief HR Officer oversees the succession planning and talent development processes of the Executive Committee and senior management and presented an update to the Board at its meeting in December 2020.

Board Evaluation
The Directors undertake an internal effectiveness evaluation of the Board and its Committees annually, which includes completion of a detailed questionnaire on the operation and responsibilities in relation to the Company's governance framework. Both the executive and non-executive Directors are appraised collectively and individually, with the results of the process reported to the Board through the Chairman.

The Board evaluation process was enhanced following the publication of the 2018 UK Corporate Governance Code and Guidance on Board Effectiveness. Following completion of the process and further Board discussion, the Chairman and the Board concluded that all Directors, all Committees and the Board itself remained effective.

In addition to the internal evaluation, the non-executive Directors, led by the Senior Independent Director Keith Lough, completed a Chairman's performance evaluation in December 2020 and concluded that Mr Glick was an effective and capable Chair of the Company.

The Board organises an externally facilitated Board effectiveness evaluation every three years, the last being completed in 2018 by Clare Chalmers Limited. Areas of improvement were identified, with the process scheduled to be repeated externally in 2021.

Board Induction and Training
Following new Board appointments, internal briefings are usually organised to introduce key finance and operational personnel and to present the structure and operation of each major business within the Group. Facility visits to the Group's operations are usually organised and key members of the Group's leadership team give presentations on each operating segment. In the year, the Chairman met with the non-executive Directors to discuss and agree, among other matters, training and development.

Diversity – Gender and Ethnicity

The Group has enhanced its gender and ethnicity profile in recent years, with the Board of Directors now comprising 29% females.

Further, it is noted that 50% of the Board's independent non-executive Directors comprise females.

Within the Executive Committee, there is also an ethnic balance which reflects the Hunting global workforce.

For further information on these areas please refer to the Strategic Report on pages 26 and 27.

Audit, Risk and Internal Control (Section 4 of the Code)

The Group's policies, procedures and approach to audit, risk and internal control is described within the Risk Management (pages 51 to 54) and Audit Committee Report (pages 121 to 125) sections of the Annual Report and Accounts.

The Risk Management section includes information on the Group's principal and emerging risks, as required by the Code.

Fair, Balanced and Understandable Assessment

The Board has delegated the responsibility of reviewing the Fair, Balanced and Understandable Assessment to the Audit Committee, which reviewed assessments of the half and full year results and made recommendations to the Directors in March and August.

Going Concern Basis and Viability Statement

The Audit Committee and Board review the Going Concern Basis twice a year and the Group's Viability Statement annually, in parallel with supporting reports from the executive Directors and the Group's central finance function. On 1 March 2021, the Board approved the Going Concern Basis and Viability Statement for the 2020 year-end, which is detailed on pages 77 to 79.

Risk Management Procedures

The Board acknowledges its responsibility for monitoring the Group's principal and emerging risks and the system of internal control and for reviewing its effectiveness as required by the Code, with key authorities being delegated to the Audit Committee.

At the Board's March 2021 meeting, the Directors completed a robust assessment and review of the Group's risk management framework and the principal risks facing the Company.

Remuneration (Section 5 of the Code)

The Group's remuneration principles align with the Code and are clearly linked to the long-term success of the Company.

Clarity and Simplicity	The Directors' Remuneration Policy is based on fixed and variable emoluments. Fixed emoluments are benchmarked against other global energy services companies and the UK listed environment, to ensure the Company can attract and retain talent. Variable emoluments are based on two structures, an annual bonus and long-term incentive plan. Both variable structures are based on the Group's disclosed key performance indicators, including both financial and non-financial measures, and only pay out when performance has been achieved. The Chief Executive's remuneration is benchmarked against global peers, who are mostly headquartered in the US, while the Finance Director is benchmarked against UK listed companies of similar size and complexity. Non-executive Director fees are set at levels that take into account the time commitment and responsibilities of each role. The non-executive Directors do not receive cash bonuses or other variable emoluments. The fees are benchmarked against other companies of a similar size, profile and profitability and are reviewed annually by the executive Directors. The Chairman's fee is set by the Remuneration Committee. The pay structures of the senior management team and wider workforce are generally based on the Company's shareholder approved Directors' Remuneration Policy, and can include pension and healthcare benefits as well as an annual bonus and long-term incentives. Shareholder engagement is a key theme of the Directors' Remuneration Policy, with proactive engagement occurring whenever major changes to Policy or Committee decision making are contemplated. The Committee is satisfied that, over time, shareholder feedback has been reflected in the Directors' Remuneration Policy.
Risk, Predictability and Proportionality	The Committee believes that the Directors' Remuneration Policy aligns with the risk profile of the Company, encouraging growth in the long term and discouraging excessive risk taking. The Policy is weighted towards variable pay on the delivery of long-term growth. As noted on page 92 of the Corporate Governance Report, the remuneration paid over time has aligned well with the Group's performance, with annual bonus and long-term incentives only vesting on outperformance.
Alignment	The Board and the Remuneration Committee have reviewed the Company's Purpose, Values and Culture and believes that the remuneration framework operated by the Company encourages strong performance, based on a culture of honesty and integrity and putting stakeholder needs at the forefront of our strategic priorities.

Corporate Governance Report
continued

The current Directors' Remuneration Policy was approved by shareholders on 18 April 2018, with a revised policy due to be tabled at the Company's Annual General Meeting on 21 April 2021. The new Policy further aligns Hunting's remuneration practices with the 2018 UK Corporate Governance Code, including:

- Increasing the alignment of the pension arrangements of the executive Directors with the workforce; and
- Introducing a post-employment shareholding policy for the executive Directors.

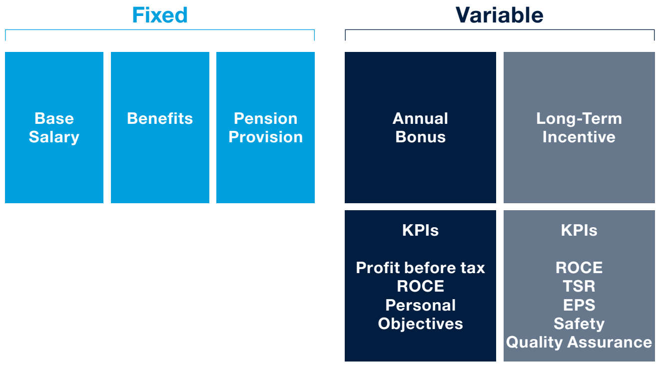
More information on compliance with the provisions of the Code and the emoluments paid to the Directors can be found in the Remuneration Committee Report on pages 93 to 118.

In respect of the current Directors' Remuneration Policy and the new Code, the Committee notes the following:

- The Company's long-term incentive arrangements extend to a five-year timeframe, with a three-year vesting period and two-year post-vesting holding period;
- Malus and clawback provisions are in place for all variable remuneration, with the triggers amended in the year in line with the recommendations of the Code;
- The Committee has flexibility within the Directors' Remuneration Policy to exercise appropriate discretion; and
- Pension provisions for new executive Director appointments will align with the workforce in the future.

The chart below summarises the components of executive remuneration and the key performance indicators that are inputs to the remuneration outcomes.

Summary of Remuneration Structure and KPIs

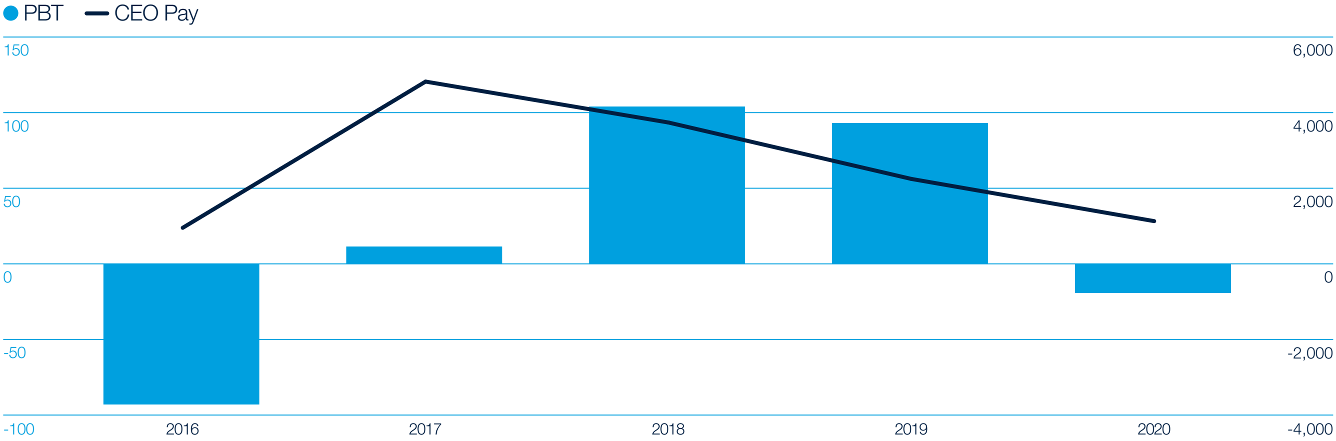


The Board believes that the remuneration framework aligns with the Purpose, Values and Culture of the Group, which is based on fair remuneration and reflects performance in the long term. This framework is also in place for the senior management of the Group with participation in annual bonuses and inclusion in the long-term incentive scheme operated by the Company also featuring in emolument structures in many levels of the workforce. The Remuneration Committee sets executive Director remuneration and reviews policies for the senior management and the wider workforce.

John (Jay) F. Glick
Chairman

4 March 2021

Group Profit before Tax ($m) vs Chief Executive Remuneration ($k)



Remuneration Committee Report

For the year ended 31 December 2020

Letter from the Chair of the Remuneration Committee

Hunting's results for 2020 were significantly impacted by the global energy market downturn and the COVID-19 pandemic, which gripped global economies from Q1 2020 and continued throughout the balance of the year. The resultant economic decline, coupled with a price war by key oil producers, contributed to a material reduction in industry activity. This impacted the Group's onshore focused businesses in Q2, and then weakened Hunting's offshore businesses as industry activity and capital investments were deferred or cancelled. The lower revenue and trading losses reported for the full year reveal the scale of the industry downturn, and are reflected in the reduction to executive remuneration paid during the year.

The focus of the Remuneration Committee in the year has been to monitor Group and personal performance, taking into account the regulatory announcements made throughout the COVID-19 crisis and to make decisions on executive remuneration which endeavour to reflect the shareholder experience while also recognising the work undertaken by the Group's leadership team as they navigated through highly volatile trading conditions.

Base salaries for the executive Directors were frozen in 2020. The annual bonuses for executive Directors include financial and strategic/personal targets, the latter portion being achieved in full in the year, following strong performance and reflecting key strategic initiatives completed, despite the unprecedented decline in industry activity. This portion of the bonus was reduced by 50%, given the nil vesting of the financial portion of the bonus leading to an overall vesting of 10% of the maximum bonus opportunity. The measurement of performance targets, in respect of share awards granted in 2018 under the rules of the Hunting Performance Share Plan, resulted in a partial vesting of the TSR and Strategic Scorecard elements, demonstrating an Above Median performance against our peers, in addition to delivery of strong operational safety and quality performance throughout the vesting period. This performance will lead to a 15.75% pay-out in April 2021.

Overall, the Chief Executive's and Finance Director's total remuneration declined 50% and 53% respectively during 2020 compared to the prior period, reflecting good alignment between the operation and outcomes of the Remuneration Policy and the shareholder experience for the period under review.

The Committee has spent the second half of 2020 preparing a revised Directors' Remuneration Policy for shareholder approval at the Company's Annual General Meeting in April 2021. The proposed amendments better align the Policy with the 2018 UK Corporate Governance Code and were subject to a shareholder consultation process undertaken in the last few months of the year. We trust that they will receive your support.

Annell Bay
Chair of the Remuneration Committee

Introduction

On behalf of the Board, I am pleased to present the Remuneration Committee Report to shareholders for the year ended 31 December 2020. This letter provides a summary of the work completed by the Remuneration Committee (the "Committee") in the year, including the major decisions taken and details of how the approved Directors' Remuneration Policy was implemented during the year.

The Committee met three times in the year, compared to four times in 2019. However, all usual matters for consideration were covered in the year.

Major Decisions Made by the Committee

COVID-19

As noted above, the impact of COVID-19 and the significant market downturn seen across the global oil and gas industry affected the Group's trading results for the year. The Committee discussed the impact of the pandemic on the Group's remuneration framework and concluded that no changes to the implementation or recorded outcomes of the shareholder approved Directors' Remuneration Policy would be made for the year, given the strongly cyclical nature of the oil and gas industry. This has led to small payments of annual bonuses and long-term incentives being recorded in the year. The Committee strongly believes that the design of the Policy aligns closely with the shareholders' overall experience and only pays out when performance has been delivered. The Group's trading results and executive remuneration both declined materially in 2020, demonstrating the close alignment between the two.

As part of its decision making, the Committee considered the Board's consistent approach to capital allocations made in the year, including dividend distributions and capital expenditure that have aligned with the general market environment. Our leadership teams have performed admirably during the year and given that a number of businesses in the US and Asia Pacific met or exceeded their budgetary targets set at the start of the year, selected workforce and management bonuses have been paid to reflect this strong performance. This consistent approach to remuneration has been reflected at all levels of the Group and supports the bonuses paid to the executive Directors, as noted below.

The Committee noted that the Group had received $3.6m in furlough and employee support funds, which for the most part was received in Canada, and decided not to adjust the pay framework in operation at all levels of the Group given the relative levels of allocations made.

Further, the Committee considered the decline in the Company's share price compared to the prior year in their decision making when reviewing the remuneration of the executive Directors during the year and reduced the quantum of the 2020 award under the HPSP to an appropriate level which reflect the shareholder experience in the year.

Base Salary and Fee Review

The Committee met in August 2020 to consider adjustments to the base salaries of the executive Directors. The Committee noted the Group-wide salary freezes in place as a result of the market downturn and, following discussion, agreed to leave the base salaries of the Chief Executive and Finance Director unchanged. As noted in the Corporate Governance Report, shareholders elected Bruce Ferguson as Finance Director at the Company's Annual General Meeting in April 2020. Mr Ferguson's base salary was set at £275,000 per annum, 19% below that of his predecessor and with a reduced pension allowance rate of 12% in line with the UK workforce, reflecting the recent practice of setting lower salaries for new executive Directors.

Remuneration Committee Report
continued

Annual Bonus
The Group did not meet its budgetary targets for 2020, given the decline in market conditions, resulting in a nil vesting of the financial components of the bonus.

The Committee met in January 2021 to review the delivery of the personal/strategic performance objectives by the executive Directors. The Committee noted the bonus payments being made within the Group for those businesses which performed well in the year as well as the evolution of the Group's agreed Strategic Plan, despite market conditions, and following discussion, agreed to award 10% of the maximum bonus opportunity to each executive Director. This reflects the full delivery of personal targets, but was halved following the nil vesting of the financial targets which is in line with the operation of the annual bonus plan. The Committee did not apply discretion to the annual bonus outcome.

Further, the Committee noted the Group's current policy of conserving cash and will satisfy the post-tax value of the bonus by delivering Ordinary shares in the Company to each executive Director. 100% of these shares are to be held for a minimum of one year with 25% of the balance to be held for a minimum of two years.

On this basis, Mr Johnson will receive a bonus of $147k, while Mr Ferguson will receive a bonus of $37k and Mr Rose will receive a bonus of $65k.

HPSP Awards Granted
The Committee implemented a 20% reduction to the level of HPSP awards granted in March 2020 compared to awards granted in 2019. In January 2021, the Committee met to discuss the basis of the 2021 award under the HPSP and have agreed to implement a 22% reduction to the award levels across the Group.

HPSP Awards Vesting
The 2018 awards under the HPSP are due to vest on 19 April 2021 and incorporate four performance conditions, being ROCE (35%), EPS (25%), TSR (25%) and a Strategic Scorecard (15%). The ROCE and EPS performance conditions are based on performance targets to be delivered for the financial year ending 31 December 2020. The Strategic Scorecard comprises two non-financial sub-measures, being the Group's Safety and Quality performance across the performance period.

Following measurement of the financial elements of the award, the ROCE and EPS performance conditions recorded a nil vesting. The TSR condition, which is measured independently by Mercer/Kepler, vested at 8.25% and the Strategic Scorecard recorded a 7.5% vesting, leading to a total vesting of 15.75%. The Committee did not apply overriding discretion to adjust the vesting of the 2018 HPSP.

On this basis, Mr Johnson will be entitled to receive 45,143 Ordinary shares on the vesting date. Mr Rose's 2018 award was pro-rated to his leaving date of 31 December 2020, and he will be entitled to receive 12,352 Ordinary shares.

Reflecting his prior role below the Board, Mr Ferguson's 2018 award under the HPSP included both performance- and time-based share awards, with the latter vesting in full on the basis of his continued service to the Group across the performance period. In total Mr Ferguson will be entitled to receive 15,788 Ordinary shares on the vesting date.

Dividend equivalents accrued during the period totalling 19.0 cents per share will be added to the vesting amount. All vested shares will be held for a minimum period of two years from the vesting date.

New Directors' Remuneration Policy
The Committee met in August 2020 to consider amendments to the Directors' Remuneration Policy, which are to be tabled for shareholder approval at the AGM of the Company in April 2021.

In line with the recommendations published by UK regulators, the Committee decided to limit these changes to align better with the 2018 UK Corporate Governance Code.

On this basis, the new Policy includes amendments to the pension arrangements for new executive Directors appointed to the Board. Further, the Committee has agreed to reduce the maximum grant levels under the HPSP to 450% (from 550%) for the Chief Executive and 210% (from 450%) for the Finance Director.

In line with the Code, the Committee is also implementing a post-employment shareholding Policy for executive Directors. The Committee believes these amendments are appropriate for the size and profile of the Group.

The Committee consulted with major shareholders on the proposed changes to the Policy in Q4 2020 and Q1 2021, with most shareholders indicating their support for the changes.

Retirement of Finance Director
Peter Rose gave notice to the Company of his retirement on 22 January 2020. Mr Rose retired as Finance Director on 15 April 2020 but continued as a full-time employee until 31 December 2020, in order to assist in a smooth transition of his role to Mr Ferguson. In accordance with the terms of his service contract Mr Rose was paid all elements of his fixed and variable remuneration which totalled $670k in the year. The Committee noted that during the year, Mr Rose had provided advice in respect to the liquidity and cash generation initiatives underway as the market declined, in addition to providing input to the asset impairment review work undertaken at the half year. Mr Rose therefore will receive an annual bonus in line with his service contract and his outstanding awards under the HPSP, which will be subject to performance measurement over the next three years, have been pro-rated to 31 December 2020.

2020 AGM Result
At the Company's AGM held on 15 April 2020, the Company received 93.69% votes in favour of the resolution to approve the 2019 Annual Report on Remuneration.

Context of Remuneration Awarded in 2020
The Group's performance in the year, as noted above, has led to a 10% vesting of the maximum annual bonus opportunity and a 15.75% vesting of the 2018 HPSP award. Both elements of variable remuneration are "Below Target" given the industry downturn noted above.

The single figure remuneration paid to Jim Johnson was $1.1m in 2020 and the remuneration paid to Bruce Ferguson, following his appointment to the Board on 15 April 2020, was $344k.

In 2019, the remuneration paid to the executive Directors reflected an "Above Threshold" annual bonus award and an "Above Target" vesting of the HPSP.

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

Activities Undertaken by the Remuneration Committee During 2020

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

Annell Bay
Chair of the Remuneration Committee

4 March 2021

Remuneration at a Glance

Remuneration Policy and 2020 AGM Result

The remuneration framework adopted in the year aligned with the Policy approved by shareholders on 18 April 2018. The details of this Policy can be found within the 2017 Annual Report and Accounts at www.huntingplc.com.

At the Annual General Meeting of the Company on 15 April 2020, the resolution to approve the Annual Report on Remuneration was supported by a 93.69% vote in favour.

Company Performance Summary

As noted in the Letter from the Chair of the Remuneration Committee, the Group reported lower revenues in the year and an underlying loss before tax of $19.4m and ROCE of -1.5%.

The PBT and ROCE portions of the annual bonus did not reach the required threshold targets and therefore 80% of the maximum bonus opportunity did not vest. Following a review of the delivery of the personal/strategic performance objectives for the executive Directors in relation to the remaining 20% of annual bonus, a partial vesting was recorded and this was further capped to 10% of the maximum bonus opportunity, in line with the operation of the plan. Performance measurement of the 2018 awards under the HPSP recorded a combined 15.75% vesting, resulting from an Above Median performance of the TSR, a capped vesting of the Strategic Scorecard component and a nil vesting of the EPS and ROCE performance elements.

Link to Strategy and KPIs

The Group's Key Performance Indicators are noted on pages 74 and 75, and include financial measures including profit before tax, return on capital employed and net earnings growth. Non-financial measures are incorporated into HPSP awards and include the Group's Quality and Safety performance. Both these metrics underpin Hunting's standing and reputation in the global energy industry which, in turn, support the Group's long-term strategy.

The Company's chosen financial and non-financial KPIs are therefore central to measuring Hunting's long-term success and are fully integrated into the remuneration framework approved by shareholders. The Committee also believes that these KPIs help align executive remuneration with the shareholder experience.

2020 Annual Bonus Targets and Outcome

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

Target underlying profit before tax	**$64.4m**
Target underlying ROCE	**6.9%**
Actual underlying (loss) before tax	**$(19.4)m**
Actual underlying ROCE	**(1.5)%**

Base Salaries and Pension

Given the base salary freezes implemented across the Group in the year, Jim Johnson's base salary remained unchanged. Bruce Ferguson's appointment was approved by shareholders at the AGM of the Company on 15 April 2020. Mr Ferguson's base salary was set at £275,000, which is 19% below that of his predecessor. Benefits paid in 2020 aligned with the current Directors' Remuneration Policy. Mr Ferguson's pension allowance was set at 12% of base salary, in line with the UK workforce, compared to that of his predecessor who received a contribution of 25% of base salary.

Chief Executive	**$735,000** **Unchanged**
Finance Director (appointed 15 April 2020)	**£275,000** **-19% vs predecessor**

Annual Bonus

Given that the financial targets of the annual bonus were not achieved, the Committee reviewed the delivery of the personal/strategic performance objectives by the executive Directors. Following discussion, it was agreed that the objectives had been met in full, leading to a full vesting of this component of the bonus award. Under the rules of the plan, this component of the bonus is capped at half of the maximum if the financial targets have not been met. On this basis, Jim Johnson will receive a bonus of $147k; Bruce Ferguson will receive a bonus of $37k and Peter Rose will receive a bonus of $65k. In line with the Group's current policy of conserving cash, the whole bonus amount will be delivered in shares, with 25% of the post-tax value to be held for two years in line with the normal operation of the bonus, while the balance of 75% will be delivered in shares to be held for one year.

Chief Executive	**$147k**
Finance Director – Bruce Ferguson (appointed 15 April 2020)	**$37k**
Finance Director – Peter Rose (retired 15 April 2020)	**$65k**

Hunting Performance Share Plan (“HPSP”)

The Group’s 2018 HPSP grant incorporated EPS, ROCE, relative TSR and Strategic Scorecard performance conditions.

The EPS and ROCE performance conditions were based on the financial results delivered for the year ended 31 December 2020, while the TSR and Strategic Scorecard were based on three-year performance targets. The Strategic Scorecard comprised two sub-measures being Safety and Quality performance.

	Proportion	Threshold Vesting
Underlying ROCE	35%	6.0%
Underlying diluted EPS	25%	30.0 cents
Relative TSR	25%	Median
Strategic Scorecard		
– Safety	7.5%	2.0
– Quality Assurance	7.5%	0.8

2018 HPSP Outcome

The outcomes are presented below:

	Performance	Vesting
Underlying ROCE	(1.5)%	Nil
Underlying diluted LPS	(10.0) cents	Nil
Relative TSR	Above Median	8.25%
Strategic Scorecard		
– Safety	1.11	3.75%
– Quality Assurance	0.25	3.75%

Under the rules of the plan, vesting of the Strategic Scorecard element of the HPSP is capped at 7.5%, being half of the maximum of 15%, as the financial targets were not met. The TSR element of the award vested at 8.25% of the overall total of 25% of this portion. Jim Johnson will therefore be entitled to receive 45,143 Ordinary shares and Peter Rose 12,352 Ordinary shares (his award being pro-rated to his leaving date of 31 December 2020). Mr Ferguson was granted both performance- and time-based awards in 2018. On this basis, he will be entitled to receive 15,788 Ordinary shares on 19 April 2021, being the vesting date of the 2018 award.

Further, under the HPSP rules, dividend equivalents accrued over the vesting period totalling 19.0 cents per vested share will be added to this award. All the post-tax shares retained will be held for a minimum of two years, in line with the 2018 Directors’ Remuneration Policy.

2018 awards under the HPSP vesting in April 2021

Chief Executive
45,143
Shares will vest

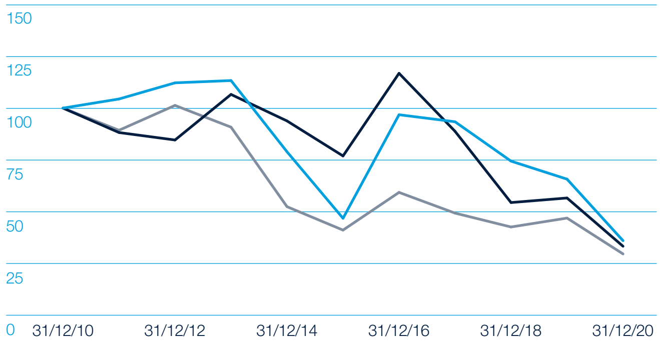
Finance Director – Bruce Ferguson (appointed 15 April 2020)
15,788
Shares will vest

Finance Director – Peter Rose (retired 15 April 2020)
12,352
Shares will vest

Shareholder Returns

Total shareholder return is measured against a peer group of 14 companies, all focused on upstream oil and gas services.

For the three years ended 31 December 2020, Hunting had an above median ranking resulting in a 33% vesting (8.25% of total) of the TSR element of 2018 HPSP awards.

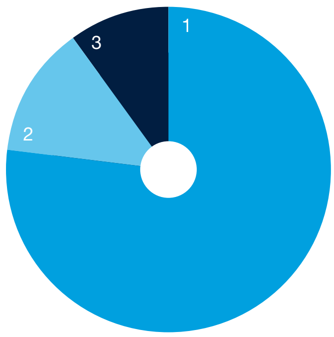


— Hunting PLC — DJ US Oil Equipment & Services
— DJ Stoxx TM Oil Equipment, Services & Distribution

Pay in the year

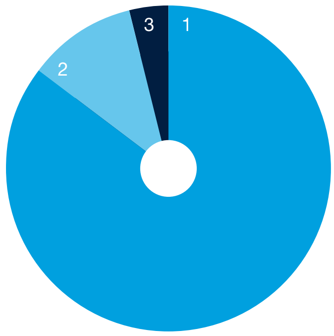
Chief Executive

1. Fixed $860k
2. Annual Bonus $147k
3. HPSP $110k
Total $1,117k



Finance Director

1. Fixed $294k
2. Annual Bonus $37k
3. HPSP $13k
Total $344k



Note – the total pay to the Finance Director relates to Bruce Ferguson’s single figure pay noted on page 108.

Directors' Remuneration Policy

Policy Overview

This report outlines the Directors' Remuneration Policy (the "Policy"), which will be applied by the Hunting Board for the executive and non-executive Directors of the Company from the date of the 2021 AGM, subject to shareholder approval. The revised Policy includes a small number of changes, all of which are aimed at reflecting the evolution in investor thinking on best practice since the Policy was last approved. The Committee will keep under consideration whether a further review of the Policy is warranted ahead of the normal triennial review cycle, once there is greater visibility on Hunting's chosen trading markets. Revisions to the Policy will be tabled for approval by shareholders at the Company's Annual General Meeting on 21 April 2021. Subject to approval, the new Policy will be published on the Company's website at www.huntingplc.com.

Policy Changes

The Committee is proposing three changes to the former Policy which better align with the 2018 UK Corporate Governance Code and evolving remuneration practices in the UK.

1) Reducing the Maximum Award Limits under the Hunting Performance Share Plan ("HPSP")

The Committee is reducing the maximum award limits under the HPSP for the Chief Executive from 550% of base salary to 450%; and for the Finance Director from 450% of base salary to 210%. The new levels reflect the current award levels to the executive Directors which have been used since inception of the HPSP in 2014.

2) Introducing a Post-Employment Shareholding Policy

The Committee is introducing a policy in line with the recommendations of the 2018 UK Corporate Governance Code. The policy requires executive Directors to hold shares equivalent to the lesser of their actual ownership at the date of stepping down as an executive Director, or 200% of salary for a minimum of 12 months.

3) Revised Pension Arrangement for New Executive Directors

New executive Directors appointed to the Board will be given a pension contribution of 12% of base salary, in line with the UK workforce. In 2020, the Group appointed a new Finance Director in line with this policy.

The current Chief Executive's pension arrangements have been left unchanged given that his arrangements reflect his long tenure with the Group and legacy policies in place for many years.

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

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

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

The 2018 UK Corporate Governance Code sets out principles against which the Committee should determine the Policy for executives. A summary of the principles and how the revised Hunting Remuneration Policy reflects these is set out earlier in the Corporate Governance Report on pages 91 and 92.

Executive Director Remuneration Policy Table

Fixed Emoluments

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Proposed changes to policy from 2021
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, 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.
Pension				
• To provide normal pension schemes appropriate to the country of residence.	• The Group currently contributes on behalf of the Chief Executive to a US 401K deferred savings plan and an additional deferred compensation scheme. • The Finance Director receives an annual cash sum in lieu of contributions to a company pension scheme.	• Pension contributions vary based on individual circumstances and local market practice. Further details are set out on page 104. • Any future executive Director appointees in the UK will receive a 12% of salary pension contribution in line with the majority of employees. Any future executive Director appointees in the US will have a cap of 12% of salary contribution, through qualified and non-qualified savings plans.	• None.	• Aligned pension contributions (as % of salary) for new executive Director appointees with a maximum of 12% of base salary.
Benefits				
• To provide normal benefits appropriate to the country of residence.	• Each executive Director is provided with healthcare insurance and a company car with fuel benefits. • Additional benefits may be provided to ensure the Group remains competitive within the relevant local market.	• There is no maximum value set on benefits. They are set at a level that is comparable to market practice.	• None.	• None.

Directors' Remuneration Policy

continued

Executive Director Remuneration Policy Table

Variable Emoluments

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Proposed changes to policy from 2021
Annual Bonus				
• To incentivise annual delivery of financial and operational targets. • To provide a high reward potential for exceeding demanding targets.	• Awards are subject to the Annual Bonus Plan rules adopted by the Board in 2010. • Bonus begins to accrue when 80% of the Annual Budget targets are achieved and increases on a straight-line basis to a maximum when 120% of Budget is achieved. • For an on-target performance, defined as actual results equal to the Budget, the Chief Executive is paid 100% of base salary and the Finance Director is paid 75% of base salary. • 25% of any Annual Bonus is normally payable in Hunting shares. These shares are required to be held for two years from the vesting date. • Malus and clawback provisions are incorporated and allow the Committee to reduce the bonus, potentially down to zero, in cases of material financial misstatement, calculation error, gross misconduct or actions which cause reputational damage to the Company.	• The Chief Executive and Finance Director have a maximum opportunity of 200% and 150% of salary, respectively.	• 80% of the Annual Bonus will be based on financial measures, with the remainder based on strategic/personal performance measures, selected annually by the Remuneration Committee to reflect key performance indicators for the year ahead. • The vesting of the strategic/personal component is normally subject to a financial underpin. Should the financial targets not be met, a 50% vesting cap of the personal/strategic component would normally be implemented.	• Introduction of an additional trigger for malus and clawback linked to protecting the Company's reputation.

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Proposed changes to policy from 2021
Hunting Performance Share Plan (“HPSP”)				
• To align the interests of executives with shareholders in growing the value of the business over the long term.	• The HPSP provides for annual awards of performance shares or nil cost options to eligible participants. • Vesting is based on a three-year performance period. • On vesting, awards are subject to an additional two-year holding period (subject to settlement of any tax charges on vesting). • Awards are subject to malus and clawback provisions which cover cases of material financial misstatement, calculation error, gross misconduct or actions which cause reputational damage to the Company. • The Committee has the ability to exercise discretion to override the HPSP outcome in circumstances where strict application of the performance conditions would produce a result inconsistent with the Company’s remuneration principles. Any upward discretion would be subject to prior shareholder consultation. • In respect of vested shares, participants are eligible to receive an amount equivalent to dividends paid by the Company during the vesting period once the final vesting levels have been determined, either in cash or shares.	• Chief Executive: 450% of base salary. • Finance Director: 210% of base salary. • Achievement of a threshold performance target results in a 25% vesting for any portion of the award.	• Awards will vest on achievement of financial and strategic performance measures, measured over a three-year performance period. • Financial measures will include EPS, ROCE and TSR and will receive an aggregate weighting of 85% of each award. A fourth measure, in the form of a Strategic Scorecard, which will comprise a number of submeasures, will have an aggregate weighting of 15% of each award.	• Removal of higher exceptional HPSP limits of 550% of salary for the Chief Executive and 450% of salary for the Finance Director. • Introduction of an additional trigger for malus and clawback linked to protecting the Company’s reputation.
Minimum Stock Ownership Requirement				
• To encourage the retention of shares under award to the executive Directors. • To align the long-term interests of the executive 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 the market value of 500% of base salary and for the Finance Director 200% of base salary.	• None.	• None.

Directors' Remuneration Policy

continued

Executive Director Remuneration Policy Table

Variable Emoluments continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Proposed changes to policy from 2021
Post-Employment Shareholding Requirement				
• To continue to align the long-term interests of the executive with shareholders for a period after they have left the Group. • To incentivise good succession planning.	• Directors are required to retain a holding in Hunting shares for a period after stepping down as an executive Director. • The Committee will have discretion to reduce/waive the requirement in exceptional circumstances.	• Executive Directors must continue to hold shares equivalent to the lesser of their actual ownership at the date of stepping down as an executive Director and 200% of base salary, for a minimum of 12 months. • This requirement will apply to shares acquired under the deferred Annual Bonus and HPSP granted after the 2021 AGM.	• None.	• New requirement under the proposed Policy.

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	Proposed changes to policy from 2021
Chairman and Non-executive Director Fees				
• To attract and retain high-calibre non-executive Directors by offering a market competitive fee.	• Fees for the Chairman and non-executive Directors are determined by the Board as a whole, following receipt of external fee information and an assessment of the time commitment and responsibilities involved. • The Chairman is paid a single consolidated fee for his responsibilities including chairing the Nomination Committee. • The non-executive Directors are paid a basic fee. • Directors may be paid an additional fee to reflect their responsibilities, for example Directors who chair the Board's Audit and Remuneration Committees and the Senior Independent Director. • The non-executive Directors and Chairman do not participate in the Group's share plans and do not receive a cash bonus or any other benefits.	• Fees paid to the non-executive Directors are benchmarked to other UK companies of a similar size and profile to the Group. • Given the small size of the Board, each non-executive Director is expected to give an above average time commitment to Group matters and fees are based on this increased commitment. • The aggregate maximum fees for all non-executive Directors within the Company's Articles of Association are £750,000.	• None.	• None.

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Proposed changes to policy from 2021
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 Chairman and non-executive Directors is equal to 100% of the annual fee.	• None.	• None.

Amendments to the Policy

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

Relevance to Employee Pay

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

Choice of Performance Metrics

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

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

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

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

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

Directors' Remuneration Policy

continued

Remuneration Committee Discretion

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

Annual Bonus

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

HPSP

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

Other

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

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

Detailed Policy

Base Salaries and Fees

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

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

Benefits

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

Pension

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

Jim Johnson currently participates in the Group's US 401K deferred savings plan. In addition, and consistent with similarly long-tenured US employees, the Group contributes to a deferred compensation scheme. In practice, this compensation scheme is operated on a money purchase basis. Annual contributions to Jim Johnson are up to an equivalent of 18% of salary.

As a recent appointee, and consistent with both the intention set out in last year's report and the Policy table above, Bruce Ferguson receives an annual cash sum equivalent to 12% of salary which is aligned with the contribution rate offered to the majority of UK employees. A similar approach will be followed for any future executive Director appointments.

Annual Bonus

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

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

75% of any Annual Bonus award is paid in cash with the remaining 25% paid in Hunting shares which are required to be held by the executive Director for a period of two years, from the end of the relevant financial period. For the 2020 Annual Bonus, the Remuneration Committee exercised discretion to award 100% in Hunting shares, to be held for a minimum of one year.

HPSP

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

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

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

Stock Ownership Policy

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

The Chief Executive is required to maintain a minimum holding of shares equal to a market value of 500% of base salary, the Finance Director a minimum holding of 200% of base salary and the non-executive Directors a minimum holding of 100% of annual fees. Certain executives of the Group are required to build and maintain a minimum holding of shares in the Company equal to a market value of between 100% and 200% of base salary.

The value of holdings in shares reported in the Annual Report on Remuneration includes Ordinary shares held by the individual and also the post-tax value of vested, but unexercised, share awards and options.

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

Executive Director Service Contracts

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

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

Non-executive Director Letters of Appointment

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

External Board Appointments

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

Payment for Loss of Office

The Committee has considered the Company's policy on remuneration for executive Directors leaving the Company and is committed to applying an approach consistent with best practice to ensure that the Company pays no more than is necessary.

In line with normal market practice, the policy distinguishes between "Good Leavers" and "Bad Leavers". A "Good Leaver" is defined as an employee who has ceased to be employed by the Group due to death, ill-health, injury, disability, redundancy, retirement, the employee's company ceasing to be a Group member or for any other reason if the Committee so decides.

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

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

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

Directors’ Remuneration Policy

continued

New Director Policies

As the Board of Hunting is refreshed with new executive and non-executive Director appointments, the policy for remuneration for the new Board members will align with those detailed above.

Hunting needs to be able to attract and retain the best executive and non-executive Directors in the market place. The Remuneration Committee believes that the proposed policy will enable the Company to achieve its recruitment aims.

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

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

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

Consideration of Employment Conditions Elsewhere in the Group

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

Shareholder Consultation and Feedback

When determining remuneration, the Committee takes into account views of leading shareholders and best practice guidelines issued by institutional shareholder bodies.

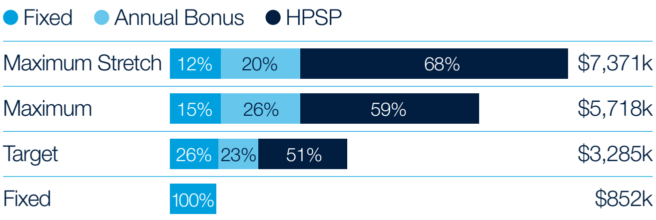
The revised Policy includes only a small number of changes to reflect developments in best practice and the consultation with shareholders in Q4 2020. The Committee will keep under consideration whether a further review of the Policy is warranted ahead of the normal triennial review cycle, once there is greater clarity on the future market environment.

The Committee is always available for feedback from shareholders on remuneration policy and arrangements, and will undertake a further consultation with our largest shareholders in advance of any significant future changes to remuneration policy. The Committee will continue to monitor trends and developments in corporate governance and market practice to ensure the structure of executive remuneration remains appropriate.

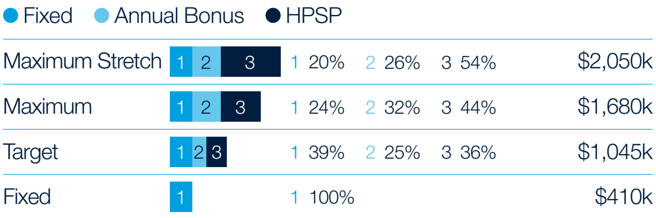
Remuneration Scenarios for Executive Directors

The remuneration scenarios of the executive Directors for a fixed, target and maximum performance are presented in the charts below. Potential reward opportunities are based on Hunting’s Remuneration Policy, applied to annualised 2020 remuneration data.

Chief Executive



Finance Director



Note: These charts are indicative as share price movement and dividend accruals have been excluded.

Assumptions made for each scenario are as follows:

- Fixed: latest salary, benefits and normal pension contributions or payments in lieu of pension contributions.
- Target: fixed remuneration plus half of maximum annual cash bonus opportunity plus 50% vesting of awards under the HPSP.
- Maximum: fixed remuneration plus maximum annual cash bonus opportunity plus 100% vesting of all long-term incentives.
- Maximum Stretch: including the impact of a hypothetical 50% increase in share price on the value of the HPSP in accordance with the reporting regulations.
- The Finance Director is paid in Sterling and the equivalent total remuneration scenarios are as follows – fixed £320k; target £815k, maximum £1,310k and maximum stretch of £1,599k.

Annell Bay
Chair of the Remuneration Committee

4 March 2021

Annual Report on Remuneration

Introduction

The principles set out in the Directors' Remuneration Policy (the "Policy"), approved by shareholders in April 2018, have been applied throughout the year. The Company has submitted a revised Policy for approval by shareholders at the Company's Annual General Meeting in April 2021, which better aligns the overall remuneration framework operated by Hunting PLC with the 2018 UK Corporate Governance Code.

Role

The Committee is responsible for developing and implementing the remuneration policy for the Company and has direct oversight of the remuneration of the executive Directors, Company Chair and Company Secretary. The Chair and Chief Executive are consulted on proposals relating to the remuneration of the Finance Director and designated senior management. Where appropriate, the Chair and other Directors are invited by the Committee to attend meetings, but are not present when their own remuneration is considered. The Committee also reviews and monitors the remuneration framework of the Company's Executive Committee and also monitors base salary increases across the Company's workforce.

The remuneration of the non-executive Directors is agreed by the Board as a whole and follows the Articles of Association of the Company which were last approved by shareholders on 18 April 2018.

The full scope of the role of the Committee is set out in its Terms of Reference, which are reviewed annually, and can be found on the Group's website at www.huntingplc.com.

Membership and Attendance

The Committee consists entirely of independent non-executive Directors. Ms Bay and Mr Lough have relevant sector expertise, while Mrs Chesney has relevant financial expertise. Ms Bay was appointed to the Committee on her appointment to the Board on 2 February 2015 and was appointed Chair on 30 August 2018. The Committee met three times during the year and attendance details are shown in the table below. Normally the Committee meets four times in the year; however, due to the COVID-19 pandemic, one meeting was cancelled. All items of business have been completed in the year, in line with the Committee's Terms of Reference and its annual schedule of work.

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

At 31 December 2020 and up to the date of signature of the accounts, the members of the Committee and their unexpired terms of office were:

Director	Latest appointment date	Unexpired term as at 4 March 2021
Annell Bay	2 February 2021	35 months
Carol Chesney	23 April 2018	2 months
Keith Lough	23 April 2018	2 months

External Advisers

During the year, Mercer | Kepler ("Kepler") was engaged by the Committee to provide remuneration consultancy services. Kepler's appointment was subject to a formal tender and is regarded as independent, having been appointed by and acting under direction of the Committee.

The total cost of advice to the Committee during the year to 31 December 2020 was $58,721 (2019 – $58,877) and includes fees paid in respect of review work in relation to new Directors' Remuneration Policy, share plans and remuneration reporting disclosure requirements. Fees are charged on a time basis for consultancy services received. Kepler has no other connection to the Company or any Director.

Annual Report on Remuneration

continued

Director Remuneration (audited)

2020	Fixed: Base salary/ fees[i] $000	Fixed: Benefits[ii] $000	Fixed: Pension[iii] $000	Sub total $000	Variable: Annual bonus[iv] $000	Variable: HPSP awards[vi] $000	Sub total $000	2020 Total remuneration $000
Executives								
Jim Johnson	**735**	**72**	**53**	**860**	**147**	**110**	**257**	**1,117**
Peter Rose (to 15 April 2020)	**124**	**8**	**32**	**164**	**19**	**22**	**41**	**205**
Bruce Ferguson (from 15 April 2020)	**251**	**12**	**31**	**294**	**37**	**13**	**50**	**344**
Non-executives								
Annell Bay	**90**	**–**	**–**	**90**	**–**	**–**	**–**	**90**
Carol Chesney	**90**	**–**	**–**	**90**	**–**	**–**	**–**	**90**
Jay Glick	**236**	**–**	**–**	**236**	**–**	**–**	**–**	**236**
Richard Hunting	**77**	**–**	**–**	**77**	**–**	**–**	**–**	**77**
Keith Lough	**90**	**–**	**–**	**90**	**–**	**–**	**–**	**90**
Total	**1,693**	**92**	**116**	**1,901**	**203**	**145**	**348**	**2,249**

2019	Fixed: Base salary/ fees[i] $000	Fixed: Benefits[ii] $000	Fixed: Pension[iii] $000	Sub total $000	Variable: Annual bonus[v] $000	Variable: HPSP awards[vii] $000	Sub total $000	2019 Total remuneration $000
Executives								
Jim Johnson	726	55	78	859	567	803	1,370	2,229
Peter Rose	428	27	107	562	250	346	596	1,158
Non-executives								
Annell Bay	89	–	–	89	–	–	–	89
Carol Chesney	89	–	–	89	–	–	–	89
Jay Glick	235	–	–	235	–	–	–	235
Richard Hunting	77	–	–	77	–	–	–	77
Keith Lough	89	–	–	89	–	–	–	89
Total	1,733	82	185	2,000	817	1,149	1,966	3,966

Notes

i. Peter Rose retired as a Director on 15 April 2020 and was succeeded on the same date by Bruce Ferguson. Mr Ferguson's base salary on appointment was set at £275,000 p.a. In August 2020, the Committee met to discuss base salary changes and given the prevailing market conditions within the energy industry, coupled with the base salary freezes across the Group's workforce, agreed to leave Messrs Johnson's and Ferguson's base salary unchanged at $735,000 p.a. and £275,000 p.a. respectively. The average £:$ exchange rate in the year was 1.2824 (2019 – 1.2762).

ii. Benefits include the provision of healthcare insurance, a company car and fuel benefits.

iii. Mr Johnson's single figure pension remuneration represents Company contributions payable to his US pension arrangements. Mr Rose's pension figure represents a cash sum in lieu of a Company pension contribution, which was set at 25% of his annual base salary. Mr Ferguson's pension figure also represents a cash sum in lieu of Company pension contribution, which is set at 12% of his annual base salary. This latter contribution now aligns with Hunting's UK workforce.

iv. Given the significant market decline reported within the oil and gas industry in the year, and following the impact of the coronavirus pandemic, the Group did not meet its 2020 financial targets in respect to the annual bonus, leading to a nil vesting of the financial components of the bonus. In January 2021 the Committee reviewed the delivery of the personal/strategic performance objectives of the executive Directors and concluded that both Messrs Johnson and Ferguson had completed their objectives in full. On this basis, Mr Johnson's and Mr Ferguson's annual bonuses vested at 10% of the maximum opportunity, as the annual bonus rules cap the personal objectives component to 50% of the maximum if the financial targets have not been met. Mr Rose's annual bonus was also derived from him successfully completing his personal performance objectives which were based on transition and advisory work in respect to Mr Ferguson's appointment which continued throughout the year. Mr Johnson was therefore awarded a bonus of $147k; Mr Ferguson a bonus of $37k; and Mr Rose a bonus of $19k. The 2020 bonus will be satisfied through the delivery of Ordinary shares in the Company, based on the post-tax value of the bonus. 75% of these shares are to be held for one year and 25% of these shares are to be held for two years in line with the current operation of the plan.

v. In 2019, Mr Johnson's and Mr Rose's annual bonuses vested at 39% of maximum opportunity with Mr Johnson being awarded a bonus of $567k, and Mr Rose being awarded $250k.

vi. The share awards granted in 2018 under the HPSP had a three-year performance period to 31 December 2020. The awards incorporated four performance conditions, following approval of the Directors' Remuneration Policy in April 2018. The awards were measured against the relevant performance conditions, with a nil vesting recorded for the EPS and ROCE performance conditions; an 8.25% vesting for the TSR performance condition, following independent measurement by Kepler; and a 7.5% vesting of the Strategic Scorecard (after application of the vesting cap on this element). Further details of the vesting calculation are shown on page 112. On this basis, Messrs Johnson's and Rose's awards will vest at 15.75%, with Mr Johnson entitled to exercise 45,143 Ordinary shares and Mr Rose receiving 9,098 Ordinary shares for the period from the date of grant up to 15 April 2020. Mr Ferguson's 2018 HPSP grant was made when he was managing director of the Group's EMEA operating segment, a below Board position and which incorporated both performance- and time-based share awards. Mr Ferguson will receive 5,316 Ordinary shares for the period from 15 April 2020 up to the date of vesting. For the purposes of the single figure calculation, the average mid-market closing price of £1.6961 during Q4 2020 has been applied to the number of vested shares and converted to dollars using the average £:$ exchange during Q4 2020, being $1.3210. The share price on the date of grant, being 19 April 2018, was £7.85. Further, a cash payment equalling the dividends paid during the vesting period has been added to the single figure calculation, totalling 19.0 cents per vested share. The vesting date of the 2018 award is 19 April 2021, when the final values of the awards will be determined.

vii. The share awards granted in 2017 under the HPSP had a three-year performance period to 31 December 2019 and vested on 3 March 2020. Mr Johnson's award vested at 66.4% and he received 148,314 Ordinary shares, while Mr Rose's award vested at 55.1% and 63,890 Ordinary shares vested. Further, a cash payment equalling the dividends paid during the vesting period were added to the single figure calculation, totalling 14.0 cents per vested share.

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

2020	Fixed				Variable			2020 Total remuneration £000
	Base salary/ fees £000	Benefits £000	Pension £000	Sub total £000	Annual bonus £000	HPSP awards £000	Sub total £000	
Executives								
Peter Rose (to 15 April 2020)[i]	**97**	**6**	**25**	**128**	**15**	**17**	**32**	**160**
Bruce Ferguson (from 15 April 2020)[ii]	**196**	**9**	**24**	**229**	**29**	**10**	**39**	**268**
Non-executives								
Annell Bay[iii]	**70**	**–**	**–**	**70**	**–**	**–**	**–**	**70**
Carol Chesney[iv]	**70**	**–**	**–**	**70**	**–**	**–**	**–**	**70**
Jay Glick[v]	**184**	**–**	**–**	**184**	**–**	**–**	**–**	**184**
Richard Hunting[vi]	**60**	**–**	**–**	**60**	**–**	**–**	**–**	**60**
Keith Lough[vii]	**70**	**–**	**–**	**70**	**–**	**–**	**–**	**70**

2019	Fixed				Variable			2019 Total remuneration £000
	Base salary/ fees £000	Benefits £000	Pension £000	Sub total £000	Annual bonus £000	HPSP awards £000	Sub total £000	
Executives								
Peter Rose	335	21	84	440	196	268	464	904
Non-executives								
Annell Bay	70	–	–	70	–	–	–	70
Carol Chesney	70	–	–	70	–	–	–	70
Jay Glick	184	–	–	184	–	–	–	184
Richard Hunting	60	–	–	60	–	–	–	60
Keith Lough	70	–	–	70	–	–	–	70

Notes:
i. Peter Rose retired as a Director of the Company on 15 April 2020.
ii. Bruce Ferguson was elected by shareholders as a Director of the Company on 15 April 2020, with his base salary set at £275,000 p.a.
iii. Annell Bay is Chair of the Remuneration Committee with an annual fee of £70,000.
iv. Carol Chesney is Chair of the Audit Committee with an annual fee of £70,000.
v. Jay Glick is Chair of the Company with an annual fee of £183,750.
vi. Richard Hunting has an annual fee of £60,000.
vii. Keith Lough is the Company's Senior Independent Director with an annual fee of £70,000.

Salary and Fees

Peter Rose retired as a Director of the Company on 15 April 2020, being succeeded by Bruce Ferguson. Mr Ferguson's base salary was set at £275,000, which is 19% lower than that of his predecessor.

On 24 August 2020, the Committee met to discuss base salary adjustments for the executive Directors. The Committee noted the significant industry downturn as a result of the coronavirus pandemic which led to base salary freezes being implemented across the whole Group and, following discussion, made no changes to the base salaries of Messrs Johnson and Ferguson.

In December 2019, the Board reviewed the fee levels for non-executive Directors, which resulted in no changes being made for 2020.

Pensions (audited)

Jim Johnson is a member of a deferred compensation scheme in the US, which is anticipated to provide a lump sum on retirement, and also contributes to a US 401K match deferred savings plan. Company contributions to the former arrangement were $35,820 (2019 – $60,820) in the year. There are no additional benefits provided on early retirement from this arrangement. In the year, the Group contributed to Mr Johnson's 401K saving plan, totalling $17,100 (2019 – $16,800).

For the period up to 15 April 2020 the Company paid a cash sum in lieu of a pension contribution to Peter Rose totalling $31,224/£24,348 (2019 – $106,976/£83,824) representing 25% of his base salary.

Mr Ferguson receives a cash sum in lieu of pension contribution, representing 12% of his annual base salary. This contribution level aligns with the UK workforce, as required by the 2018 UK Corporate Governance Code. In the year, Mr Ferguson's company pension contribution from the date of his appointment on 15 April 2020 was $30,261/£23,597.

Annual Report on Remuneration

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Annual Performance-Linked Bonus Plan (audited)

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

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

Delivery of Financial Objectives

The financial performance targets for the 2020 annual bonus were as follows:

	Threshold vesting	Target vesting	Maximum vesting	Actual result	% vesting
Underlying profit (loss) before tax	$51.5m	$64.4m	$77.3m	$(19.4)m	Nil
Underlying return on capital employed	5.5%	6.9%	8.2%	(1.5)%	Nil

The financial objectives within the annual bonus start to accrue when 80% of the Annual Budget targets are met, increasing on a straight-line basis up to 120% of the budget target. The annual bonus targets are normally based on the Annual Budget agreed by the Board in December of the prior financial year. The 2020 Annual Budget agreed by the Board contained financial targets of an underlying profit before tax of $64.4m and an underlying ROCE of 5.5%, reflecting an anticipated decline in trading given the market outlook at the start of 2020. In February 2020, the Committee reviewed the ROCE vesting range in respect of the basis of the 2020 annual bonus calculations and increased the vesting range, with a threshold vesting of 5.5%, increasing to 8.2% for a maximum vesting, the latter approximating the Group's weighted average cost of capital. Given the impact of the coronavirus pandemic and the significant decline in market activity, the Group did not meet its financial targets in respect of the approved 2020 Annual Budget and therefore the financial components of the annual bonus have recorded a nil vesting.

Delivery of Strategic/Personal Performance Objectives

The strategic/personal performance objectives agreed by the Committee with the executive Directors with effect from January 2020 are summarised in the table below. Detailed analyses of these outcomes follow this table.

Jim Johnson
(Chief Executive)

Strategic Development of the Group (50%)
- Develop a detailed and robust framework to enable implementation of Board approved Strategic Plan.
- Lead strategy sessions with internal and external stakeholders to understand technologies and synergies required for future growth.
- Review and enhance collaboration practices and information flows within the Group's businesses.

Leadership and Organisational Effectiveness (50%)
- Improvement of HSE and Quality Assurance performance.
- Enhancement and broadening of HR functions across North America.
- Successful strategic planning and talent management, including further development of senior leadership team.
- Execution of an effective IT strategic plan, including further software roll-out and cyber security targets.
- Lead the business through economic uncertainties caused by sector specific factors, and the pandemic, through effective crisis management and strategic decision making.

Bruce Ferguson/Peter Rose
(Finance Director)

Strategic Development of the Group (50%)
- Develop a detailed and robust framework to enable implementation of Board approved Strategic Plan.
- Review and enhance collaboration practices and information flows within the Group's businesses.

Leadership and Organisational Effectiveness (35%)
- Enhancement of global Finance and Compliance functions.
- Successful strategic planning and talent management, including further development of senior leadership team.
- Execution of an effective IT strategic plan, including further software roll-out and cyber security targets.
- Improved IR programme, which includes new institutional investors.

Financial Effectiveness (15%)
- Improvements to financial controls and governance framework.
- Lead quarterly reporting on operational and financial controls and effectiveness by region.

During the year, the Committee was updated on the progress of the objectives noted above – and for the year ended 31 December 2020 noted the following outcomes:

Strategic Development of the Group

Despite the material decline in the Group's core energy markets, the executive Directors have continued to execute the Group's Strategic Plan to (1) invest in higher growth sub-sectors of the global oil and gas industry; (2) refocus the Group's business and product portfolio on those areas which deliver the highest returns; and (3) leverage the Group's expertise into new markets.

As detailed in the Strategic Report the executive Directors completed the acquisition of Enpro Subsea Limited in February 2020, which aligns with the evolution of the global oil and gas industry, and which provides lower capital cost, flexible deep water products for offshore energy developments. In December 2020, the Group disposed of its US Drilling Tools business, which will free up capital and allow the Group to focus on higher return product lines and businesses. In February 2021, the Group also completed an investment in the high growth well data analytics market sub-sector. Hunting has also increased its efforts to diversify into new market areas, leveraging its expertise in precision engineering. The Group's Advanced Manufacturing business group has increased its presence in the medical devices, aviation and space sectors in the year, gaining new certifications for these industries. The Chief Executive also introduced technology brainstorming and knowledge sharing sessions for the key engineers and leaders of the Group to identify revenue diversification opportunities beyond oil and gas using Hunting's core strengths in precision engineering. These sessions were predominantly held prior to the market downturn in Q2 2020.

The Committee reviewed these initiatives and concluded that this portion of the bonus had been completed in full, while at the same time navigating a significant market decline.

Leadership and Organisation Effectiveness

The Group has been restructured significantly in the year, to drive higher efficiencies and focus activities on long-term growth areas. This has required close oversight of Hunting's HSE and Quality functions to ensure KPIs were maintained with additional training provided as roles were reassigned. The Committee noted the strong improvement in the Safety and Quality performance delivered in the year. Hunting has refocused its operating model in Canada to align with the medium- to long-term outlook in the country. The Group's network of distribution centres in the US have also been aligned with the short- to medium-term demand outlook. The Group's Chief HR Officer enhanced the visibility of HR services and the effectiveness of functions, by initiating unified alignment of practices and policies globally. The function has also developed its succession planning framework and implemented training and talent development programmes for high potential members of the Group's leadership team. In the year the Group has also implemented a new enterprise resource planning system within its Hunting Titan and US Manufacturing business units. The Group has also increased its cyber security systems and commenced a programme of rationalisation of its IT infrastructure to increase efficiencies and reduce costs. The performance of the Group's leadership team, including the Safety, Quality, HR and IT functions were also noted as the Group addressed the issues surrounding COVID-19 and the performance of the executive Directors through the crisis. In addition, the strong Quality and Safety levels, which had been maintained in the year, was noted, in spite of the disruption created by the pandemic and had also shown a year-on-year improvement. Further, it was noted that c.$4.0m in annual cost savings had been achieved through the Group's lean manufacturing programme.

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

Financial Effectiveness

Under the leadership of the Group's new Finance Director, a review of the financial reporting and internal controls framework was undertaken. Improved information flows to the Board and across the Group were implemented. Improvements to the structure of the finance function were also noted, including enhanced compliance and governance responsibilities being put in place in the year. The Group has also increased its alignment with the 2018 UK Corporate Governance Code, and has introduced new climate reporting initiatives, which are detailed in the Strategic Report. Hunting has also engaged closely with new and existing investors in the year, leading to new institutional shareholders entering the register. In support of the transition of the Finance Director role, and due to the rapid onset of the pandemic, Mr Rose advised on a number of key work processes following his retirement as a Director including the implementation of stringent working capital reduction measures, curtailing of capital investments and asset review procedures in preparation for the Group's results.

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

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

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

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

Mr Johnson was therefore awarded a bonus for the year of $147k (20% of base salary), and Mr Rose a bonus of $65k (15% of base salary) of which $19k is included in the single figure table. Mr Ferguson was awarded a bonus of $38k (15% of base salary) for the period from 15 April to 31 December 2020. The Committee reviewed and challenged the input of Mr Rose, following his retirement as a Director, and noted that significant dialogue and advice had been given to the executive Directors, as Mr Ferguson transitioned to his new role as Finance Director and as the Group navigated the significant market decline from Q2 2020.

In 2019 the annual bonus awards to the executive Directors were as follows: Mr Johnson – $567k and Mr Rose – $250k. On 26 February 2020, Mr Johnson received 22,800 Ordinary shares and Mr Rose 8,882 Ordinary shares, representing 25% of the post-tax value of the bonus, to be held for two years from 27 February 2020.

Annual Report on Remuneration

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2018 HPSP Vesting (audited)

The 2018 awards under the HPSP have been measured against the performance conditions following completion of the three-year performance period ended 31 December 2020. In 2018, the grants under the HPSP were amended to incorporate four performance conditions of differing proportions – being underlying ROCE (35%); underlying EPS (25%); relative TSR (25%) and a Strategic Scorecard (15%) comprising of two sub-measures being the Group's Safety and the Quality performance.

The EPS and ROCE performance conditions were absolute targets to be delivered in the third year of the performance period being the financial year ended 31 December 2020, while the TSR and Strategic Scorecard are three-year measures. Further, in determining the vesting outcome, the measurement of the EPS and ROCE performance conditions has incorporated IAS 17 Leases, which was the basis of the targets and grant agreed in 2018.

A summary of the EPS, ROCE and Strategic Scorecard performance is detailed below:

	% of award	Threshold vesting target	Maximum vesting target	Recorded performance	% Vesting outcome
Underlying diluted EPS (LPS)	25%	30 cents	50 cents	(10.0) cents	Nil
Underlying ROCE	35%	6%	15%	(1.5)%	Nil
Strategic Scorecard					
– Safety	7.5%	2.00	<1.00	1.11	3.75%
– Quality	7.5%	0.8	0.5	0.25	3.75%

Similar to the annual bonus, and in line with the Remuneration Policy, vesting of the Strategic Scorecard component of the HPSP is subject to an underpin whereby a 50% vesting cap on this element is applied in cases where the financial targets for the year are not met. The vesting outcome above reflects the application of this cap. The Total Shareholder Return performance condition was measured by Kepler in January 2021, following completion of the three-year performance period. Hunting's TSR performance against the 14 comparator companies was then ranked, resulting in an Above Median ranking corresponding to 8.25% vesting of the total 2018 HPSP award (33% of the TSR portion). In total, the 2018 HPSP award will record a 15.75% vesting on the vesting date of 19 April 2021.

As executive Directors on the grant date Mr Johnson will receive 45,143 Ordinary shares, while Mr Rose will be entitled to exercise 12,352 Ordinary shares, reflecting his grant being pro-rated to his leaving date of 31 December 2020. Mr Ferguson's 2018 HPSP award comprised both performance- and time-based awards, the latter vesting in full given his continuing service to the Group throughout the three-year performance period. Mr Ferguson will be entitled to exercise 15,788 Ordinary shares on the vesting date.

A cash equivalent of dividends paid by the Company during the vesting period, totalling 19.0 cents per vested share, will be added to the award on the vesting date. The 2018 HPSP vesting has been calculated as follows:

	No. of shares granted in 2018	Vesting %	No. of shares vested	Value of vested shares at 31 December 2020* $	Value of dividends at 19.0 cents per share $	Total award value $	Pro-rated value*** $
Jim Johnson	286,624	15.75	45,143	101,143	8,577	109,720	n/a
Peter Rose**/***	87,085	15.75	12,352	27,675	2,347	30,022	22,113
Bruce Ferguson***							
– performance-based	19,157	15.75	3,017	6,760	573	7,333	2,469
– time-based	12,771	100.00	12,771	28,613	2,426	31,039	10,451

* As per the methodology for reporting the values of unvested awards, the average price of a Hunting PLC share during Q4 2020 of £1.70 has been applied and converted to dollars at an exchange rate of 1.3210 for the period. The share price on the date of grant was £7.85.

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

*** For the purposes of the single figure table, Messrs Ferguson's and Rose's awards have been pro-rated for their respective tenures as a Director of the Company over the whole vesting period.

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

2017 HPSP Vesting (audited)

On 31 December 2019, the 2017 awards under the HPSP were measured against the performance conditions, following completion of the three-year performance period, resulting in the following outcome:

	No. of shares granted in 2017	Vesting %	No. of shares vested	Value of vested shares at 31 December 2019* $	Value of dividends at 14.0 cents per share $	Total award value $
Jim Johnson**	223,533	66.4	148,314	782,128	20,764	802,892
Peter Rose	115,889	55.1	63,890	336,921	8,945	345,866

* As per the methodology for reporting the values of unvested awards, the average price of a Hunting PLC share during Q4 2019 of £4.09 has been applied and converted to dollars at an exchange rate of 1.288 for the period. The share price on the date of grant was £5.40.

** Mr Johnson's 2017 award, as Chief Operating Officer on the date of grant, was subject to a fourth performance condition which has vested in full, equating to a 100% vesting of this element of his award.

2020 HPSP Grant (audited)

On 3 March 2020, the Committee approved the grant of nil-cost share awards to Jim Johnson and nil-cost options to Peter Rose and Bruce Ferguson under the rules of the HPSP. Awards will vest on 3 March 2023, subject to the achievement of the performance metrics, with a two-year holding period then applying to the post-tax vested shares.

The normal award value to the Chief Executive is 450% and for the Finance Director 210% of base salary respectively. Given the decline in the share price since the 2019 grant, the Remuneration Committee reduced the award value by 20%, leading to the grant levels noted below.

Details of the grant are as follows:

Director	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 threshold vesting of 100% $
Jim Johnson	360%	653,205	661,500	2,646,000
Peter Rose*	168%	182,532	184,850	739,400
Bruce Ferguson	160%	91,022	92,178	368,711

* Mr Rose's 2020 HPSP award was pro-rated to his leaving date of 31 December 2020, or 50,509 outstanding awards subject to performance measurement.

As in previous years, the Remuneration Committee set absolute EPS and ROCE targets to be delivered by 31 December 2022, three-year TSR targets and a Strategic Scorecard for the grants to the executive Directors in 2020. The Strategic Scorecard is subdivided equally between two non-financial KPIs, namely Quality and Safety performance metrics published by the Group during the performance period.

The targets for each performance condition are as follows:

Performance condition[i]	Proportion of award	Threshold vesting target	Maximum vesting target
TSR	25%	Median	Upper Quartile
EPS	25%	40 cents	60 cents
ROCE	35%	8.0%	13.0%
Strategic Scorecard			
– Safety	7.5%	2.00	<1.00
– Quality	7.5%	0.8	0.5

i. To be achieved in the three years ending 31 December 2022.

The following quoted businesses comprise the TSR comparator group for the 2020 award:

Akastor	National Oilwell Varco	Tenaris
Dril-Quip	Oil States International	Vallourec
Flotek Industries	Schoeller-Bleckmann	Weatherford International
Forum Energy Technologies	Superior Energy Services	Weir Group
Frank's International	TechnipFMC	

The face value of the 2020 award is based on the five-day average mid-market share price up to 3 March 2020, which was 311.6 pence per share.

Payments to Past Directors (audited)

Peter Rose retired as a Director of the Company on 15 April 2020. Under the terms of his Service Contract, Mr Rose has a one-year notice period, which entitles him to all relevant remuneration payable for the period to 22 January 2021. In agreement with the Board, Mr Rose's remuneration in respect of base salary, benefits, pension and annual bonus ceased on 31 December 2020, with all relevant remuneration being paid up to this date, with his outstanding awards under the Hunting Performance Share Plan pro-rated to this date as noted in the Directors' Share Interest table.

Mr Rose's remuneration paid from 16 April 2020, the date of his retirement as a Director, up to 31 December 2020 is as follows:

	Base Salary $000	Benefits $000	Pension $000	Annual Bonus $000	HPSP $000	Total $000
Peter Rose	309	24	77	47	8	465

Dennis Proctor, the Group's former Chief Executive, retired from the Company on 1 September 2017 and was treated as a good leaver. With the exception of outstanding HPSP awards, no emoluments were paid to Mr Proctor in 2020. Mr Proctor's 2017 HPSP grant vested on 3 March 2020, when he received 47,946 Ordinary shares at a value of $252,841 and a cash equivalent dividend of $6,712.

Annual Report on Remuneration

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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 2020[ii]**	At 31 December 2019[ii]
Executives		
Jim Johnson[iii]	**367,629**	205,042
Bruce Ferguson	**101,835**	65,424
Peter Rose[iii]	**176,594**	167,712
Non-executives		
Annell Bay	**13,440**	11,840
Carol Chesney	**9,000**	5,000
Jay Glick	**75,923**	41,373
Richard Hunting	**468,133**	468,133
– as trustee	**194,960**	905,783
– as Director of Hunting Investments Limited	**11,003,487**	11,003,487
Keith Lough	**19,000**	9,000

i. Beneficial share interests are those Ordinary shares owned by the Director or spouse, which the Director is free to dispose of.
ii. Or cessation date.
iii. Jim Johnson's total shareholding includes 52,032 Ordinary shares which were awarded under the Group's Annual Bonus plan and which are restricted from being sold for up to a period of two years. Peter Rose's total shareholding includes 20,699 Ordinary shares which are subject to the same restriction.

There have been no further changes to the Directors' share interests in the period 31 December 2020 to 4 March 2021.

The Group operates a share ownership policy that requires Directors and certain senior executives within the Group to build up a holding in shares equal in value to a certain multiple of their base salary or annual fee. The multiple takes into account the post-tax value of vested but unexercised share awards or options. The Committee noted the decline in the Company's share price in the year, which had impacted the compliance levels of the Directors. The required shareholding of each Director and the current shareholding as a multiple of base salary as at 31 December 2020 is presented below:

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

* The value of the holding of the Directors has been determined using the value on purchase of Ordinary shares or the share price at 31 December 2020 of £2.23.

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

Director	Interests at 1 January 2020	Options/ awards granted in year	Options/ awards exercised in year	Options/ awards lapsed in year	Interests at 31 December 2020	Exercise price p	Grant date	Date exercisable	Expiry date	Scheme
Jim Johnson	223,533	–	(148,314)	(75,219)	–	Nil	03.03.17	03.03.20	–	HPSP^
	286,624	–	–	–	286,624	Nil	19.04.18	19.04.21	–	HPSP^
	422,507	–	–	–	422,507	Nil	21.03.19	21.03.22	–	HPSP^
	–	653,205	–	–	653,205	Nil	03.03.20	03.03.23	–	HPSP^
Total	932,664	653,205	(148,314)	(75,219)	1,362,336					
Peter Rose	115,889	–	–	(52,000)	63,889	Nil	03.03.17	03.03.20	03.03.27	HPSP~
	87,085	–	–	(8,661)	78,424	Nil	19.04.18	19.04.21	19.04.28	HPSP~
	119,201	–	–	(48,398)	70,803	Nil	21.03.19	21.03.22	21.04.29	HPSP~
	–	182,532	–	(132,023)	50,509	Nil	03.03.20	03.03.23	03.03.30	HPSP~
Total	322,175	182,532	–	(241,082)	263,625					
Bruce Ferguson	23,870	–	(15,837)	(8,033)	–	Nil	03.03.17	03.03.20	03.03.27	HPSP~
	19,157	–	–	–	19,157	Nil	19.04.18	19.04.21	19.04.28	HPSP~
	27,008	–	–	–	27,008	Nil	21.03.19	21.03.22	21.04.29	HPSP~
	–	91,022	–	–	91,022	Nil	03.03.20	03.03.23	03.03.30	HPSP~
Total	70,035	91,022	(15,837)	(8,033)	137,187					
Bruce Ferguson	24,214	–	(24,214)	–	–	Nil	03.03.17	03.03.20	03.03.27	HRSP*
	12,771	–	–	–	12,771	Nil	19.04.18	19.04.21	19.04.28	HRSP*
	18,005	–	–	–	18,005	Nil	21.03.19	21.03.22	21.04.29	HRSP*
Total	54,990	–	(24,214)	–	30,776					

^ Nil-cost share awards that are not yet vested or exercisable and still subject to the performance conditions being measured in accordance with the HPSP rules.
~ Nil-cost share options that are not yet vested or exercisable and still subject to the performance conditions being measured in accordance with the HPSP rules.
* The Group operates a time-based share award programme as part of the shareholder approved Hunting Performance Share Plan for certain non-Board employees, which vest based on continued service to the Company throughout the performance period. The HRSP awards to Mr Ferguson noted above reflect historical awards made to him under this programme.

Shareholder Voting at the 2020 AGM

At the Company's AGM held in April 2020, the resolution to approve the Annual Report on Remuneration received the following votes from shareholders:

	Number of votes cast	% of votes cast
For	125,480,115	93.69
Against	8,449,794	6.31
Votes withheld[i]	331,831	–
Total votes cast	**134,261,740**	**100.00**

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

The Directors' Remuneration Policy was last approved by shareholders at the Company's Annual General Meeting on 18 April 2018, with 98.92% voting in favour of the resolution. The new Directors' Remuneration Policy will next be tabled for shareholder approval at the Company's Annual General Meeting on 21 April 2021.

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.

	2020 $m	2019 $m	Change
Employee remuneration[i]	**205.9**	260.0	-21%
Net tax paid[ii]	**5.0**	7.7	-35%
Dividends paid to Hunting PLC shareholders[ii]	**8.2**	16.6	-51%
Capital investment[ii]	**14.7**	36.0	-59%

i. Includes staff costs for the year (note 8) plus benefits in kind of $33.1m (2019 – $37.1m), which primarily comprises US medical insurance costs.
ii. Please refer to page 141.

Annual Report on Remuneration

continued

Executive Director Remuneration and the Wider Workforce

The changes to the remuneration of the Chief Executive in 2020 compared to 2019 and those of the total workforce are as follows:

	Chief Executive	Average employee
Base salary	+1%	-2%
Bonus	-74%	-81%
Benefits	-6%	+6%

The average salary increase for employees in 2020 was nil%.

Changes to Director and Employee Pay

The table below is presented in compliance with the Shareholder Rights Directive II. The changes to the pay of the executive Directors exclude pension contributions and share awards. If a Director has not served for the entire year, they are shown as not applicable. The percentage change to the emoluments of the global employees in 2020 reflects the movement in their average base salary, cash bonus and benefits in kind.

	2018 to 2019	2019 to 2020
Jim Johnson	-37%	-29%
Bruce Ferguson	n/a	n/a
Annell Bay	+11%	Nil
Carol Chesney	+46%	Nil
Jay Glick	+5%	Nil
Richard Hunting	Nil	Nil
Keith Lough	+56%	Nil
Peter Rose	-34%	n/a
Global employees	Nil	-7%

Chief Executive and Workforce Pay Ratio

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2019	Option A	49:1	38:1	22:1
	Workforce Pay Quartiles	$45,663	$58,603	$99,521
2020	**Option A**	**22:1**	**18:1**	**10:1**
	Workforce Pay Quartiles	**$51,239**	**$61,329**	**$107,314**

The Company has elected to disclose voluntarily the pay ratio of the Group's Chief Executive and Workforce, in line with The Companies (Miscellaneous Reporting) Regulations 2018 and has adopted Option A from the regulations as the basis of presenting the pay ratio. 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-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 196 in the year (2019 – 207), which represents 8% (2019 – 7%) of the Group's total average workforce in 2020. The basis of the workforce calculation is aligned with the basis of preparation of the single figure table on page 108, comprising of fixed and variable emoluments and is calculated on a full-time equivalent basis, in line with the requirements of the regulations. Further, the above disclosure assumes a maximum company pension contribution of 12% of base salary. However, it is noted that not all UK employees elect to receive this level of contribution. This data has been collated for the 12 months ended 31 December 2020.

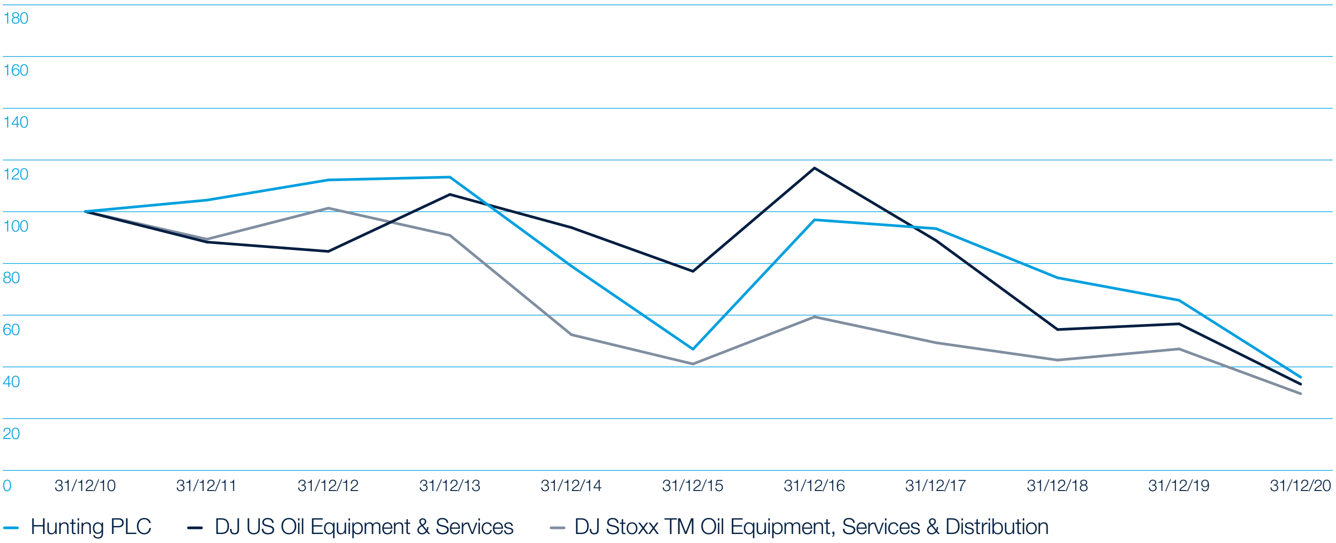
In the year, base salary freezes were implemented given the market downturn. As a consequence of the downturn, workforce reductions were implemented to align with prevailing market conditions. Therefore, the movements in the workforce pay quartiles during 2020 reflects the impact of the reduction in force programmes implemented in the year and the reduction in the pay ratios in the year reflects the lower vesting of variable pay, including annual bonuses and long-term incentives.

Executive Director Remuneration and Shareholder Returns

The following chart compares the TSR of Hunting PLC between 2010 and 2020 to the DJ Stoxx TM Oil Equipment, Services and Distribution and DJ US Oil Equipment and Services indices. In the opinion of the Directors, these indices are the most appropriate indices against which the shareholder return of the Company's shares should be compared because they comprise other companies in the oil and gas services sector.

Total Shareholder Return

(Rebased to 100 at 31 December 2010)



Summary Table of Chief Executive's Remuneration

The accompanying table details remuneration of the Chief Executive:

	Single figure remuneration[i] $000	Annual cash bonus[ii] %	ESOP/PSP/ HPSP[iii] % vesting	LTIP[iv] % award
2020 – Jim Johnson	1,117	10	16	n/a
2019 – Jim Johnson	2,229	39	66	n/a
2018 – Jim Johnson	3,715	100	75	n/a
2017 – Jim Johnson (from 1 September)	819	33	4	n/a
2017 – Dennis Proctor (to 1 September)	3,974	67	13	n/a
2016 – Dennis Proctor	941	Nil	Nil	n/a
2015 – Dennis Proctor	1,031	Nil	Nil	Nil
2014 – Dennis Proctor	4,808	57	Nil	100
2013 – Dennis Proctor	4,442	42	Nil	100
2012 – Dennis Proctor	5,497	75	66	100
2011 – Dennis Proctor	3,261	100	Nil	31

i. Single figure remuneration reflects the aggregate remuneration paid to the Chief Executive as defined within the Directors' Remuneration Policy.
ii. Annual cash bonus percentages reflect the bonus received by the Chief Executive each year expressed as a percentage of maximum bonus opportunity.
iii. Percentage vesting reflects the percentage of the ESOP that vested in the financial year and the percentage of the PSP and HPSP where a substantial portion of the performance period was completed at the financial year-end. Messrs Johnson's and Proctor's awards have been pro-rated for their period of service as Chief Executive.
iv. LTIP award percentage reflects the award value expressed as a percentage of maximum award opportunity received each year measured at 31 December. The LTIP expired in 2015 with no further awards outstanding.

Annual Report on Remuneration
continued

Implementation of Policies in 2021
The remuneration policies for 2021 will be applied in line with those detailed on pages 98 to 106, subject to shareholder approval at the Company's Annual General Meeting on 21 April 2021.

Salary and Fees
In December 2020, the Board concluded that there would be no changes made to fees payable to the non-executive Directors for 2021.

The Remuneration Committee will meet in April 2021 to consider base salary changes for the executive Directors. Any changes are likely to align with any Group-wide base salary increases.

Pension and Benefits
Jim Johnson will continue to receive contributions towards a US deferred compensation scheme and a US 401K match deferred savings plan, in line with previous years. Bruce Ferguson will continue to receive a cash sum in lieu of a pension contribution which will be fixed at 12% of his base salary.

No changes are anticipated to the provision of benefits which will continue to include healthcare insurance, a company car and fuel benefits.

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

HPSP
The grants to the executive Directors for 2021 will be made in March 2021. The performance conditions, weightings and targets for the HPSP award will generally align with the 2020 HPSP grant. The performance targets will be included in the Stock Exchange announcement to be issued on award of the 2021 HPSP grant. It is anticipated that given the share price decline since the last grant under the HPSP, the Remuneration Committee will apply a 22% reduction to the normal award levels.

Compliance Statement
The Directors' Remuneration Policy and 2020 Annual Report on Remuneration reflect the Remuneration Committee's reporting requirements under the amended Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Shareholder Rights Directive II, as enacted on 10 June 2019 and also the 2018 UK Corporate Governance Code which became effective for the Company from 1 January 2019.

The 2020 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 2020. This report was approved by the Remuneration Committee at its meeting on Monday 1 March 2021.

Annell Bay
Chair of the Remuneration Committee

4 March 2021

Nomination Committee Report

For the year ended 31 December 2020

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

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

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

Composition and Frequency of Meetings

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

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

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

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

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

Employee Engagement

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

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

Senior Management Development and Succession

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

Nomination Committee Report

continued

Change of Finance Director

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

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

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

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

Board Reappointments

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

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

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

Director Rotation

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

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

Board Evaluation

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

Committee Effectiveness

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

Gender Diversity

Hunting's gender diversity policy commits the Group to:

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

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

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

4 March 2021

Audit Committee Report

For the year ended 31 December 2020

Hunting's core oil and gas markets suffered a major downturn during 2020, as a consequence of reduced economic activity due to the COVID-19 pandemic, but also prior to this as the US onshore drilling market slowed as the year commenced. The result of this market environment led to a significant decline in revenue for the Group compared to 2019 and operating losses being reported during 2020.

The work of the Audit Committee and Board in the year therefore focused on the review of the Group's monthly trading results as management aligned the Group's cost base with this lower level of activity, with close monitoring of its cash balances and overall liquidity given the challenging trading conditions. The healthy year-end cash position demonstrates the ability of the Group's business to successfully manage the rapidly changing market environment.

The Committee also reviewed detailed reports on the Group's Going Concern assumption ahead of its half year and full year results and in the year received reports on various trading scenarios to support the Going Concern and Viability Statements which are included within the 2020 Annual Report and Accounts. The Audit Committee remains comfortable that the disclosures are appropriate and that the Group has the necessary resources to continue trading for the periods under assessment.

The market downturn necessitated a comprehensive balance sheet review to be completed at the half and full year, with detailed impairment testing completed on the Group's non-current and current assets.

The Group's auditor has also performed well, with good levels of support and challenge provided to management during the half and full year audit processes, again providing comfort to the Committee of the Group's performance and position being reported.

Carol Chesney
Chair of the Audit Committee

Composition and Frequency of Meetings

The Committee currently comprises three independent non-executive Directors and is chaired by Carol Chesney. Mrs Chesney is a qualified Chartered Accountant and is considered to have recent and relevant financial experience. Mr Lough and Ms Bay (Chair of the Remuneration Committee) have experience of the global energy industry, with particular expertise in the UK and US oil and gas markets. Further details of the Committee's experience can be found in the biographical summaries set out on pages 82 and 83.

During the year, there were no changes to the composition of the Committee.

The Committee usually meets four times a year and operates under written terms of reference approved by the Board, which are published on the Company's website at www.huntingplc.com.

In 2020, the Committee met four times, in February, July, August and December, and the attendance record of Committee members and Board invitees during the year is noted below:

	Member	Invitation
Number of meetings held	**4**	
Number of meetings attended (actual/possible):		
Annell Bay	4/4	
Carol Chesney (Committee Chair)	4/4	
Bruce Ferguson (from 15 April 2020)		3/3
John (Jay) Glick		4/4
Richard Hunting		4/4
Jim Johnson		4/4
Keith Lough	4/4	
Peter Rose (to 15 April 2020)		1/1

All Directors, internal and external auditors are normally invited to attend meetings.

Responsibilities

The principal responsibilities of the Audit Committee are to:

- monitor and review reports from the executive Directors, including the Group's financial statements and Stock Exchange announcements;
- provide the Board with a recommendation regarding the Half Year and Annual Report and Accounts, including whether they are fair, balanced and understandable;
- review the Company's and Group's Going Concern and Viability Statements;
- monitor, review and assess the Group's systems of risk management and internal control;
- review reports from the Group's external and internal auditors, including details of the audit programmes and scope;
- consider and recommend to the Board the appointment or reappointment of the external auditor as applicable;
- agree the scope and fees of the external audit;
- monitor and approve engagement of the external auditor for the provision of non-audit services to the Group;
- review the external auditor's independence and effectiveness of the audit process;
- monitor corporate governance and accounting developments;
- monitor the Group's Bribery Act compliance procedures;
- review the procedures to comply with the UK Modern Slavery Act; and
- monitor whistleblowing procedures.

Audit Committee Report

continued

Work Undertaken by the Committee During 2020

The Committee discussed, reviewed and made a number of decisions on key areas throughout 2020, which are set out below:

	Feb	Jul	Aug	Dec
Financial Report				
Annual Report and Full Year Results announcement	•			
Going Concern basis	•		•	
Viability Statement	•			
Interim Report and Interim Results announcement			•	
Review accounting policies				•
Internal control and risk management				
Risk management and internal control report	•		•	•
Key risks and mitigating controls	•			
Effectiveness of internal controls and internal audit function	•			
Internal audit report	•		•	•
Internal audit programme and resourcing				•
Procedures for preventing bribery and corruption			•	•
Procedures for complying with the Modern Slavery Act			•	•
Sanctions compliance			•	•
Whistleblowing summary reports			•	•
External auditor				
Auditor's objectives, independence and appointment	•			
Full Year and Half Year report to the Audit Committee	•		•	
Final Management Letter on internal controls		•		
Auditor's performance and effectiveness		•		
Proposed Year-End audit plan including scope, fees and engagement letter			•	•
Risk of auditor leaving the market				•
Other business				
Whistleblowing and Bribery Policy Review			•	
Committee effectiveness and terms of reference				•

COVID-19

The Committee's annual schedule of work was disrupted by the COVID-19 pandemic, with the normal meeting in April being delayed until early July. All items of normal business have been completed by the Committee during the year.

As noted elsewhere in the Annual Report, the Board met fortnightly between March and June 2020, where regular management reports were received on the current market environment, trading performance, mitigating actions and health and safety updates. In addition to these operational reports, cash and liquidity reports were presented by the Finance Director, which contained three-month forward cash projections and bank facility arrangements. Throughout this period, the reports showed that the Group's net cash balances would remain healthy and, with the efforts to reduce working capital underway from Q2 2020, showed a steady increase throughout the balance of year, giving the Committee and the Board confidence of the financial stability of the Group and its liquidity.

Management has updated its projected trading expectations twice in 2020 and has prepared medium-range financial forecasts that extend to 2025. Projections were reviewed by the Committee in draft at its July 2020 meeting prior to Board approval in August 2020; these also supported the impairments recorded with the Group's half year results. The projections were subsequently updated as part of the year-end preparations and did not result in any further impairments being recorded. The projections were also used in determining the Going Concern and Viability Statements.

Acquisition of Enpro Subsea

In February 2020, the Group announced the acquisition of Enpro Subsea Limited ("Enpro") for a cash consideration of $32.8m, excluding cash acquired of $5.5m. Enpro provides subsea equipment to global exploration and production companies. The main assets recognised on the acquisition were property, plant and equipment of $5.8m, other intangible assets of $19.2m and goodwill of $13.4m. These balances have not been impaired in the year. As part of the acquisition agreement, a maximum $3.0m earn-out was agreed, subject to achieving a required threshold for an adjusted EBITDA measure in the 2020 financial year. The fair value of the earn out was determined to be $2.5m at the acquisition date and, given the reduction in trading activity in H1 2020, the earn out consideration was fully released within the Group's half year results, as the financial target was not expected to be met. At the year-end, the required threshold was not met. The business has, however, made good progress since acquisition and management considers its results to be excellent, given the industry challenges widely reported in the year.

Disposal of Drilling Tools Business

In December 2020, the Group announced the disposal of the US segment's Drilling Tools business unit to Rival Downhole Tools LC ("Rival"), in exchange for a 23.5% equity interest in the enlarged Rival business. The disposal was achieved through the transfer of the key operating assets, such as the rental fleet, and the majority of employees to Rival, who also agreed to lease from the Group certain facilities occupied by the Drilling Tools business. The accounting for the transaction, including the valuation of Hunting's share of the enlarged Rival business, was reviewed by the Committee as part of the year-end accounts preparation.

Review of the 2020 Financial Statements

The Committee reviews final drafts of the Group's Report and Accounts for both the half and full year. As part of this process, the performance of the Group's major segments is considered, with key judgements, estimates and accounting policies being approved by the Committee ahead of a recommendation to the Board. In addition to briefings and supporting reports from the central finance team on significant issues, the Committee engages in discussion with Deloitte, the Group's external auditor. Significant matters reviewed by the Committee in connection with the 2020 Annual Report and Accounts were as follows:

Impairment Reviews

As noted in the letter from the Chair of the Committee, the Group's trading results in 2020 were adversely impacted by the significant market downturn, leading to reduced revenue and operating losses being reported in the year.

As a consequence of this lower trading environment, impairment reviews in respect to the Group's current and non-current assets were completed, leading to impairment charges being recorded during the year.

Independent market projections providing an indication of drilling investment and activity levels over the medium term are published by Spears and Associates, which form a reference for the Group's forecasts. These projections support the impairment modelling completed by management. Management can make adjustments to these market projections to take into account its expectations for specific product lines or other geographic considerations relevant to Hunting's operational footprint. The impairments recorded in the year in respect of the Group's current and non-current assets are therefore:

	As at 31 December 2019 $m	Exceptional impairments $m	Other movements $m	**As at 31 December 2020 $m**
Property, plant and equipment	354.7	(19.4)	(28.2)	**307.1**
Right-of-use assets	36.7	(4.1)	(2.8)	**29.8**
Goodwill	230.2	(79.8)	13.8	**164.2**
Other intangible assets	78.5	(39.2)	3.6	**42.9**
Inventories	350.8	(34.2)	(28.2)	**288.4**
Net trade receivables	155.5	(1.2)	(47.4)	**106.9**
Total	1,206.4	(177.9)	(89.2)	**939.3**

$174.9m of impairments were charged to exceptional items in the Group's Half Year Results issued in August 2020, with additional net charges of $3.0m being recognised as part of the year-end review and audit process.

Property, Plant and Equipment ("PPE")

The year-end balance sheet includes $307.1m (2019 – $354.7m) for PPE. This represents approximately 31% of the Group's net assets (2019 – 29%). The movement in PPE reflects $14.8m of additions and $5.8m recognised as part of the acquisition of Enpro, offset by impairments of $19.4m, the derecognition of the Drilling Tools assets of $14.7m, and $34.1m of other movements, including depreciation. The majority of the impairments, which were recorded in the half-year accounts, were in respect of the Group's US Drilling Tools and UK well intervention businesses, where the future utilisation of these assets was expected to be lower, given the medium-term outlook for these businesses. The Committee reviewed the PPE impairment tests and subsequent charge and, following discussion, was satisfied that the assumptions and the disclosures in the year-end accounts were appropriate.

Right-of-use Assets

The year-end balance sheet includes right-of-use assets of $29.8m (2019 – $36.7m). This represents approximately 3% of the Group's net assets (2019 – 3%). Following the decision in August 2020 to close the Group's Calgary manufacturing in Canada, the Group recorded an impairment of $3.9m given the impact of the closure on the terms of the lease held. An impairment of $0.2m was also recognised in Hunting Titan. The Committee considered and confirmed the appropriateness of the assumptions and factors used in the review process and were comfortable with the charges, as recorded.

Goodwill

The year-end balance sheet includes $164.2m (2019 – $230.2m) of goodwill. This represents approximately 17% of the Group's net assets (2019 – 19%). Given the material decline in global markets, as noted in the Market Review section on pages 40 to 44, the carrying values for goodwill for each relevant cash generating unit were tested for impairment, resulting in a charge of $79.8m being recorded. Of this figure, $65.6m is in relation to the Hunting Titan operating segment, in addition to impairments within the Dearborn, Specialty and European Well Intervention businesses. The Hunting Titan cash generating unit retains $114.9m of goodwill following this exercise. The Committee considered and challenged the discount rates and the factors used in the review process. After discussion, it was satisfied that the charges recorded and the disclosures in the year-end accounts were appropriate.

Other Intangible Assets

The year-end balance sheet includes other intangible assets of $42.9m (2019 – $78.5m). This represents approximately 4% of the Group's net assets (2019 – 6%). The amortisation charge recorded in the consolidated income statement was $20.8m (2019 – $32.3m), of which $17.3m arose on acquired intangible assets. The impairment review work assessed the carrying values held in respect of customer relationships held within the Hunting Titan operating segment, in addition to the future values of internally generated technology, and, given the market decline, recorded impairments of $39.2m. The Committee considered and confirmed the appropriateness of the assumptions and factors used in the review process and were comfortable with the charges, as recorded.

Inventories

At the year-end, the Group held $288.4m (2019 – $350.8m) of inventory. This represents approximately 30% of the Group's net assets (2019 – 29%). Inventory levels are lower at the year-end due to reduced activity levels and reviews of carrying values carried out during the year that led to net impairments of $36.4m being recorded (2019 – $5.9m), with $34.2m recognised as exceptional. Given this outcome, the Committee concluded that inventory carrying values were fairly stated.

Receivables

Given the market decline, the Group reviewed and impaired its outstanding receivables by a net $1.8m (2019 – $1.1m) during the year, with $1.2m shown as exceptional. As part of the review of the Group's half and full year results, the Committee noted that this work aligned with the review of other assets.

Pre-Tax Exceptional Items Charged to the Consolidated Income Statement

The Committee considered the accounting policy definition of exceptional items and the items included within the financial statements to ensure consistency of treatment and adherence to policy. The Group has recorded $177.9m of impairments as exceptional, as noted above. In addition to the impairments, amortisation of acquired intangible assets and other exceptional items have been recognised as follows:

	2020 $m	2019 $m
Impairments	**177.9**	19.0
Amortisation of acquired intangible assets	**17.3**	28.5
Restructuring charges	**10.3**	–
Acquisition costs	**1.4**	–
Reversal of contingent consideration	**(2.5)**	–
Profit on disposal of Canadian assets	**(0.8)**	–
Total amortisation and exceptional items	**203.6**	47.5

In 2019, the impairment recorded in respect of the Group's operations for the full year totalled $19.0m and was wholly related to the impairment of PPE within the Group's US Drilling Tools business.

Audit Committee Report

continued

Taxation

In view of the international spread of operations, the Committee monitors tax risk, tax audits and provisions held for taxation. The Finance Director briefed the Committee on developments throughout the year. In the year, management reviewed the trading outlook for the Group's US operations, and, given the decline in market activity, decided to derecognise $21.5m of deferred tax assets, as realisation of the tax benefit is not probable within a reasonable time frame. The Committee noted this critical judgement and confirmed the appropriateness of this item.

Going Concern Basis and Viability Statement

Given the trading losses recorded at the half and full year, the Committee considered the Going Concern assumption to be disclosed within the 2020 Half Year and Annual Reports.

Detailed modelling of the Group's trading expectations were completed, including the review of base, downside and "breaking point" trading scenarios. Key to the Group's Going Concern assumption is its ability to retain a positive total cash and bank position and minimise trading losses until wider market conditions improve.

The Committee monitored these assumptions and the disclosures around Going Concern at the half and full year, as well as those around the Group's Viability Statement for the full year.

The Committee concluded that, given the flexibility of the Group's business model, in particular its ability to reduce its cost base to align with market conditions, good support for Hunting's longer-term viability exists. Further, the assessment is supported by the year-end total cash and bank position of $101.7m (2019 – $127.0m).

These factors supported the Committee's assessment of the Going Concern Statement and the Viability Statement, as detailed on pages 77 to 79. The statements considered by the Committee were supported by reviews of the regular forecast updates provided by management and the bank covenant compliance reports.

In the year, Hunting remained fully compliant with its bank covenants. The Group's $160m revolving credit facility expires in December 2022, and the Company can increase the facility by a further $75m to $235m subject to approval of the lending group and also extend the facility's maturity date to December 2023, based on mutual agreement between all parties.

On 1 March 2021, the Audit Committee approved the Viability Statement, detailed on pages 77 and 78 of the Strategic Report, noting that it presented a reasonable outlook for the Group for the next three years.

Fair, Balanced and Understandable Assessment

The Committee has reviewed the financial statements, together with the narrative contained within the Strategic Report set out on pages 61 to 72, and believes that the 2020 Annual Report and Accounts, taken as a whole, is fair, balanced and understandable.

In arriving at this conclusion the Committee undertook the following:

- review and dialogue in respect of the monthly management accounts and supporting narrative circulated to the Board;
- review of early drafts of the Annual Report and Accounts, providing relevant feedback to the executive Directors;
- regular review and discussion of the financial results during the year, including briefings by Group finance and operational management; and
- receipt and review of reports from the external and internal auditors.

The Committee advised the Board of its conclusion that the 2020 Annual Report and Accounts, taken as a whole, was fair, balanced and understandable at a Meeting of Directors on 1 March 2021.

Internal Audit

The Committee receives reports from the Internal Audit function. The Chair of the Committee also has regular dialogue with the function throughout the year. During the year, the activities of the function were curtailed by the COVID-19 pandemic in Q2 2020, however, activities did resume in H2 2020. In 2020, the Group has implemented a new ERP system within a number of businesses. To support this initiative, the Head of Internal Audit provided consulting services to the Chief IT Officer in respect of best practice control procedures and segregation of duties.

The Committee reviews the internal audit process and effectiveness as part of the Group's internal control and risk assessment programme. An annual programme of internal audit assignments is reviewed and approved by the Committee. For 2020, the Committee noted that the internal audit focus altered due to the inability to travel to all of the planned audit locations. As a result, resources were leveraged towards ongoing software implementation programmes ensuring that sufficient controls were embedded in these systems and those planned for the future. The Committee met with the Head of Internal Audit, without the presence of the executive Directors, on three occasions during the year. The effectiveness of the Internal Audit function was also considered by the Committee at its February/March meeting, which concluded that the function remained effective.

External Audit

Deloitte LLP was appointed by the Group's shareholders as external auditor in April 2019 and therefore no tenders have been undertaken in the year due to their current tenure. This position also applies to the engagement partner attached to the Group's account.

The external auditor presented reports at the February, July, August and December meetings of the Audit Committee during 2020. Further, the Chair of the Committee also has had regular dialogue with the audit partner throughout the year.

In March 2021, a full year report by Deloitte was considered ahead of publication of the Group's 2020 Annual Report and Accounts. In July 2020, Deloitte presented its Management Controls Report, which highlighted control improvements that could be made by the Group.

The Committee meets with the external auditor, without executive Directors present, at the end of each formal meeting.

During the year, the Company complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Process and Audit Committee Responsibilities) Order 2014.

Audit Scope

The Audit Committee considered the audit scope and materiality threshold. The audit scope addressed Group-wide risks and local statutory reporting, enhanced by desk-top reviews for smaller, low risk entities. Approximately 81% of the Group's reported revenue and over 81% of absolute loss after tax and 89% of the Group's net assets were audited, covering 21 reporting units, including a number of investment holding companies, across seven countries.

Materiality
The Committee discussed materiality with the auditor regarding both accounting errors that will be brought to the Audit Committee's attention and amounts that would need to be adjusted so that the financial statements give a true and fair view. Overall, audit materiality was set at $3.5m (2019 – $3.8m). This equates to approximately 0.4% of the Group's net assets for 2020. Furthermore, the auditor agreed to draw to the Audit Committee's attention all identified, uncorrected misstatements greater than $175,000.

Audit Effectiveness and Independence
The external auditor's full year report includes a statement on their independence, their ability to remain objective and their ability to undertake an effective audit. The Committee considers and assesses this independence statement on behalf of the Board, taking into account the level of fees paid, particularly for non-audit services. The effectiveness of the audit process is considered throughout the year, with a formal review undertaken at the April meeting of the Committee. The assessment considers the various matters including:

- the auditor's understanding of the Group's business and industry sector;
- the planning and execution of the audit plan approved by the Committee;
- the communication between the Group and audit engagement team;
- the auditor's response to questions from the Committee, including during private meetings without management present;
- the independence, objectivity and scepticism of the auditors;
- a report from the Finance Director and the Group Financial Controller; and
- finalisation of the audit work ahead of completion and announcement of the Annual Report and Accounts.

In addition, the Committee reviewed and took account of the reports from the Financial Reporting Council on Deloitte LLP, and reviewed a transparency report prepared by Deloitte LLP. After considering these matters, the Committee was satisfied with the effectiveness of the year-end audit process.

Non-Audit Services
The Committee closely monitors fees paid to the auditor in respect of non-audit services. With the exception of audit-related assurance services, which totalled $0.1m (2019 – $0.1m), there were no non-audit services fees paid during the year (2019 – $nil). The scope and extent of non-audit work undertaken by the external auditor is monitored by, and requires prior approval from, the Committee to ensure that the provision of such services does not impair their independence or objectivity.

Auditor Reappointment
Following discussion in March 2021, the Committee approved of the recommendation to propose the reappointment of Deloitte LLP at the Company's 2021 Annual General Meeting.

Internal Controls
The Group has an established risk management framework and internal control environment, which was in operation throughout the year. The Committee monitors these arrangements on behalf of the Board and these are detailed in the Risk Management section of the Strategic Report on pages 51 to 54.

Bribery Act
In compliance with the UK Bribery Act, Hunting has procedures in place, including the publication of Anti-Bribery and Corruption policies and detailed guidelines on interacting with customers, suppliers and agents, including specific policies for gifts, entertainment and hospitality. Senior managers across the Group are required to report their compliance activities, including an evaluation of risk areas.
The Group has completed a screening exercise to identify relevant employees who face a heightened risk of bribery, with all relevant personnel completing a formal training and compliance course, in line with the Group's procedures. The Committee reviews the compliance procedures relating to the Bribery Act at its April and December meetings, which incorporates risk assessments completed by each business unit and gifts and entertainment disclosures made during the reporting period. The Group's internal audit function reviews local compliance with the Bribery Act and reports control improvements and recommendations to the Committee, where appropriate.

Modern Slavery Act
The Modern Slavery Act 2015 was enacted in 2016 and requires companies to evaluate internal and external risks related to human trafficking and modern slavery. Procedures were introduced during 2016 and continued in 2020, whereby each business unit across the Group completed due diligence on its workforce to highlight employment risks in relation to trafficking and slavery. All businesses within the Group also completed a risk-mapping exercise of their known supply chain to evaluate those customers and suppliers to the Group who operate in those jurisdictions where trafficking and slavery is more prevalent. Hunting published its Modern Slavery Act report in March 2020, located at www.huntingplc.com. Since 2018 the Group's "Code of Conduct" training course has been rolled out to all employees of the Group, which incorporates information on modern slavery and trafficking.

Code of Conduct
The Group's Code of Conduct contains policies and procedures covering how the Group conducts business and maintains its relationships with business partners. The Code of Conduct is available on the Group's website and is sent to most customers and suppliers.

Whistleblowing
The Company's Senior Independent Director, Keith Lough, is the primary point of contact for staff or other key partners of the Group to raise, in confidence, concerns they may have over possible improprieties, financial or otherwise. In addition, the Group engages the services of Safecall Limited to provide an independent and anonymous whistleblowing service available to staff across all of Hunting's operations. All employees have been notified of these arrangements through the corporate magazine, Group notice boards and the Group's website.

Review of Committee Effectiveness
During the year, the Committee reviewed its effectiveness and the Committee Chairman reported these findings to the Board. No issues were identified in this review process.

Carol J. Chesney

Carol Chesney
Chair of the Audit Committee

4 March 2021