CORPORATE GOVERNANCE

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Introduction to Corporate Governance

John (Jay) F. Glick
Company Chair

2023 saw a strong increase in the activity and profitability of the Company as global energy markets continued their growth, driven by energy security concerns and wider economic progress. The delivery of affordable energy supplies is also a key driver for the new activity seen in the year, with offshore markets being particularly strong. The Board of Hunting believes that energy markets will remain resilient for many years to come, with the Company's strategic ambitions also aligned with new, non-oil and gas opportunities.

Around this sector narrative, the Directors of the Company continued to implement improvements to the strategic and governance frameworks to position Hunting for long-term success. A new strategy was announced and, in parallel to this, the work of the Nomination and Remuneration Committees, in particular, reflect the alignment of succession and compensation with these ambitions.

I am due to retire from the Board in April 2024, following completion of nine years' service to shareholders, but I leave the Company in excellent shape, positioned well for continued growth, supported by strong and experienced Directors.

Hunting 2030 Strategy

In March 2023, the Company announced the Hunting 2030 Strategy, which presented the growth ambitions of management to the end of the decade.

Details of this strategy were delivered at the Company's first Capital Markets Day on 13 September 2023, where Hunting's senior leadership team presented the strategic plans, growth ambitions and financial targets for the medium-term.

Hunting has a compelling technology and product offering, which covers many critical areas of the global energy industry. The Company is also making good progress in developing energy transition revenue opportunities, particularly in the tangential markets of geothermal energy and carbon capture and storage. Further, Hunting is driving growth through diversification outside of energy markets, which require quality-assured products, supported by high-end manufacturing capabilities. These ambitions will deliver growth in the financial performance of the Company, given the market fundamentals being reported for energy, but also other industries that need our skills. I would like to commend Jim Johnson, our Chief Executive, for the evolution and delivery of this new strategic plan.

Board succession and refreshing

On 3 January 2023, Stuart Brightman was appointed as a new, independent, non-executive Director of the Company. Stuart brings a wealth of manufacturing, energy services and quoted company experience to the Hunting Board. In-line with the Company's Articles of Association, Stuart automatically retired as a Director and was reappointed by shareholders at the 2023 Annual General Meeting ("AGM").

As noted below, the Board are submitting to shareholders, for approval at the 2024 AGM, a new Directors' Remuneration Policy and Long-Term Incentive Plan. To ensure continuity through this process of engagement with shareholders, on 5 December 2023 the Board agreed to reappoint Annell Bay, the Chair of the Remuneration Committee, for up to a further 12 months, with effect from 2 February 2024. Major shareholders were consulted on this decision during January 2024, as part of the Board's ongoing governance dialogue.

During H2 2023, the Nomination Committee undertook a search process to appoint an additional, independent, non-executive Director. Following a detailed search and interview process, Dr Margaret Amos was appointed as a Director on 10 January 2024, joining all of the Committees of the Board. Margaret brings new sector expertise to the Board, as Hunting seeks to pursue non-oil and gas revenue streams, in-line with the Hunting 2030 Strategy.

2024 will be a year of change for the profile of the Hunting Board as the process of succession and rotation continues. On 17 April 2024, I will step down as Company Chair at the conclusion of the AGM. Following a rigorous process, the Nomination Committee, led by Annell Bay, proposed Stuart Brightman to succeed me as Company Chair to lead Hunting through its next phase of development, as the Hunting 2030 Strategy is executed by executive management. I wish Stuart all the best in his new role.

As detailed in our announcement on 10 January 2024, following Stuart's appointment as Company Chair, Margaret Amos will take over as Chair of the Ethics and Sustainability Committee.

Introduction to Corporate Governance continued

> "Hunting's governance framework, along with the Board and Committee processes and procedures have remained robust during 2023 with progress being made on many fronts."

Dividends declared in the year

10.0 cents

(2022 – 9.0 cents)

Total distributions payable to shareholders in respect of the financial year

$15.8m

(2022 – $14.3m)

With these changes, the Hunting Board is well positioned to pursue a broad range of growth opportunities as the energy industry continues its growth path.

New Directors' Remuneration Policy

Hunting's Remuneration Committee continued its excellent work throughout 2023, and, in the year, commenced a review process to ensure the Company's compensation practices aligned with the long-term strategic ambitions of the Board, as well as ensuring that Hunting's remuneration framework remains competitive in its key recruitment markets of the US and the UK.

As described in more detail in the Remuneration Committee report see pages 131 to 154, a detailed and balanced benchmarking process was completed, which compared the remuneration structure of Hunting's Chief Executive to its most relevant and appropriate peers who carry the same profile and size to our Company. This process resulted in a new Director's Remuneration Policy, which includes a proposed hybrid long-term incentive structure, with Hunting's executive Directors being granted a mix of performance-based and restricted stock awards. The Remuneration Committee and wider Board believe this structure to be critical to the long-term recruitment and succession planning needs of the Company, given the location of the majority of Hunting's most senior executives. During H2 2023, a thorough shareholder engagement process was undertaken, led by Annell Bay, and following some amendments to our proposals after receiving feedback from our shareholders, the 2024 Directors' Remuneration Policy and new Long-Term Incentive Plan are being submitted for approval at the 2024 AGM. The Directors believe the new Policy to be key to the long-term success of the Company and seek shareholder support for these proposals.

Dividends

With the continued improvement in the Company's financial performance in the year, and in-line with the dividend ambition announced as part of the Hunting 2030 Strategy, the Directors are proposing a Final Dividend, with respect to 2023 of 5.0 cents per share. This distribution is being submitted to shareholders for approval at the 2024 AGM.

An Interim Dividend of 5.0 cents per share was paid on 27 October 2023, equating to a cash distribution of $7.9 million.

The total distribution for the year to shareholders is, therefore 10.0 cents per share, or a 11% increase over 2022, which equates to total distributions payable of approximately $15.8m (2022 – $14.3m).

ESG and sustainability

As a responsible Company, our efforts to increase our ESG and Sustainability commitments have continued in the year, with Hunting announcing new 2030 carbon emission reduction targets in March 2023. A new initiative introduced in the year was an independent assurance process covering our scope 1 and 2 emissions, which was completed in July 2023. S&P Global was appointed to oversee this process, which was successfully concluded with no amendments to our published 2022 emissions data.

As noted elsewhere in this report, the Company has commenced a process to determine its scope 3 carbon emissions data. This is an important milestone for Hunting as it will enable management to develop a Net Zero carbon reduction plan, which is an area of increased focus for investors.

During 2023, the Company completed a second employee engagement survey, with the results being reviewed by the Ethics and Sustainability Committee at its June 2023 meeting. The Directors noted the improved scoring recorded in this process, which underlines their belief that Hunting retains a strong culture across all of its global operations.

New UK Corporate Governance Code

The Board is keeping under close review the proposals by the UK government to reform audit and governance procedures. The Directors of Hunting remain committed to close alignment with the UK Corporate Governance Code, and will implement new practices as and when required to remain compliant with the Code.

In summary, the governance framework, along with the Board and Committee processes and procedures, have remained robust during 2023 with progress being made on many fronts. As I retire from the Company, I believe that Hunting is poised for a period of resilient performance in the short- to medium-term.

On behalf of the Board

John (Jay) F. Glick
Company Chair

29 February 2024

Board of Directors and Company Secretary

Key to committees:
- N Nomination Committee
- E Ethics and Sustainability Committee
- R Remuneration Committee
- A Audit Committee
- I By invitation
- ● Chair

John (Jay) F. Glick
Non-executive Company Chair

Nationality
American

Length of service
9 years; appointed to the Board as a non-executive Director in 2015 and is viewed as independent. In 2017, Jay was appointed non-executive Company Chair and in September 2023, was reappointed for a final 8 months. Jay currently Chairs the Nomination and Ethics and Sustainability Committees. Jay will retire from the Board at the conclusion of the 2024 AGM. Age 71.

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 with Cameron International Corporation.

External appointments
Jay is currently a non-executive director and chairman of TETRA Technologies Inc.

Arthur James (Jim) Johnson
Chief Executive

Nationality
American

Length of service
32 years; appointed to the Board as a Director and Chief Executive in 2017. Age 63.

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.

Bruce Ferguson
Finance Director

Nationality
British

Length of service
30 years; appointed to the Board as a Director and Finance Director in 2020. Age 52.

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.

Margaret Amos
Non-executive Director

Nationality
British

Length of service
Less than 1 year; appointed to the Board as a non-executive Director in January 2024 and is viewed as independent. Following Jay Glick's retirement in April 2024, Margaret will Chair the Ethics and Sustainability Committee. Age 54.

Skills and experience
Margaret spent the majority of her career at Rolls-Royce plc, where she held a number of senior positions including Finance Director – Engineering, IT and Corporate as well as Director of Business Planning.

External appointments
Margaret is currently a non-executive director of Tyman plc, Volution Group plc and Pod Point Group Holdings PLC.

Annell Bay
Non-executive Director

Nationality
American

Length of service
9 years; appointed to the Board as a non-executive Director in 2015 and is viewed as independent. In February 2024, Annell was reappointed for a further 12 months to oversee the implementation of the new Directors' Remuneration Policy, which will be submitted to shareholders at the 2024 AGM. Annell is Chair of the Remuneration Committee and is also the Company's designated non-executive Director for employee engagement. Age 68.

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.

Board of Directors and Company Secretary continued

Key to committees:

- N Nomination Committee
- E Ethics and Sustainability Committee
- R Remuneration Committee
- A Audit Committee
- I By invitation
- ● Chair

Stuart M. Brightman
Non-executive Director

Nationality
American

Length of service
1 year; appointed to the Board as a non-executive Director in 2023 and is viewed as independent. Age 67.

In January 2024 it was announced that following the conclusion of the 2024 AGM Stuart would succeed Jay Glick as Company Chair.

Skills and experience
Stuart has spent the majority of his career at TETRA Technologies Inc. ("TETRA"), Dresser Inc. and Cameron Iron Works. During his time at TETRA, Stuart held the position of chief operating officer between 2005 and 2009, when he was appointed chief executive officer, a position he held to 2019, before his retirement from the business.

External appointments
None.

Carol Chesney
Non-executive Director

Nationality
American and British

Length of service
6 years; appointed to the Board as a non-executive Director in 2018 and is viewed as independent. Carol is Chair of the Audit Committee, and in April 2021 was reappointed for a further three-year term. Age 61.

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 Company Secretary of Halma plc.

External appointments
Carol is currently a non-executive director of IQE plc and Hill & Smith plc.

Paula Harris
Non-executive Director

Nationality
American

Length of service
2 years; appointed to the Board as a non-executive Director in April 2022 and is viewed as independent. Age 60.

Skills and experience
Paula has extensive oilfield services experience following a 33-year career at Schlumberger, the international energy services group, where latterly she was Director of Stewardship.

External appointments
Paula is currently a non-executive director of Chart Industries, Inc and Helix Energy Solutions Group, Inc.

Keith Lough
Senior Independent Non-executive Director

Nationality
British

Length of service
6 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 reappointed for a further three-year term. Age 65.

Skills and experience
Keith was formerly the non-executive Chairman of Gulf Keystone Petroleum Limited and Rockhopper Exploration plc as well as a non-executive director of Capricorn Energy plc. He has 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 chair of Southern Water.

Ben Willey
Company Secretary

Nationality
British

Length of service
14 years; joined Hunting in 2010 and was appointed Company Secretary in 2013. Age 50.

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.

Executive Committee

Stewart Barrie
Managing Director – EMEA

Nationality
British

Length of service
12 years; joined Hunting in 2012.
Age 55.

Liese Borden
Chief HR Officer

Nationality
American

Length of service
6 years; joined Hunting in 2018.
Age 62.

Ryan Elliott
Chief IT Officer

Nationality
American

Length of service
11 years; joined Hunting in 2013.
Age 46.

Gregory T. Farmer
Global Director – QAHSE/Compliance

Nationality
American

Length of service
36 years; joined Hunting in 1993.
Age 57.

Scott George
Managing Director – North America

Nationality
American

Length of service
14 years; joined Hunting in 2010.
Age 50.

Jason Mai
Managing Director – Hunting Titan

Nationality
American

Length of service
8 years; joined Hunting in 2016.
Age 55.

Daniel Tan
Managing Director – Asia Pacific

Nationality
Singaporean

Length of service
16 years; joined Hunting in 2008.
Age 61.

Dane Tipton
Managing Director – Subsea Technologies

Nationality
American

Length of service
14 years; joined Hunting in 2010.
Age 52.

Randy Walliser
Managing Director – Canada

Nationality
Canadian

Length of service
5 years; joined Hunting in 2019.
Age 63.

Jim Johnson, Bruce Ferguson and Ben Willey are also members of the Hunting 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. Hunting PLC is reporting its corporate governance compliance against this Code. The Board notes that it has complied with all provisions within the Code except for the following from which there has been a departure as at 29 February 2024:

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 12% of base salary. Under the current Directors' Remuneration Policy, the Board agreed that the pension contribution rates for all new executive Director appointments will be capped at 12% of base salary, in-line with the UK workforce. In 2023, a new deferred savings plan was implemented in the US, which fully aligns the workforce and management across the region. The Remuneration Committee notes that this plan will be offered to future US-based executive Directors, which will make the Company fully compliant with the Code.

Governance framework

Introduction

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 long-term success by generating value for its shareholders, while giving due consideration to other stakeholders, as prescribed by UK law.

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.

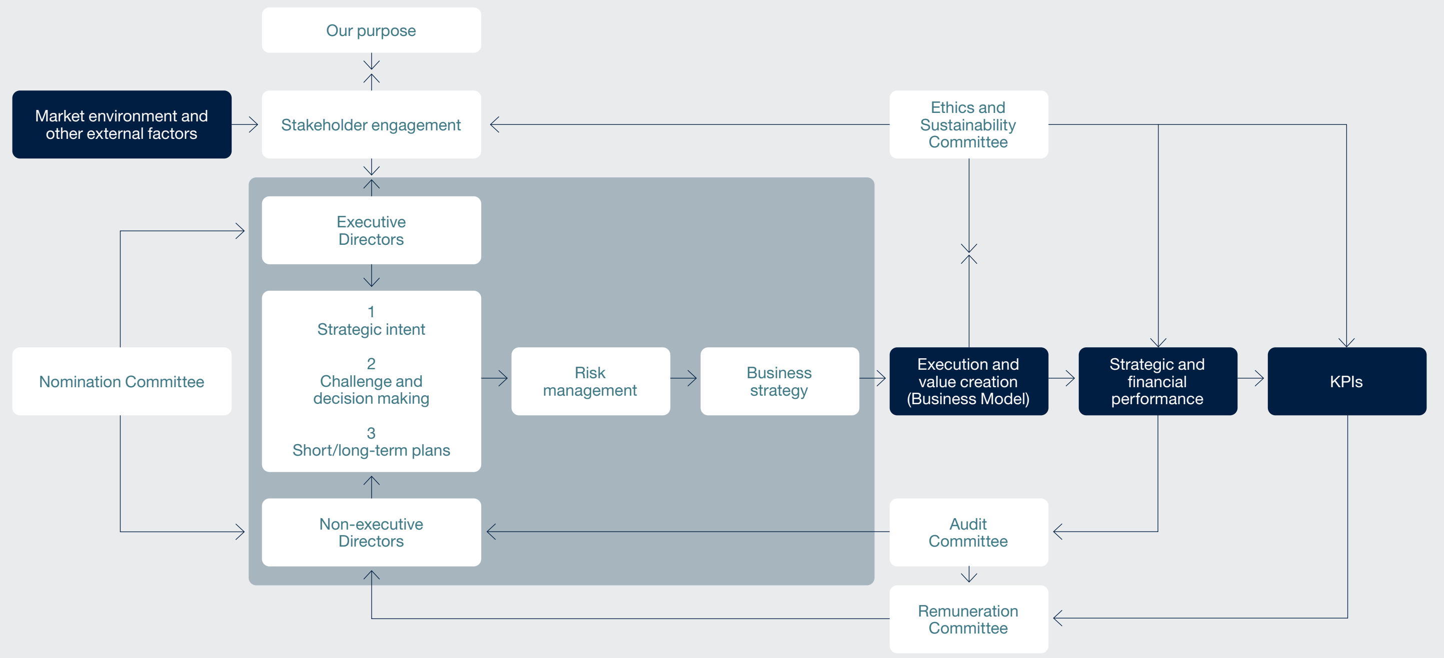
Embedded within strategic planning is the Group's appetite for risk. The Group's Risk Management framework (see pages 96 and 97), and supporting procedures, help the Board refine its decision making, as the opportunities and risks for long-term success and growth are evaluated against the risk appetite and 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 Nomination Committee, whose report can be found on pages 126 and 127;
- the Ethics and Sustainability Committee, whose report can be found on pages 128 to 130;
- the Remuneration Committee, whose report can be found on pages 131 to 154; and
- the Audit Committee, whose report can be found on pages 155 to 159.

These Board Committees support the Directors in their decision making.

Hunting governance framework



Corporate Governance Report continued

The work of the Nomination Committee supports the Board's responsibility for ensuring that a framework for the 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 Ethics and Sustainability Committee supports the Group's environmental, social and governance ("ESG") decision making. The Committee also monitors the long-term strategies to reduce our impact on the environment, improve our sustainability, monitor stakeholder engagement procedures and oversees our ethics policies.

The Remuneration Committee ensures that executive pay remains aligned with Company performance, workforce remuneration and the broader shareholder experience. The Remuneration Committee ensures the executive Directors remain motivated and incentivised, as the senior leadership team executes the Board approved strategy on a day-to-day basis.

The Audit Committee's responsibilities include reviewing the Group's financial results and, challenging management and overseeing the internal audit and external audit functions.

The Board and its Committees are further supported by an Executive Committee, comprising senior leaders across the Group. The Executive Committee oversees the implementation of the Group's strategy and growth objectives and ensures that the risks and also opportunities presented are actively managed.

Board leadership and Company purpose

(Section 1 of the Code)

Responsibilities of the Board

The Board of Hunting PLC has clearly defined areas of responsibility, which are separate to those of the Company Chair, 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 exercises 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 their 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 regular management accounts and forecasts, comparing these forecasts to market expectations and assessing other financial matters. They review and approve all public announcements, including financial results and 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. The compensation 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 Nomination, Ethics and Sustainability, Remuneration 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 global markets, reports on health and safety, and highlights milestones reached towards the delivery of Hunting's strategic objectives. The Finance Director provides an update on the Group's financial performance, position, trading 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 nine times in 2023 (2022 – eight times), with the attendance record noted below:

Number of meetings held	**9**
Number of meetings attended (actual/possible):	
Annell Bay	9/9
Stuart Brightman	9/9
Carol Chesney	9/9
Bruce Ferguson	9/9
Jay Glick	9/9
Paula Harris	9/9
Jim Johnson	9/9
Keith Lough	9/9

Corporate Governance Report continued

2023 Board Meetings and Agenda Items	26 Jan	25 Feb	19 Apr	6 Jun	14 Jul	23 Aug	4 Oct	30 Oct	6 Dec
Standing items									
Chief Executive's Report	•	•	•	•	•	•	•		•
Finance Director's Report	•	•	•	•	•	•	•		•
Operational Reports		•		•		•			•
Quality Assurance, Health, Safety & Environmental Reports		•		•		•			•
Shareholder Report	•	•	•	•		•	•		•
Other items									
Annual/Interim Report and Accounts		•				•			
Board Evaluation		•							•
Risk Review		•							
AGM Preparation			•						
Trading Statement				•			•		
Strategy	•	•	•	•	•	•	•	•	•
Organisation and Personnel Review and Succession				•					
Annual Budget									•
Company Chair/Senior Independent Director Investor Feedback		•							

Tenure

The average tenure of the Board, at 29 February 2024, is five years (2022 – four years). Within the non-executive Directors, the average tenure is five years (2022 – five years).

Jay Glick was appointed to the Board in 2015, was appointed Company Chair in 2017 and will retire as a Director at the conclusion of the AGM on 17 April 2024.

As noted in the Nomination Committee Report, Annell Bay, Chair of the Remuneration Committee, was reappointed for a further 12 months from 2 February 2024, to oversee the final implementation of the new Directors' Remuneration Policy and Long-Term Incentive Plan. Ms Bay will retire no later than the tenth anniversary of her appointment, being 2 February 2025. The Board continues to consider Ms Bay as an objective and independent non-executive Director.

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 the country of residence and local employment laws applicable at the time of the appointment.

For more information on the service contracts of the current executive Directors, please see the Remuneration Committee Report on page 144.

Composition and diversity

As part of the Board's focus on refreshing its skills and expertise as Hunting enters another growth phase, Stuart Brightman was appointed as a new, independent non-executive Director on 3 January 2023. Mr Brightman was appointed to all Board Committee's on appointment, and at the 2023 AGM automatically retired and offered himself for reappointment by shareholders. Shareholders duly reappointed Mr Brightman at the 2023 AGM.

The Nomination Committee continued its search process with a view to appointing a further non-executive Director who provides non-oil and gas experience as the Company executes the Hunting 2030 Strategy. During the second half of 2023, the Nomination Committee interviewed candidates and at its meeting on 8 January 2024, proposed the appointment of Dr Margaret Amos. Dr Amos was appointed to the Board on 10 January 2024 and was appointed to all Board Committees from this date. Dr Amos will automatically retire at the 2024 AGM, and offer herself for reappointment by the shareholders.

For further information on the biographical details of the Board of Directors, please see pages 112 and 113.

Average tenure of the Board

5 years

at 29 February 2024
(2022 – 4 years)

Average tenure of the non-executive Directors

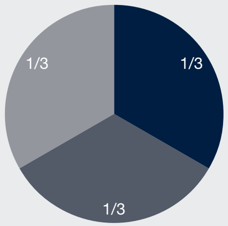
5 years

at 29 February 2024
(2022 – 5 years)

Board tenure

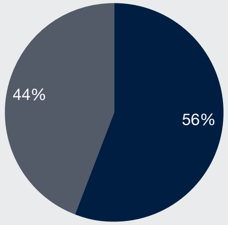
at 29 February 2024

- Less than 3 years
- 3-5 years
- 6-9 years

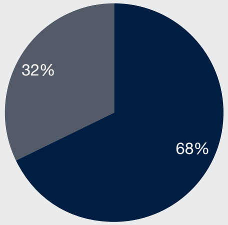


Corporate Governance Report continued

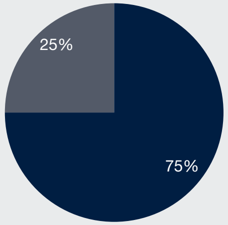
Board gender diversity
%
- Male
- Female



Senior management gender diversity
%
- Male
- Female



Workforce gender diversity
%
- Male
- Female



Board of Directors and Executive Committee
At 29 February 2024

Gender

	Number of Board Members	% of Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
Men	5	56	4	11	92
Women	4	44	0	1	8
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Ethnicity

	Number of Board Members	% of Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
White British or other White (including minority-white groups)	8	89	4	10	83
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	2	17
Black/African/Caribbean/Black British	1	11	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

With this gender balance and current allocation of roles within the composition of the Board, Hunting is compliant with two of the three requirements under Listing Rule 9.8.6, with the requirement for at least one senior Board position being held by a women not being met. The Directors anticipate that this non-compliance will be resolved in the next few years as further refreshing of the Board continues.

The Board is currently reviewing the Group-wide ethnicity profile and will likely target a diversity profile for the senior management team similar to the whole workforce. Further information on this area will be incorporated in the 2024 Annual Report.

Purpose

At the heart of Hunting's long-term strategy and success is a reputation based on trust and reliability.

Hunting's products are designed to operate in a safe and reliable way, to ensure our customers meet their strategic objectives, while protecting people and the environment. Our strategy aims to offer technically differentiated products that meet these customer demands.

We choose to operate in the oil and gas industry, which supports the energy demands of today's global community.

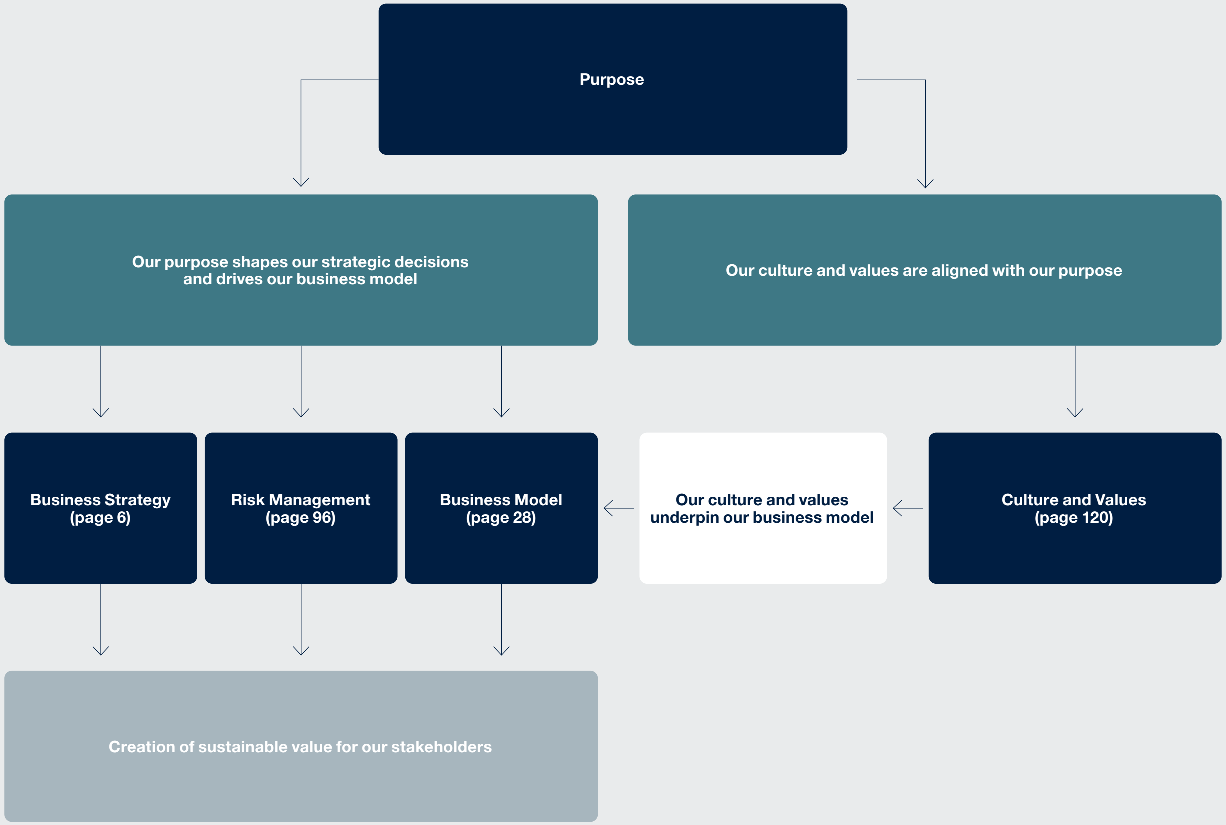
Our customers are constantly pursuing higher levels of safety and reliability and better efficiencies, leading to a lower cost of operation for themselves, while aiming to be good stewards of the environment, through a safe and responsible approach to oil and gas field development.

This drives our ambition to deliver innovative technologies and products to enable us to lead the market and be the supplier of choice.

Our products and services include precision-engineered components that are quality-assured to exceed the highest levels of industry regulation. Our employees are highly trained to ensure our operations are safe and deliver total customer satisfaction.

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

Our Purpose – to be a highly trusted innovator and manufacturer of technology and products that create sustainable value for our stakeholders.



Corporate Governance Report continued

Culture and values

Our culture is the shared way that we do things in the Company and is underpinned by our core values of respect, honesty, integrity, innovation and reliability.

The Company has been operating since 1874 and has a long history with a strong culture of excellence. At the heart of Hunting's culture is our people.

Our culture is shaped and determined by the way we:

Attract and retain people

Training and development
To ensure we deliver for our customers, we train and develop our people to make sure we maintain a highly skilled workforce ready to deliver quality-assured products and services.

Fair remuneration
To retain our staff, our employees are fairly remunerated, which, in addition to a competitive base salary, can comprise a range of benefits. Given the competitive landscape of our industry, our base levels of pay are well above minimum wage thresholds.

Safety
Zero harm to our employees.

Key metrics
- HSE hours of training per employee;
- Cyber security training;
- Voluntary turnover rate;
- Salary and benefits;
- Talent development;
- Succession planning;
- Total recordable incident rate; and
- Total near-miss frequency rate.

Work together

Speak up
Our culture encourages a "speak up" environment to enable our processes to be improved, but also to address possible concerns from all levels of staff.

Equity and inclusion
Hunting prides itself on being a fair and responsible employer. We are committed to creating a positive workplace environment for all of our employees; one that is safe, respectful, fair and inclusive, and free of any form of harassment, bullying or discrimination.

Diversity and inclusion
The Company recognises the business benefits of having a diverse workforce, including a diverse Board, as this supports the delivery of high performance and increases the effectiveness of the Company.

Key metrics
- Diversity of employees;
- Diversity at management level;
- SafeCall reports; and
- Employee engagement survey.

Do business in a responsible and sustainable way

Strong HSE and quality assurance ethic
We seek to achieve and maintain the highest standards of safety for our employees, customers, suppliers and the public.

Looking after local communities
The Board encourages community-focused initiatives, with the Executive Committee responsible for identifying local activities and projects to support. This delegation allows regional cultural practices to be taken into account.

Commitment to minimising our impact on the environment
We protect and minimise our impact on the environment in which we operate, and where our products are used. We focus on climate change – setting targets for, and achieving, emissions reductions and mitigating climate-related risks.

Key metrics
- Total recordable incident rate;
- Total near-miss frequency rate;
- Internal manufacturing reject rate;
- Scope 1 and 2 emissions; and
- ISO accreditation of facilities.

Make decisions

Flat management structure
The Group's flat management structure has short chains of command, which allows for rapid, considered decision making that empowers and enables our employees to be part of the process to take the Company forward.

Ongoing engagement with our shareholders, customers, suppliers, and employees
Stakeholder engagement is a key element for our culture as our stakeholders enable Hunting to deliver its strategy.

Incorporating environmental concerns into our business decisions
Our operating principles are focused on containing and reducing our carbon footprint.

Key metrics
- Employee engagement survey;
- Townhall meetings;
- NED engagement meetings;
- Capital Markets Day; and
- Customer satisfaction surveys.

Maintain high business standards

Code of Conduct and Supplier Code of Conduct
Hunting's Code of Conduct underpins all our engagements, internally and externally.

Internal and external audit & assurance, risk assessment
Hunting is committed to carrying out its business in a responsible way and holds itself to high standards of honesty and integrity.

Long-term relationships with core stakeholders
Creating positive, long-term relationships with our key stakeholders ensures that we are sustainable.

Key metrics
- Code of Conduct training;
- Rolling out Supplier Code of Conduct;
- Prompt payment of suppliers;
- Total recordable incident rate; and
- Total near-miss frequency rate.

Corporate Governance Report continued

Board engagement

The Directors have oversight of all stakeholder engagement activities and receive reports on regional activities throughout the year.

The Board meets shareholders as part of an investor relations programme of work which includes the Company Chair, Senior Independent Director, Chief Executive and Finance Director.

All the Directors participate in employee engagement initiatives.

Engagement with Customers and Suppliers is primarily delegated to the Chief Executive and Executive Committee members.

Stakeholder engagement

Details of engagement activities with all our key stakeholders and the Board can be found, within the Strategic Report, on pages 31 to 39.

Engagement processes have been embedded within all business units to enhance transparent two-way dialogue between the Board and the Group's employees. During the year, the Board met with employees at our Houma, Louisiana facility, as part of ongoing engagement programmes.

Our employees are also encouraged to engage in dialogue with management to raise issues of concern. These procedures are supported by an independent reporting service operated by SafeCall, where confidential matters can be raised with the Board.

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 2023, the Group completed a second, all-employee engagement survey. The results of the survey were reviewed by the Directors, with improvements in engagement being noted since the last survey in 2019. Supporting this initiative has been a process of formalising other employee engagement initiatives including management briefings, and introducing roundtable employee discussion forums and regular townhall meetings.

During the year, the Company held its first Capital Markets Day where the executive Directors and senior leadership team launched a resilient long-term strategy, which is aimed at delivering growth and strong returns to 2030 in a sustainable and responsible way.

Shareholder views

The Company Chair and Senior Independent Director met with shareholders in January 2023 and January 2024 to discuss governance, remuneration strategy and other matters.

Between July 2023 and February 2024, Annell Bay, as Chair of the Remuneration Committee, met with shareholders to discuss the new Directors' Remuneration Policy and Long-Term Incentive Plan, with extensive engagement beginning in July 2023 up to the date of the publication of this Annual Report. Shareholder feedback was considered by the Remuneration Committee and has been incorporated into the policy where appropriate.

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

During the year, an investor perception survey was also initiated, which was conducted by a third party on behalf of the Company, with feedback presented to the Board. The survey sought to appreciate major investors' perceptions on strategy, performance, executive management and other issues.

Annual General Meeting

The Annual General Meeting ("AGM") of the Company is the normal forum 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 AGM in April 2023, an open meeting was held where shareholders had the opportunity to meet the Directors and to ask questions. All resolutions were passed at the AGM 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. The Company's 2024 AGM is again being planned as an open meeting. Shareholders will be able to access the AGM via a webcast, where questions can be submitted ahead of and during the meeting to be answered by the Board.

Speak up/whistleblowing service

An independent and anonymous whistleblowing reporting service has been in place for many years, allowing any employee access to the Board to raise matters of concern. During the year, there were six reports received through the SafeCall service (2022 – 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 at 29 February 2024 comprises the independent non-executive Company Chair, Chief Executive, Finance Director and six independent non-executive Directors, one of whom is the Senior Independent Director.

The profiles and experience of each Director are found on pages 112 and 113. In-line with the Code's recommendations, the Notice of Annual General Meeting incorporates details of the contribution in the year by each Director and the Board's reasons for proposing the re-election of each Director.

There is a clear division of responsibilities between the Company Chair and Chief Executive, with the Company Chair required to lead the Board, while the Chief Executive runs the Group's businesses as shown on the right.

Responsibilities of the Company Chair

- 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;
- promote 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 planning 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 that internal control and risk management processes are effective and defensible.

Responsibilities of the Senior Independent Director

- provide a sounding board for the Company Chair and serve as an intermediary to other Directors when required;
- be available to shareholders, should the normal channels through the Company Chair and Chief Executive not be appropriate;
- chair meetings of the Board in the absence of the Company Chair;
- lead an annual performance evaluation of the Company Chair, 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 Company Chair 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, for both the parent Company and its subsidiaries.

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.

Corporate Governance Report continued

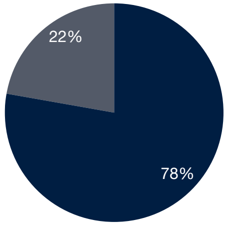
Board independence

On 5 December 2023, the Nomination Committee recommended the appointment of Annell Bay for a further 12-month period. The Nomination Committee, as part of its rigorous evaluation, considered Ms Bay's independence and concluded that, despite exceeding the recommended nine-year timescale, Ms Bay retained a strongly independent contribution to the Board.

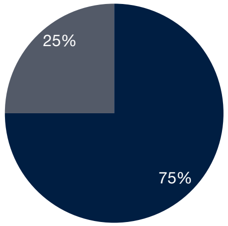
With the appointment of Margaret Amos on 10 January 2024 and at the date of signing these accounts, being 29 February 2024, the Board, including the Company Chair, comprised 78% independent, non-executive Directors. Excluding the Company Chair, the Board comprised 75% independent, non-executive Directors.

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

Board independence (including Company Chair)
At 29 February 2024
- Independent
- Non-Independent



Board independence (excluding Company Chair)
At 29 February 2024
- Independent
- Non-Independent



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 a year 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.

For further information on the biographical details of the Executive Committee, please see page 114.

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.

As noted above, Stuart Brightman was appointed to the Board on 3 January 2023 and Margaret Amos was appointed on 10 January 2024 as new, independent, non-executive Directors of the Board, in-line with the succession and rotation recommendations tabled by the Nomination Committee. On 2 February 2024, Annell Bay was appointed for a further 12-month period, and will step down as a Director no later than of 2 February 2025.

Jay Glick will step down as a Director at the conclusion of the AGM on 17 April 2024.

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
Margaret Amos	Accounting and finance, aviation markets, UK quoted companies.
Annell Bay	Upstream oil and gas, US energy market development and US quoted companies.
Stuart Brightman	Oilfield services and manufacturing, investor relations, business transformation and US quoted companies.
Carol Chesney	Accounting and finance, UK corporate governance, ethics compliance and UK quoted companies.
Jay Glick	Oilfield services and manufacturing, US energy market development and US quoted companies.
Paula Harris	Oilfield services and manufacturing, US energy market development, investor stewardship and ESG.
Keith Lough	Accounting and finance, upstream oil and gas, UK energy regulation and market development and UK quoted companies.

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 96 to 105) and the Audit Committee Report (pages 155 to 159) 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.

Remuneration

(Section 5 of the Code)

Clarity and simplicity

The Directors' Remuneration Policy is based on fixed and variable emoluments. Fixed emoluments are benchmarked against other global energy services companies and 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.

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 Company Chair'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 the Policy or Committee decision making are contemplated. The Committee is satisfied that, over time, shareholder feedback has been reflected in the Directors' Remuneration Policy.

Risk, predictability and proportionality

The Committee believes that the Directors' Remuneration Policy aligns with the risk profile of the Company, encouraging growth in the long term and discouraging excessive risk taking. The Policy is weighted towards variable pay on the delivery of long-term growth. As noted in the chart on page 125, 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 performance.

Alignment

The Board and the Remuneration Committee have reviewed the Company's Purpose, Values and Culture and believe 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.

The current Directors' Remuneration Policy was approved by shareholders on 21 April 2021. The Policy aligns Hunting's remuneration practices with the 2018 UK Corporate Governance Code, and includes:

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

In respect of the 2021 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.

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

Corporate Governance Report continued

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

Summary of remuneration structure and KPIs

Fixed

- **Base Salary**
- **Benefits**
- **Pension Provision**

Variable

Annual Bonus

KPIs

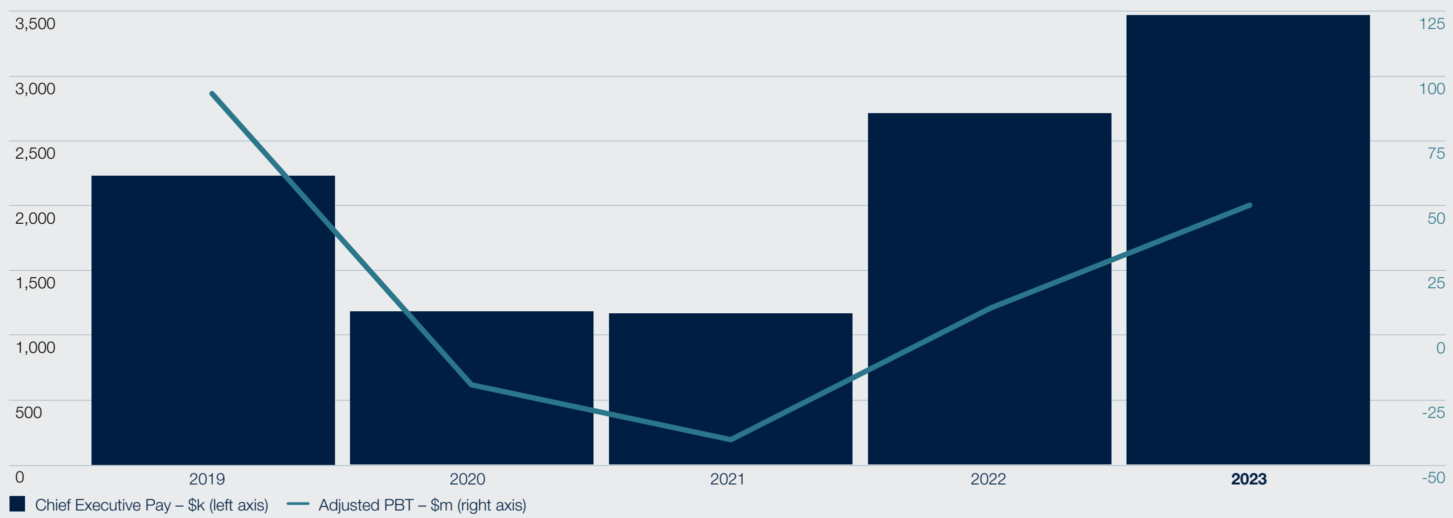
Adjusted profit before tax
ROCE
Personal Objectives

Long-Term Incentive Plan

KPIs

ROCE
TSR
Adjusted diluted EPS
FCF
Safety
Quality Assurance

Adjusted result before tax (USD $m) vs Chief Executive pay (USD $k)



New Directors' Remuneration Policy and Long-Term Incentive Plan

The Directors are submitting a new Directors' Remuneration Policy for shareholder approval at the 2024 AGM. Details of the new proposals can be found on pages 137 to 145. Given the expiry of the Hunting Performance Share Plan in 2023, the Directors are also submitting a new Long-Term Incentive Plan for Shareholder approval.

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.

On behalf of the Board

John (Jay) F. Glick
Company Chair

29 February 2024

Nomination Committee Report

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

	Member	Invitation
Number of meetings held	**6**	
Number of meetings attended (actual/possible):		
Annell Bay	6/6	–
Stuart Brightman	6/6	–
Carol Chesney	6/6	–
Bruce Ferguson	–	6/6
Jay Glick (Committee Chair)	6/6	–
Paula Harris	6/6	–
Jim Johnson	–	6/6
Keith Lough	6/6	–

The work of the Nomination Committee during 2023 has been focused on delivering a seamless succession of the Company Chair, the appointment of new, independent non-executive Directors and the delivery of a Board profile which aligns with best practice governance recommendations in the UK.

On 17 April 2024, I will retire from the Board following completion of nine years' service, and I would like to thank my fellow Directors for their support since my appointment in 2017. The counsel and courage of the Directors and Hunting's senior leadership team through the COVID-19 pandemic has been a source of inspiration to me as the Board navigated those highly challenging times. But as we look to the future, I am sure Hunting is poised for a period of strong growth, with a refreshed Board profile that will deliver this strategic ambition for our shareholders and stakeholders.

Composition and frequency of meetings
The Committee comprises the Company Chair and the independent non-executive Directors of the Company. Jay Glick chairs the Committee. The Committee meets as required to discuss succession matters at both the Board and Executive Committee levels. During 2023, the Committee met six times (2022 – four 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.

The attendance of the Nomination Committee during 2023 is noted in the table on the left.

> "As we look to the future, I am sure Hunting is poised for a period of strong growth, with a refreshed Board profile."

Terms of reference and Committee effectiveness
At its December 2023 meeting, the Committee reviewed its terms of reference and considered its effectiveness, concluding that its performance had been satisfactory during the year.

Company Chair succession
During 2023, the Nomination Committee agreed a process to appoint a successor to Mr Glick, which included an evaluation of internal candidates to be considered in the process. Following this preliminary evaluation, Messrs Brightman and Lough were short-listed as possible successors to Mr Glick. Given Mr Lough's role as Senior Independent Director, who would normally lead this process, the Board agreed to appoint a wholly independent sub-Committee of the Nomination Committee comprising Ms Bay, Mrs Chesney and Ms Harris. Ms Bay led the sub-committee's deliberations, given her Board tenure. Interviews by the sub-Committee were completed during August 2023 with Messrs Brightman and Lough, with the sub-Committee concluding that an external search process was not required, given the significant experience of these internal candidates.

On Monday 8 January 2024, the Nomination Committee met to receive the recommendation of the sub-Committee, with Stuart Brightman being recommended as the successor to Mr Glick. This recommendation was agreed by the Nomination Committee and agreed by the wider Board at the Meeting of Directors on Monday 8 January 2024.

Mr Brightman will succeed Mr Glick as Company Chair at the conclusion of the 2024 AGM, when Mr Glick will retire and step down from the Board.

Appointment of Stuart Brightman

Stuart Brightman was appointed as a new independent non-executive Director of the Company on 3 January 2023. On appointment, Mr Brightman was appointed to all of the Board's Committees. Following the Company's Articles of Association, Mr Brightman automatically retired at the 2023 AGM and was reappointed by shareholders.

Heidrick & Struggles assisted the Committee in the search process for Mr Brightman.

Appointment of Margaret Amos

Following the discussions of the Nomination Committee across the year, in respect of the rotation of Directors and refreshing of the Board, the Committee met a number of times in 2023 to consider new Director candidates.

The recruitment objectives for the new Director included:

(1) broadening the Board skills and expertise in high-value industries outside of the oil and gas sector;
(2) retaining an appropriate balance of UK Directors given the Company's London listing; and
(3) retaining a strong gender balanced profile to the Board. The Nomination Committee and wider Board agreed that these objectives aligned with the long-term success of the Company, particularly in light of the strategic ambitions announced as part of the Hunting 2030 Strategy.

Interviews were held during September and October and, following the January 2024 meeting of the Committee, a proposal was submitted to the Board to appoint Dr Margaret Amos as a new, independent, non-executive Director. Dr Amos was appointed on 10 January 2024, and was appointed to all of the Board's Committees from this date. Following the Company's Articles of Association, Dr Amos will automatically retire at the 2024 AGM and will offer herself for reappointment by shareholders on 17 April 2024. Details of Dr Amos' skills and expertise are noted on page 112.

Heidrick & Struggles assisted the Committee in the search process for Dr Amos.

Reappointment of Annell Bay

Annell Bay was appointed to the Board on 2 February 2015 and was appointed Chair of the Remuneration Committee in August 2018. During 2023, the Remuneration Committee developed a new Directors' Remuneration Policy and Long-Term Incentive Plan, which are to be submitted to shareholders for approval at the 2024 AGM. Since H2 2023, the Remuneration Committee, led by Ms Bay, has consulted major shareholders on the new proposals contained in the Directors' Remuneration Policy, which is an ongoing process. To provide continuity to the Board and Remuneration Committee, the Nomination Committee met on 5 December 2023 to consider the reappointment of Ms Bay for an additional 12-month period, to oversee the completion of the discussions with shareholders.

Following a rigorous evaluation process, which included an assessment of Ms Bay's ongoing independence, the Committee concluded that Ms Bay remained a highly effective, independent, non-executive Director. Ms Bay will, therefore, remain as a Director up to the latest date of 2 February 2025, and will be submitted for re-election by shareholders at the 2024 AGM, as has been the Company's practice for many years.

Board roles

With the refreshing of the Board noted above, the Company has announced that on Mr Glick's retirement from the Board, Ms Amos will take over as Chair of the Ethics and Sustainability Committee.

Mr Brightman will take over as Chair of the Nomination Committee, as part of his succession to being Company Chair.

Gender and ethnicity balance

With the appointment of Dr Amos and following the retirement of Mr Glick on 17 April 2024, the Hunting Board will have an equal gender balance, which will meet the requirements of UK regulators.

Senior management development and succession

During the year, the Nomination Committee and wider Board have received reports on the development of the Group's senior management team, with Russell Reynolds being appointed in H2 2023 to assist executive management with this process.

Throughout the year, all managing directors of the Group, who lead each operating segment, have presented to the Board as part of a broader initiative to increase interaction between the Directors and the Company's senior leadership team.

The Group's Chief HR Officer also submitted detailed succession plans for key positions across the Hunting organisation.

Internal Board evaluation

In December 2023, the Board completed an internally facilitated board evaluation, which was coordinated by the Company Chair and Company Secretary.

The process included the completion of a governance and board effectiveness questionnaire, the feedback from which was reviewed by the Board at its meeting in February 2024. The Directors noted the observations and implemented plans to address the findings.

On behalf of the Board

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

29 February 2024

Ethics and Sustainability Committee Report

John (Jay) F. Glick
Chair of the Ethics and Sustainability Committee

	Member	Invitation
Number of meetings held	**2**	
Number of meetings attended (actual/possible):		
Annell Bay	2/2	–
Stuart Brightman	2/2	–
Carol Chesney	2/2	–
Bruce Ferguson	–	2/2
Jay Glick (Committee Chair)	2/2	–
Paula Harris	2/2	–
Jim Johnson	–	2/2
Keith Lough	1/2	–

The work of the Ethics and Sustainability Committee has continued throughout 2023, with the focus on the development and reporting of the Group's environmental, social and governance ("ESG") matters.

Attention continues to be given to improving the quality of our carbon and climate data, with Hunting completing an assurance programme over the Company's scope 1 and 2 emissions during the year. The process confirmed the robust processes in place to capture this data. The Group also commenced a process to determine its scope 3 carbon emission inventories. We are pleased to be reporting initial scope 3 data in this Annual Report and aim to complete this scope of work in 2024.

As part of the Capital Markets Day, the Company confirmed its commitment to ensuring long-term sustainability and its focus on reducing its carbon emissions and increasing the purchase of electricity from renewable sources.

In summary, the Ethics and Sustainability Committee is encouraged by the Company's progress in these important areas over the past two years, and looks forward to reporting further progress in the future.

Composition and frequency of meetings

The Committee comprises the Company Chair and the independent, non-executive Directors of the Company. Jay Glick chairs the Committee. The Committee met twice in the year, as planned, in June and December 2023. The Committee operates under written terms of reference approved by the Board, which are published on the Company's website at www.huntingplc.com.

The attendance of the Ethics and Sustainability Committee is noted in the table on the left.

As noted elsewhere, Mr Glick is due to retire from the Board on 17 April 2024, with Margaret Amos to Chair the Committee from this date.

Responsibilities

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

- Monitor the Group's scope 1, 2 and 3 greenhouse emissions and the initiatives to contain and reduce its carbon footprint;
- Monitor public disclosures in respect of the Task Force on Climate-related Financial Disclosures ("TCFD") framework;
- Monitor the risks and opportunities which climate change 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 of sanctioned territories;
- Monitor the Group's whistleblowing procedures; and
- Monitor the Group's anti-bribery and corruption initiatives.

Ethics and Sustainability Committee Report continued

> "In 2023, the Group completed an assurance programme over its scope 1 and 2 greenhouse gas emissions data. S&P Global was appointed in H2 2022 to complete this work, with the assurance process completing in July 2023."

Terms of reference and Committee effectiveness

At its December 2023 meeting, the Committee reviewed its terms of reference and considered its effectiveness, concluding that its performance had been satisfactory during the year.

SASB reporting framework

During the year, the Group reported against the SASB reporting standards for Oil & Gas – Services and Industrial Equipment & Machinery, which are noted on pages 80 and 81.

Work undertaken by the Committee during 2023

The Committee discussed, reviewed and made a number of decisions on key areas in 2023, which are set out below:

	Jun	Dec
Carbon		
Procedures for measuring and monitoring the Group's scope 1, 2 and 3 GHG emissions	•	•
TCFD and CRFD analysis and reporting	•	•
Climate scenario reports	•	•
Stakeholders		
Employee and workforce reports	•	•
Code of Conduct training reports	•	•
Whistleblowing summary reports	•	•
Quality assurance and health and safety reports	•	•
Community reports	•	•
Ethics		
Anti-bribery and corruption reports	•	•
Entertainment and hospitality summary	•	•
Modern slavery analysis	•	•
Customer and supplier risk analysis	•	•
Sanctions and export compliance	•	•

Carbon and climate

The Group has reported scope 1 and 2 emissions in its Annual Reports for a number of years. In December 2022, the Committee and Board approved new carbon reduction targets, which now commit Hunting to reducing its carbon footprint (scope 1 and 2 emissions only) to 50% of the 2019 level or to a maximum of 17,937 tonnes CO_2e by 2030. These targets were announced in March 2023.

In 2023, the Group completed an assurance programme over its scope 1 and 2 greenhouse gas emissions data. S&P Global was appointed in H2 2022 to complete this work, with the assurance process completing in July 2023, where the accuracy of the Group's externally published data was confirmed.

In Q3 2023, the Company appointed an independent, third-party expert adviser to assist Hunting with the determination of the Group's scope 3 greenhouse gas inventories. The Group has started this assessment with the Hunting Titan operating segment, given that the segment makes up a material proportion of our scope 1 and 2 emissions. Following analysis, Hunting is reporting against eight of the 15 pillars of scope 3 inventories. The analysis provides an estimate of the scope 1, 2 and 3 emissions for Titan, which enabled the Group's total emissions to be extrapolated. For further information, please see pages 70, 71 and 94. During 2024, this process will be extended to the Group's Subsea, EMEA and Asia Pacific operating segments, to enable a more accurate assessment of the Group's total scope 1, 2, and 3 inventories to be calculated. The North America operating segment will be assessed in 2025.

The Committee also reviewed the work completed in the year with respect to the Company's TCFD disclosures, which are included on pages 82 to 95. Hunting's TCFD reporting aligns with the four recommended pillars of governance, strategy, risk management and targets. Further, the TCFD disclosures include the 11 recommended areas of narrative proposed by the TCFD panel, which was issued in 2017 and updated in 2021.

For further information on the areas of carbon and climate, please refer to the Strategic Report.

Employees

The Committee received workforce reports from the Group's Chief HR Officer in the year, which included details of employee changes, tenure and engagement initiatives undertaken. Of note has been the focus on the development of talent across the Company, with training and development programmes being a key area of consideration.

The HR reports also included diversity and inclusion planning, which are to be put in place in the coming years.

At its meeting in June 2023, the Committee reviewed the results of the Gallup Q12 employee engagement survey, which had been completed in H1 2023. The Committee noted the improved scoring since the last survey in 2019, underpinning the Board's belief that Hunting's culture and engagement with its employees is robust. For further information on this process, please refer to the Strategic Report.

Ethics and Sustainability Committee Report continued

Quality assurance and HSE (“QAHSE”)
As part of its review work, the Committee received quality assurance and health and safety reports from the Group’s Director for QAHSE. For further information on QAHSE performance, please refer to the Strategic Report.

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 deals with a broad range of issues, including:

- Preventing corruption, including measures that prevent bribery and corruption in our dealings with government officials;
- Personal integrity, including money laundering;
- Conflicts of interest;
- Employee share dealing;
- Human rights;
- Harassment and equal opportunity;
- Tax evasion and facilitation of tax evasion; and
- Our approach to national and international trade, including compliance with laws and regulations, competition, and export and import controls.

The Code of Conduct is available on the Group’s website and is distributed to most customers.

In 2023, a new Code of Conduct training programme was rolled out, which reflects new procedures introduced by the Company since 2018, and now includes sustainability considerations.

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.

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

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 2023, 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 jurisdictions where trafficking and slavery is more prevalent. Hunting published its Modern Slavery Act report in March 2023, located at www.huntingplc.com.

The new Code of Conduct training course incorporates information on modern slavery and trafficking.

Supplier Code of Conduct
In the year, the Company also introduced a Supplier Code of Conduct, which commits businesses within Hunting’s supply chain to many of the principles contained in the Company’s Code of Conduct.

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
Chair of the Ethics and Sustainability Committee

29 February 2024

Remuneration Committee Report

Annell Bay
Chair of the Remuneration Committee

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

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

Introduction

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

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

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

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

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

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

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

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

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

Major decisions made by the Committee

Base salary and fee review

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

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

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

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

Annual bonus

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

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

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

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

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

HPSP award grant

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

Remuneration Committee Report continued

Activities undertaken by the Remuneration Committee during 2023

	Jan	Feb	Apr	Jun	Aug	Oct	Dec
Overall remuneration							
Annual base salary review							●
Review senior management annual emoluments							●
Review total remuneration against benchmarked data		●	●	●	●	●	●
Shareholder and proxy group feedback on new Policy					●	●	●
Items specific to the annual bonus							
Approve annual bonus including delivery of personal/strategic performance targets		●					
Review Annual Bonus Plan rules					●		
Agree strategic/personal performance targets for year ahead		●					
Items specific to long-term incentives							
Approve HPSP vesting and new annual grant		●					
Review HPSP performance conditions	●						●
Review HPSP grant performance targets	●	●					●
Governance and other matters							
Approve Annual Report on Remuneration		●					
Review and approve Remuneration Policy (if required)		●					
Review governance voting reports			●				
Review AGM proxy votes received for Annual Report on Remuneration and Policy			●				
Review Committee effectiveness							●
Review terms of reference							●

HPSP awards vesting

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

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

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

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

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

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

2023 AGM result

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

Context of remuneration awarded in 2023

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

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

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

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

2024 Directors' Remuneration Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

On behalf of the Board

Annell Bay
Chair of the Remuneration Committee

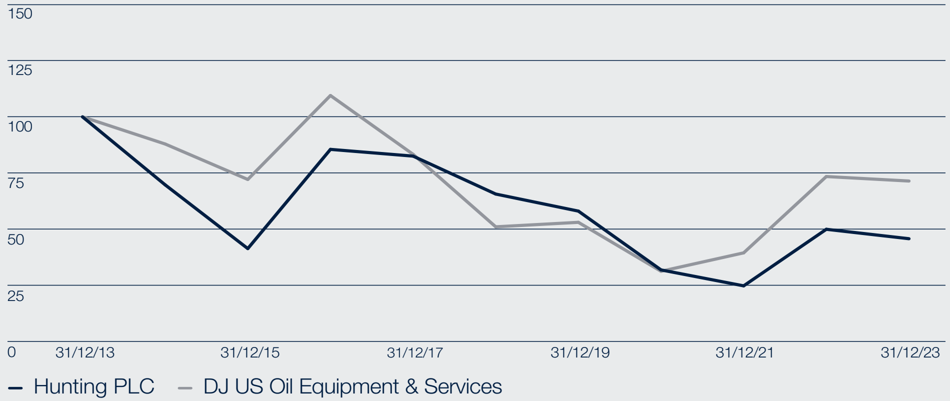
29 February 2024

Remuneration Committee Report continued

Remuneration at a glance

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

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



Performance metrics

Adjusted profit before tax

$50.0m

(2022 – $10.2m)

Adjusted diluted earnings per share

$20.3cents

(2022 – $4.7 cents)

Return on average capital employed

6.45%

(2022 – 1.45%)

Total shareholder return (1-year)

(8.6)%

(2022 – 102%)

Safety (Total recordable incident rate three-year average)

0.96

(2022 – 0.88)

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

0.15%

(2022 – 0.17%)

Remuneration Policy and 2023 AGM result

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

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

Link to strategy and KPIs

The Group's Key Performance Indicators ("KPIs") are described in detail on pages 12 and 13, and incorporate financial measures including adjusted profit before tax, return on average capital employed ("ROCE") and adjusted diluted earnings per share ("EPS") targets. Non-financial measures are also included in the targets for HPSP awards and include measurable objectives related to the Group's Quality and Safety performance. Quality and Safety both underpin Hunting's standing and reputation in the global energy industry which, in turn, support the Group's long-term strategy. A significant TSR element also helps align executive remuneration with the shareholder experience. These KPIs are central to Hunting's long-term success and are fully integrated into the remuneration framework approved by shareholders.

Remuneration Committee Report continued
Remuneration at a glance continued

Base Salaries

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

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

Arthur James (Jim) Johnson
Chief Executive

$810,338
(2022 – $774,966)

Bruce Ferguson
Finance Director

£317,625
(2022 – £303,760)

Annual Bonus

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

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

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

$1,467k
(2022 – $1,550k)

£431k
(2022 – £456k)

Hunting Performance Share Plan

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

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

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

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

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

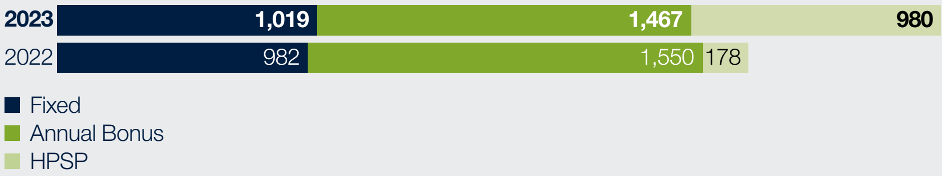
259,144 shares
(2022 – 48,990 shares)

58,893 shares
(2022 – 6,827 shares)

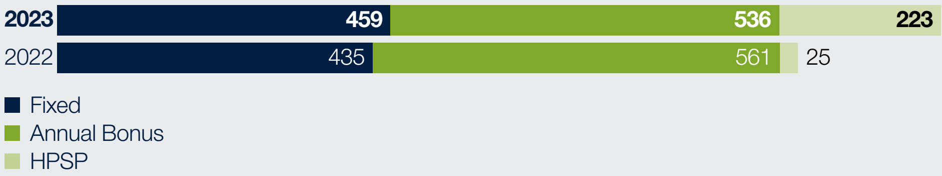
Remuneration Committee Report continued
Remuneration at a glance continued

Executive Directors' single figure remuneration
$k

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



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



Directors' Remuneration Policy

Policy overview

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

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

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Executive Director Remuneration Policy Table
Fixed emoluments

PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	CHANGES TO POLICY PROPOSED
Base salary				
• To attract, retain and reward executives with the necessary skills to effectively deliver the Company strategy.	• Base salaries are set at competitive rates, which take into account the individual's country of residence and primary operating location as well as pay for similar roles in comparable companies. • Aimed at the market mid-point. • Annual increases take into account Company performance, inflation in the UK and US and increases across the wider workforce. • Relocation and tax equalisation agreements are also in place for employees working across multiple geographic jurisdictions.	• There is no prescribed maximum annual increase. Increases will normally be guided by the general increase for the broader employee population, but on occasions may need to recognise, for example, development in role, change in responsibility, and/or specific retention issues.	• Individual and Group performance are taken into account when determining appropriate salaries.	• None.
401k and tax-deferred saving plans (US-based roles)				
• To provide a tax efficient long-term savings arrangement for US-based Directors.	• The Group provides matching contributions (subject to limitations) to a US qualified 401K deferred savings plan and an additional non-qualified tax-deferred savings plan as allowed under US tax laws to US-based executive Directors ("EDs").	• The Company previously agreed to grandfather the incumbent Chief Executive's original 401k and deferred compensation arrangements. • Any future executive Director appointees in the US will have a contribution cap set at the same level offered to the wider workforce.	• None.	• Maximum company contributions into the 401k and tax-deferred compensation arrangements of new US EDs will be capped at the same level offered to the wider US workforce. Previously, new US executive Director contributions would be capped at 12% of salary.

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Executive Director Remuneration Policy Table continued
Fixed emoluments continued

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

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Executive Director Remuneration Policy Table continued
Variable emoluments

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

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Executive Director Remuneration Policy Table continued
Variable emoluments continued

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

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Non-executive Director Remuneration Policy Table

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

PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	CHANGES TO POLICY PROPOSED
Company Chair and non-executive Director fees				
• To attract and retain high-calibre non-executive Directors by offering a market competitive fee.	• Fees for the Company Chair and non-executive Directors are determined by the Board as a whole, following receipt of external fee information and an assessment of the time commitment and responsibilities involved. • The Company Chair is paid a single consolidated fee for his responsibilities including chairing the Nomination Committee. • The non-executive Directors are paid a basic fee. • Directors may be paid an additional fee to reflect their responsibilities — for example Directors who chair the Board's Audit, Ethics and Sustainability and Remuneration Committees and the Senior Independent Director. • The non-executive Directors and Company Chair do not participate in the Group's share plans and do not receive a cash bonus or any other benefits. Any travel or hospitality costs (including any tax thereon) related to the performance of their duties may be reimbursed by the Company.	• Fees paid to the non-executive Directors are benchmarked against other UK companies of a similar size and profile to the Group. • The aggregate maximum fees for all non-executive Directors, including the Company Chair, within the Company's Articles of Association are £750,000.	• None.	• None.
Minimum stock ownership requirements				
• To align the non-executive Directors' interests with the long-term interests of shareholders.	• Non-executive Directors are required to build up a holding of shares in the Company and have five years to achieve the required holding level from the date of their appointment to the Board.	• The target holding for the Company Chair and non-executive Directors is equal to 100% of the annual fee.	• None.	• None.

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Detailed Policy

Amendments to the Policy

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

Remuneration Committee discretion

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

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

If an event occurs that results in the Annual Bonus Plan or LTIP performance conditions and/or targets being deemed no longer appropriate (e.g. material change acquisition or divestment), the Committee will have the ability to adjust appropriately the measures, peer groups and/or targets and alter weightings, provided that the revised conditions are not materially less challenging than the original conditions. In addition, the oil and gas industry is a highly cyclical industry, where sentiment is driven by oil and gas commodity prices and activity levels across the industry. Given that these market conditions are outside management's control, the Committee retains the discretion to partially adjust the performance targets of the performance conditions adopted for the HPSP to align with the general market outlook, while continuing to be a demanding and stretching incentive. Any upward discretion would be subject to prior shareholder consultation.

Other

The Committee reserves the right to honour any remuneration commitments (including exercising any discretions available to it in connection with such payments) that are not in-line with the Policy outlined above, where the terms of the payment were agreed either (i) before the Policy came into effect; or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

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

Choice of performance metrics

The corporate strategy includes promoting the long-term success of the Group by investing in its existing products and services portfolio through capital investment or by acquisition and growing the business in a way that is aligned with the evolving global energy industry. In 2024, it is intended that the performance of the executive Directors in executing this strategy will be evaluated using a number of key performance indicators ("KPIs") shown in the table below, which drive the variable components of the executive Directors' emoluments. The HPSP performance conditions and growth targets can be amended by the Remuneration Committee over the life of the Policy, with the targets set annually when each award is granted, following an assessment of the growth prospects of the Group. Taken together, the Committee believes that the executive Directors are appropriately incentivised to deliver both short- and long-term performance based on these metrics.

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

Relevance to employee pay
The Policy table on pages 138 to 142 summarises the remuneration structure that operates for executive Directors within Hunting and which also applies to senior executives of the Group. While bonus and pension arrangements are in place for most of the Group's employees, lower aggregate remuneration operates below the executive Director and senior manager level, with total remuneration driven by market comparatives and the individual responsibilities of each role.

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

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

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

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

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

- payment in lieu of notice equal to 12 months' base salary, pension contributions, contractual benefits and any other legal entitlements; and
- payment of a bonus for the period worked taking into account the achievement of the relevant performance conditions which may be delivered in such proportions of cash and shares, and subject to such deferral arrangements, as the Committee may determine; and any unvested long-term incentives that vest at the normal time taking into account the achievement of the relevant performance conditions and any other relevant factors, and will, unless the Committee determines otherwise, be pro-rated by reference to the performance period applicable to the award which has elapsed. If an executive Director dies (or any other exceptional circumstances), awards will vest at the time the executive Director ceases to be a Director on the same basis as set out above for other "Good Leavers".

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

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

Consideration of employment conditions elsewhere in the Group
The Committee considers the general basic salary increases for the broader workforce when determining the annual salary increases for the executive Directors. Employees have not been consulted in respect of the design of the Company's senior executive remuneration policy.

Remuneration Committee Report continued
Directors' Remuneration Policy continued

Shareholder consultation and feedback

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

New Director policies

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

For executive Director appointments, the fixed component of total emoluments will target the market mid-point, subject to geographic considerations of the candidate and relevant labour market practices. Where new appointees have initial base salaries set below market, any shortfall may be managed with phased increases, normally, over a period of two to three years, subject to the individual's development and performance in the role. The service contracts will be rolling one-year agreements with standard provisions. Fixed pay will comprise base salary, including any appropriate relocation or tax equalisation agreements, benefits (including healthcare insurance, pension contributions, and car benefits) and any other components deemed necessary to secure an appointment. Variable pay will be in-line with the policies above, subject to any future amendments to these arrangements being approved by shareholders. Any specific change of control provisions within new service contracts would be consistent with UK market norms.

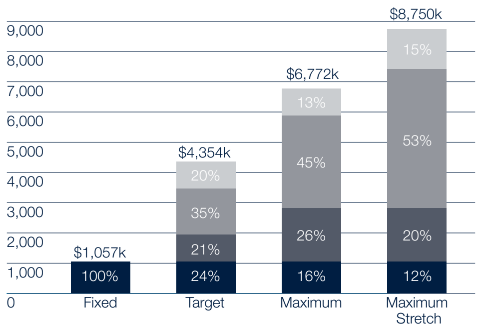
In addition, for new appointees, the Committee may offer additional cash and/or share-based elements when it considers these to be in the best interests of the Company and shareholders. Any such payments would take account of remuneration relinquished when leaving the former employer and would be structured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

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

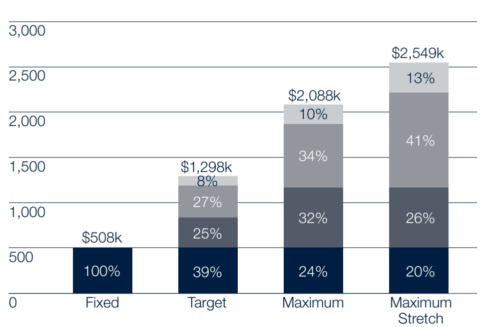
Remuneration scenarios for executive Directors

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

Chief Executive



Finance Director



■ Total Fixed ■ Annual Bonus ■ HPSP ■ HRSP

Assumptions made for each scenario are as follows:

- Fixed: latest salary, benefits and normal pension contributions or payments in lieu of pension contributions;
- Target: fixed remuneration plus half of maximum annual cash bonus opportunity plus 50% vesting of awards under the HPSP plus 100% vesting of awards under the HRSP;
- Maximum: fixed remuneration plus maximum annual cash bonus opportunity plus 100% vesting of all long-term incentives;
- Maximum Stretch: including the impact of a hypothetical 50% increase in share price on the value of the HPSP and HRSP in accordance with the reporting regulations; and
- The Finance Director is paid in Sterling and the equivalent total remuneration scenarios are as follows – fixed £399k; target £1,020k, maximum £1,640k and maximum stretch of £2,002k.

On behalf of the Board

Annell Bay
Chair of the Remuneration Committee

29 February 2024

Annual Report on Remuneration

Introduction

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

Compliance statement

The Directors' Remuneration Policy and the 2023 Annual Report on Remuneration reflect the Remuneration Committee's reporting requirements under the amended Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the Shareholder Rights Directive II, as enacted on 10 June 2019 and also the 2018 UK Corporate Governance Code, which became effective for the Company from 1 January 2019.

The 2023 Annual Report on Remuneration, which includes the Letter from the Chair of the Remuneration Committee, details how the approved Directors' Remuneration Policy was applied during 2023. This report was approved by the Remuneration Committee at its meeting on Monday 26 February 2024.

Role

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

Membership and attendance

The Committee consists entirely of independent, non-executive Directors. Ms Bay, Ms Harris and Messrs Brightman and Lough have relevant energy sector expertise, while Mrs Chesney has relevant financial expertise. Dr Amos has non-oil and gas expertise.

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

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

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

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

External advisers

Mercer and Pearl Meyer are engaged by the Committee to provide remuneration consultancy services. Their appointments were subject to formal tenders and both companies are regarded as independent, having been appointed by and acting under direction of the Committee. Mercer is a signatory to the UK Remuneration Consultants' Group Code of Conduct and provides UK governance advice and compensation benchmarking, while Pearl Meyer provides US remuneration data for consideration by the Committee. The total cost of advice to the Committee during the year to 31 December 2023 was $300,553 (2022 – $136,613) and includes fees paid in respect of review work in salary benchmarking, Policy review, share plans, and remuneration reporting disclosure requirements. Fees are charged on a time basis for consultancy services received. Neither Mercer nor Pearl Meyer have any other connection to the Company or any Director.

Shareholder voting at the 2023 AGM

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

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

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

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

Remuneration Committee Report continued
Annual Report on Remuneration continued

Single figure remuneration

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

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

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

i. There were no base salary increases awarded to the executive Directors in 2023, given that the last review by the Committee was completed in December 2022, where a 5% increase was implemented. In December 2023, the Committee received workforce salary proposals, to be implemented in January 2024. Base salary increases for the executive Directors have been proposed as part of the new Directors' Remuneration Policy and remain subject to shareholder approval. In January 2023, the base fee for the non-executive Directors was increased to £64,000.
ii. Mr Johnson's single figure pension remuneration represents Company contributions payable to his US pension arrangements. Mr Ferguson's pension figure represents a cash sum in lieu of a Company pension contribution, which is set at 12% of his annual base salary.
iii. Benefits include the provision of healthcare insurance, subscriptions, and a company car with fuel benefits or allowance in lieu.
iv. With the Company recording another year of growth, including an increase in adjusted profit before tax ("PBT") and return on average capital employed ("ROCE"), both of which exceeded the Annual Budget targets set in December 2022, a 90.5% vesting of the maximum opportunity has been recorded. On this basis, Mr Johnson will receive a bonus payment of $1,467k, being 181% of his base salary paid in 2023, and Mr Ferguson will receive a bonus payment of £431k ($536k), being 136% of his base salary. The bonuses will be paid in March 2024 and, in-line with the usual operation of the Annual Bonus Plan, 25% of the after-tax bonus will be utilised to purchase Ordinary shares in the Company, to be retained for two years.
v. In 2022, Mr Johnson's annual bonus was $1,550k and Mr Ferguson's annual bonus was £456k ($561k). The after-tax bonuses were utilised to purchase 68,813 and 21,004 Ordinary shares respectively in the Company, to be retained for two years.
vi. The share awards granted in 2021 under the HPSP had a three-year performance period to 31 December 2023 and will vest on 4 March 2024. The 2021 grant comprised the following four performance conditions: ROCE, EPS, TSR, and a Strategic Scorecard. The ROCE and EPS targets both recorded a threshold vesting. The TSR performance condition was independently measured by Mercer and recorded a "Below Median" outcome vesting leading to nil vesting of this portion of the 2021 grant. In total, the 2021 grant under the HPSP recorded a 34.2% vesting. On this basis, Mr Johnson will receive 259,144 Ordinary shares, plus a cash payment of 26.0 cents per share, equalling the dividends paid during the vesting period. The total value of Mr Johnson's vested award was $980k. Following measurement, Mr Ferguson will receive 58,893 Ordinary shares, plus a cash payment of 26.0 cents per share, equalling the dividends paid during the vesting period, with a total value of $223k. For the purposes of the single figure calculation, the average mid-market closing price of £2.8371 during Q4 2023 has been applied to the number of vested shares and converted to dollars using the average £:$ exchange during Q4 2023, being £1.2417. Further details of the vesting calculation are shown on page 150.
vii. The share awards granted in 2020 at £3.12 under the HPSP had a three-year performance period to 31 December 2022 and incorporated four performance conditions. The awards were measured against the relevant performance conditions, with a nil vesting recorded for the ROCE, EPS and TSR performance conditions. A 7.5% vesting of the Strategic Scorecard (after application of the vesting cap on this element), was also recorded. On this basis, Messrs Johnson and Ferguson received 48,990 and 6,826 Ordinary shares, respectively. For the purposes of the single figure calculation, the average mid-market closing price of £2.82 was applied to the share awards vested on 3 March 2023, with the 2022 single figure table being restated to reflect the actual vested amount.

Remuneration Committee Report continued
Annual Report on Remuneration continued

Salary and fees

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

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

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

Pensions (audited)

In-line with other similarly long-tenured employees in the US, Jim Johnson is a member of a deferred compensation scheme in the US, which is anticipated to provide a lump sum on retirement, and also contributes to a US 401k matched deferred savings plan. Company contributions to the former arrangement were $116,823 (2022 – $121,194) in the year. There are no additional benefits provided on early retirement from this arrangement. In the year, the Group contributed to Mr Johnson's 401k matched savings plan, totalling $19,800 (2022 – $18,300).

Mr Ferguson receives a cash sum in lieu of pension contributions, representing 12% of his annual base salary. This contribution level aligns with the UK workforce, as required by the 2018 UK Corporate Governance Code. In the year, Mr Ferguson's company contribution in lieu of pension was $47,385/£38,115 (2022 – $43,902/£35,626).

Annual performance-linked bonus plan (audited)

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

Proportion of award	Performance metric
60%	Adjusted profit before tax
20%	Return on average capital employed
20%	Strategic/personal performance objectives

Delivery of financial objectives

The annual bonus targets are normally based on the Annual Budget agreed by the Board in December of the prior financial year. The 2023 Annual Budget agreed by the Board in December 2022 contained financial targets of adjusted profit before tax of $43.4m and ROCE of 5.4%. The financial performance targets for the 2023 Annual Bonus were thus set as follows:

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

As in prior years, the annual bonus starts to accrue when 80% of the Annual Budget targets are met, and increases on a straight-line basis up to 120% of the budget (or bonus) target. Given the return to growth of the Company's core markets, the Annual Bonus targets were exceeded, with a 72.5% of a possible 80% outcome of this portion of the Annual Bonus award. The Committee awarded a 90% outcome of the 20% vesting of the personal performance component of the Annual Bonus award. The overall outcome of the Annual Bonus was 90.5%.

Remuneration Committee Report continued
Annual Report on Remuneration continued

Delivery of strategic/personal performance objectives

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

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

Remuneration Committee Report continued
Annual Report on Remuneration continued

Annual Bonus outcome

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

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

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

2021 HPSP vesting (audited)

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

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

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

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

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

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

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

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

2020 HPSP vesting (audited)

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

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

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

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

Remuneration Committee Report continued
Annual Report on Remuneration continued

2023 HPSP grant (audited)

On 6 March 2023, the Committee approved the grant of nil-cost share awards to Jim Johnson and Bruce Ferguson under the rules of the HPSP. Awards will vest on 6 March 2026, subject to the achievement of the performance metrics, with a two-year holding period then applying to the post-tax vested shares. The 2023 grant under the HPSP to the executive Directors was at the normal quantum, as detailed in the Directors' Remuneration Policy on pages 137 to 145.

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

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

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

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

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

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

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

Changes to Director and employee pay

The table below is presented in compliance with the Shareholder Rights Directive II. The changes to the pay of the executive Directors includes base salaries, benefits in kind and bonuses and exclude pension contributions and share awards. If a Director has not served for the entire year, they are shown as not applicable.

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

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

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

Remuneration Committee Report continued
Annual Report on Remuneration continued

Directors' shareholdings, ownership policy and share interests (audited)

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

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

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

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

The Group operates a share ownership policy that requires Directors and certain senior executives within the Group to build up a holding in shares equal in value to a certain multiple of their base salary or annual fee. The multiple takes into account the post-tax value of vested but unexercised share awards or options. The required shareholding of each Director and the current shareholding as a multiple of base salary or annual fee as at 31 December 2023 is presented below:

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

* The value of the holding of the Directors has been determined using the value on purchase of Ordinary shares or the share price at 31 December 2023 of £2.955.

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

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

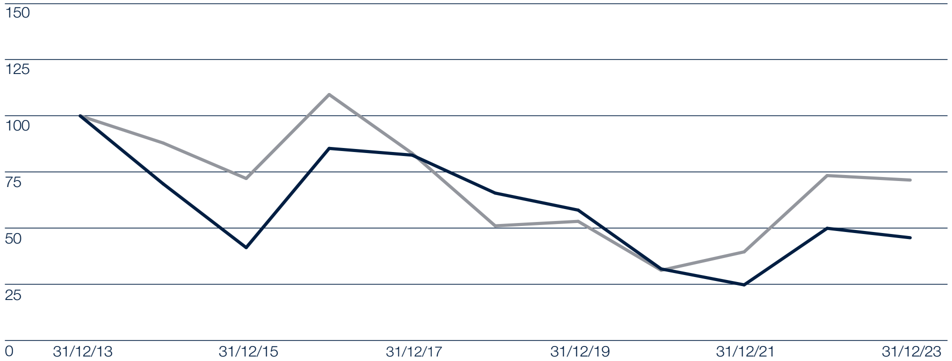
^ Nil-cost share awards that are not yet vested or exercisable and still subject to the performance conditions being measured in accordance with the HPSP rules.
~ Nil-cost share options that are not yet vested or exercisable and still subject to the performance conditions being measured in accordance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

Remuneration Committee Report continued
Annual Report on Remuneration continued

Executive Director remuneration and shareholder returns

The following chart compares the TSR of Hunting PLC between 2013 and 2023 to the DJ US Oil Equipment and Services indices. In the opinion of the Directors, this index is the most appropriate against which the shareholder return of the Company's shares should be compared because it comprises other companies in the oil and gas services sector. The accompanying table details remuneration of the Chief Executive.

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



	Single figure remuneration $000[i]	Annual cash bonus %[ii]	HPSP % vesting[iii]	LTIP award %[iv]
2023 – Jim Johnson	3,466	91	34	n/a
2022 – Jim Johnson[v]	2,710	100	8	n/a
2021 – Jim Johnson	1,165	10	8	n/a
2020 – Jim Johnson	1,179	10	16	n/a
2019 – Jim Johnson	2,229	39	66	n/a
2018 – Jim Johnson	3,715	100	75	n/a
2017 – Jim Johnson (from 1 September)	819	33	4	n/a
2017 – Dennis Proctor (to 1 September)	3,972	67	13	n/a
2016 – Dennis Proctor	941	Nil	Nil	n/a
2015 – Dennis Proctor	1,031	Nil	Nil	Nil
2014 – Dennis Proctor	4,808	57	Nil	100

i. Single figure remuneration reflects the aggregate remuneration paid to the Chief Executive as defined within the Directors' Remuneration Policy.
ii. Annual cash bonus percentages reflect the bonus received by the Chief Executive each year expressed as a percentage of maximum bonus opportunity.
iii. Percentage vesting reflects the percentage of the HPSP that vested in the financial year where a substantial portion of the performance period was completed at the financial year-end. Messrs Johnson's and Proctor's awards have been pro-rated for their period of service as Chief Executive in 2017.
iv. LTIP award percentage reflects the award value expressed as a percentage of maximum award opportunity received each year measured at 31 December. The LTIP expired in 2015 with no further awards outstanding.
v. Restated as per single figure table disclosure on page 147.

Chief Executive workforce pay ratio

Year	Method	25th percentage pay ratio	50th percentile pay ratio	75th percentile pay ratio
2019	Option A	49:1	38:1	22:1
	Workforce Pay Quartiles	$45,666	$58,603	$99,521
2020	Option A	22:1	18:1	10:1
	Workforce Pay Quartiles	$45,666	$61,329	$107,314
2021	Option A	21:1	17:1	11:1
	Workforce Pay Quartiles	$52,699	$63,329	$102,807
2022	Option A	55:1	43:1	26:1
	Workforce Pay Quartiles	$48,736	$62,108	$105,704
2023	**Option A**	**70:1**	**54:1**	**33:1**
	Workforce Pay Quartiles	**$49,837**	**$64,467**	**$106,492**

The Company has elected to voluntarily disclose the pay ratio of the Group's Chief Executive and workforce, in-line with The Companies (Miscellaneous Reporting) Regulations 2018 and has adopted Option A from the regulations as the basis for presenting the pay ratio. Hunting is not required to present this information, given that its UK workforce is below the reporting threshold, as detailed in the regulations. Option A has been selected by the Committee as it believes this methodology aligns closely with the Chief Executive's single figure remuneration calculation. The Remuneration Committee believes that the compensation framework in operation across the Group is appropriate and, in addition to a base salary and benefits appropriate to the relevant jurisdiction of operation, can include annual bonuses and participation in long-term incentive programmes. External benchmarking is a regular feature of the Group's overall pay framework to ensure Hunting remains competitive in its chosen markets. Hunting's UK employees averaged 191 in the year (2022 – 158), which represents 8% (2022 – 8%) of the Group's total average workforce in 2023. The basis of the workforce pay calculations is aligned with the basis of preparation of the single figure table on page 147, comprising fixed and variable emoluments and calculated on a full-time equivalent basis, in-line with the requirements of the regulations. Further, the above disclosure assumes a maximum company pension contribution of 12% of base salary. However, it is noted that not all UK employees elect to receive this level of contribution. This data has been collated as at 31 December 2023. The changes to the Chief Executive pay ratios in the year mainly reflect a higher HPSP vesting percentage of 34.2% compared to 7.5% in 2022.

Remuneration Committee Report continued
Annual Report on Remuneration continued

Relative importance of spend on pay

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

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

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

Payments to past Directors (audited)

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

Payments for loss of office

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

Implementation of policy in 2024

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

Salary and fees

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

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

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

Pension and benefits

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

Annual Bonus

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

New Long-Term Incentive Plan

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

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

The performance targets will be detailed in the Stock Exchange announcement that accompanies the award, which can be located at www.huntingplc.com.

On behalf of the Board

Annell Bay
Chair of the Remuneration Committee

29 February 2024

Audit Committee Report

Carol Chesney
Chair of the Audit Committee

	Member	Invitation
Number of meetings held	**5**	
Number of meetings attended (actual/possible):		
Annell Bay	5/5	–
Stuart Brightman	5/5	–
Carol Chesney (Committee Chair)	5/5	–
Bruce Ferguson	–	5/5
Jay Glick	–	5/5
Paula Harris	5/5	–
Jim Johnson	–	5/5
Keith Lough	4/5	–

During 2023, the Company continued to build on momentum from 2022 and the strengthening of its end-markets, and reported a significant increase in its revenue and profitability over the previous year. The focus of the Audit Committee's (the "Committee") work over the year has been consideration of the recognition of previously unrecognised deferred tax assets held by the Group's US businesses, and revenue recognition processes and procedures.

> "The Group's growing order book and tender pipeline have enabled the business units to have greater visibility on earnings."

Introduction

As impetus in the international and offshore markets continued to improve, the Group's growing order book and tender pipeline have enabled the business units to have greater visibility on earnings, with the most recent forecasts prepared by the business units reflecting this. As the forecasts demonstrated that the US businesses were to be profitable for the foreseeable future, the unrecognised deferred tax assets held by the US businesses were recognised on the balance sheet at the year-end as realisation of the tax benefit within a reasonable time frame was probable. Due to the size and nature of the deferred tax assets recognised in the year, the Committee concurred with management's proposal to disclose these as an adjusting item.

Revenue recognition has remained an area of focus for the Committee during the year, given the increase in the number of long timescale orders received by the Subsea Spring and Dearborn business units. Each contract is quite complex, unique and has to be assessed for 'point in time' or 'over time' revenue recognition, which is an area that requires a high level of judgement.

As part of the Committee's half-year and full-year procedures, impairment reviews of the Group's current and non-current assets were completed, which resulted in a small goodwill impairment charge being recorded within the Enpro Subsea business unit at the half-year. This impairment was triggered as a result of the broad-based increase in discount rates, driven by the higher interest rates being recorded globally, with a consistent approach being adopted in-line with impairment reviews completed in recent years. Given the improved operating environment for the Group, no further goodwill impairment charges were recognised at the year-end.

During the year, the Committee monitored inventory, together with the inventory provision discussed below, and the levels of working capital in general.

The Committee continued to monitor the implementation of the inventory valuation model that was established in 2022, to ensure that a consistent approach was being applied across the Group to inventory provisioning. Overall, the Committee was satisfied that there was a robust control process in place following final refinements and that the valuation methodology allowed for management's judgement to be applied when appropriate.

The Committee also considered whether there were any other significant items that should be disclosed as adjusting items for the current year and, following discussion with management and the external auditor, no additional items were identified for separate disclosure.

Audit Committee Report continued

Composition and frequency of meetings

The Committee currently comprises six independent non-executive Directors (at 29 February 2024) and is chaired by Carol Chesney. Following his appointment to the Board on 3 January 2023, Stuart Brightman joined the Committee. Margaret Amos also joined the Committee on her appointment as a Director to the Board on 10 January 2024.

Mrs Chesney is a qualified Chartered Accountant and is considered to have recent and relevant financial experience. Ms Bay (Chair of the Remuneration Committee), Ms Harris and Messrs Brightman and Lough have experience of the global energy industry, with particular expertise in the UK and US oil and gas markets. Margaret Amos has experience in the aviation industry, an area where Hunting seeks to grow in the coming years, as well as finance and accounting.

Further details of the Committee's experience can be found in the biographical summaries set out on pages 112 and 113. The Committee normally 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.

During 2023, the Committee met five times in January, February, April, August and December, and the attendance record of the Committee members and Board invitees is noted in the table on the previous page. 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;
- consider and approve any adjusting items proposed by management;
- 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 approving the proposed audit plans, scope and resourcing; review whether the external and internal auditors have met their respective audit plans;
- 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 objectivity as well as the effectiveness of the external audit process; review the external auditor's management letter; and
- monitor corporate governance and accounting developments.

Work undertaken by the Committee during 2023

	Jan	Feb	Apr	Aug	Dec
Financial report					
Annual Report and Full Year Results announcement		•			
Going Concern basis		•		•	
Viability Statement		•			
Half Year Report and Half Year Results announcement				•	
Review accounting policies					•
Internal controls and risk management					
Risk management and internal controls report		•		•	•
Key risks and mitigating controls					•
Effectiveness of internal controls and internal audit function		•			
Internal audit report		•		•	•
Internal audit plan and resourcing		•			
External auditor					
Auditor's objectivity, independence and appointment		•			
Full Year and Half Year report to the Audit Committee		•		•	
Final Management letter on internal controls			•		
Auditor's performance and effectiveness			•		
Proposed year-end audit plan including scope, fees and engagement letter	•			•	•
Risk of auditor leaving the market					•
Other business					
Whistleblowing and Bribery Policy Review			•		
Committee effectiveness and terms of reference					•

Review of the 2023 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 operating 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 LLP, the Group's external auditor.

Significant matters reviewed by the Committee in connection with the 2023 Annual Report and Accounts were as follows:

Taxation

A major area of focus for the Committee during the year related to the recognition of the unrecognised deferred tax assets ("DTAs"), with a briefing given to the Board by the Group Head of Tax at the December 2023 meeting. Management assessed the probability of Hunting being able to utilise the unrecognised DTAs against future taxable profits, and concluded that the strong performance by the businesses in the year as well as forecast profitability supported the recognition of these DTAs. The Committee were satisfied with the timing of the recognition of the DTAs.

The Committee continues to monitor tax risk, tax audits and provisions held for taxation in view of the international spread of operations.

Revenue recognition

Given the Group's improving results in 2023 together with the increase in longer-term contracts received by the Subsea Spring and Dearborn business units, revenue recognition received ongoing focus in the year. Additional internal review procedures with respect to revenue recognition were introduced in 2022, following challenge from the external auditor, and their implementation continued to be monitored throughout the year. The Internal Audit function included a review of Subsea Spring's revenue recognition procedures as part of its audit plan for the year. The Committee was satisfied that more robust procedures are now in place.

Inventory valuation and provisioning procedures

During 2023, inventory valuation and provisioning procedures continued to be an area of review for the Committee. During 2022, the Group's central finance function developed a common valuation methodology to further improve the processes and controls around inventory provisioning, with particular focus on ensuring these processes and controls were consistent throughout the Group's business units.

The Committee reviewed reports by both management and the external auditor on the continued refinement of the model and the process for embedding it within the Group's business units. The Committee was satisfied that the inventory valuation model was being used appropriately by management, that the judgements being applied were balanced, and, therefore, the carrying values of inventories at the year-end were appropriate.

Impairment reviews

The Committee also received reports on the review of impairment of goodwill and other non-current assets held on the consolidated balance sheet. A review for impairment triggers was undertaken at the half-year, resulting in an impairment review of the Enpro Subsea cash generating unit and a $1.4m charge being recorded due to an increase in the discount rate. A review of indefinite life assets was undertaken for the full year, with no further impairment charges being recognised. The Committee noted the business units where headroom for the carrying value of goodwill was more limited, with these units undertaking detailed modelling as part of the year-end process to support the values recorded. Management continues to utilise independent drilling and production projections published by Spears & Associates to support its analysis, with summaries presented in the Market Summary section of the Strategic Report on pages 24 to 26.

Inventories

At the year-end, the Group held $328.4m (2022 – $272.1m) of inventory. This represents approximately 34% of the Group's net assets (2022 – 32%). Inventory levels have increased as activity levels in the Group rose and inventory purchases were increased to meet the requirements of the sales order book. As noted above, the inventory provisioning methodology continued to be refined through the year, with the Committee satisfied that a robust process was now embedded, which encompassed all key product lines sold by the Group.

Property, plant and equipment ("PPE")

The year-end balance sheet includes $254.5m (2022 – $256.7m) for PPE. This represents approximately 27% of the Group's net assets (2022 – 30%).

The movement in PPE reflects depreciation of $27.2m and disposals of $0.8m offset by additions of $23.1m and other items totalling $2.7m. 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.

Goodwill

The year-end balance sheet includes $154.4m (2022 – $155.5m) of goodwill. This represents approximately 16% of the Group's net assets (2022 – 18%), with Hunting Titan representing 74% of the year-end balance (2022 – 74%). As noted above, a $1.4m impairment to goodwill in respect of the Enpro Subsea cash generating unit was recorded in the year, which was primarily driven by changes to the discount rates applied to the impairment model. The Committee considered and challenged the discount rates and the factors used in the goodwill 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 $40.8m (2022 – $35.7m). This represents approximately 4% of the Group's net assets (2022 – 4%). Additions in the year were $10.9m (2022 – $5.7m) and the amortisation charge recorded in the consolidated income statement was $6.6m (2022 – $4.4m). 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 $26.2m (2022 – $26.0m). This represents approximately 3% of the Group's net assets (2022 – 3%). The movement in the year is predominantly attributed to depreciation of $6.6m (2022 – $6.4m) offset by additions of $6.2m (2022 – $5.1m). 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.

Adjusting items and presentation of financial statements

The Committee is responsible for reviewing and approving any material adjusting items proposed by management.

At the 2023 year-end, the recognition of the US DTAs of $83.1m as an adjusting item was proposed by management. The Committee agreed with this presentation and also considered whether there were any other material or significant items that should be disclosed as adjusting items for the current year and, following discussion, agreed that no further items had been identified. In 2022, two adjusting items to profit before tax totalling $12.6m were recorded.

From 1 January 2023, the Group's Subsea Technologies businesses were reported as a standalone operating segment, as these businesses had been identified by management as an area of growth and focus for the Group. It was noted that there was no requirement under IFRS to separately disclose Subsea Technologies as an operating segment as it did not meet the required thresholds. The external auditor reviewed and agreed the revised presentation of the operating segments.

Going concern basis and Viability Statement

The Committee monitored assumptions around Going Concern at the half and full year, as well as those around the Group's Viability Statement for the full year. Driven by the improved profitability of the Group, led by the performance of the North America, Subsea Technologies and Asia Pacific operating segments, the Committee concluded that good support for Hunting's longer-term viability exists.

While the Group reported a year-end small negative total cash and bank position compared to the positive position at 31 December 2022, the Committee noted that Hunting has absorbed part of its cash balances in the investment in inventory to support the strong order book of the Group's global businesses. Other principal cash outflows were for capital investment, labour costs and dividends.

The utilisation and availability of the $150 million Asset Based Lending ("ABL") facility has supported the Group's Going Concern statement. The ABL facility continues to add significant long-term liquidity to the Group, and is linked to the secured value of inventories, freehold property and receivables held by Hunting's North American businesses. In the year, Hunting remained fully compliant with its bank covenants.

As part of the Company's 2023 half-year and full-year procedures, management presented various trading scenarios to support the Going Concern assumption, which were reviewed by the Committee and the external auditor. This included a downside trading scenario.

As part of Hunting's Viability Statement procedures, management prepared an extended forecast that provided trading projections to 2028. The Board approved this in January 2024 and used it to support the carrying values of assets held on the consolidated balance sheet.

On 26 February 2024, the Committee approved the Viability Statement, detailed on page 106 of the Strategic Report, noting that it presented a reasonable outlook for the Group for the next three years.

Fair, balanced and understandable assessment

The Committee reviewed the financial statements, together with the narrative contained within the Strategic Report set out on pages 2 to 108, and believes that the 2023 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 2023 Annual Report and Accounts, taken as a whole, was fair, balanced and understandable at a Meeting of Directors on 27 February 2024.

Internal audit

An annual programme of internal audit assignments in respect of 2023 was reviewed and approved by the Committee in February.

During the year, the Committee received reports from the Internal Audit function. The Chair of the Committee also had regular dialogue with the function throughout the year. During the year, eight field audits were completed in-line with the 2023 Internal Audit Plan. In addition, further work on control review procedures was carried out, especially in relation to the revenue recognition procedures of the Subsea Spring business unit's long-term contracts and the continuing implementation of the Group's new ERP system within a number of businesses.

The Committee met with the Head of Internal Audit, without the presence of the executive Directors, on three occasions during the year. The Committee reviews the internal audit process and effectiveness as part of the Group's internal control and risk assessment programme. The effectiveness of the Internal Audit function was considered by the Committee at its February 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. During the year, the second partner on the Group account rotated off, with a new second partner appointed. The engagement partner is due to rotate off the Hunting account following the completion of the 2023 audit.

The external auditor presented reports at the February, April, August and December meetings of the Audit Committee during 2023. Further, the Chair of the Committee also had regular dialogue with the audit engagement partner throughout the year.

In April 2023, Deloitte LLP presented its Management Controls Report, which highlighted control improvements they recommended be made by the Group.

On 26 February 2024, a full-year report by Deloitte LLP was considered ahead of publication of the Group's 2023 Annual Report and Accounts.

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.

Materiality

The Committee discussed materiality with the external 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 $4.5m (2022 – $4.0m). This equates to approximately 0.5% (2022 – 0.6%) of the Group's total external revenue reported in 2023. Furthermore, the auditor agreed to draw to the Audit Committee's attention all identified, uncorrected misstatements greater than $0.2m and any misstatements below that threshold considered to be qualitatively material.

Audit Committee Report continued

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 desktop reviews for smaller, low risk entities. Approximately, over 79% of the Group's reported revenue and the Group's net assets were audited, covering 18 reporting units, including a number of investment holding companies, across five countries.

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. Having taken into account these factors, the Committee concluded that Deloitte LLP was independent from the Group throughout the year and to the date of their audit report.

The effectiveness of the audit process was considered throughout the year, with a formal review undertaken by the Company at the April meeting of the Committee.

The assessment summarises management feedback and considers the performance of the external auditor, including:

- the external auditor's understanding of the Group's business and industry sector;
- the planning and execution of the audit plan by the external auditor approved by the Committee;
- the communication between the Group and audit engagement team;
- the external auditor's response to questions from the Committee, including during private meetings without management present;
- the independence, objectivity and scepticism of the auditors, including management challenge on any items within the audit scope;
- 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 the 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 (2022 – $0.2m), there were no non-audit service fees paid during the year (2022 – $nil). The scope and extent of non-audit work undertaken by the external auditor was monitored by, and required prior approval from, the Committee to ensure that the provision of such services did not impair the external auditor's independence or objectivity.

Auditor reappointment

Following discussion in February 2024, the Committee approved the recommendation to propose the reappointment of Deloitte LLP at the Company's 2024 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 were applied to the Group's consolidated financial statements within its 2022 Annual Report and Accounts and the structured report was successfully submitted to the Financial Conduct Authority's National Storage Mechanism in April 2023. A qualified IT provider was involved in the preparation of the structured report and Deloitte LLP completed a number of assurance procedures on the structured report.

Deloitte LLP has again been asked to provide an assurance report on the compliance of the Group's tagged 2023 Annual Report and Accounts with the ESEF reporting requirements.

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 96 to 105.

As noted above, the inventory valuation methodology that was successfully introduced in 2022, continued to be refined and embedded during 2023.

Financial Reporting Council ("FRC") review of the 2022 Annual Report and Accounts

As part of its remit, the FRC is authorised to review and investigate the Annual Accounts, Strategic Reports and Directors' Reports of public and large private companies for compliance with relevant reporting requirements. Although these reviews are carried out by personnel skilled in the relevant legal and accounting frameworks, they are based solely on published report and accounts and do not benefit from a detailed knowledge of the company or the underlying transactions entered into.

The FRC therefore requests companies referring to these reviews to make clear the limitations of the review process and that the review provides no assurance that the report and accounts are correct in all material respects.

As part of its normal operating procedures, Hunting's 2022 Annual Report and Accounts were selected for review by the FRC. Based on this review, the FRC had no questions or queries that it wished to raise and informed the Company of this by letter. The letter did note a number of areas where the FRC felt disclosures could be improved.

The Audit Committee welcomes the constructive feedback from the FRC and, as a result, has enhanced disclosures in a number of areas in the 2023 Annual Report and Accounts.

Review of Committee effectiveness

In December 2023, the Committee reviewed its effectiveness and the Committee Chair reported these findings to the Board. No issues were identified as part of this review process.

On behalf of the Board

Carol J. Chesney

Carol Chesney
Chair of the Audit Committee

29 February 2024

Directors' Report

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The Directors have also chosen to prepare the parent company financial statements under United Kingdom adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors at their meeting on Tuesday 27 February 2024.

Directors

The Directors of the Company, during the year and up to the date of signing these accounts, are listed on pages 112 and 113.

Powers of the Directors

Subject to the Articles, UK legislation and any directions prescribed by resolution at a general meeting, the business of the Company is managed by the Board. The Articles may only be amended by special resolution at a general meeting of shareholders. Where class rights are varied, such amendments must be approved by the members of each class of share separately.

The Directors have been authorised to allot and issue Ordinary shares and to disapply statutory pre-emption rights. These powers are exercised under authority of resolutions of the Company passed at its AGM. During the financial year ended 31 December 2023, no Ordinary shares were issued pursuant to the Company's various share plans.

The Company has authority, renewed annually, to purchase up to 14.99% of the issued share capital, equating to 24,724,518 shares. Any shares purchased will either be cancelled and the number of Ordinary shares in issue reduced accordingly, held in treasury, sold for cash or (provided Listing Rule requirements are met) transferred for the purposes of or pursuant to an employee share scheme.

These powers are effective for 15 months from the date of shareholder approval, or up to the next general meeting where new authorities are sought. The Directors will be seeking a renewal for these powers at the 2024 AGM.

Appointment and Replacement of Directors

The rules about the appointment and replacement of Directors are contained in the Articles. On appointment, in accordance with the Articles, Directors may be appointed by a resolution of the Board but are then required to be reappointed by ordinary resolution by shareholders at the Company's next AGM.

Directors' interests

Details of Directors' remuneration, service contracts and interests in the Company's shares and share options are set out in the Directors' Remuneration Policy and Annual Report on Remuneration, located at www.huntingplc.com. Further information regarding employee long-term incentive schemes is given in note 37 of the financial statements.

Directors' conflict of interest

All Directors have a duty under the Companies Act 2006 to avoid a situation in which they have, or could have, a direct or indirect conflict of interest with the Company. The duty applies, in particular, to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it. The Articles provide a general power for the Board to authorise such conflicts.

Directors are not counted in the quorum for the authorisation of their own actual or potential conflicts. Authorisations granted are recorded by the Company Secretary in a register and are noted by the Board. On an ongoing basis, the Directors are responsible for informing the Company Secretary of any new, actual or potential conflicts that may arise, or if there are any changes in circumstances that may affect an authorisation previously given.

Directors' Report continued

Even when provided with authorisation, a Director is not absolved from his or her statutory duty to promote the success of the Company. If an actual conflict arises post-authorisation, the Board may choose to exclude the Director from receipt of the relevant information and participation in the debate, or suspend the Director from the Board, or, as a last resort, require the Director to resign. As at 31 December 2023, no Director of the Company had any beneficial interest in the shares of Hunting's subsidiary companies.

Auditors

A resolution for the reappointment of Deloitte LLP as auditor to the Company and a resolution which gives the Audit Committee the authority to determine the remuneration of the auditor will be proposed at the 2024 AGM.

Statement of Disclosure of Information to Auditors

In accordance with the Companies Act 2006, all Directors in office as at the date of this report have confirmed, so far as they are aware, there is no relevant audit information of which the Group's auditors are unaware and each Director has taken all reasonable steps necessary in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information. This confirmation should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Share capital

Hunting PLC is a premium-listed public company limited by shares, with its Ordinary shares quoted on the London Stock Exchange. The Company's issued share capital comprises a single class, which is divided into 164,940,082 Ordinary shares of 25 pence each.

All of the Company's issued Ordinary shares are fully paid up and rank equally in all respects. Details of the issued share capital of the Company and the number of shares held in treasury as at 31 December 2023 can be found in note 33 to the financial statements.

Subject to applicable statutes, shares may be issued with such rights and restrictions as the Company may, by ordinary resolution, decide, or (if there is no such resolution or so far as it does not make specific provision) as the Board (as defined in the Articles) may decide.

Voting rights and restrictions on transfer of shares

Holders of Ordinary shares are entitled to receive dividends (when declared), receive the Company's Annual Report and Accounts, attend and speak at general meetings of the Company, and appoint proxies or exercise voting rights.

On a show of hands at a general meeting of the Company, every holder of Ordinary shares present in person or by proxy and entitled to vote has one vote and, on a poll, every member present in person or by proxy and entitled to vote has one vote for every Ordinary share held. None of the Ordinary shares carry any special rights with regard to control of the Company.

Proxy appointments and voting instructions must be received by the Company's Registrars no later than 48 hours before a general meeting. A shareholder can lose their entitlement to vote at a general meeting where that shareholder has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares.

Shareholders' rights to transfer shares are subject to the Articles of Association. Transfers of uncertificated shares must be carried out using CREST and the Directors can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST. The Directors may decide to suspend the registration of transfers, for up to 30 days a year, by closing the register of shareholders. The Directors cannot suspend the registration of transfers of any uncertificated shares without obtaining consent from CREST. There are no restrictions on the transfer of Ordinary shares in the Company other than:

- certain restrictions that may, from time to time, be imposed by laws and regulations, for example insider trading laws;
- pursuant to the Company's share dealing code whereby the Directors and certain employees of the Company require approval to deal in the Company's shares; and
- where a shareholder with at least a 0.25% interest in the Company's certificated shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares.

Interests in voting rights

Other than as stated in the table on page 162, the Company is not aware of any further agreements between shareholders that may result in restrictions on the transfer of Ordinary shares or on voting rights.

Market capitalisation

The market capitalisation of the Company at 31 December 2023 was £0.5bn (2022 – £0.5bn).

Share price

	2023 p	2022 p
At 1 January	**333.0**	169.2
At 31 December	**295.5**	333.0
High during the year	**351.5**	365.0
Low during the year	**197.4**	169.2

Dividends

The Company normally pays dividends semi-annually. Details of the Company's dividend policy is set out on page 10.

The Company paid the 2022 final dividend of 4.5 cents per share on 12 May 2023, which absorbed $7.1m of cash. At the Group's 2023 Half Year Results, the Board declared an interim dividend of 5.0 cents per share, which was paid to shareholders on 27 October 2023, and absorbed $7.9m of cash. The Board is recommending a final dividend for 2023 of 5.0 cents per share, to be paid to shareholders on 10 May 2024, subject to approval by shareholders at the Company's 2024 AGM.

Employee Benefit Trust

The Group operates an Employee Benefit Trust (the "Trust") as a vehicle to satisfy share options and awards granted to employees who participate in the Company's share-based incentive schemes. At 31 December 2023, the Trust held 6,591,918 Ordinary shares in the Company (2022 – 5,370,963). The Trust has a policy to purchase shares in the market or subscribe for new shares to partially meet the future requirements of these incentive schemes. The Trust has waived all dividends payable by the Company and voting rights in respect of the Ordinary shares held by it.

Directors' Report continued

Major shareholders

The Company's major shareholders, as at 31 December 2023, are listed in the table below.

	Notes	Number of Ordinary Shares	% of ISC
BlackRock, Inc.		12,749,575	7.73
Schroder Investment Management		11,649,926	7.06
Hunting Investments Limited	1/4/5	11,003,487	6.67
Abrdn		10,784,962	6.54
GLG Partners		9,565,911	5.80
J P Morgan Asset Management		8,443,282	5.12
Hunting Employee Benefit Trust		6,591,918	4.00
Slaley Investments Limited	5	6,424,591	3.89
Orbis Investment Management		5,951,997	3.61
J Trafford – as trustee	2/5	5,228,660	3.17
David RL Hunting	1/2/3/4/5	194,120	0.12
– as trustee		3,157,750	1.91
– other beneficial		1,875,950	1.14
Dimensional Fund Advisers		5,076,993	3.08

1. Included in this holding are 9,437,743 Ordinary shares held by Huntridge Limited, a wholly-owned subsidiary of Hunting Investments Limited. Neither of these companies is owned by Hunting PLC either directly or indirectly.
2. After elimination of duplicate holdings, the total Hunting family trustee interests shown above amount to 5,228,660 Ordinary shares.
3. David RL Hunting and his children are or could become beneficiaries under the relevant family trusts of which Mr Hunting is also a trustee.
4. David RL Hunting is a director of Hunting Investments Limited.
5. In 2014, Hunting Investments Limited, Slaley Investments Limited, certain Hunting family members, including Richard H Hunting and David RL Hunting and the Hunting family trusts, to which James Trafford is a trustee (together known as "the Hunting Family Interests"), entered into a voting agreement. The voting agreement has the legal effect of transferring all voting rights of Hunting PLC Ordinary shares held by the Hunting Family Interests to a voting committee. The beneficial ownership of Hunting PLC Ordinary shares remains as per the table shown above. At 29 February 2024, the Hunting Family Interests, party to the agreement, totalled 24,170,900 Ordinary shares in the Company, representing 14.7% of the total voting rights.

Other information

Significant agreements

The Company is party to the Asset Based Lending facility in which the counterparties can determine whether or not to cancel the agreement where there has been a change of control of the Company. The service agreements of the executive Directors include provisions for compensation for loss of office or employment as a result of a change of control.

Political contributions

It is the Group's policy not to make political donations. Accordingly, there were no political donations made during the year (2022 – $nil).

Payments to governments

In accordance with the UK's Disclosure and Guidance Transparency Rule 4.3A, Hunting PLC is required to report annually on payments made to governments with respect to its oil and gas activities. Hunting's report on "Payments to Governments" for the year ended 31 December 2022 was published on 20 April 2023 and totalled $875,964.

Research and development

Group subsidiaries undertake, where appropriate, research and development to meet particular market and product needs.

The Group's research and development costs in the year totalled $6.9m (2022 – $5.8m), with the amount expensed in the year totalling $4.7m (2022 – $4.8m).

Companies Act 2006 Section 415

In compliance with section 415 of the Companies Act 2006, the Directors present their report and the audited financial statements of Hunting PLC for the year ended 31 December 2023.

The Strategic Report incorporates the Hunting 2030 Strategy, Key Performance Indicators, Company Chair's Statement, Chief Executive's Review and Outlook, Market Summary, Business Model and Strategy, Stakeholders and Engagement protocols, Product Review, Operating Segment Review, Group Review, ESG and Sustainability, and Risk Management and is located on pages 2 to 108.

As permitted by legislation, the Board has chosen to set out, within the Strategic Report and Corporate Governance Report, some of the matters required to be disclosed in the Directors' Report, which it considers to be complementary to communicating Hunting's financial position and performance, as follows:

- changes in the Group and its interests (pages 20 and 21);
- dividends (page 15);
- future developments (page 23);
- risk management, objectives and policies (pages 96 to 98);
- bribery and corruption (pages 33 to 37 and 78);
- ethnicity and diversity (pages 33 and 76);
- employment of disabled persons (pages 33 and 76); and
- greenhouse gas emissions and environmental matters (pages 38, 69 to 73, 82 and 95).

For further information, please see the Shareholder and Statutory Information section located on pages 246 and 247.

The Companies (Miscellaneous Reporting) Regulations 2018

As required by The Companies (Miscellaneous Reporting) Regulations 2018 (the "Regulations"), the Board of Hunting PLC has prepared a section 172(1) statement, which can be found on page 108 and also on the Group's website www.huntingplc.com.

The Directors' Stakeholder Engagement and decision making disclosures are summarised within the Strategic Report on pages 32 to 39, and include cross references to the various engagement activities across the Group's operations. Additional disclosures in respect of customers, suppliers and other key business relationships can also be found within the Strategic Report.

Approval of accounts

The 2023 Annual Report and Accounts were approved by the Directors at their meeting on Tuesday 27 February 2024.

By order of the Board

Ben Willey

Ben Willey
Company Secretary

29 February 2024