



The COVID-19 pandemic continued to wreak havoc across Hunting's core trading markets throughout 2021, and despite global vaccination programmes being rolled out and economies being re-opened from the middle of the year, oil and gas industry activity has remained persistently subdued.

The Board has given a great deal of attention to ethics and sustainability issues in the year, and has looked to ways of improving the Group's environmental, social and governance reporting and monitoring.

The Company has announced that Richard Hunting, non-executive Director, will retire from the Board after nearly 50 years of service. As Chairman of the Company between 1991 and 2017, Richard led Hunting through a major transformation from being a conglomerate with interests in defence, aviation and energy, to a leading upstream energy services group.

On behalf of the Board, I would like to thank all our stakeholders for their support and commitment over the past two challenging years."

# Corporate Governance

**John (Jay) F. Glick**  
Chairman



“  
The Board has given a great deal of attention to ethics and sustainability issues in the year.”

# Corporate Governance Overview

## Letter from Chairman

### Introduction

The Group's governance framework has been reviewed and amended during the year as Hunting's core markets started to show signs of recovery from the middle of the year onwards. On behalf of the Board, I would like to thank all our stakeholders for their support and commitment over the past two challenging years.

### COVID-19

The COVID-19 pandemic continued to wreak havoc across Hunting's core trading markets throughout 2021, and despite global vaccination programmes being rolled out and economies being re-opened from the middle of the year, oil and gas industry activity has remained persistently subdued.

Hunting's senior leadership has continued its focus on employee health and safety as the Company's top priority, while still delivering value-enhancing products for our clients.

### Ethics and Sustainability

The Board has given a great deal of attention to ethics and sustainability issues in the year, and has looked to ways of improving the Group's environmental, social and governance reporting and monitoring.

Two key initiatives have come out of these discussions, (1) the expansion of the Hunting Executive Committee to include human resources, information technology, quality assurance and health and safety reporting, and (2) the formation of an Ethics and Sustainability Board Committee, which comprises the independent non-executive Directors of the Company.

Throughout this annual report, aspects of the work of these new groups are evident, including our enhanced carbon and climate reporting, in addition to the enhanced stakeholder reporting.

The Board understands that the Group is only at the beginning of this journey; however, we look forward, with confidence, to Hunting's well-embedded culture being enhanced by these efforts, as well as improving stakeholders' understanding of our approach to emerging trends that influence our business.

### Dividends

The Group has continued to declare dividends and in respect of 2021 totalled 8.0 cents per share (2020 – 9.0 cents), given the strong cash and bank position throughout the year and the healthy balance sheet that 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.

### Directors' Remuneration Policy

At the Company's Annual General Meeting on 21 April 2021, shareholders approved a new Directors' Remuneration Policy, with 92.0% votes in favour. The Board would like to thank shareholders for their ongoing support in this area, given the trading challenges seen during the last two years.

### Retirement of Richard Hunting, CBE

On 11 February 2022, the Company announced that Richard Hunting, non-executive Director, will retire from the Board after nearly 50 years of service. As Chairman of the Company between 1991 and 2017, Richard led Hunting through a major transformation from being a conglomerate with interests in defence, aviation and energy, to a leading upstream energy services group. Richard will step down from the Board at the conclusion of the Company's Annual General Meeting ("AGM") on Wednesday 20 April 2022. I would like to thank Richard for his advice and counsel to Hunting's Directors past and present and which extends over many years, and particularly since my appointment in 2017.

### Proposed Appointment of Paula Harris as a Director

On 3 March 2022, the Company announced the proposed appointment of Ms Harris as a new independent, non-executive Director. Ms Harris' appointment has been submitted to shareholders for approval at the Company's AGM.

Details of Ms Harris' skills and expertise, and reasons for election are contained within the 2022 Notice of AGM, which will be sent to shareholders on 17 March 2022. Subject to receiving the relevant approval, Ms Harris will join the Board on 20 April 2022.

### Workforce and Executive Director Remuneration

As the year progressed, the Board was briefed by the Chief Executive on the material increase in competition for management and workforce talent within the labour markets in which Hunting operates. The work of the Remuneration Committee in the second half of the year therefore focused on assisting the senior leadership in mitigating this growing operational risk, leading to the Board approving a Group-wide base salary increase of c.5.0%, with effect from 1 October 2021. As noted in the Remuneration Committee Report, base salary increases were also awarded to the Hunting Executive Committee and the executive Directors following nearly three years of salary freezes being in place across the Company, as Hunting navigated the COVID-19 pandemic.

**John (Jay) F. Glick**  
Chairman

3 March 2022



**"Shareholders approved a new Directors' Remuneration Policy, with 92.0% votes in favour at our 2020 AGM."**

**8.0c**

cents per share  
Dividends declared in the year  
(2020 – 9.0 cents per share)

**5.0%**

base salary increases  
across workforce  
(2020 – nil)

## Board of Directors and Company Secretary

### John (Jay) F. Glick Non-executive Chairman

**Nationality**  
American.

**Length of Service**  
7 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 69.

**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**  
Ethics and Sustainability Committee (Chair).  
Nomination Committee (Chair).  
By invitation.



### Arthur James (Jim) Johnson Chief Executive

**Nationality**  
American.

**Length of Service**  
30 years; appointed to the Board as a Director and Chief Executive in 2017. Age 61.

**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**  
28 years; appointed to the Board as a Director and Finance Director in 2020. Age 50.

**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**  
7 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 66.

**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**  
Ethics and Sustainability Committee.  
Remuneration Committee (Chair).  
Nomination Committee.  
Audit Committee.



## Carol Chesney

### Non-executive Director

#### Nationality

American and British.

#### Length of Service

4 years; appointed to the Board as a non-executive Director in 2018 and is viewed as independent. Carol is Chair of the Audit Committee. In April 2021, Carol was re-appointed for a further three-year term. Age 59.

#### 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 IQE plc and Biffa plc.

#### Committee Membership

Ethics and Sustainability Committee.  
Remuneration Committee.  
Nomination Committee.  
Audit Committee (Chair).



## Richard Hunting, CBE

### Non-executive Director

#### Nationality

British.

#### Length of Service

49 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 75.

As noted in the letter from the Chairman, Richard will retire from the Board on 20 April 2022.

#### 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

4 years; appointed to the Board as a non-executive Director in April 2018 and appointed Senior Independent Director in August 2018. In April 2021, Keith was re-appointed for a further three-year term. Age 63.

#### 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

Ethics and Sustainability Committee.  
Remuneration Committee.  
Nomination Committee.  
Audit Committee.



## Ben Willey

### Company Secretary

#### Nationality

British.

#### Length of Service

12 years; joined Hunting in 2010 and was appointed Company Secretary in 2013. Age 48.

#### 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

Ethics and Sustainability Committee (Secretary).  
Remuneration Committee (Secretary).  
Nomination Committee (Secretary).  
Audit Committee (Secretary).



## Executive Committee

### **Rick Bradley**

Chief Operating Officer

**Nationality**  
American.

**Length of Service**  
11 years; joined Hunting in 2011. Age 62.

### **Daniel Tan**

Managing Director – Asia Pacific

**Nationality**  
Singaporean.

**Length of Service**  
14 years; joined Hunting in 2008. Age 59.

### **Jason Mai**

Managing Director – Hunting Titan

**Nationality**  
American.

**Length of Service**  
5 years; joined Hunting in 2016. Age 53.

### **Liese Borden**

Chief HR Officer

**Nationality**  
American.

**Length of Service**  
3 years; joined Hunting in 2018. Age 60.

### **Scott George**

Managing Director – North America

**Nationality**  
American.

**Length of Service**  
12 years; joined Hunting in 2010. Age 48.

### **Ryan Elliott**

Chief IT Officer

**Nationality**  
American.

**Length of Service**  
8 years; joined Hunting in 2013. Age 43.

### **Randy Walliser**

Manager Director – Canada

**Nationality**  
Canadian.

**Length of Service**  
3 years; joined Hunting in 2019. Age 61.

### **Gregory T. Farmer**

Global Director – QAHSE

**Nationality**  
American.

**Length of Service**  
28 years; joined Hunting in 1993. Age 55.

### **Stewart Barrie**

Managing Director – EMEA

**Nationality**  
British.

**Length of Service**  
10 years; joined Hunting in 2011. Age 53.

Bruce Ferguson, Jim Johnson and Ben Willey are also members of the Executive Committee.

# 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](http://www.frc.org.uk). Hunting PLC 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:

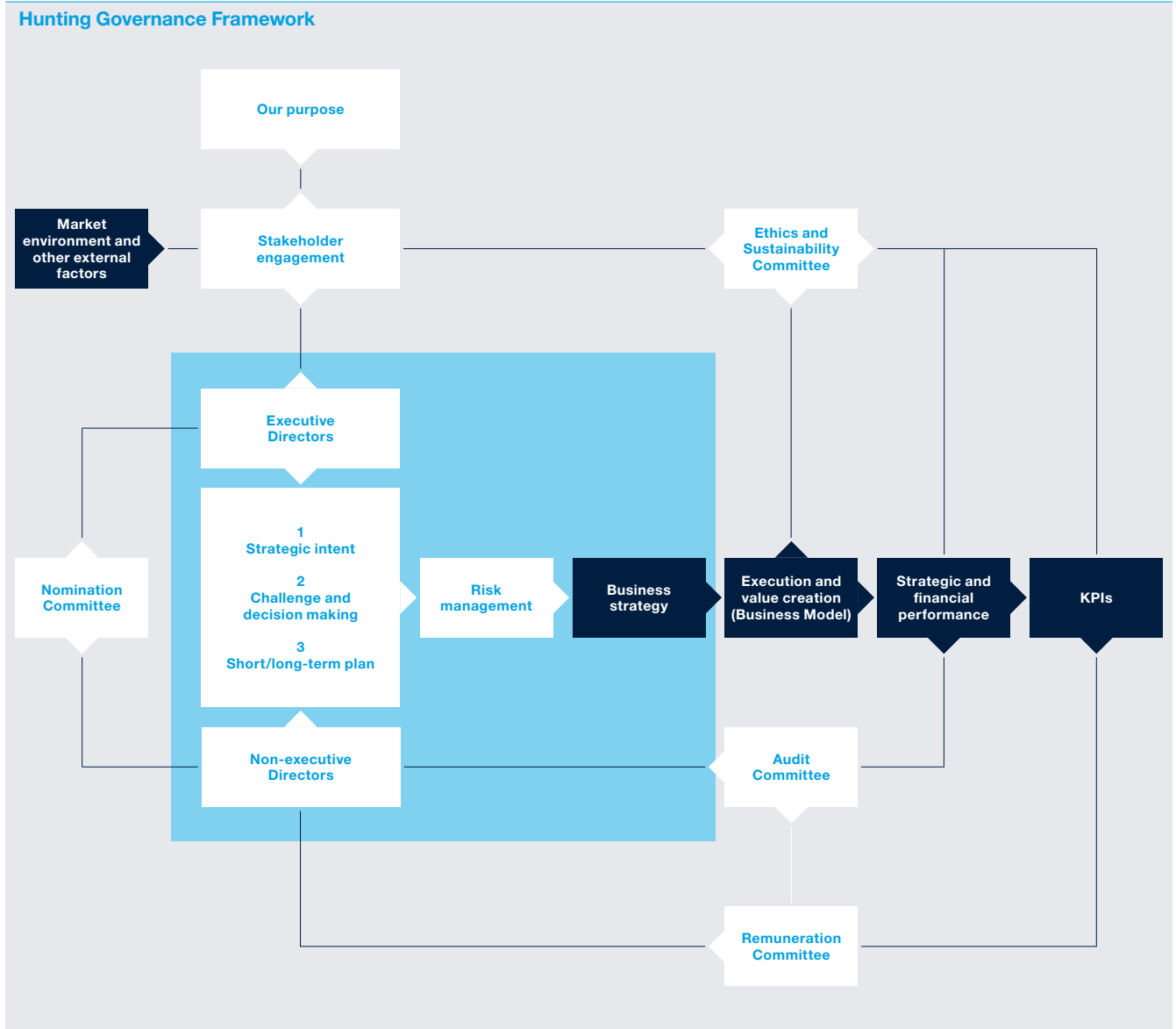
The pension contribution rate of the Chief Executive (who is resident in the US) currently does not align with the workforce as required by provision 38 of the Code. Mr Johnson was appointed prior to the implementation of the 2018 Code. It should be noted that since his appointment to the Board in 2017, the pension contribution Jim Johnson received from the Company averaged 11% of base salary. The Board has agreed that all new executive Director appointments will be capped at 12% of base salary, in line with the UK workforce.

## 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, 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 7, and are derived from engagement with its shareholders and principal stakeholders.





## Introduction

The Board discusses strategic planning and long-term growth objectives. Once the Board has agreed on these strategic plans, they 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 82 to 85), 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 four subcommittees to which it delegates governance and compliance procedures:

- the Ethics and Sustainability Committee, whose report can be found on pages 105 and 106;
- the Remuneration Committee, whose report can be found on pages 107 to 130;
- the Nomination Committee, whose report can be found on page 131; and
- the Audit Committee, whose report can be found on pages 132 to 135.

These Board Committees support the Directors in their decision making.

The Ethics and Sustainability Committee was formed in H2 2021 to support the Group's development of environmental, social and governance decision making. As long-term sustainability and climate-related matters become more important to our stakeholders, this Committee has been formed to oversee and monitor our existing practices, but to also monitor new long-term strategies to reduce our impact on the environment, to monitor our stakeholder engagement procedures and to oversee our ethics policies.

The Remuneration Committee ensures that executive pay remains aligned with Company performance and the broader shareholder experience. 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 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 Audit Committee's responsibilities include reviewing the Group's financial results and challenging management, internal audit and external audit functions.

The Board and its Committees are further supported by an Executive Committee, comprising of senior leaders across 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 Ethics and Sustainability, 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.

The Board met seven times in 2021 (2020 – 11 times), with a 100% attendance record as noted in the table below:

<b>Number of meetings held</b>	<b>7</b>
<b>Number of meetings attended (actual / possible):</b>	
Annell Bay	7/7
Carol Chesney	7/7
Bruce Ferguson	7/7
John (Jay) Glick	7/7
Richard Hunting	7/7
Jim Johnson	7/7
Keith Lough	7/7

2021 Board Meetings and Agenda Items	25 Jan	1 Mar	21 Apr	1 Jun	25 Aug	6 Oct	8 Dec
<b>Standing Items</b>							
Chief Executive's Report	•	•	•	•	•	•	•
Finance Director's Report	•	•	•	•	•	•	•
Operational Reports		•		•	•		•
Quality Assurance, Health, Safety & Environmental Reports		•		•	•		•
Shareholder Report		•	•	•	•	•	•
<b>Other Items</b>							
Annual/Interim Report and Accounts		•			•		
Board Evaluation							•
Risk Review		•					
AGM Preparation			•				
Trading Statement			•	•		•	
Strategy				•	•	•	
Organisation and Personnel Review and Succession				•			•
Annual Budget							•
Chairman / Senior Independent Director Investor Feedback		•					

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

### Culture and Purpose

The Group has been operating since 1874 and, therefore, 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 52 to 74.

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 and other critical engineering components. The Directors have approved Hunting's continued focus on energy-related markets, while using the earnings generated from that sector to diversify into other sectors that utilise our core competencies and offer an attractive return.

The Group's disclosures on Purpose and Culture can be found on pages 6 and 7 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.

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 2022. 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 2021 and January 2022 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.

### 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 2021, 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 good 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](http://www.huntingplc.com).

The Company's 2022 Annual General Meeting is being planned as an open meeting. However, the meeting will also be accessible to shareholders via a webcast, where questions submitted ahead of the meeting will be answered by the Board.

### Stakeholder Engagement

Details of engagement activities with all our key stakeholders and the Board can be found, within the Strategic Report, on pages 52 to 74.

### 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 was one report received through the SafeCall service (2020 – two reports). Reports received are reviewed by Keith Lough, the Group's Senior Independent Director, who also receives and approves all investigation reports and corrective actions.

### 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 96 and 97. 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 remains 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 2021, 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.

### 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 senior leaders of the Group and the executive Directors. The ExCo meets 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, Information Technology and Risk Management reports.

During 2021, the Executive Committee was expanded to include the Group's Chief HR Officer, the Global Director QAHSE; the Group's Chief IT Officer; and the Group Company Secretary. The Head of Investor Relations also attends 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.

In the year, the Nomination Committee completed an evaluation and re-appointment process for Carol Chesney and Keith Lough, who were re-appointed for a further three-year term on 23 April 2021. The activities of the Nomination Committee are reported on page 131.

### 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 3 March 2022, is noted in the chart below.

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 119.

### 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 and gender balance which reflects the Hunting global workforce.

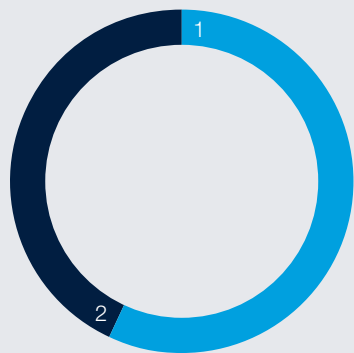
For further information on these areas please refer to the Strategic Report on pages 56 to 58.

### 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 section (pages 82 to 85) and the Audit Committee Report (pages 132 to 135) 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.

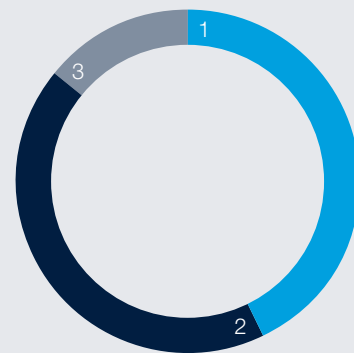
#### Board Independence (including Chairman)

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



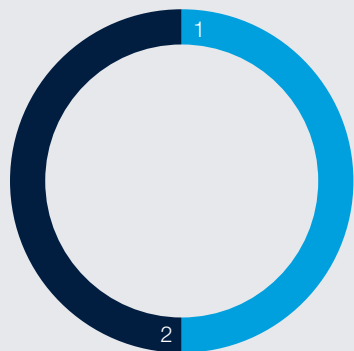
#### Board Tenure

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

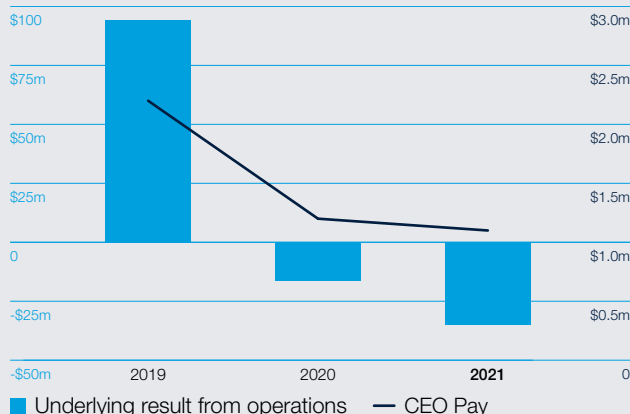


#### Board Independence (excluding Chairman)

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



#### Underlying Result from Operations (\$m) vs CEO Pay (\$m)



**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.

<b>Clarity and Simplicity</b>	<p>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 companies, 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.</p> <p>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.</p>
<b>Risk, Predictability and Proportionality</b>	<p>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 in the chart on page 103, the remuneration paid to the Chief Executive over time has aligned well with the Group's performance, with annual bonus and long-term incentives only vesting on outperformance.</p>
<b>Alignment</b>	<p>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.</p>

The current Directors' Remuneration Policy was approved by shareholders 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 executive Directors with the workforce; and
- Introducing a post-employment shareholding policy for the executive Directors.

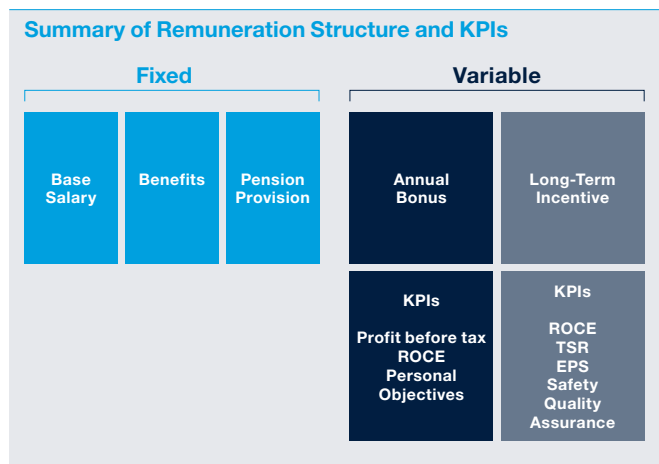
More information on compliance with the provisions of the Code and the emoluments paid to the Directors can be found in the Remuneration Committee Report on pages 107 to 120.

In respect of the current Directors' Remuneration Policy and the 2018 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 additional triggers introduced in 2021 to reflect best practice;
- 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.

Further, in 2021 the Remuneration Committee introduced ESG and carbon deliverables into the executive Directors' personal objectives contained in the Annual Bonus Plan.

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



The Board believes that the remuneration framework aligns with the Purpose 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.

On behalf of the Board

**John (Jay) F. Glick**  
Chairman

3 March 2022

# Ethics and Sustainability Committee Report

**John (Jay) F. Glick**  
Chairman



The formation of the Ethics and Sustainability Committee reflects the Board's commitment to environmental, social and governance matters, with new monitoring and reporting procedures being put in place to enable the Board to guide Hunting's sustainability agenda for the years ahead.

Particular attention had been given to climate and carbon reporting, with Hunting reporting against the Task Force for Climate-related Financial Disclosures framework in the year. While we know Hunting is at the start of this journey, the Committee is now well positioned to provide support to management to effect real change across the Group's businesses as we drive for a more sustainable future.

Our employees continue to be our most important asset, particularly as the Group's businesses exit from the impact of the pandemic. The work of the new Committee will formalise our reporting of human capital issues, to ensure our investors understand our values which in turn are driven from the commitment from our workforce, customers and suppliers."

**John (Jay) F. Glick**  
Committee Chair

	Member	Invitation
<b>Number of meetings held</b>	<b>1</b>	
<b>Number of meetings attended (actual/possible):</b>		
Annell Bay	1/1	
Carol Chesney	1/1	
Bruce Ferguson		1/1
John (Jay) Glick (Committee Chair)	1/1	
Richard Hunting		1/1
Jim Johnson		1/1
Keith Lough	1/1	

## Composition and Frequency of Meetings

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

Details of the Committee's experience can be found in the biographical summaries set out on pages 96 and 97.

The Committee held its maiden meeting in December 2021 and will meet bi-annually going forward. The Committee operates under written terms of reference which were approved by the Board in August 2021 and are published on the Company's website at [www.huntingplc.com](http://www.huntingplc.com).

The attendance record of Committee members and Board invitees is noted in the table on the left.

In addition to the Directors, the regular attendees to meetings of the Committee include the Group's Chief Operating Officer, the Chief HR Officer, the Global Director QAHSE and the Group's General Counsel.

## Responsibilities

The principal responsibilities of the Ethics and Sustainability Committee are to:

- Monitor the Group's Scope 1 and 2 greenhouse emissions and the initiatives to contain and reduce its carbon footprint;
- Monitor Hunting's public disclosures in respect to the Task Force for Climate-related Financial Disclosures framework;
- Monitor the risks and opportunities which climate presents to the Group's operations;
- Monitor the Quality Assurance and Health, Safety and Environmental reports prepared by the Executive Committee;
- Monitor the Group's employee and human capital matters, including engagement with Hunting's workforce;
- Monitor the Group's interaction with other key stakeholders, including customers, suppliers and communities;
- Monitor the Group's Modern Slavery Act initiatives;
- Monitor the Group's policies and procedures in respect to sanctioned territories;
- Monitor the Group's whistleblowing procedures; and
- Monitor the Group's anti-bribery and corruption initiatives.

## Work Undertaken by the Committee During 2021

The Committee discussed, reviewed and made a number of decisions on key areas in 2021, which are set out below:

	Dec
<b>Carbon and Climate</b>	
Procedures for measuring and monitoring the Group's Scope 1 and 2 emissions	•
TCFD analysis and reporting	•
Climate scenario reports	•
<b>Stakeholders</b>	
Employee and workforce report	•
Code of Conduct training report	•
Whistleblowing summary report	•
Health and Safety and Quality Assurance report	•
Community report	•
<b>Ethics</b>	
Anti-bribery and corruption reports	•
Entertainment and hospitality summary	•
Modern slavery analysis	•
Customer and supplier risk analysis	•
Sanctions and export compliance	•

## Adoption of SASB Reporting Framework

During the year, the Group has made strong progress in improving its governance and reporting practices in the areas of sustainability and climate. In August 2021, the Board of Directors approved a proposal submitted by the executive Directors to align its public reporting on sustainability matters to the frameworks published by the Sustainability Accounting Standards Board ("SASB"). The Group has elected to report against the Oil and Gas – Services and Industrial Equipment and Machinery standards, which are noted on pages 226 and 227.

## Ethics and Sustainability Committee Report

continued

### Carbon and Climate

The Group has reported Scope 1 and 2 emissions in its Annual Reports for a number of years and in 2019 published its first carbon reduction targets.

The Committee and wider Board has monitored the enhancement of the internal reporting of the Group's carbon emissions data, with arrangements to track carbon data being reviewed.

The Committee also reviewed the work completed in the year in respect to its TCFD disclosures, which are included on pages 63 to 73. Hunting's TCFD reporting aligns with the four recommended pillars of governance, strategy, risk management and targets. Further, the disclosures include the 11 recommended areas of narrative proposed by the TCFD panel, which was issued in 2017.

### Employees

The Committee received a workforce report from the Group's Chief HR Officer, which included details of employee changes, tenure and engagement initiatives undertaken in the second half of the year. The report also included diversity and inclusion planning which are to be put in place in the coming years.

### HSE and Quality

As part of its review work, the Committee received a Health and Safety and Quality Assurance report from the Group's Director for Health and Safety and Quality Assurance.

It was noted that from 2022, and in line with SASB reporting, vehicle incident data would be tracked.

### 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. In the year, the Committee reviewed training reports submitted by each business unit.

### Communities

The Committee also reviewed a report which summarised Community initiatives which were undertaken by the Group's businesses throughout the year.

### 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.

### 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 reviewed the compliance procedures relating to the Bribery Act at its December meeting, 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 2021, 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 2021, located at [www.huntingplc.com](http://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.

### Sanctions and Export Compliance

The Group sells products to over 70 countries which presents a general risk of export and sanctions compliance. Hunting has detailed procedures in place that monitor sales in medium to high risk territories, where End User disclosures, company evaluation and analysis are completed prior to a sales order being agreed. The Committee received regular reports on these sales and procedures.

On behalf of the Board



**John (Jay) F. Glick**  
Chairman

3 March 2022



# Remuneration Committee Report

For the year ended 31 December 2021

**Annell Bay**  
Chair of the  
Remuneration  
Committee



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

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

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

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

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

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

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

**Annell Bay**  
Chair of the Remuneration Committee



## Remuneration Committee Report

continued

### Introduction

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

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

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

### Major Decisions Made by the Committee

#### COVID-19

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

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

#### Base Salary and Fee Review

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

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

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

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

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

#### Annual Bonus

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

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

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

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

#### HPSP Awards Granted

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

#### HPSP Awards Vesting

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

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

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

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

#### 2021 AGM Result

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

#### Context of Remuneration Awarded in 2021

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

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

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

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

#### Activities Undertaken by the Remuneration Committee During 2021

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

On behalf of the Board



#### Anell Bay

Chair of the Remuneration Committee

3 March 2022

# Remuneration at a Glance

## Remuneration Policy and 2021 AGM Result

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

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

## Link to Strategy and KPIs

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

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

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

## Base Salaries and Pension

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

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

### Base Salaries

Chief Executive	<b>\$771,750</b> +5.0% from 01.10.21
-----------------	---

Finance Director	<b>£302,500</b> +10.0% from 01.10.21
------------------	---

## Company Performance Summary

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

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

## 2021 Annual Bonus Targets and Outcome

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

Target underlying profit before tax for 2021	<b>\$4.0m</b>
--	---------------

Target underlying ROCE for 2021	<b>2.0%</b>
---------------------------------	-------------

Actual underlying loss before tax	<b>\$40.6m</b>
-----------------------------------	----------------

Actual underlying ROCE	<b>-4%</b>
------------------------	------------

## Annual Bonus

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

### Annual Bonus

Chief Executive	<b>\$154k</b>
-----------------	---------------

Finance Director	<b>\$62k</b>
------------------	--------------

### Hunting Performance Share Plan ("HPSP")

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

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

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

### 2019 HPSP Outcome

The outcomes are presented below:

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

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

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

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

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

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

### 2019 Awards Under the HPSP Vesting in March 2022

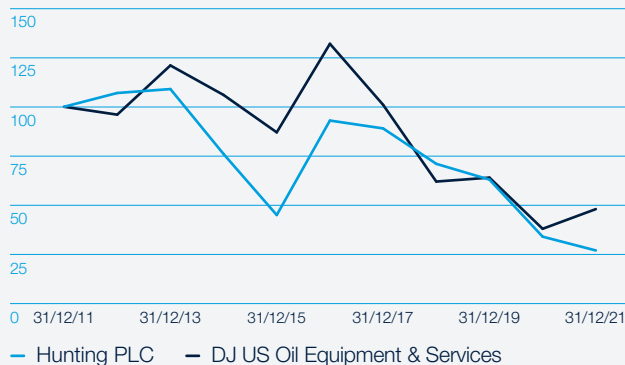
**Chief Executive** **31,688**  
Shares will vest

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

### Shareholder Returns

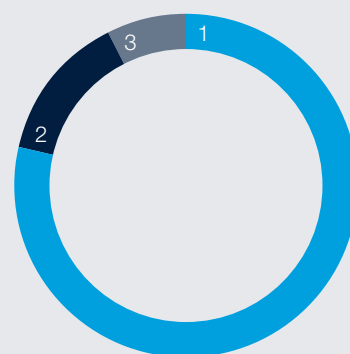
Total shareholder return is measured against a peer group of 12 companies, all focused on upstream oil and gas services.

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



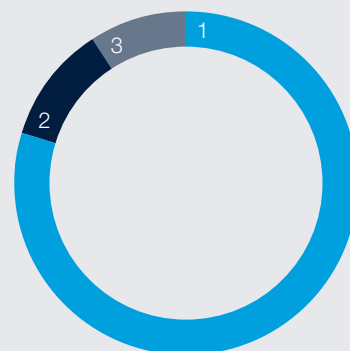
### Chief Executive

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



### Finance Director

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



# Directors' Remuneration Policy

## Policy Overview

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

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

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

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

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

## Remuneration Committee Discretion

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

### Annual Bonus

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

### HPSP

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

### Other

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

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

## Executive Director Remuneration Policy Table

### Fixed Emoluments

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



**Executive Director Remuneration Policy Table**

Variable Emoluments

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Changes to policy proposed
<b>Annual Bonus</b>				
<ul style="list-style-type: none"> <li>To incentivise annual delivery of financial and operational targets.</li> <li>To provide high reward potential for exceeding demanding targets.</li> </ul>	<ul style="list-style-type: none"> <li>Awards are subject to the Annual Bonus Plan rules adopted by the Board in 2010.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>Malus and clawback provisions are incorporated and allow the Committee to reduce the bonus, potentially down to zero, in cases of material financial misstatement, calculation error, gross misconduct or actions that cause reputational damage to the Company.</li> </ul>	<ul style="list-style-type: none"> <li>The Chief Executive and Finance Director have a maximum opportunity of 200% and 150% of salary, respectively.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>

**Hunting Performance Share Plan (“HPSP”)**

<ul style="list-style-type: none"> <li>To align the interests of executives with shareholders in growing the value of the business over the long term.</li> </ul>	<ul style="list-style-type: none"> <li>The HPSP provides for annual awards of performance shares or nil cost options to eligible participants.</li> <li>Vesting is based on a three-year performance period.</li> <li>On vesting, awards are subject to an additional two-year holding period (subject to settlement of any tax charges on vesting).</li> <li>Awards are subject to malus and clawback provisions, which cover cases of material financial misstatement, calculation error, gross misconduct or actions that cause reputational damage to the Company.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Chief Executive: 450% of base salary.</li> <li>Finance Director: 210% of base salary.</li> </ul>	<ul style="list-style-type: none"> <li>Achievement of a threshold performance target results in a 25% vesting for any portion of the award.</li> <li>Awards will vest on achievement of financial and strategic performance measures, measured over a three-year performance period.</li> <li>Financial measures will include EPS, ROCE and TSR and will receive an aggregate weighting of 85% of each award. A fourth measure, in the form of a Strategic Scorecard, which will comprise a number of sub-measures, will have an aggregate weighting of 15% of each award.</li> <li>Should the financial targets of the grant not be met, the vesting of the Strategic Scorecard is halved.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>
---	---	---	--	---

## Directors' Remuneration Policy

continued

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

## Non-executive Director Remuneration Policy Table

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

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics	Changes to policy proposed
<b>Chairman and Non-executive Director Fees</b>				
<ul style="list-style-type: none"> <li>To attract and retain high-calibre non-executive Directors by offering a market competitive fee.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>The Chairman is paid a single consolidated fee for his responsibilities including chairing the Nomination and the Ethics and Sustainability Committee.</li> <li>The non-executive Directors are paid a basic fee.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Fees paid to the non-executive Directors are benchmarked against other UK companies of a similar size and profile to the Group.</li> <li>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.</li> <li>The aggregate maximum fees for all non-executive Directors within the Company's Articles of Association are £750,000.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>
<b>Minimum Stock Ownership Requirements</b>				
<ul style="list-style-type: none"> <li>To align the non-executive Directors' interests with the long-term interests of shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The target holding for the Chairman and non-executive Directors is equal to 100% of the annual fee.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>

**Detailed Policy**

**Amendments to the Policy**

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

**Relevance to Employee Pay**

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

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

**Base Salaries and Fees**

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

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

**Benefits**

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

**Choice of Performance Metrics**

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

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

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

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

**Pension**

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

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

**Annual Bonus**

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

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

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

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

## HPSP

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

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

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

## Stock Ownership Policy

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

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

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

## Executive Director Service Contracts

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

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

## Non-executive Director Letters of Appointment

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

## External Board Appointments

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

## Payment for Loss of Office

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

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

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

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



## Directors' Remuneration Policy

continued

### New Director Policies

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

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

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

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

### Consideration of Employment Conditions Elsewhere in the Group

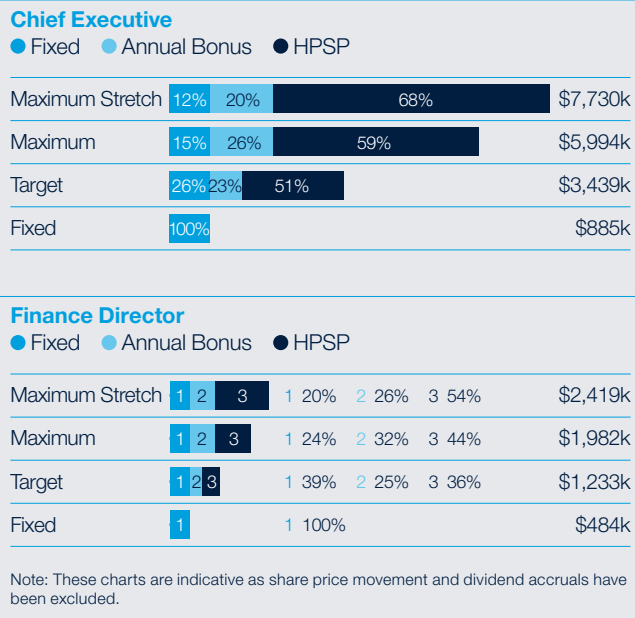
The Committee considers the general basic salary increases for the broader employee population when determining the annual salary increases for the executive Directors. Employees have not been consulted in respect of the design of the Company's senior executive remuneration policy.

### Shareholder Consultation and Feedback

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

### Remuneration Scenarios for Executive Directors

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



Assumptions made for each scenario are as follows:

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

On behalf of the Board



**Annell Bay**

Chair of the Remuneration Committee

3 March 2022

# Annual Report on Remuneration

## Introduction

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

## Compliance Statement

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

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

## Role

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

## Membership and Attendance

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

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

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

## Shareholder Voting at the 2021 AGM

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

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

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

## External Advisers

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

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

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

Director Remuneration (audited)

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

	Fixed				Variable			2020 total remuneration
	Base salary /fees <sup>i</sup>	Benefits <sup>ii</sup>	Pension <sup>iii</sup>	Sub total	Annual bonus <sup>v</sup>	HPSP awards <sup>vi</sup>	Sub total	
2020 (restated)	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Executives</b>								
Jim Johnson	735	72	53	860	147	172	319	1,179
Peter Rose (to 15 April 2020)	124	8	32	164	19	36	55	219
Bruce Ferguson (from 15 April 2020)	251	12	31	294	37	21	58	352
<b>Non-executives</b>								
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
<b>Total</b>	<b>1,693</b>	<b>92</b>	<b>116</b>	<b>1,901</b>	<b>203</b>	<b>229</b>	<b>432</b>	<b>2,333</b>

Notes

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

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

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

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

Notes:

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

### Salary and Fees

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

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

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

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

### Pensions (audited)

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

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

**Annual Performance-Linked Bonus Plan (audited)**

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

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

**Delivery of Financial Objectives**

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

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

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

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

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

**Delivery of Strategic/Personal Performance Objectives**

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

**Jim Johnson  
(Chief Executive)**

**Strategic Development of the Group (50%)**

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

**Organisational Effectiveness (25%)**

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

**ESG and Leadership (25%)**

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

**Bruce Ferguson  
(Finance Director)**

**Strategic Development of the Group (50%)**

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

**Operational and Financial Effectiveness (35%)**

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

**ESG and Leadership (15%)**

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

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

### Strategic Development of the Group

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

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

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

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

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

### Organisational and Financial Effectiveness & Leadership

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

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

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

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

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

### ESG and Leadership

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

### Annual Bonus Outcome

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

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

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

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

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

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



## Annual Report on Remuneration

continued

### 2019 HPSP Vesting (audited)

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

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

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

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

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

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

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

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

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

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

### 2018 HPSP Vesting (audited)

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

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

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

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

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

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

### 2021 HPSP Grant (audited)

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

Details of the grant are as follows:

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

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

The targets for each performance condition are as follows:

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

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

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

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

### Payments to Past Directors (audited)

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

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

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

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

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

ii. Or cessation date.

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

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

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

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

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

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

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

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

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

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

### Relative Importance of Spend on Pay

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

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

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

ii. Please refer to page 150.

### Executive Director Remuneration and the Wider Workforce

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

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

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

## Changes to Director and Employee Pay

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

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

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

## Chief Executive Workforce Pay Ratio

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

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

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

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

## Executive Director Remuneration and Shareholder Returns

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

The accompanying table details remuneration of the Chief Executive:

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

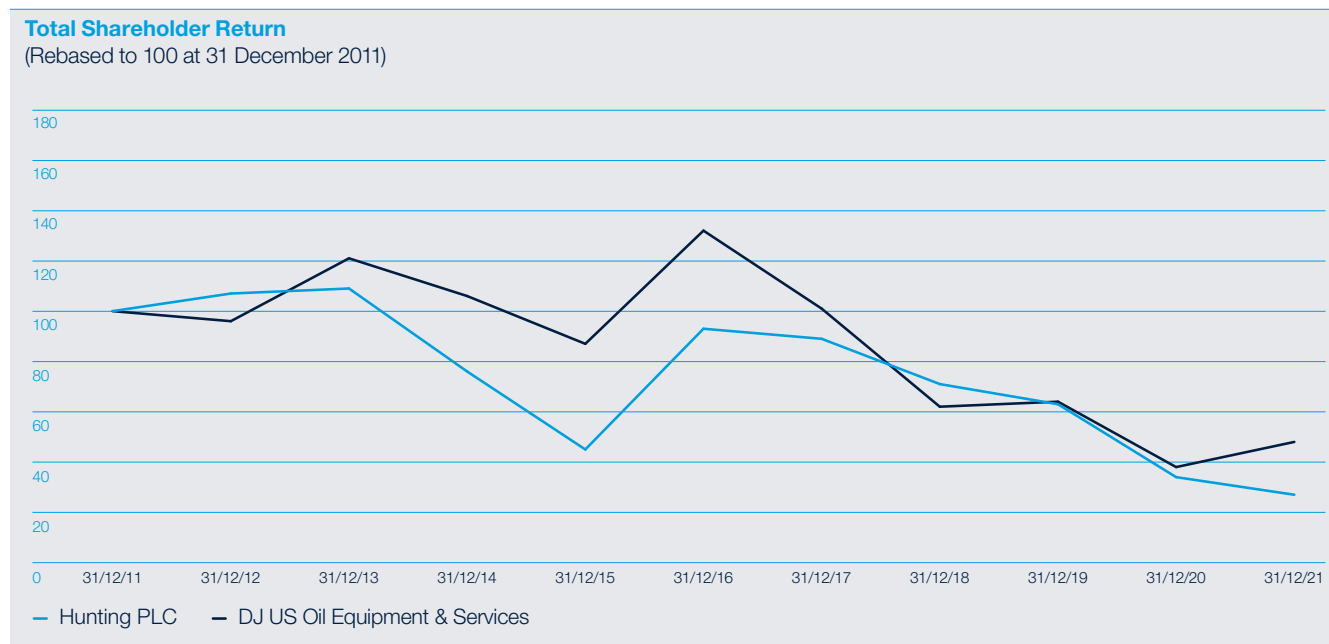
i. Single figure remuneration reflects the aggregate remuneration paid to the Chief Executive as defined within the Directors' Remuneration Policy.

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

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

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

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



**Implementation of Policies in 2022**

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

**Salary and Fees**

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

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

**Pension and Benefits**

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

**Annual Bonus**

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

**HPSP**

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

On behalf of the Board

**Annell Bay**

Chair of the Remuneration Committee

3 March 2022

# Nomination Committee Report

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



**The work of the Nomination Committee during 2021 included the evaluation and reappointment of Carol Chesney and Keith Lough as independent, non-executive Directors of the Company. The Committee was delighted to recommend to the Board the reappointment of both Directors for a second three-year term. In December 2021, the Committee met to discuss medium term succession planning given that two Directors are due to rotate off the Board in February 2024.”**

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

	Member	Invitation
<b>Number of meetings held</b>	<b>2</b>	
<b>Number of meetings attended (actual/possible):</b>		
Annell Bay	2/2	–
Carol Chesney	2/2	–
Bruce Ferguson	–	2/2
John (Jay) Glick (Committee Chair)	2/2	–
Richard Hunting	–	2/2
Jim Johnson	–	2/2
Keith Lough	2/2	–

## 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 2021, met two times. The Committee operates under written terms of reference approved by the Board, which are published on the Company's website at [www.huntingplc.com](http://www.huntingplc.com). Attendance at the Nomination Committee meetings during the year is detailed in the table above.

## Board Reappointments

In March 2021, the Committee met to consider the reappointments of Carol Chesney and Keith Lough as independent, non-executive Directors of the Company. Following a discussion, the Committee unanimously reappointed both Mrs Chesney and Mr Lough for a second three-year term from 23 April 2021. The Board continues to consider Mrs Chesney and Mr Lough as independent given their current tenure.

## Director Rotation

At its meeting in December 2021, 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, given that Mr Glick and Ms Bay are due to retire in February 2024, on completion of their nine years as Directors.

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

## Retirement of Richard Hunting, CBE

On 11 February 2022, the Company announced that Richard Hunting, non-executive Director, will retire from the Board after nearly 50 years of service to Hunting. Richard will step down from the Board at the conclusion of the Company's Annual General Meeting on Wednesday 20 April 2022.

## Proposed Appointment of Paula Harris as a Director

On 3 March 2022, the Company announced the proposed appointment of Paula Harris as a new independent, non-executive Director. Details of Ms Harris' skills and expertise and reasons for election will be included within the Notice of AGM that will be sent to shareholders on 17 March 2022. Subject to receiving the relevant approval, Ms Harris will join the Board on 20 April 2022. Heidrick and Struggles assisted the Company in this search process.

## 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.

## Board Evaluation

In H2 2021, the Board completed an externally facilitated board evaluation, which was assisted by Heidrick and Struggles. The process included the completion of a governance and board effectiveness questionnaire, one-on-one interviews with members of the Board as well as the Group Company Secretary, the Group's Internal Auditor, the Group's Chief HR Officer, Hunting's external audit engagement partner and a representative from the Group's corporate brokers. In December 2021, Heidrick and Struggles presented its findings to the Directors, which included the following observations:

- The Board is guided by strong leadership;
- Beginning with the Chair, the Board runs efficiently with strong focus on operational agenda items;
- There is frequent engagement with shareholders;
- Board dynamics are supportive and collaborative;
- Board materials are high quality, timely and detailed;
- Decision making is typically consensus-driven;
- There is an invitation for the Board and the Chair to play a greater role in shaping overall Company strategy;
- There is an opportunity to bring external, outside-in perspectives to Board conversations; and
- The Board has an opportunity to enhance Company oversight by engaging directly with management.

The Directors noted the observations and implemented plans to address the findings highlighted in the process. Further, the Committee notes the support Heidrick and Struggles provided in the Director search process outlined above, in addition to the evaluation process completed.

## Committee Effectiveness

At its December 2021 meeting, the Committee reviewed its terms of reference and considered its effectiveness, concluding that its performance had been satisfactory during the year.

On behalf of the Board

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

3 March 2022



# Audit Committee Report

**Carol Chesney**  
Chair of the  
Audit Committee



“Hunting’s key trading markets continued to report subdued economic activity during most of 2021, which led to drilling and equipment purchasing remaining lower than anticipated. In 2020, the first quarter was relatively unaffected by the COVID-19 pandemic, which had the overall effect of supporting Hunting’s full-year result, and included a positive trading EBITDA. In 2021, the Group’s trading EBITDA reported a small positive result, due to the ongoing subdued trading conditions throughout most of the Group, although the Hunting Titan operating segment did report improved results in H2 2021 as the US onshore market returned to growth.

The work of the Audit Committee and Board therefore focused on the review of the Group’s monthly trading results as management continued its efforts to reduce inventories to generate cash. The year-end cash and bank position of \$114.2m supports the excellent achievements of management during, what has been, a difficult year. As part of the preparations for the year-end audit, the Committee were also briefed on inventory valuation and provisioning procedures, given the subdued trading of certain product lines.

The Committee continued to review 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 contained within the 2021 Annual Report and Accounts. With the securing of a new \$150m Asset Based Lending facility in February 2022, the liquidity position of the Group has significantly improved, which has supported the Group’s Going Concern and Viability assumptions at year-end.”

**Carol Chesney**  
Chair of the Audit Committee

	Member	Invitation
<b>Number of meetings held</b>	<b>4</b>	
<b>Number of meetings attended (actual/possible):</b>		
Annell Bay	4/4	
Carol Chesney (Committee Chair)	4/4	
Bruce Ferguson		4/4
John (Jay) Glick		4/4
Richard Hunting		4/4
Jim Johnson		4/4
Keith Lough	4/4	

## 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 96 and 97.

During the year, there were no changes to the composition of the Committee. The Committee 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](http://www.huntingplc.com). In 2021, the Committee met four times in March, April, August and December, and the attendance record of Committee members and Board invitees during the year is noted in the table on the left. All Directors and 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; and
- monitor corporate governance and accounting developments.

During the year, the Board agreed to establish an Ethics and Sustainability Committee to increase the review of monitoring of key ethics, environmental, climate, social and governance matters. The review work in respect of bribery and corruption, modern slavery, sanctions and whistleblowing was transferred to this new Committee, which held its maiden meeting in December 2021.

## Review of the 2021 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 2021 Annual Report and Accounts were as follows:

### Convertible Financing to Well Data Labs

In February 2021, the Group announced the provision of \$2.5m convertible financing to Well Data Labs, a software development company focused on delivering real time drilling data to operators undertaking well completion operations. The Committee reviewed the accounting treatment of this investment, in addition to monitoring the carrying value of this investment at the half and full year.

### Investment in Cumberland Additive

In August 2021, Hunting completed a \$5.1m investment in Cumberland Additive, a business that specialises in additive manufacturing and 3D printing of key products from the energy, aviation and medical industries. The Committee reviewed the accounting treatment of this investment, in addition to monitoring the carrying value of this investment.

## Work Undertaken by the Committee During 2021

The Committee discussed, reviewed and made a number of decisions on key areas throughout 2021, which are set out below:

	Mar	Apr	Aug	Dec
<b>Financial Report</b>				
Annual Report and Full Year Results announcement	•			
Going Concern basis	•		•	
Viability Statement	•			
Interim Report and Interim Results announcement			•	
Review accounting policies				•
<b>Internal control and risk management</b>				
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		•		
<b>External auditor</b>				
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				•
<b>Other business</b>				
Whistleblowing and Bribery Policy Review		•		
Committee effectiveness and terms of reference				•

### Restructuring of European OCTG businesses

In December 2021, the Group announced the completion of a restructuring of its European OCTG businesses, which included the purchase of the 40% interest in Hunting Energy Services (UK) Limited from entities owned by Marubeni-Itochu ("MI") for \$3.8m. As part of this transaction, the Group sold \$31.5m of inventory to MI, leading to a reduction in total inventory held, resulting in a net cash inflow of \$27.7m to the Group. The Committee reviewed the impact on the Group's consolidated balance sheet and the accounting treatment and confirmed it was happy with the presentation in the Group's 2021 consolidated financial statements.

### Inventory Valuation and Provisioning Procedures

Given the protracted downturn in the Group's core trading markets, inventory valuation and provisioning procedures have been an area of scrutiny by the Committee and the external auditor. In 2021, the central finance function implemented detailed procedures and models for all business units to adopt, which included the evaluation of (i) stock obsolescence; (ii) slow moving stock; and (iii) product price movements within the industry. Further, historic pricing and forward looking pricing were adopted to generate appropriate provisions for all inventory held. At its December 2021 meeting, the Committee was briefed by the North America financial controller, the Finance Director and Deloitte on the progress of the roll out of these new procedures. As part of the year-end procedures, \$26.6m of net provision increases and impairments to inventory were agreed, given the trading activity of certain product groups. These charges are included as "middle column" exceptional items recorded in the Group's consolidated income statement.

### Impairment Reviews

As noted in the letter from the Chair of the Committee, the Group's trading results in 2021 continued to be adversely impacted by the COVID-19 pandemic, in particular the slower-than-anticipated return to economic growth of many developed economies, which in turn impacted the drilling activity and equipment purchasing of our clients. As a consequence of this subdued trading environment, a review of indicators of impairment were carried out at both the half and full year, with respect to the Group's current and non-current assets.

Independent market projections providing an indication of drilling investment and activity levels over the medium term are published by Spears & 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. Following a review of the indicators to impairment, net inventory provisions of \$26.6m were recorded in H2 and are detailed in the Group Review on page 25. Management also considered whether any reversal of impairment was appropriate and have concluded that no reversal is required other than for certain inventories. It is noted that at 31 December 2020, \$79.8m of the impairment was in respect of goodwill, which cannot be reversed and that \$24.6m was for customer relationships recognised on the acquisition of Titan that would have been fully amortised by the end of August 2021.

### Property, Plant and Equipment ("PPE")

The year-end balance sheet includes \$274.4m (2020 – \$307.1m) for PPE. This represents approximately 31% of the Group's net assets (2020 – 31%). The movement in PPE reflects \$6.5m of additions, offset by depreciation of \$28.9m, impairment of \$8.6m and other items totalling \$1.7m. The impairment charge of \$8.6m has been made against the property at Fordoun and relates to the reorganisation of the UK OCTG business and the consequential change of usage and expected cash flows for the property used by the business. The Committee reviewed the PPE impairment tests and, following discussion, was satisfied that the assumptions and the disclosures in the year-end accounts were appropriate.

### Inventories

At the year-end, the Group held \$204.4m (2020 – \$288.4m) of inventory. This represents approximately 23% of the Group's net assets (2020 – 30%). Inventory levels have continued to trend downwards during the year, reflecting management's drive to eliminate excess stock, given the ongoing subdued trading of most of the Group's businesses. At the 2021 half year, a \$0.8m reversal to impairment was recorded. As noted above, more detailed analysis of inventory was completed, given the slower return to growth in the year leading to \$26.6m of additional net impairment charges being recorded.

## Audit Committee Report

continued

### Goodwill

The year-end balance sheet includes \$164.1m (2020 – \$164.2m) of goodwill. This represents approximately 19% of the Group's net assets (2020 – 17%). Given the ongoing subdued trading of a number of the Group's businesses, the carrying values for goodwill for each relevant cash generating unit were tested for impairment, resulting in no charges being recorded. The Committee noted that the Hunting Titan operating segment had traded ahead of management's expectations during 2021, as the US onshore drilling market showed steady signs of recovery throughout the year. The Committee considered and challenged the discount rates and the factors used in the review process. After discussion, it was satisfied that the carrying values recorded and the disclosures in the year-end accounts were appropriate.

### Other Intangible Assets

The year-end balance sheet includes other intangible assets of \$36.2m (2020 – \$42.9m). This represents approximately 4% of the Group's net assets (2020 – 4%). The amortisation charge recorded in the consolidated income statement was \$9.3m (2020 – \$20.8m), of which \$6.7m (2020 – \$17.3m) arose on acquired intangible assets. The amortisation charge for the year is significantly lower following the impairment of customer relationships and unpatented technology in 2020. The Committee considered and confirmed the appropriateness of the assumptions and factors used in the review process and were comfortable with the carrying values, as recorded.

### Right-of-use Assets

The year-end balance sheet includes right-of-use assets of \$24.7m (2020 – \$29.8m). This represents approximately 3% of the Group's net assets (2020 – 3%). The Committee reviewed the movement in the carrying values of these items and confirmed the appropriateness of the assumptions and factors used in the review process and were comfortable with the items, as recorded.

### Pre-Tax Amortisation and 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 \$44.9m of "middle column" items in the year (2020 – \$203.6m) as follows:

	2021 \$m	2020 \$m
Impairments	34.5	177.9
Amortisation of acquired intangible assets	6.7	17.3
Amortisation of acquired intangible assets – associates	0.3	–
Restructuring charges	2.0	10.3
Acquisition costs	–	1.4
Reversal of contingent consideration	–	(2.5)
Settlement of warranty claim	1.7	–
Loss on disposal of business	0.9	–
Profit on surrender of lease	(1.0)	–
Profit on disposal of Canadian assets	(0.2)	(0.8)
<b>Total charges for amortisation and exceptional items</b>	<b>44.9</b>	<b>203.6</b>

### 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.

### Going Concern Basis and Viability Statement

Given the ongoing trading losses recorded at the half and full year, the Committee considered the Going Concern assumption to be disclosed within the 2021 Half Year and Annual Reports.

Detailed modelling of the Group's trading expectations were completed, including the review of a range of 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.

Further, the Committee noted the Group's new \$150m Asset Based Lending facility which was concluded and agreed in February 2022. The facility will provide significant liquidity to Hunting's businesses, with the facility secured against the Group's North American trade receivable balances, freehold property and inventory asset classes.

The Committee concluded that, given the flexibility of the Group's business model, coupled with the new lending facility, good support for Hunting's longer-term viability exists. Further, the assessment is supported by the year-end total cash and bank position of \$114.2m (2020 – \$101.7m).

These factors supported the Committee's assessment of the Going Concern Statement and the Viability Statement, as detailed on pages 92 and 93. The statements considered by the Committee were supported by reviews of the regular forecast updates provided by management and the bank covenant compliance reports.

On 28 February 2022, the Audit Committee approved the Viability Statement, detailed on page 92 of the Strategic Report.

### 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 22 to 93, and believes that the 2021 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 2021 Annual Report and Accounts, taken as a whole, was fair, balanced and understandable at a Meeting of Directors on 1 March 2022.

### 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 continued to be curtailed by the COVID-19 pandemic. However, activities did resume in H2 2021.

The Group has continued to implement 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.

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 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 March, April, August and December meetings of the Audit Committee during 2021. Further, the Chair of the Committee has also had regular dialogue with the audit partner throughout the year.

On 28 February 2022, a full-year report by Deloitte was considered ahead of publication of the Group's 2021 Annual Report and Accounts. In April 2021, Deloitte presented its Management Controls Report, which highlighted control improvements that could be made by the Group.

The Committee normally 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 82% of the Group's reported revenue and 86% of the Group's net assets were audited, covering 22 reporting units, including a number of investment holding companies, across seven countries.

### Materiality

The Committee discussed materiality with the auditor regarding both accounting errors to be brought to the Audit Committee's attention and amounts to be adjusted so that the financial statements give a true and fair view. Overall, audit materiality was set at \$3.5m (2020 – \$3.5m). This equates to approximately 0.4% of the Group's net assets for 2021. Furthermore, the auditor agreed to draw to the Audit Committee's attention all identified, uncorrected misstatements greater than \$175,000 and any misstatements below that threshold considered to be qualitatively material.

### 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 \$0.2m (2020 – \$0.1m), there were no non-audit services fees paid during the year (2020 – \$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 February 2022, the Committee approved the recommendation to propose the reappointment of Deloitte LLP at the Company's 2022 Annual General Meeting.

### ESEF Reporting

The Group is required to produce its annual report in XHTML format, an electronic format known as a structured report, to comply with the European Single Electronic Format ("ESEF") reporting requirements. Digital tags need to be applied to the Group's consolidated financial statements and the structured report needs to be submitted to the FCA's National Storage Mechanism. Hunting's central finance function has overseen the implementation of the ESEF requirements during the year. As part of the preparations for ESEF reporting, the Group's 2020 Annual Report and Accounts were tagged ahead of publication of the 2021 Annual Report and Accounts, which will be the first annual report to include the ESEF reporting format. A qualified IT provider has been involved in the preparation of the structured report and Deloitte has completed a number of assurance procedures on the structured report.

### Review of Disclosures by the Financial Reporting Council

In November 2021, the Group received a letter from the Financial Reporting Council ("FRC"), which indicated that Hunting PLC's 2020 Annual Report had been reviewed as part of a thematic review of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The Committee was pleased to note that no issues were highlighted for improvement.

### 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 82 to 85.

2021 was the second year of abnormally low levels of trading given the economic impact of the COVID pandemic. This has resulted in the slowing of turn rates and increased ageing of a number of inventory lines. For 2021, management made enhancements to its provision estimation process to better allow for these conditions and more accurately reflect the impact on slow-moving items. The Committee has satisfied itself that the position taken at the year-end is appropriate. In particular, the Committee reviewed in detail management's analysis of the inventory provisioning methodology and challenged management on the approach taken. The Committee also discussed the approach at length with the Group's external auditor. The Committee also noted that the identification of additional inventory write-downs as part of the year-end process, while these changes were implemented, revealed weaknesses in underlying review procedures carried out by certain businesses in the North America segment. These weaknesses were remediated by segment and Group level management. While the Committee is satisfied that overall controls were effective, there will be a focus in 2022 on ensuring lower level controls are improved.

### 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.

On behalf of the Board



**Carol Chesney**  
Chair of the Audit Committee

3 March 2022