



Pason to Hold Annual Meeting of Shareholders via Teleconference due to Coronavirus (COVID-19) Pandemic

Recognizing the widespread cancellation of public events to protect individual and public safety in the face of the novel coronavirus (COVID-19) pandemic, Pason has decided that its annual general meeting scheduled for April 30, 2020 at 3:30 p.m. (Mountain Standard Time) will be held by conference call, rather than at Pason's offices as originally planned.

As shareholders will not be able to attend the meeting in person, they are encouraged to vote before the meeting either by mail, telephone or Internet, all in accordance with the instructions on the form of proxy sent to shareholders. Proxies and voting instructions must be received by Computershare by no later than 3:30 p.m. (Mountain Standard Time) on April 28, 2020.

Further details regarding the teleconference will be provided on our corporate website www.pason.com by March 27, 2020.

For further information, please contact: investorrelations@pason.com.



MANAGEMENT INFORMATION CIRCULAR

Dated March 17, 2020

Notice of 2020 Annual General Meeting of Shareholders

To be held on April 30, 2020



Table of Contents

PASON SYSTEMS INC. Notice of Annual General Meeting of Shareholders	2
About this Circular and Related Proxy Materials	3
FAQs: Meeting and Voting	3
Procedural Matters	6
Business of the Meeting	7
Information on Director Nominees	10
Director Biographies	10
Majority Voting	13
Director Compensation	14
Compensation Discussion and Analysis (“CD&A”)	17
Pason’s Executive Compensation Approach	17
Human Resources and Compensation Committee	17
Compensation Elements	21
2019 Compensation of Named Executive Officers	28
Incentive Plan Awards	33
Termination and Change of Control Benefits	35
Corporate Governance Disclosure	38
Board of Directors	38
Board Mandate, Committee Mandates and Position Descriptions	38
Orientation and Continuing Education	39
Ethical Business Conduct	39
Board Committees	40
Assessments	42
Executive Succession Planning	43
Diversity on the Board	43
Director Term Limits and Retirement	43
Availability of Certain Documents and Additional Information	44
Availability of Certain Documents	44
Normal Course Issuer Bid (NCIB)	44
Additional Information	44

PASON SYSTEMS INC.

Notice of Annual General Meeting of Shareholders

The holders of common shares (the “Shareholders”) of Pason Systems Inc. (“Pason”) are invited to our Annual General Meeting of Shareholders (the “Meeting”).

Date and Time

Thursday, April 30, 2020 at 3:30 p.m. (Mountain Standard Time)

Location

Pason Systems Inc. offices located at 6120 Third Street SE, Calgary, Alberta

Items of Business

The following items of business will be addressed at the Meeting:

1. Receive the audited consolidated financial statements and the report of the auditors for the year ended December 31, 2019;
2. Fix the number of directors to be elected at the Meeting at six;
3. Elect the directors of Pason for the ensuing year;
4. Reappoint Deloitte LLP as auditors of Pason for 2020 and authorize Pason’s Board of Directors to fix their remuneration;
5. Conduct a non-binding “say on pay” advisory vote on Pason’s approach to executive compensation; and
6. Transact such other business as may properly come before the Meeting or any adjournment or postponement of the Meeting.

Voting

If you are a Shareholder of record of Pason common shares at the close of business on March 17, 2020, you are entitled to receive notice of, attend, and vote at this Meeting or any adjournment or postponement of it. Whether or not you plan to attend the Meeting, we encourage you to vote in accordance with the instructions on the form of proxy or voting instruction form.

The attached Management Information Circular includes important information about what the Meeting will cover, how to vote, our governance practices and executive compensation at Pason.

By order of the Board of Directors of Pason Systems Inc.,



Marcel Kessler, President & Chief Executive Officer
March 17, 2020 in Calgary, Alberta

About this Circular and Related Proxy Materials

Management Information Circular dated March 17, 2020, for the Annual General Meeting of Shareholders to be held on Thursday, April 30, 2020

FAQs: Meeting and Voting

When and Where is the Meeting?

The Annual General Meeting is on Thursday, April 30, 2020 at 3:30 pm (MST) at Pason's offices located at 6120 Third Street SE, Calgary, Alberta.

What is the Purpose of this Mailing?

The management of Pason Systems Inc. ("Pason" or the "Corporation") is providing this management information circular (the "Information Circular") and related proxy materials to holders ("Shareholders") of common shares (the "Shares") of Pason in connection with the Annual General Meeting (the "Meeting") of Shareholders to be held on the date and time and at the location noted above.

This Information Circular describes the business of the Meeting, including details about the particular matters to be voted on and the voting process itself. It also provides information about Pason's director nominees and about Pason's executive compensation and corporate governance practices.

Shareholders are invited to attend the Meeting and to exercise their votes. Shareholders may vote in advance using the form of proxy even if they plan to attend the Meeting. If a Shareholder is unable to attend in person, such Shareholder may still vote by proxy. Read the information contained in the following paragraphs for more details about voting.

Pason is not using what is referred to as "Notice-and-Access" to send this Information Circular and the related materials to our Shareholders for this Meeting, nor are we sending these materials directly to non-objecting beneficial owners.

Unless otherwise stated, information in this Information Circular is given as at March 17, 2020, and amounts are expressed in Canadian dollars.

What are we Voting on at the Meeting?

At the Meeting, Pason's 2019 consolidated audited financial statements and the auditor's report on those statements will be presented. No vote will occur. Shareholders will then be asked to vote on the following business:

1. Fix the number of directors to be elected at the Meeting at six;
2. Elect the directors of Pason for the ensuing year;
3. Reappoint Deloitte LLP as auditors of Pason for 2020 and authorize Pason's Board of Directors to fix their remuneration; and
4. Conduct a non-binding "say on pay" advisory vote on Pason's approach to executive compensation.

A simple majority of more than 50% of the votes cast at the Meeting, in person or by proxy, are required to approve each of the above matters to be considered at the Meeting. For more information about these agenda items, go to *Business of the Meeting* on page 7.

Who is Eligible to Vote at the Meeting?

Only Shareholders of record at the close of business on March 17, 2020 (the "Record Date") are entitled to receive notice of and vote at the Meeting. Shareholders are entitled to one vote for each Share held. The Shares are the only type of outstanding securities of the Corporation that allows the holders to vote at the Meeting.

If a Shareholder acquires Shares after the close of business on the Record Date, that Shareholder may still vote such Shares at the Meeting if, at least ten days before the Meeting, that holder of new Shares requests, through ComputerShare Trust Company of Canada (the “transfer agent”), that their name be added to the voting list and produces a properly endorsed Share certificate or otherwise establishes ownership of such Shares.

How do I Determine if I am a Registered or a Beneficial (Non-Registered) Shareholder?

You are a registered Shareholder if your Shares are registered in your name and you have a Share certificate, or a form called a “direct registration advice” evidencing ownership. You are a beneficial Shareholder if your broker, investment dealer, bank, trust company, nominee or intermediary (an “intermediary”) holds your Shares for you. Registered Shareholders will have received an envelope containing this Information Circular by mail directly from the transfer agent, whereas beneficial Shareholders will have received it from their intermediary. If you are unsure whether you are a registered or beneficial Shareholder, contact the transfer agent by phone at 1-800-564-6253 or by email at service@computershare.com.

Registered and beneficial Shareholders both have the right to vote, but each has a different voting process, as explained below. Pason will be sending proxy-related materials directly to non-objecting beneficial Shareholders.

I am a Registered Shareholder. How do I Vote?

In order to maintain an orderly and efficient Meeting, Shareholders are encouraged to vote in advance of the Meeting by completing a proxy, even if they are planning to attend the Meeting in person. If other business is properly brought before the Meeting, Shares represented by proxy will be voted using the process described under the heading *How are Shares Represented by Proxy Voted?*

If a registered Shareholder plans to vote in person, such Shareholder does not need to do anything except attend the Meeting. Shareholders should register with the representatives of the transfer agent upon arrival at the Meeting. Names of registered Shareholders will be noted in the transfer agent’s records and they are therefore entitled to be recognized at the Meeting and to vote in person without any additional documentation.

A registered Shareholder has the right to appoint the person of their choice (who does not need to be a Shareholder) to attend and act on their behalf at the Meeting. To exercise that right, the name of the company or person(s) to be designated must be written in the blank space on the form of voting proxy that accompanied this Information Circular, or by completing another proper instrument of proxy. Alternatively, registered Shareholders can transmit their voting instructions and appoint a proxy by Internet at www.proxyvote.com. Registered Shareholders should have their control number in hand when they access the website, as they will be prompted to enter their control number located on the form of proxy delivered in the mailing package.

I am a Beneficial (Non-Registered) Shareholder. How do I Vote?

A substantial number of Shareholders are beneficial Shareholders. Pason does not have access to the names or holdings of our beneficial Shareholders. Only those voting proxies deposited by Shareholders whose names appear in Pason’s records as registered Shareholders can be recognized and acted upon at the Meeting. You may provide voting instructions to your intermediary so that such intermediary may submit a proxy, containing your voting instructions, on your behalf. Without specific voting instructions, intermediaries are prohibited from voting for their clients.

Beneficial Shareholders should have received a notice from their intermediary providing instructions on how to access an electronic copy of the Information Circular, together with a voting instruction form. Shareholders should contact their intermediary if they did not receive a request for voting instructions. Each intermediary has its own form or set of voting instructions, which should be followed carefully to ensure that all votes are tabulated. A Shareholder’s intermediary is required to seek instructions as to the manner in which to vote such Shareholder’s Shares. If a Shareholder does not complete a voting instruction form, such Shareholder’s intermediary cannot vote the Shareholder’s Shares. In addition to completing the voting instruction form and

returning it by mail, beneficial Shareholders can call the number on the voting instructions form to vote by telephone, or lodge their voting instructions on the Internet at www.proxyvote.com. Beneficial Shareholders will need the 12-digit control number found on the voting instruction form in order to vote by telephone or online. There may be additional methods of voting and additional instructions identified on the intermediary's voting form.

A beneficial Shareholder who receives a voting instruction form from their intermediary cannot use that voting instruction form to vote their Shares directly at the Meeting. The voting instruction form must be returned as directed by the intermediary in advance of the Meeting date and by the deadline specified on that voting instruction form in order to ensure the Shares are voted. Should a beneficial Shareholder wish to attend the Meeting and vote in person, he or she must be named as a proxy holder by the intermediary in a valid form of proxy. To do this, beneficial Shareholders should enter their name in the blank space on the applicable form of proxy and return the document to the intermediary (or the agent of such broker or other intermediary) well in advance of the Meeting.

How are Shares Represented by Proxy Voted?

The Shares that are represented at the Meeting by properly executed proxies will be voted or withheld from voting on the business matters identified in the Meeting agenda in accordance with the directions on the voting proxy. **In the absence of any specific directions, the Corporation's designees, if named as proxy, will vote FOR each of the matters on the agenda.** If a person other than the Corporation's designee is named as proxy, Shares represented by proxy will be voted in accordance with that designated person's instructions at the Meeting.

If any other business is properly brought before the Meeting or there are amendments or variations to the matters identified in the Notice of Meeting, the person named in the voting proxy, whether that be the Corporation's designee or another designee, will have the authority and discretion to vote the Shares represented by the proxy appointing him or her, unless specific contrary instructions are provided in the proxy. As of the date of this Information Circular, Pason is not aware of any amendments, variations or other matters that may come before the Meeting, other than those listed on the agenda in the Notice of Meeting. In the event that other matters come before the Meeting, then the Corporation's designees will vote on those matters in their judgment.

All Shareholder proxies must be received by the transfer agent, at 100 University Avenue, Eighth Floor, Toronto, Ontario, M5J 2Y1, not later than 3:30 pm (MST) on April 28, 2020, or if the Meeting is postponed or adjourned, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the start time of the postponed or adjourned Meeting (the "voting deadline"). Registered Shareholders voting or appointing a proxy by Internet or phone must submit those instructions by that same voting deadline.

A representative from the transfer agent, who will act as scrutineer at the Meeting, will confidentially count and tabulate the votes. The transfer agent will refer forms of proxy to Pason if the Shareholder is clearly intending to communicate with management, or if there is a question as to whether the proxy is valid.

Can a Proxy be Revoked?

A Shareholder who has submitted a proxy may revoke it at any time prior to it being exercised at the Meeting. At law, a proxy may be revoked in a variety of ways.

Registered Shareholders may revoke their respective voting proxies for the Meeting by providing a written instruction letter signed by the Shareholder or by the Shareholder's authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by an officer or attorney of the corporation who is duly authorized. Such written revocation instructions must be deposited either at Pason's registered office before the day of the Meeting or before the day of any postponement or adjournment of the Meeting or given to the chairman of the Meeting on the day of the Meeting prior to its start. If a registered Shareholder appoints a proxy holder and submits their voting instructions on the Internet through the transfer agent's website, and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction at any time before the voting deadline for the Meeting or any adjournment. When resubmitting a proxy, the most recently submitted proxy will be recognized as the sole valid proxy. All previous proxies submitted will be disregarded and considered as revoked.

Beneficial Shareholders who wish to revoke their proxy must arrange for their respective intermediaries to

revoke the proxy on their behalf within the time specified by that intermediary, but in any event before the day of the Meeting or before the day of any postponement or adjournment of the Meeting.

Procedural Matters

What is the Quorum for Meeting?

A quorum will be constituted at the Meeting if at least two persons are present in person or by proxy, each of whom is entitled to vote at the Meeting and who hold, or represent by proxy, not less than 25% of the Shares entitled to vote.

If a quorum is not present at the start of the Meeting, the chairman of the Meeting may postpone or adjourn the Meeting to another time and place that will be announced at the original Meeting. If a quorum is present at the start of the Meeting, the Meeting may proceed with its business, even if a quorum is not present throughout the Meeting.

Are there any Conflicts of Interest in the Matters to be Acted Upon at the Meeting?

No current director, proposed nominee for election as a director or executive officer of Pason, nor any associate or affiliate of the foregoing have any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors.

Who is Soliciting Proxies with this Information Circular?

Management of Pason is soliciting proxies to be voted at the Meeting, or at any postponement or adjournment of the Meeting. Management and directors will solicit proxies by mail, in person or by telephone, facsimile or other electronic means at a nominal cost. As of the date of this Information Circular, no professional advisors have been retained to solicit proxies for the Meeting, though such arrangements may be made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries at management's discretion. If such advisors are retained, Pason will pay the cost of that solicitation, including the payment of fees and reimbursement of reasonable expenses.

Voting Securities and Principal Holders of Shares

Pason is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares, issuable in series. As of March 17, 2020, there were 84,345,641 Shares and no preferred shares issued and outstanding. Each Share carries the right to one vote on any matter properly coming before the Meeting.

The following table sets forth the only persons or corporations who, to the knowledge of Pason's directors and executive officers, beneficially own, or exercise control or direction of, directly or indirectly, 10% or more of the voting rights attached to the outstanding Shares as of March 17, 2020.

Name and Municipality	Nature of Ownership	Number of Shares	% of Class
Fidelity Investments Boston, MA	Indirect ⁽¹⁾	8,626,736	10.23%

⁽¹⁾ Fidelity Management & Research Company LLC; Fidelity Management Trust Company; Strategic Advisers LLC; Crosby Advisors LLC; FIAM LLC; Fidelity Institutional Asset Management Trust Company; Fidelity (Canada) Asset Management ULC; and FIL Limited hold Shares on behalf of funds and accounts it manages.

Advance Notice for Director Nominations

Pason's Amended and Restated By-law Number 1 (the "By-laws") requires advance notice for nomination of directors for consideration at a meeting of Shareholders. The notice of director nominations must be submitted to the Corporate Secretary no later than 30 days and not more than 65 days prior to the date of an annual meeting. The notice must include certain information about the proposed director nominee(s) and the nominating shareholder. Only those director nominees that comply with applicable requirements set out in the By-laws will be eligible for election as directors of the Corporation. A copy of Pason's By-laws is available under Pason's profile on SEDAR at www.sedar.com.

What are the Non-IFRS Financial Measures?

The following terms used in this Information Circular are not recognized measures under International Financial Reporting Standards ("IFRS"), and accordingly, may not be comparable to measures used by other companies:

- Adjusted EBITDA (defined on page 30);
- Normalized pre-tax profit (defined on page 23); and
- Return on invested capital (defined on page 23).

Those non-IFRS financial measures are included because they are used by management for a variety of internal measurements that must be disclosed in this Information Circular. In the case of adjusted EBITDA, management uses such metrics to evaluate, among other things, operating performance, leverage, and liquidity. In the case of normalized pre-tax profit and return on invested capital, those non-IFRS measures are used in calculating executives' short-term incentive payouts.

Business of the Meeting

Financial Statements, Auditors' Report, and Management Report

The Board of Directors (the "Board") of the Corporation has approved all of the information in the 2019 Annual Report that accompanies this Information Circular, including the consolidated audited financial statements of the Corporation and the auditors' report thereon. A copy of the financial statements is also available at www.sedar.com and on the Corporation's website (www.pason.com). No vote by the Shareholders will be taken with respect to this matter.

Fixing the Number of Directors

The articles of the Corporation provide that Pason may have between one and fifteen members on its Board. The Corporation currently has six directors, all of whom are standing for re-election. At the Meeting, Shareholders will be asked to approve an ordinary resolution to fix the number of directors to be elected at the Meeting at six. **If no choice is specified, the Shares represented by a proxy for the Meeting will be voted FOR fixing the number of directors at six.**

Election of Directors

All of the six nominees listed above named herein have consented to their nomination. Management does not contemplate that any of the following nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election at the Meeting or are unable to serve as such, proxies in favour of the Corporation's designees will be voted for another nominee at their discretion unless the Shareholder has specified in his or her proxy that his or her Shares are to be withheld from voting in the election of directors.

The current Board and management unanimously recommend that each of the following nominees be elected to serve as directors of the Corporation, to hold office until the next annual Meeting of Shareholders or until such person's successor is elected or appointed:

- James D. Hill
- James B. Howe
- Marcel Kessler
- T. Jay Collins
- Judi M. Hess
- Laura L. Schwinn

Detailed information about these nominees can be found in this Information Circular under the heading *Information on Director Nominees* on page 10. All the individuals nominated as directors are currently members of the Board.

The voting results from last three year's Meetings for those six directors standing for re-election were as follows:

Director	James D. Hill	James B. Howe	Marcel Kessler	T. Jay Collins	Judi M. Hess	Laura L. Schwinn ⁽¹⁾
2019	63,010,929 (85.76%)	69,640,631 (94.78%)	73,229,885 (99.67%)	72,880,036 (99.19%)	72,459,204 (98.62%)	n/a
2018	62,188,891 (81.55%)	73,667,353 (96.60%)	76,130,177 (99.83%)	75,732,008 (99.30%)	75,518,605 (99.03%)	n/a
2017	66,535,035 (88.62%)	74,225,700 (98.86%)	73,784,233 (98.28%)	74,957,851 (99.84%)	73,736,929 (98.21%)	n/a

⁽¹⁾ Laura Schwinn was appointed by the Board as a director on August 8, 2019.

It is the intention of the Corporation's designees, if named as proxy, to vote in favour of the election of the proposed six nominees to the Board. **If no choice is specified, the Shares represented by a proxy for the Meeting will be voted FOR the election of each of these nominees.**

Pason has adopted a majority voting policy as described under the heading *Majority Voting* on page 13.

Appointment of Auditors

The Board, on recommendation from the Audit Committee, recommends that Deloitte LLP, Chartered Professional Accounts, Calgary, Alberta ("Deloitte LLP") be appointed as auditors of Pason until the next annual meeting of Shareholders at a remuneration to be determined by the directors of the Corporation.

Deloitte LLP has continuously served as the auditors of the Corporation since 1996. Below is a breakdown of fees paid to Deloitte LLP, by category, for the last three years:

Service	2019	2018	2017
Audit fees⁽¹⁾	\$295,000	\$224,400	\$214,500
Audit-related fees (for assurance services related to review of financial statements)	\$37,800	\$36,000	\$36,000
Tax fees (for tax compliance, advice, and planning)	\$58,400	\$106,200	\$56,300
All other fees (for services that do not fall under the previous categories)	\$31,500	-	-
Total	\$422,700	\$366,600	\$306,800

⁽¹⁾ 2019 amount includes costs for auditing new lease standard, acquisition of ETB, investment in IWS, and hyper-inflationary accounting.

Unless such authority is withheld, the Corporation's designees, if named as proxy, intend to vote the Shares represented by any such proxy for the appointment of Deloitte LLP as auditors for the Corporation for the ensuing year at a remuneration to be determined by the Board.

Non-Binding "Say on Pay" Advisory Vote on Pason's Approach to Executive Compensation

At the Meeting, Shareholders will be asked to vote, on an advisory and non-binding basis, on Pason's approach to executive compensation. Information regarding Pason's executive compensation practices is described in this Information Circular under the heading *Compensation Discussion and Analysis (CD&A)*.

The Board believes that Shareholders should have sufficient information to fully understand the Corporation's approach to executive compensation, including the process to set and review compensation levels, general long-term objectives, tools used to align interests with Shareholders, criteria used to measure at-risk compensation, and the extent of the upside and downside of variable rewards linked to corporate and individual performance. Shareholders are encouraged to review the discussion about Pason's executive compensation under the heading *Compensation Discussion and Analysis (CD&A)* to cast an informed vote.

Voting results from the last three years are set out in the following table:

Say on pay vote	2019	2018	2017
Vote in favour	97.89%	99.69%	98.28%

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the following advisory resolution:

“BE IT RESOLVED, on an advisory basis, and not to diminish the role and responsibilities of the Board of Pason Systems Inc. (“Pason”) or its committees, that the Shareholders of Pason accept the approach to executive compensation disclosed in Pason’s Information Circular dated March 17, 2020 and delivered in advance of the 2020 Annual General Meeting of Shareholders.”

As this is an advisory vote, the results will not be binding upon the Board. The Board, and specifically the Human Resources and Compensation Committee, will not be obligated to take any compensation actions, or make any adjustments to executive compensation programs or plans, as a result of the vote. However, the Board will take the voting results and other Shareholder feedback into consideration when evaluating the Corporation’s approach to executive compensation, including discretionary awards. The Board and the Human Resources and Compensation Committee actively monitor trends relating to compensation and governance of compensation to ensure executive management is aligned with Shareholder interests and incentivized to act in the best interests of Pason. **It is the intention of the persons named in the accompanying instrument of proxy, if not expressly directed to the contrary in such instrument of proxy, to vote the Common Shares represented by such proxies FOR the approach to executive compensation as described in this Information Circular.**


Other Business


The Board and executive officers of the Corporation know of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matter properly comes before the Meeting, however, the proxies will be voted on such matters in accordance with the best judgement of the person or persons voting the proxies.

Information on Director Nominees

The following information about each director nominee is, unless otherwise stated, based on records available to the Corporation as of March 17, 2020, those being corporate records, public records, and information provided by each nominee.

Director Biographies

JAMES D. HILL			
<p>James Hill is Pason's Chairman of the Board, having previously served as Pason's President & Chief Executive Officer for 26 years. Jim Hill is considered a non-independent director because he was the CEO until 2011.</p>			
	Pason Securities Held		
	Shares⁽¹⁾⁽²⁾	DSUs⁽³⁾	Total Share Holdings⁽⁴⁾
	7,566,380	49,388	\$65,190,972
	Board and Committees		2019 Meetings
Board of Directors		5/5	100%
			Value of Total 2019 Compensation⁽⁵⁾
			\$168,432
<p>Expertise: Field Operations, Board & Governance, Human Resources, Executive Experience, Sales & Marketing and Strategic Planning and Leading Growth.</p>			
Other Public Company Board/Committee Memberships			
Company	Listing	Positions	
none	-	-	
<p>Chairman of the Board</p> <hr/> <p>Director since: 1996</p> <hr/> <p>Non-Independent</p> <hr/> <p>Age: 69</p> <hr/> <p>Calgary, Alberta, Canada</p>			

JAMES B. HOWE			
<p>James Howe is a professional director and has been the President of Bragg Creek Financial Consultants Ltd., a private financial consulting company, since 1981.</p>			
	Pason Securities Held		
	Shares⁽¹⁾	DSUs⁽³⁾	Total Share Holdings⁽⁴⁾
	347,000	21,700	\$3,156,074
	Board and Committees		2019 Meetings
Board of Directors		5/5	100%
Corporate Governance & Nomination Committee		2/2	
HR and Compensation Committee		3/3	
Audit Committee		4/4	
			Value of Total 2019 Compensation⁽⁵⁾
			\$189,531
<p>Expertise: Financial Expertise, Oil & Gas Industry, Communications, International Business, Legal & Securities and Mergers & Acquisitions</p>			
Other Public Company Board/Committee Memberships			
Company	Listing	Positions	
Bengal Energy Ltd.	TSX: BNG	Board, Audit Committee Chair	
Ensign Energy Services Inc.	TSX: ESI	Board, Audit Committee, Compensation Committee Chair	
<p>Lead Director, Chair of the Audit Committee</p> <hr/> <p>Director since: 1996</p> <hr/> <p>Independent</p> <hr/> <p>Age: 70</p> <hr/> <p>Calgary, Alberta, Canada</p>			

MARCEL KESSLER

Marcel Kessler was appointed President & Chief Executive Officer of the Corporation in 2011.



Pason Securities Held

Shares ⁽¹⁾	RSUs ⁽⁶⁾	Total Share Holdings ⁽⁴⁾
65,000	31,104	\$822,650

Board and Committees	2019 Meetings	Total 2019 Attendance	Value of Total 2019 Compensation ^{(5) (6)}
Board of Directors	5/5	100%	-

President & Chief Executive Officer

Director since: 2012

Non-Independent

Age: 53

Calgary, Alberta, Canada

Expertise: Executive Experience, Human Resources, International Business, Mergers & Acquisition and Strategic Planning & Leading Growth.

Other Public Company Board/Committee Memberships

Company	Listing	Positions
none	-	-

T. JAY COLLINS

Jay Collins is a director of Oceaneering International, Inc., having previously served as Chief Executive Officer of Oceaneering International Inc. from 2006 to 2011.



Pason Securities Held

Shares ⁽¹⁾	DSUs ⁽³⁾	Total Share Holdings ⁽⁴⁾
-	60,361	\$516,687

Board and Committees	2019 Meetings	Total 2019 Attendance	Value of Total 2019 Compensation ⁽⁵⁾
Board of Directors	5/5	100%	\$198,538
Corporate Governance & Nominations Committee	2/2		
HR and Compensation Committee	3/3		
Audit Committee	4/4		

Chair of HR & Compensation Committee

Director since: 2012

Independent

Age: 73

Houston, Texas, USA

Expertise: Board & Governance, International Business, Field Operations, Executive Experience, Performance and Health & Safety.

Other Public Company Board/Committee Memberships

Company	Listing	Positions
Oceaneering International Inc.	NYSE:OII	Board
Murphy Oil Corporation	NYSE:MUR	Board; Executive Compensation Committee

JUDI M. HESS

Judi Hess is the CEO of Copperleaf Technologies, Inc., a position she has held since 2009. Previously, she was the President of Creo Inc., a publicly traded printing technology and workflow company. Prior to joining Creo, Judi Hess was at MacDonald Dettwiler and Associates, an aerospace and defense company. She has been a member of the Premier's Technology Council of British Columbia since 2009.



Chair of Corporate
Governance & Nomination
Committee

Director since: 2015
Independent

Age: 61

Vancouver, B.C., Canada

Pason Securities Held

Shares ⁽¹⁾	DSUs ⁽³⁾	Total Share Holdings ⁽⁴⁾
-	36,163	\$309,553

Board and Committees	2019 Meetings	Total 2019 Attendance	Value of Total 2019 Compensation ⁽⁵⁾
Board of Directors	5/5	100%	\$181,276
Corporate Governance and Nomination Committee	2/2		
HR and Compensation Committee	3/3		
Audit Committee	4/4		

Expertise: Board & Governance, Executive Experience, International Business, Mergers & Acquisitions, Risk Management and Information Technology.

Other Public Company Board/Committee Memberships

Company	Listing	Positions
none	-	-

LAURA L. SCHWINN

Laura Schwinn is the President of W. R. Grace & Co.'s Specialty Catalysts business, a publicly traded specialty chemicals company. Prior to this, Ms Schwinn was the CEO of C&C Reservoirs, a privately-owned, global company that provides reservoir knowledge used to derive detailed insight across the E&P lifecycle. Prior to joining C&C, Laura Schwinn was at Halliburton, one of the world's largest oil field service companies.



Pason Securities Held

Shares ⁽¹⁾	DSUs ⁽³⁾	Total Share Holdings ⁽⁴⁾
-	2,327	\$19,917

Board and Committees	2019 Meetings	Total 2019 Attendance	Value of Total 2019 Compensation ⁽⁵⁾
Board of Directors	3/5 ⁽⁷⁾	60%	\$57,106

Director since: 2019

Independent

Age: 55

Fulton, Maryland, USA

Expertise: Board & Governance, Mergers & Acquisitions, International Business, Executive Experience, Risk Management.

Other Public Company Board/Committee Memberships

Company	Listing	Positions
none	-	-

- (1) The Shares indicated include those Shares beneficially owned and Shares controlled or directed by the nominee directors as the date of this Information Circular.
- (2) The number of Shares held by James D. Hill includes a combined total of 7,465,580 Shares held by J. D. Hill Investments Ltd. and its subsidiary, both private Alberta corporations which are wholly-owned by James D. Hill and his spouse. Another 100,800 Shares are held in their registered retirement savings plans.
- (3) Deferred Share Units ("DSUs") are not voting securities. See page 14 under the heading *Director Compensation* for a description of DSUs. The number referenced below the term DSUs in the nominee biographies above refers to the number of DSUs credited to the director's account as at March 17, 2020, the date of this Information Circular.
- (4) Total Share Holdings is the amount determined by multiplying the number of each nominee's Shares held and DSUs credited to their accounts as of March 17, 2020 by the closing price of the Shares on the Toronto Stock Exchange ("TSX") on March 17, 2020 (\$8.56).
- (5) The Value of Total 2019 Compensation includes DSUs awarded, retainer paid to all committee chairs, and dividend equivalents credited to their accounts in 2019 (based on the value of the DSUs when credited to each director's account). A portion of James B. Howe and Laura Schwinn's compensation was paid in cash (\$92,500 and \$24,000 respectively). For further information regarding the director's total compensation see *Director Compensation* on page 14.
- (6) Compensation provided to Marcel Kessler, who is a director and also a Named Executive Officer (as defined herein), is fully reflected on page 28, and includes RSUs. As a member of management, Marcel Kessler did not receive compensation for his service as a director of the Corporation in 2019.
- (7) Laura Schwinn was appointed by the Board as an interim director on August 8, 2019 and attended all Board meetings from that date forward in 2019. She was not a member of any committee in 2019.

Majority Voting

The Board has adopted a policy which requires any nominee who receives a greater number of votes "withheld" than votes "for" his or her election at a Shareholders' Meeting to tender his or her resignation promptly following the Meeting. The Corporate Governance and Nomination Committee (the "CGN Committee") will review the tendered resignation and make a recommendation to the Board to accept or reject the resignation and publicly disclose the decision and rationale within 90 days of the applicable Shareholder Meeting. Absent exceptional circumstances that would warrant the applicable nominee to continue to serve as a Board member, resignations will be accepted. The said nominee will not participate in any Board or committee discussions on the tendered resignation.

Director Compensation

Committee Oversight

The CGN Committee reviews the director compensation package annually to ensure it reflects the risks and responsibilities of being an effective director of the Corporation. Any changes to director compensation are made by the Board as a whole, on the recommendation of the CGN Committee.

The Chairman's compensation is set by a joint decision of the CGN Committee and the Human Resources and Compensation Committee (the "HRC Committee"). Both of those committees are composed entirely of independent directors. The Chairman's compensation is then reviewed annually by the CGN Committee to ensure it adequately, effectively, and appropriately compensates the Chairman for his or her responsibilities.

Officer compensation is reviewed annually by the HRC Committee and changes are recommended by management in light of retention needs, industry conditions, and company and individual performance. Directors who are also employees of Pason (Marcel Kessler presently being the only one) are not separately compensated for their services as directors; their compensation comes entirely from their service as an employee of Pason. The process for setting executive compensation is more fully described in this Information Circular starting on page 17 under the heading *Compensation Discussion and Analysis* ("CD&A").

Annual Cash and Equity Retainers and Meeting Fees

The Corporation provides its directors with a compensation package comprised of annual cash and equity-based retainers and attendance fees paid quarterly in arrears. Management directors are not paid additional compensation for their service as a director. Directors are also reimbursed for their reasonable expenses for meetings and relevant continuing education costs.

The table below sets out the different compensation elements for non-management directors for 2019.

Type of Compensation	Value
DSUs ⁽¹⁾	\$100,000
Additional board retainer ⁽²⁾	\$45,000
Retainer for Chairman of the Board ⁽²⁾⁽³⁾	\$80,000
Retainer for Lead Director ⁽²⁾⁽⁴⁾	\$25,000
Retainer for Audit Committee chair ⁽²⁾	\$17,000
Retainer for other committee chairs ⁽²⁾	\$10,000
Meeting fees ⁽²⁾	\$1,500/meeting

⁽¹⁾ The number of DSUs that were awarded to the directors for 2019 service and credited to the directors' accounts in quarterly installments at the end of each quarter in 2019 was 4,946, which is calculated by dividing the target value (\$100,000 per year) by the closing price of the shares on the TSX on November 30, 2018 (\$20.22). Laura Schwinn was awarded \$40,000 DSU's and 2,314 DSU's were credited to her account for 2019, based upon a closing price of the shares of \$17.28.

⁽²⁾ Directors may elect to take this compensation element in either cash or DSUs.

⁽³⁾ James D. Hill has elected not to receive the retainer for Chairman of the Board

⁽⁴⁾ The additional retainer fee paid to the Lead director is reduced by any amounts paid to such Lead Director for acting as the chair of another committee, such that the maximum amount of additional retainer paid to an individual director is \$25,000. For example, in 2019, James B. Howe was paid an additional \$25,000 for his service as both Lead Director and Audit Committee Chair.

Deferred Share Unit Plan

The Board adopted a Deferred Share Unit plan (the "DSU Plan") in 2011. The DSU Plan replaced the other equity awards (stock options and RSUs), which had previously been granted to directors on an annual basis. All directors, except directors who are also members of management, receive DSUs when recommended by the CGN Committee and approved by the Board.

The value of each DSU is linked to the Share price. DSUs are granted annually for the director's anticipated service in the subsequent year and are credited to each director's account in installments on the last day

of each calendar quarter of the subsequent year, subject to the director leaving the Board early. If a director leaves the Board during a calendar year, a portion of those DSUs awarded for that year will be credited to the director within 30 days of leaving, on a pro-rata amount based on the portion of the year in which that director served on the Board. Each DSU represents rights to cash compensation based on the Share value. DSUs may only be redeemed by a director recipient after the director has left the Board (and not earlier than ten (10) trading days following the release of the Corporation's quarterly or annual financial results following the director's cessation from their service on the Board), promoting motivation for long-term Share growth. In the event of a change of control (as defined in the DSU Plan), DSUs awarded but not yet credited to a director's account are immediately credited and then eligible for redemption in accordance with the DSU Plan.

DSU accounts are credited with an equivalent number of DSUs to account for any dividend paid on the Shares. This is done by the issuance of additional DSUs valued in the amount of the dividend that the director would have received on DSUs credited to that director's account at the date of the dividend payment. A director's DSUs are counted towards the director Share ownership guidelines, as further described below under the heading *Director Share Ownership Guidelines*.

Director Share Ownership Guidelines

Pason's Director Share Ownership Guidelines require each non-management director to acquire and hold equity of the Corporation in the form of DSUs or Shares. Directors have five years from the date of their appointment or election as a director to acquire a minimum aggregate value of three times the annual fixed compensation paid to such director. For this purpose, the director's annual fixed compensation includes equity grants and cash retainer payments, including additional retainers paid to committee chairs, the lead director and chairman. It does not include meeting fees, as the number of meetings held each year varies. Management directors are subject to the higher requirements of the Executive Share Ownership Guidelines described under the heading *Equity Compensation Plan Information* on page 26. Compliance with this requirement will be determined based upon the higher of cost or market price of Shares held and DSUs credited to each director's account. All current directors have met the ownership guidelines.

Alignment of interests

The Board believes that the following measures effectively align the interests of directors with those of Shareholders:

- The deferral of each director's entitlement to redeem DSUs until after their service on the Board has ended
- Majority of director compensation is in the form of DSUs

Additional information about corporate governance involving the Board is found under the heading *Corporate Governance Disclosure*, starting on page 38 of this Information Circular.

Director Compensation Table – 2019

The table below sets out the compensation paid and awarded to non-management directors in 2019.

Name	Deferred Share Units Credited ⁽¹⁾
James D. Hill ⁽²⁾	\$168,432
James B. Howe	\$97,031
T. Jay Collins	\$198,538
Judi M. Hess	\$181,276
Laura L. Schwinn	\$33,106

⁽¹⁾ The value of the DSUs is linked to the Corporation's share price. Under the terms of the Director DSU Plan, the DSUs were awarded for Board service in 2019 and were credited to each director's account in installments on the last day of March, June, September, and December 2019. The value identified in the table above includes dividend equivalents that were added to each director's DSU account. The number of DSUs granted for 2019 service is disclosed under the heading *Deferred Share Unit Plan* on page 14. A portion of James B. Howe and Laura Schwinn's compensation was paid in cash and is not included in the table above (\$92,500 and \$24,000 respectively)

⁽²⁾ James D. Hill has elected not to receive any compensation for his role as a Chairman of the Board.

Outstanding Share-Based Awards and Option-Based Awards

The following table summarizes the outstanding DSUs held by non-management directors as at December 31, 2019.

Name	Share-Based Awards – DSUs		
	Number of DSUs that have not been credited to accounts ⁽¹⁾	Payout value of DSUs that have been awarded but not yet credited to accounts ⁽²⁾	Payout value of credited DSUs not paid out or distributed ⁽³⁾
James D. Hill ⁽⁴⁾	7,752	\$101,628	\$647,473
James B. Howe	7,752	\$101,628	\$284,490
T. Jay Collins	7,752	\$101,628	\$791,327
Judi M. Hess	7,752	\$101,628	\$474,093
Laura L. Schwinn	7,752	\$101,628	\$30,503

(1) Represents DSUs awarded to directors on November 30, 2019. DSUs are credited to the respective directors' accounts for their service in 2020. DSUs are credited quarterly in arrears and the only condition of vesting (crediting to each directors' accounts) is continuing to serve as a director of the Corporation.

(2) Calculated based on the market price of the Shares at December 31, 2019 (\$13.11) multiplied by the number of DSUs that were awarded to directors on November 30, 2019 but have not yet been credited to the directors' accounts on December 31, 2019. The amount does not include the number of DSUs to be credited to directors' accounts in respect of the additional board retainer, retainer fees for committee chairs earned by a director and meeting fees earned in 2020. The amount also excludes dividend equivalents that may be credited on such amounts in 2020 as those dividends have not yet been declared. DSUs awarded on November 30, 2019 will be credited to each director's account at the end of each financial quarter in 2020, in an amount equal to ¼ of the annual grant, or a pro rata for periods of partial service. The only condition of vesting (crediting) to each director's account is the director's continued service on the Board.

(3) Calculated based on the market price of the Shares at December 31, 2019 (\$13.11) multiplied by the total number of DSUs credited to the directors' accounts at December 31, 2019. Once DSUs are credited to a director's account, they may be redeemed only after the director ceases to be a director, in accordance with the terms of the DSU Plan, as described above under the heading *Deferred Share Unit Plan* on page 14.

(4) James D. Hill elected not to receive the retainer for Chairman of the Board during 2019.

Compensation Discussion and Analysis (“CD&A”)

The CD&A describes the compensation programs and practices applicable to Pason’s executive officers, including the process by which compensation decisions are reached by the Human Resources and Compensation Committee (the “HRC Committee”) and the Board.

The CD&A focuses on the compensation paid or payable to Pason’s Chief Executive Officer (or “CEO”), Chief Financial Officer (or “CFO”) and the next three most highly compensated executive officers (collectively, the “Named Executive Officers” or “NEOs”) for the fiscal year ended December 31, 2019. Pason’s NEOs for 2019 are as follows:

Name	Title
Marcel Kessler	President & Chief Executive Officer
Jon Faber	Chief Financial Officer
Timur Kuru	VP Operations USA
Russell Smith	VP Operations Offshore & International
Kevin Boston	VP Business Development

Pason’s Executive Compensation Approach

At Pason, executive compensation is a key component of our strategy. Pason operates in a highly demanding, complex, and competitive business environment. The Corporation’s business is technology intensive and the reward for business decisions and investments in research and development and information technology made today may not be realized for several years. Pason seeks to drive long-term Shareholder value by ensuring that the compensation strategy incorporates the following guiding principles:

Shareholder Alignment	Align the interests of executives with those of Shareholders by ensuring a significant portion of executives’ variable compensation is driven by Shareholder returns and requiring executives to purchase a stake of Pason Shares that is personally significant.
Pay for Performance	Emphasize performance-based compensation that rewards both corporate and personal performance, with a significant portion of executive pay-at-risk.
Competitive with Peers	Provide market-competitive compensation designed to motivate, retain, and attract qualified executives to deliver on the Corporation’s strategy and business plans.

Human Resources and Compensation Committee

The HRC Committee assists the Board in overseeing the design and administration of Pason’s human resources and compensation policies and practices. The HRC Committee is governed by the Board so all recommendations developed by the HRC Committee must be reviewed and approved by the Board.

The specific responsibilities of the HRC Committee are outlined in its Mandate, which is available on our website at www.pason.com.

The primary responsibilities of the HRC Committee are as follows:

- Review Pason’s general compensation philosophy and programs for executives and employees and oversee the development and implementation of compensation programs
- Evaluate the performance of the CEO annually and recommend to the Board the total compensation of the CEO in light of such performance, along with the assessment of the other executives and their total compensation, as recommended by the CEO
- Review and approve any equity-based compensation plans, including stock option plans and any

other incentive plans involving the issue of Shares, along with the administration of such plans

- Review and make recommendations on Pason's retirement plans and any proposed amendments that materially impact costs, benefits, plan eligibility, or plan establishment
- Establish stock ownership guidelines for executives and monitor compliance

Composition of the HRC Committee

The HRC Committee currently includes T. Jay Collins, Chair of the HRC Committee, Judi M. Hess, and James B. Howe. All members of the HRC Committee are independent and have the knowledge, skills, and experience necessary to effectively fulfill their duties. Additional information regarding each member's education, experience and expertise is provided under the heading, *Director Biographies*, on page 10. Additional information regarding the independent status of each Board member is provided under the heading, *Corporate Governance Disclosure*, on page 38.

Independent Compensation Advisor

The HRC Committee, may, from time-to-time, retain an independent compensation advisor(s) to:

- Assess the design of Pason's executive compensation program and provide recommendations based on best practices in Canada and the United States
- Review the compensation and pay level of each executive officer relative to Pason's established compensation peer group
- Provide advisory services pertaining to corporate governance and compensation risk

Information provided by an independent compensation advisor is one component of the HRC Committee's deliberations regarding Pason's compensation program. The HRC Committee also takes into consideration various other factors when approving and developing compensation recommendations, including corporate performance and individual accomplishments in the performance year.

The HRC Committee pre-approves all services provided by an independent compensation advisor to ensure it remains objective and independent. In 2019, the HRC Committee engaged an independent compensation advisor to review and assess Pason's executive compensation program. In addition, Pason does continue to engage Mercer to provide services for Pason's health, welfare, and pension benefits, as outlined in the table below:

	2019	2018
Executive compensation-related fees	\$39,052	-
Other fees ⁽¹⁾	\$18,585	\$55,552
Total fees	\$57,637	\$55,552

⁽¹⁾ Fees and commissions paid to Mercer for pension and benefits consulting.

Compensation Approval Process

Each executive officer has specific performance targets and is compensated based on the achievement of corporate and individual objectives for the year. The CEO is responsible for providing compensation recommendations for the senior leadership team which is reviewed and approved by the HRC Committee.

At the end of November, the HRC Committee receives compensation recommendations from the CEO for executive officers. In its compensation review, the HRC Committee considers the compensation levels for each executive to: (i) ensure consistency and appropriateness of corporate and individual performance and application of incentive awards; and (ii) assess the relative positioning of each executive with external and internal peers. The HRC Committee will also take into consideration broader implications, such as current industry conditions, Pason's Share price performance and returns to Shareholders.

The HRC Committee presents all compensation recommendations for executive officers, including the CEO, to the Board for its review.

Pason's compensation peer group

Pason's direct competitors are predominantly subsidiaries of larger organizations, which make compensation comparisons difficult, as there are few industry peers. However, to attract, motivate, and retain the talent needed to execute Pason's strategic and business plans, Pason's compensation program must be competitive relative to the market.

In 2019, the HRC Committee worked with Mercer to establish a revised group of fourteen (14) appropriate industry peers (the "Comparator Group") to evaluate and benchmark executive compensation. These companies were selected based on their comparability to Pason using the following metrics:

- Market capitalization
- Enterprise value
- Revenue
- EBITDA
- Geographic focus
- Capital requirements
- Length of business cycle
- Complexity of service offerings

The HRC Committee will continue to monitor the Comparator Group for future years and adjust as necessary. Pason's Comparator Group is comprised of the following companies:

Canadian Companies	US Companies
Trican Well Service (TSX: TCW)	Cactus, Inc. (NYSE: WHD)
CES Energy Solutions Corp. (TSX: CEU)	Dril-Quip Inc. (NYSE: DRQ)
Calfrac Well Services Ltd (TSX: CFW)	Forum Energy Technologies Inc. (NYSE: FET)
Ensign Energy Services (TSX: ESI)	Helix Energy Solutions Group (NYSE: HLX)
Precision Drilling Corp. (TSX: PD, NYSE: PDS)	Oceaneering International Ltd. (NYSE: OII)
Secure Energy Services (TSX: SES)	Oil States International Ltd. (NYSE: OIS)
ShawCor (TSX: SCL)	
Enerflex (TSX: EFX)	

Performance Share Unit (PSU) plan peer group

Under the PSU Plan, Pason's Total Return to Shareholders ("TRS") performance is measured against two (2) indices: the SPTTEN (S&P/TSX Capped Energy Index) and the OSX (PHLX Oilfield Services Sector Index). The SPTTEN index is comprised of twenty-four (24) Canadian energy companies. The OSX index is comprised of fifteen (15) American oilfield service companies. Additional information regarding the Corporation's PSU Plan can be found under the heading, *Performance Share Unit (PSU) Plan*, on page 23.

Managing Compensation Risk

The HRC Committee and Board are committed to ensuring the potential risks associated with Pason's compensation program are identified and mitigated to avoid adverse effects to the Corporation.

Pason's executive compensation program is designed to ensure a significant portion of an executive's compensation is at-risk and directly tied to the Corporation's achievement of its strategic, financial, and operational goals. Pason's compensation structure, and mix of short-, medium-, and long-term rewards, reinforces an appropriate level of risk-taking behaviour and does not encourage sub-optimization or reward actions that could produce short-term success at the cost of longer-term sustainable Shareholder value. In addition, the Board monitors and approves all significant capital expenditures, annual operating budgets, and strategic business plans. Together, the HRC Committee and Board have the discretion to make changes to executive compensation considering the Corporation's actual performance and individual accomplishments.

Pason's compensation program also includes other safeguards that strengthen the link between the behaviours of executive officers and interests of Shareholders, as summarized in the table below:

What we do:	
✓	Conduct an annual 'say on pay' vote
✓	Execute a balanced mix of short, medium and long-term incentives
✓	Emphasize performance-based compensation
✓	Place caps on incentive compensation payments to avoid excessive payouts
✓	Use threshold performance levels so executives must deliver a minimum level of performance to receive certain incentive compensation payments
✓	Provide Share ownership guidelines for all executive officers
What we don't do:	
×	No transfer of long-term incentives (except in the case of death)
×	No extensions of long-term incentives
×	No loans to purchase Shares
×	No excessive contracts, severance packages or guaranteed compensation for executive officers
×	No executive employment contracts with multi-year guaranteed pay increases, STIP awards or LTI grants

The HRC Committee believes that the features of Pason's executive compensation program mitigate risk by diversifying rewards and eliminating reliance on any single performance measure to determine incentive compensation for executive officers. Through its ongoing oversight of the Corporation's compensation policies and involvement in the annual compensation recommendations for the CEO and executive officers, the HRC Committee and the Board have determined that there are no risks arising from Pason's compensation policies and practises that are reasonably likely to have a material adverse effect on Pason.

Anti-hedging

The Corporation does not have a policy dealing with hedging or other instruments to offset changes in the market value of Shares. The Board believes that taking a speculative position against the Corporation's performance would be inappropriate and would not be tolerated. All members of management are aware of this stance.

Many Shareholders have advised management that the significant ownership stake the Chairman of the Board, James D. Hill, has in Shares should not be discouraged with any policy that would motivate him to reduce his holdings. The Shares represent a significant portion of James D. Hill's assets and preventing him from pledging some of those Shares or otherwise leveraging his ownership interests may have the effect of encouraging him to divest some of those Shares. James Hill is actively involved in a variety of philanthropic and other business activities, which, from time-to-time, require capital that would otherwise be unavailable to him were he unable to monetize some of these Shares.

Compensation Elements

Pason's total compensation package includes fixed and variable components. The components are designed to support the philosophy of pay-for-performance, with a significant portion of an executive's total compensation being variable to incentivize strong performance and create Shareholder value. Fixed compensation elements include base pay, benefits, and a retirement savings plan. Variable at-risk elements include an annual performance bonus and medium- and long-term incentive awards. The table below provides a summary of the different executive compensation elements:

Type of Award	Form of Award	Performance Period	Payout
Base Salary	Cash	1 Year	Fixed
Short-Term Incentive ⁽¹⁾ (STIP)	Cash	1 Year	At-risk; Payout based on corporate and individual performance
Medium-Term Incentive (MTIP)	Performance Share Units (PSUs) ⁽²⁾ Restricted Share Units (RSUs) ⁽³⁾	3 Years	At-risk; Payout settled in cash and varies based on Pason's relative Total Return to Shareholder (TRS) performance for PSUs, and on Pason's share price for RSUs
Long-Term Incentive (LTIP)	Stock Options ⁽⁴⁾	Maximum 5 years (1/3 vests each year over 3 years)	At-risk; Payout is settled in shares
Benefits	Life, Health, Dental insurance	Ongoing	Benefits vary by country
Retirement Savings	Cash	Ongoing	Contributions vary by country

⁽¹⁾ This is a discretionary cash bonus program and is further described below under the heading *Variable Compensation* on page 22.

⁽²⁾ The PSU plan is further described under the heading *Performance Share Unit (PSU) Plan* on page 23.

⁽³⁾ The RSU plan is further described under the heading *Performance Share Unit (PSU) Plan* on page 23.

⁽⁴⁾ The Stock Option plan is further described under the heading *Long-Term Incentives* on page 25.

Compensation Mix

The HRC Committee establishes a target compensation mix for each executive level based on the executive's ability to affect results over the medium- to long-term. (Across all Pason employees, more senior roles have a higher percentage allocated to variable- and longer-term compensation.) The HRC Committee also takes into consideration market practice for similar positions in the Comparator Group. The following outlines the 2019 target compensation mix for the CEO and the average target compensation for the other NEOs:



The portion of target compensation that is delivered in the form of Medium-Term Incentive (MTIP) and Long-term Incentive Awards (LTIP) is split as follows:

Medium-Term Incentive (MTIP)		Long-Term Incentive (LTIP)
Performance Share Units (PSUs)	Restricted Share Unit (RSUs)	Stock Options
50%	25%	25%

The HRC Committee may determine the grant value or number of PSUs, RSUs and Stock Options at its sole discretion, which may include taking factors into consideration such as compensation data from comparable benchmark positions against Pason's Comparator Group, duties and seniority of the executive, individual and/or departmental contributions and potential contributions to the overall success of Pason, and such other factors as the HRC Committee shall deem relevant.

Fixed Compensation

Base Salary

Base salary reflects the scope, responsibility, accountability, and complexity of an executive's role. Annual base salary adjustments are normally effective January 1 of each year. Adjustments may be awarded based on a combination of:

- Pason's financial performance and ability to pay
- An individual's performance
- Significant changes to an individual's duties and responsibilities
- Competition within the market where the Corporation competes for talent

Additional information regarding NEO salaries can be found under the heading, *Summary Compensation Table*, starting on page 32.

Variable Compensation

Short-Term Incentive Plan (Cash Bonus)

Pason's supports a pay-for-performance philosophy. All employees, including NEOs, are eligible for an annual discretionary cash bonus. The annual discretionary cash bonus aligns a component of the employee's total compensation with the Corporation's financial and operational success, while also taking into consideration an individual's contributions for the performance year. Each employee has a cash bonus target, which is expressed as a percentage of base salary. Targets vary by level within the Corporation, with senior level positions having proportionately more pay-at-risk. This program is designed to ensure cash bonuses are only paid out in times when financial performance warrants, given the volatile nature of the industry.

The HRC Committee approves cash bonus targets for NEOs, considering a role's responsibilities and business impact, in addition to benchmark data of the Comparator Group. Bonus targets for NEOs are expressed as a percentage of base salary, as summarized in the table below:

Position	Target Bonus
President & Chief Executive Officer	100% to 150%
Chief Financial Officer	60% to 100%
Vice President	40% to 85%

Given the challenging industry conditions and Pason's financial performance, no discretionary bonus payments were granted in 2015 and 2016. In 2017, the HRC Committee decided that the level of profitability achieved for the year was not yet sufficient to allow the target bonus to be awarded to all NEOs.

Pason believes in promoting a team approach and collaborative culture, while also recognizing individual contributions. Therefore, except for the CEO, the determination of the cash bonus for NEOs depends on corporate, as well as individual performance. The following table summarizes the performance weightings used to calculate cash bonus payments:

Position	Corporate Performance	Individual Performance
President & Chief Executive Officer	100%	-
Other NEOs	70%	30%

Corporate performance components are summarized in the table below:

Corporate Performance Components	
Financial Metrics	
Normalized pre-tax income ⁽¹⁾	Calculated by taking net income and adding back income tax, stock-based compensation, foreign exchange gains/losses, gains/losses on disposal of assets and one-time items (at the discretion of the HRC Committee)
Return on invested capital ^{(1),(2)}	Calculated by taking normalized net income plus after-tax interest expense, divided by average invested capital (Shareholders' equity plus interest-bearing debt less cash and cash equivalents)
Operational Metrics	
Strategic initiatives	Essential to support future growth
Employee retention	Essential to maintain a high level of customer service
Safety performance	Essential to operations to keep employees safe

⁽¹⁾ This measure is not recognized under International Financial Reporting Standards.

⁽²⁾ Normalized net income is defined as net income adjusted for the tax affected amounts relating to foreign exchange gains/losses, losses (gains) on disposal of assets, stock-based compensation and one-time items (at the discretion of the HRC Committee). Average invested capital is calculated using balances at the start of the year and the end of each quarter.

Individual performance measures an executive's contributions, based on role-specific objectives set forth at the beginning of the performance year.

Cash bonus payments are made before the end of the first quarter following the respective performance year, subject to review and approval of Pason's year-end audited financial statements by the Board.

Medium-Term Incentives

Restricted Share Unit (RSU) Plan

The RSU Plan was adopted by the Corporation in 2008 to promote a greater alignment of interests between designated participants and Shareholders by providing remuneration based on the market value of Shares. It is a cash-based plan under which no Shares are issued. The HRC Committee may recommend RSUs be granted to employees of the Corporation and to other persons, if approved by the HRC Committee in advance.

RSUs are awarded annually, normally in November of each year (the "Award Date"), and from time-to-time, during each year. RSUs mature over three years and one-third of the Shares are paid out on each of the first, second, and third anniversaries (the "Maturity Date") of the Award Date. On the applicable Maturity Date, the number of RSUs maturing will become payable to each participant, in cash. The amount payable is determined by multiplying the number of RSUs by the current market value of Shares on the applicable Maturity Date. The current market value is defined as the weighted average trading price of Shares for the last five trading days on the Toronto Stock Exchange, up to, and including, the closing market price on the Maturity Date. In the event of a change of control, all participants would be entitled to accelerated maturity of all unmaturing RSUs.

Performance Share Unit (PSU) Plan

The PSU Plan was implemented in 2014 and is consistent with Pason's pay-for-performance philosophy. It is a cash-based plan under which no Shares are issued. The PSU Plan provides incentive for executives to drive superior medium to long-term performance without diluting Shareholder value and directly aligns a significant portion of executive compensation to Pason's Total Return to Shareholders ("TRS") over a multi-year period.

The following metrics are used in the PSU Plan to calculate payouts:

Total Return to Shareholders (TRS)	The percentage change in the volume-weighted average market price of PSI ("Average PSI") in the Measurement Period ⁽¹⁾ compared to the Average PSI in Year 0 ⁽²⁾
Indices	The "SPTTEN Return" is the percentage change in the average market price of the SPTTEN (S&P/TSX Capped Energy Index) (the "Average SPPTEN") in the Measurement Period compared to the Average SPTTEN in Year 0. The "OSX Return" is the percentage change in the average market price of the OSX (PHLX Oilfield Services Sector Index) (the "Average OSX") in the Measurement Period compared to the Average OSX in Year 0
Index Return (IR)	The simple average of the SPTTEN Return and the OSX Return
Relative Return (RR)	RR is calculated by subtracting the IR from the TRS

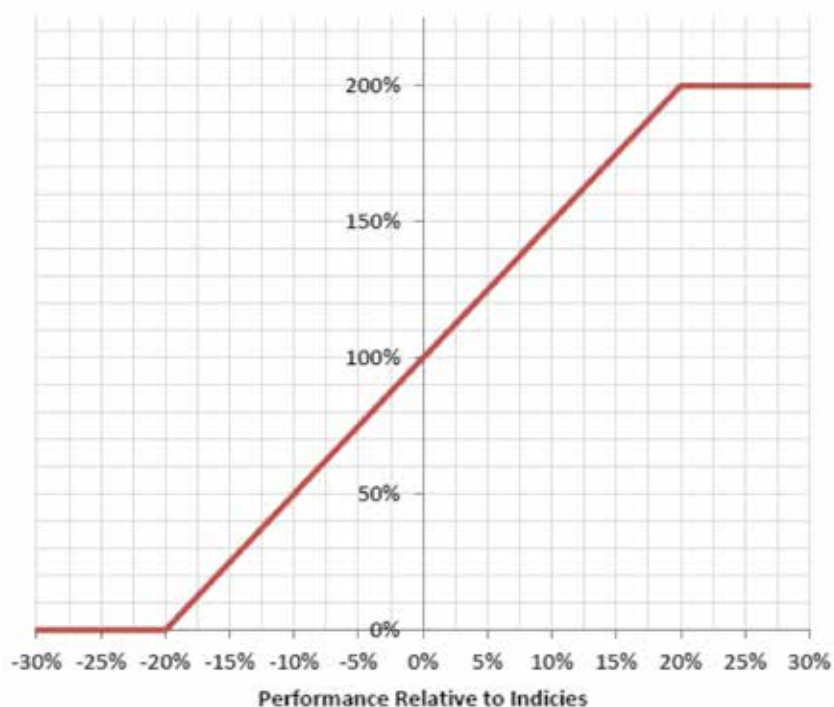
(1) The Measurement Period is the historical period of time between the grant date of the applicable PSUs and the relevant annual payout date.

(2) Year 0 is equal to the 12-month historical period of time immediately preceding the day that is exactly one, two, or three years before the annual payout date.

If TRS performs in parallel with the Index Return, the Relative Return metric would equal zero. If TRS outperforms the Index Return the Relative Return metric will be positive, and if TRS underperforms the Index Return, the Relative Return metric will be negative. If outperformance is achieved, the payout would increase in a linear fashion up to a maximum of 200% of a participant's Target PSU Payout, reached at a relative outperformance of +20%. If underperformance occurs, the payout will decrease in a linear fashion to a zero-dollar payout at a relative underperformance of -20%. The payout for relative performance between -20% and +20% is determined as follows:

$$\text{Number of Vested PSUs} \times [1 + 5 \times \text{RR}] \times \$1.00 = \text{PSU Payout (\$)}$$

PSU Performance Multiplier



PSUs are paid over three years (one-third each year) in cash on the first, second, and third anniversaries of their grant, which will normally be at the end of November of each year. In the event of a change of control, all participants would be entitled to accelerated maturity of all unmaturing PSUs.

Long-Term Incentives

Stock Option Plan

The long-term incentive plan gives executives and eligible employees (restricted to select positions which typically include executives, senior managers, or top individual contributors) the opportunity to receive stock options each year. The number of stock options awarded is based on individual performance, the level of impact of the position within the Corporation, and overall market competitiveness.

In 1996, the Board and Shareholders approved and adopted Pason's first incentive stock option plan. On October 23, 2008, the Shareholders approved the cancellation of that incentive stock option plan and replaced it with the Existing Stock Option Plan. The Existing Stock Option Plan was re-approved by Shareholders on May 8, 2012, as required by the TSX. On May 3, 2018, Shareholders approved the Amended and Restated Stock Option Plan.

The purpose of the Amended and Restated Stock Option Plan is to encourage officers and employees of the Corporation to obtain a proprietary interest in the Corporation by permitting them to purchase Shares, thereby encouraging them to remain employed by Pason and creating an additional incentive in their efforts on behalf of Pason.

The total number of Shares issuable under the Amended and Restated Stock Option Plan may not exceed 7% of the Corporation's issued and outstanding Shares on a non-diluted basis. However, as discussed in the paragraph below, the potential dilution rate since 2015 has been between 5.8% and 6.5%.

The following table shows the historical rate of dilution of the Corporation's float that would be caused by the exercise of all stock options outstanding during the year indicated.

	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019
Shares outstanding, end of period (# in 000's)	84,063	84,628	85,059	85,703	84,443
Options outstanding, end of period (# in 000's)	4,862	5,075	5,514	5,534	5,111
Options outstanding as a % of Shares	5.78	6.00	6.48	6.46	6.05

As at March 17, 2020, there were 84,345,641 Shares outstanding and 5,075,349 options to purchase Shares (equal to 6.02% of the outstanding Shares) outstanding. Pursuant to the Amended and Restated Stock Option Plan, the maximum percentage of Shares issuable is limited to 7% of issued and outstanding Shares. As a result, Pason had 828,846 options available for grant.

In 2019, 44% of new stock options issued were awarded to NEOs, and the remaining 56% of new stock options issued were awarded to other eligible employees.

The following table sets out the grant rate of stock options and the year-end dilution level of those options for the past three years:

Year	Stock Options Grant Rate ⁽¹⁾	Year-End Dilution Level of Stock Options as a Percentage of Shares Outstanding ⁽²⁾
2019	1.0%	0.3%
2018	1.5%	0.4%
2017	1.8%	0.6%

⁽¹⁾ Stock Options Grant Rate is calculated by dividing the total number of options granted per year by the number of outstanding Shares at year end.

⁽²⁾ Year-End Dilution Level of Stock Options as Percentage of Shares Outstanding is calculated by dividing the dilution level of stock options in-the-money by the weighed average of outstanding Shares as determined at year end.

Equity Compensation Plan Information

The following table contains information in respect of the Corporation's Amended and Restated Stock Option Plan under the heading *Stock Option Plan* on page 25, that being the only compensation plan under which equity securities of the Corporation are authorized for issuance. The information contained in the table is at December 31, 2019.

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in first Column)
Equity compensation plans approved by Shareholders	5,111,355	\$17.87	799,639
Equity compensation plans not approved by Shareholders	-	-	-
Total	5,111,355	\$17.87	799,639

Under the Amended and Restated Stock Option Plan, no participant may, at any time, hold options of more than 5% of the issued and outstanding Shares of the Corporation. Also, no insider may, at any time, hold options or other rights that could result in the issuance, in any 12-month period, of a number of Shares exceeding 5% of the Corporation's then issued and outstanding Shares. The total number of Shares subject to options issued to insiders within any one-year period or issuable to insiders at any time, when combined with any and all other equity-based incentive plans of the Corporation pursuant to which Shares may be issued, may not exceed 7% of the total issued and outstanding Shares. The benefits, rights, and options under the Amended and Restated Stock Option Plan are not transferable or assignable, other than for normal estate settlement purposes.

Stock options are granted annually, normally in November of each year, and from time-to-time during the year as is necessary and appropriate. Eligibility for annual grants is dependent on employee performance and potential long-term contribution to, and impact on, the Corporation. Officers and employees of the Corporation or any of its subsidiaries or affiliates are entitled to participate in the Amended and Restated Stock Option Plan. Non-employee directors are not eligible to participate, and the Board may not amend the plan to allow their participation without Shareholder approval.

The exercise price for options is set by the Board at the time such options are granted (the "Grant Date") and cannot be less than the closing market price of Shares listed on the stock exchange on the last trading day before the Grant Date. Options normally vest in equal amounts over three years; however, the Board has the authority to determine other vesting timeframes and restrictions at the time such options are granted. The Board also sets the expiration time by which options may be exercised, which must be less than ten years or a shorter period if prescribed by the stock exchange. All options that have been granted since 2008 expire five years from their Grant Date. If any stock options expire during a trading blackout period, the expiration date is extended by ten days for any option holders subject to that trading blackout period.

If an option holder's employment is terminated for any reason other than death or permanent disability, the participant must exercise his or her options by the earlier of 90 days from that termination date or the option expiry date. In the event of an option holder's death or termination as a result of permanent disability, the time to exercise the stock options that had vested as of the date of death or termination is extended to 12 months, and unvested options vest on a pro-rata basis.

Under the terms of the Amended and Restated Stock Option Plan, in the event of a change of control, all unvested stock options would immediately vest.

The Board has full authority to administer the Amended and Restated Stock Option Plan, including the power to suspend or terminate it. The Board also has authority to amend or revise its terms, subject to any required Shareholder approval, provided such amendment or revision neither requires approval of a regulatory authority or stock exchange having jurisdiction over the Shares nor has an effect on the beneficial rights of option holders.

The Board may not, without Shareholder approval, amend or revise the plan or any option granted under the plan that has the effect of:

- Increasing the number of Shares reserved for issuance
- Reducing the exercise price of an option or cancelling and reissuing an option
- Extending the option period beyond its original expiration date
- Allowing non-employee directors to participate
- Permitting the transfer or assignment of options, other than for normal estate settlement purposes
- Amending the amendment provisions of the plan

Under the terms of the Amended and Restated Stock Option Plan, the Board may, without Shareholder approval, effect the following changes to the plan or to any option issued thereunder:

- Modify a provision of the Amended and Restated Stock Option Plan, which is required to comply with applicable laws or any regulatory authority or stock exchange having jurisdiction over the Shares
- A modification that extends or accelerates the terms of vesting applicable to any option
- A modification, the object of which is to correct any provision that is inapplicable or ambiguous or is an error or omission, and make amendments of a “housekeeping” nature
- A modification that amends or modifies the mechanics of exercise of an option

No financial assistance by the Corporation is provided to grantees of options under the Amended and Restated Stock Option Plan.

Benefits and Perquisites

Pason provides a market competitive employment benefits program to eligible employees, including NEOs, which may include life insurance, medical, dental, short- and long-term disability programs, emergency travel assistance, and retirement savings plans. The program differs in the geographic areas where the Corporation operates, based on competitive local practices. Eligible employees participate in the plan(s) appropriate to their country of residence and their employment status with the Corporation.

Pason offers retirement savings plans to eligible employees, including executives, in both Canada and the United States. In Canada, the Corporation makes a matching contribution through a group registered retirement savings plan (RRSP) on behalf of each participating employee, up to a maximum of 5% of annual base salary, provided such annual contributions are within the limits prescribed by the Income Tax Act (Canada). For employees in the United States, a fixed contribution is made to a 401(K) Safe Harbor Plan at a rate of 3% of annual base salary on behalf of each employee, provided such contributions are within the limits prescribed by the Internal Revenue Code (USA).

The Corporation does not provide executives with a company vehicle or vehicle allowances, or other such perquisites. The value of the benefit arrangements outlined above provide additional compensation to the Corporation’s NEOs that are competitive with those provided in the industry and are not in aggregate more than \$50,000 or 10% of the executive’s annual total compensation for the financial year and, as such, is included in the table provided under the heading, *Summary Compensation Table*, on page 32.

Executive Share Ownership Guidelines

The Board believes that NEOs and certain other executives should have meaningful personal holdings of Pason shares to further align their interests and actions with the interests of the Corporation’s shareholders. The Executive Share Ownership Guidelines require that:

- The Chief Executive Officer must own Shares equal to three (3) times base salary
- The Chief Financial Officer must own Shares equal to two (2) times base salary
- Vice Presidents must own Shares equal to one (1) times base salary

Each covered executive has five years from the date of appointment to the applicable executive position to attain the required level of Share ownership. The Board has granted executives who were subject to these Guidelines prior to 2019 an extended period of eight (8) years to meet their respective targets due to challenging market conditions in prior years, which resulted in several years of no performance bonus and

multiple stock option grants expiring or remaining “out of the money.” Once an executive’s Share ownership has met the target, the executive is expected to maintain such ownership for as long as he or she is subject to the guidelines.

The value of shareholdings is calculated as the greater of 1) the current market value of the shares, and 2) the acquisition cost of such shares. Holdings that will not be considered when measuring share ownership include unexercised stock options (whether vested or unvested) and unvested PSUs. If an executive is not in compliance with the ownership target, the Board may require the executive to use up to 50% of any after-tax payout under the RSU Plan and PSU Plan to purchase Shares of the Corporation on the open market. If the share value ownership target increases because of an increase in annual base salary, the executive has two years to meet the incremental target.

The following table shows the share holdings and unvested RSUs of each NEO, as at March 17, 2020, valued at \$8.56, which is the closing price of the Shares on the TSX on March 17, 2020.

Name	Number of Shares Owned	Number of unvested RSUs	Market Value of Shares Owned and unvested RSUs
Marcel Kessler President & CEO	65,000	31,104	\$822,650
Jon Faber CFO	28,000	13,122	\$352,004
Timur Kuru VP Operations USA	64,780	13,271	\$668,117
Russell Smith VP Operations Offshore & International	14,790	6,998	\$186,505
Kevin Boston VP Business Development	15,201	8,113	\$199,568

2019 Compensation of Named Executive Officers

The total direct compensation mixes for the President & Chief Executive Officer and other NEOs consists of base salary, short-term (cash bonus), medium-term (PSUs and RSUs), and long-term (stock option) incentives.

The total direct compensation paid and awarded to Pason’s President & Chief Executive Officer and to the other NEOs aligns with and reflects Pason’s compensation strategy, as outlined in the section titled, *Compensation Discussion and Analysis (“CD&A”)* on page 17.

Performance Analysis

Pason’s mission is to deliver technology and services that improve the effectiveness, efficiency, and safety of drilling operations worldwide. The Corporation is pursuing a balanced value strategy intended to defend the Corporation’s leading market positions, steadily grow revenue per rig in the North American rental market, grow and improve the profitability of the international business, establish pillars of growth not tied to drilling, and continue to deliver dividend growth for Shareholders while maintaining a strong balance sheet. Under the leadership of Marcel Kessler, President & Chief Executive Officer, Pason successfully navigated a deteriorating market environment in North America, fully participated in the recovery of international markets, achieved a number of important successes for new products and laid the foundation for future growth beyond the drilling rig. Normalized Pre-Tax Income for the year was \$90 million and Return on Invested Capital came in at 35% (see the table titled *Corporate Performance Component* on page 23).

Specific achievements for the past 12 months include:

1. Achieved record Revenue per EDR day of \$1,244 in Canada and \$975 in the United States driven by increased adoption of new and existing products.
2. Fully participated in the recovery of the international business with revenue growth of 24%

and gross profit growth of 54%.

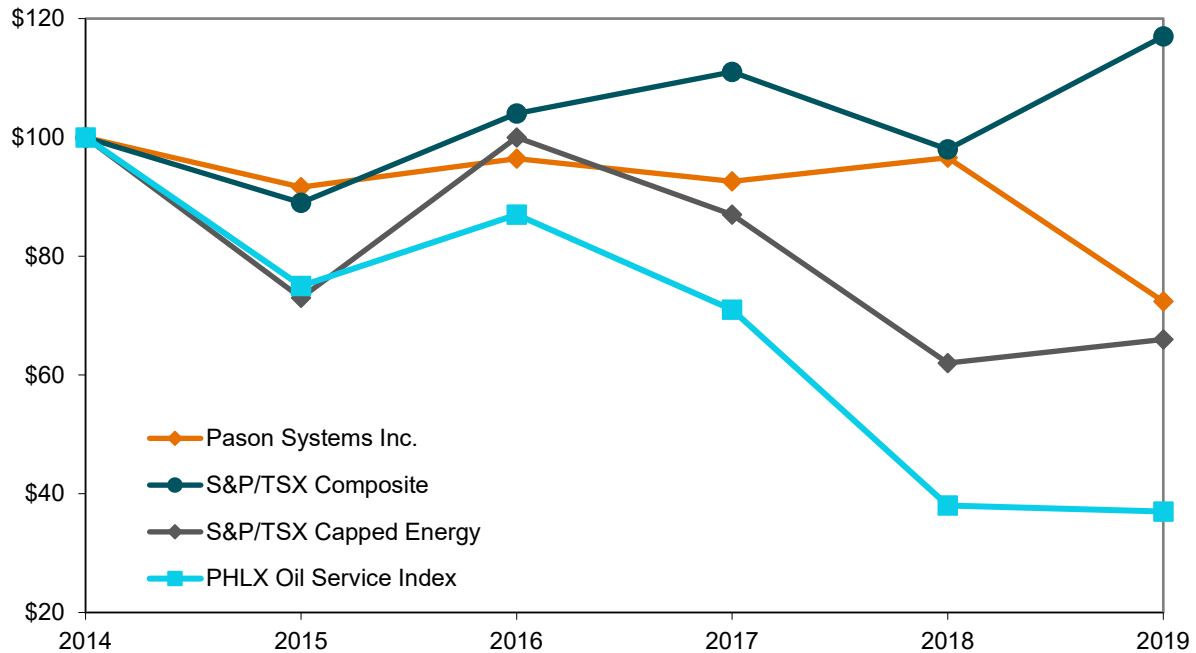
3. Gained momentum with customers for ExxonMobil DAS / AutoDriller, Pason's drilling automation software package, which has been deployed on over 270 drilling rigs for construction of over 1,700 wells since launch.
4. Gained momentum with customers for DataLink, Pason's Data Delivery solution for automated delivery of large, complex data sets from the field to corporate databases and which is currently being used on over 300 active drilling rigs.
5. Acquired a majority interest of Energy Toolbase ("ETB"), a US based software-as-a-service company for US\$20 million. ETB provides an industry-leading software package to model the economics and build proposals for solar and energy storage (battery) projects.
6. Combined ETB with Pason Power to create the foundation for meaningful long-term growth in the solar and energy storage market.
7. Made a C\$25 million investment to acquire a minority interest in Intelligent Wellhead Solutions ("IWS"), a privately-owned oilfield technology and service company that provides unique surface control systems for well completions and workover operations.
8. Had several new patents issued and pending in Canada and the United States.
9. Decreased Corporate Services expenses.
10. Kept capital expenditures low and level with the previous year.
11. Increased free cash flow.
12. Protected the balance sheet and ended the year with cash / cash equivalents of \$161 million.
13. Increased dividends paid to Shareholders by 6%.
14. Shares significantly outperformed the relevant Canadian (SPTTEN) and US (OSX) indices.

The Corporation remained focused on maintaining a distinctive technology position and unique capability set. Pason's highly capable and flexible IT and communications platforms can host additional new Pason and third-party software in the field and in the cloud. Pason's service capabilities continue to be unrivalled, as are the expertise for user interface design and ruggedization for field users. These strengths, along with an exceptional workforce, are the foundation for Pason's ability to continue to deliver significant value to customers and achieve long-term success. The compensation received by the President & Chief Executive Officer and other NEOs was, in the opinion of the HRC Committee and the Board, aligned with corporate achievements and Shareholder returns in 2019.

Performance Graph

The following performance graph illustrates over a five-year period the cumulative return to Shareholders of an investment in Shares compared with the cumulative total Shareholder return on the TSX Composite Index, the TSX Capped Energy Index (SPTTEN) and the PHLX Oil Service Sector Index (OSX), the latter two being those indices used by the Corporation to measure relative returns under the PSU Plan. The graph assumes the reinvestment of dividends, and the returns are measured using the closing price of the Shares of the Corporation as at December 31 of the year indicated.

Five-year Total Return on \$100 Investment



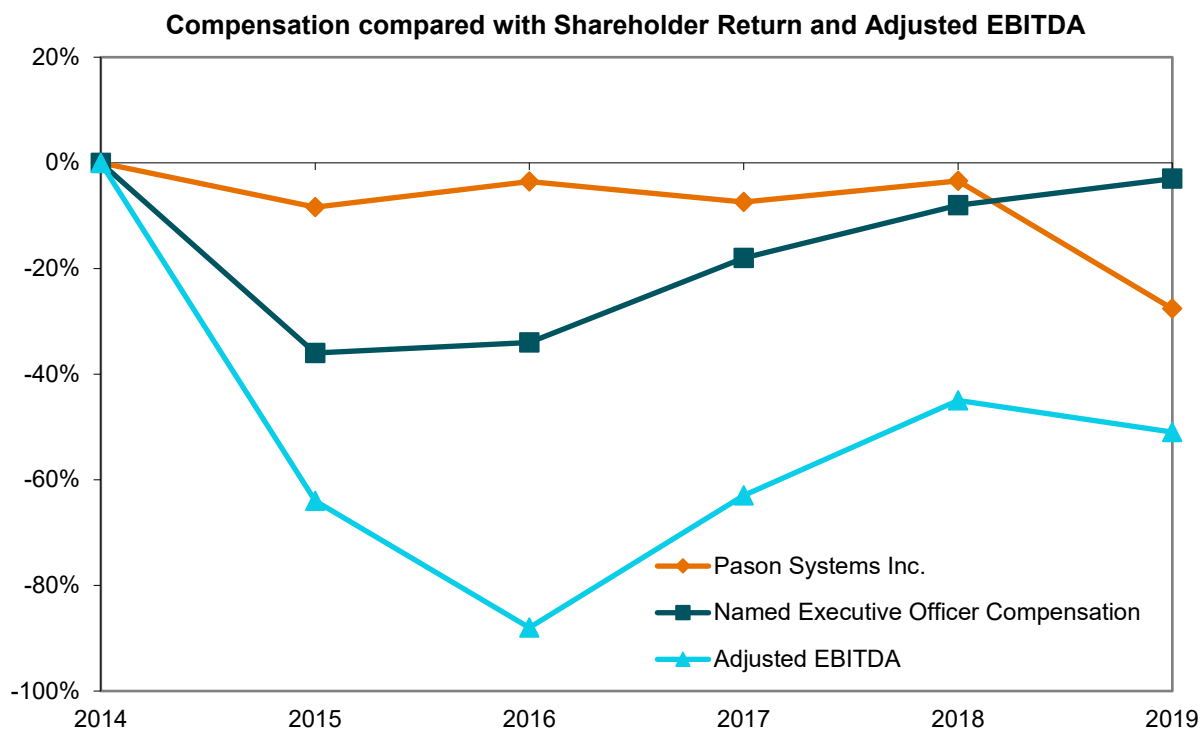
Index	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019
	(\$)	(\$)	(\$)	(\$)	(\$)
Pason Systems Inc.	92	96	93	97	72
S&P/TSX Composite	89	104	111	98	117
S&P/TSX Capped Energy (SPTTEN)	73	100	87	62	66
PHLX Oil Services Sector (OSX)	75	87	71	38	37

The HRC Committee and the Board believe that compensation of the President & Chief Executive Officer and executive management is aligned with Shareholder returns on their investment, as demonstrated by Pason's performance relative to the indexes as shown in the above graph and table.

Compensation Compared with the Shareholder Return and Adjusted EBITDA

The following graph illustrates the total compensation of the NEO compared to the cumulative return to Shareholders of an investment in the Shares ("Returns to Shareholders") and the Adjusted EBITDA of the Corporation (a non-IFRS measure) over a five-year period. The graph assumes the reinvestment of dividends, and the returns are measured using the closing price of the Shares as at December 31 of the year indicated, and the Corporation's Adjusted EBITDA, which is defined for these purposes as earnings before net interest, taxes, depreciation and amortization, stock-based compensation, gain on sale of investments, impairment losses, litigation, earn-out provisions, foreign exchange, restructuring costs, and other non-recurring items. The Corporation uses Adjusted EBITDA in this comparison graph to gauge total returns comparatively because it provides an indication of the results generated by the Corporation's

principal business activities prior to provisions and other non-recurring items that are not considered to be part of day-to-day operations.



Index	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019
	%	%	%	%	%
Pason Systems Inc. TRS	(8)	(4)	(7)	(3)	(28)
NEO Compensation ⁽¹⁾	(36)	(34)	(18)	(8)	(3)
Adjusted EBITDA ⁽²⁾	(64)	(88)	(63)	(45)	(51)

⁽¹⁾ 2014 NEO Compensation includes total compensation paid to both David Elliott and Jon Faber, who both acted in the role of CFO during 2014 and their total compensation is therefore required to be disclosed in this Information Circular (increasing the number of NEOs for 2014 from five to six for disclosure purposes).

⁽²⁾ Adjusted EBITDA is a non-IFRS measure.

Summary Compensation Table

The following table provides a summary of the compensation paid or awarded to each NEO during the last three years. Amounts earned, but not paid, are reflected in the period in which the compensation was earned.

Name and Principal Position	Year	Base Salary	Short-Term Incentive Plan	Medium-Term Incentive Plan ⁽¹⁾		Long-Term Incentive Plan	All Other Compensation ⁽²⁾	Total Compensation
			Cash Bonus ⁽³⁾	RSU Grants ⁽⁴⁾	PSU Grants ⁽⁵⁾	Stock Option Grants ⁽⁶⁾		
Marcel Kessler President & CEO ⁽⁷⁾	2019	\$600,000	\$650,000	\$400,000	\$800,000	\$257,600	\$17,500	\$2,725,100
	2018	\$540,000	\$600,000	-	\$600,000	\$558,990	\$12,375	\$2,311,365
	2017	\$525,000	\$400,000	-	\$600,000	\$496,500	\$14,219	\$2,035,719
Jon Faber CFO	2019	\$360,000	\$235,000	\$168,750	\$337,500	\$108,675	\$18,000	\$1,227,925
	2018	\$323,000	\$250,000	-	\$323,000	\$279,495	\$16,150	\$1,191,645
	2017	\$315,000	\$200,000	-	\$315,000	\$248,250	\$13,650	\$1,091,900
Timur Kuru VP US Operations ⁽⁸⁾	2019	\$419,278	\$265,366	\$170,667	\$341,333	\$109,909	\$11,145	\$1,317,698
	2018	\$398,483	\$259,176	-	\$350,000	\$372,660	\$10,691	\$1,391,010
	2017	\$389,451	\$175,253	-	\$325,000	\$331,000	\$10,515	\$1,231,219
Russell Smith, VP International Operations ⁽⁸⁾	2019	\$328,390	\$159,220	\$90,000	\$180,000	\$57,960	\$9,852	\$825,422
	2018	\$314,250	\$136,067	-	\$200,000	\$167,697	\$9,428	\$827,442
	2017	\$308,315	\$110,344	-	\$200,000	\$148,950	\$9,250	\$776,859
Kevin Boston, VP Business Development ⁽⁸⁾	2019	\$331,707	\$218,927	\$104,333	\$208,667	\$67,190	\$9,952	\$940,776
	2018	\$292,221	\$194,382	-	\$250,000	\$186,330	\$8,767	\$931,700
	2017	\$285,597	\$129,817	-	\$240,000	\$165,500	\$8,568	\$829,482

⁽¹⁾The RSU and PSU plans are further described under the headings *Restricted share unit (RSU) plan* and *Performance share unit (PSU) plan*, respectively, on page 23.

⁽²⁾All Other Compensation represents the value of contributions the Corporation made to the NEOs' retirement savings plans implemented in 2013 and as described on page 28.

⁽³⁾The Short-Term Incentive Plan includes the discretionary cash bonus. Cash bonus are paid the following year, after financial results are finalized. The plan is further described under the heading *Medium-Term Incentives* on page 23.

⁽⁴⁾RSU were granted on November 30 at \$12.86 based on the volume-weighted average share price of the last five trading days in November.

⁽⁵⁾As described above under the heading *Medium-Term Incentives* on page 23, each PSU has a notional target value of \$1.00.

⁽⁶⁾The value of stock option awards reflects the estimated value on the grant date calculated using the Black-Scholes valuation method. 2019 stock option grants were valued at \$1.610.

⁽⁷⁾Marcel Kessler does not receive additional compensation for his services as a director. He is paid only as an executive of the Corporation.

⁽⁸⁾Timur Kuru, Russell Smith, and Kevin Boston are paid in US dollars. Disclosed compensation has been converted from USD at 1.327 in 2019, 1.296 in 2018, and 1.298 in 2017.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table summarizes each NEO's stock options, RSUs and PSUs outstanding at December 31, 2019. The five NEOs held 1,738,767 (34%) of the 5,111,355 stock options issued and outstanding as at December 31, 2019.

Name and Principal Position	Grant Year	Medium-Term Incentive Plan		Medium-Term Incentive Plan		Long-Term Incentive Plan			
		Share-Based Awards: PSUs ⁽¹⁾		Share-Based Awards: RSUs ⁽¹⁾		Option-Based Awards ⁽²⁾			
		Number of PSUs That Have Not Vested ⁽³⁾	Market Value of PSUs That Have Not Vested ⁽⁴⁾	Number of RSUs That Have Not Vested	Market Value of RSUs That Have Not Vested	Number of Shares Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽⁵⁾
Marcel Kessler President & CEO	2019	800,000	\$800,000	31,104	\$407,773	160,000	\$12.90	Nov 30, 2024	\$33,600
	2018	400,000	\$800,000			150,000	\$20.22	Nov 30, 2023	-
	2017	200,000	\$366,660			150,000	\$18.49	Nov 30, 2022	-
	2016					79,900	\$15.94	Nov 30, 2021	-
	2015					100,000	\$20.62	Nov 30, 2020	-
Jon Faber CFO	2019	337,500	\$337,500	13,122	\$172,029	67,500	\$12.90	Nov 30, 2024	\$14,175
	2018	215,333	\$430,667			75,000	\$20.22	Nov 30, 2023	-
	2017	105,000	\$192,497			75,000	\$18.49	Nov 30, 2022	-
	2016					65,000	\$15.94	Nov 30, 2021	-
	2015					60,000	\$20.62	Nov 30, 2020	-
Timur Kuru ⁽⁶⁾ VP US Operations	2019	341,333	\$341,333	13,271	\$173,983	68,267	\$12.90	Nov 30, 2024	\$14,336
	2018	233,333	\$466,667			100,000	\$20.22	Nov 30, 2023	-
	2017	108,334	\$198,609			100,000	\$18.49	Nov 30, 2022	-
	2016					66,667	\$15.94	Nov 30, 2021	-
	2015					-	\$20.62	Nov 30, 2020	-
Russell Smith VP Operations, Offshore & International	2019	180,000	\$180,000	6,998	\$91,744	36,000	\$12.90	Nov 30, 2024	\$7,560
	2018	133,333	\$266,667			45,000	\$20.22	Nov 30, 2023	-
	2017	66,666	\$122,219			45,000	\$18.49	Nov 30, 2022	-
	2016					35,700	\$15.94	Nov 30, 2021	-
	2015					43,000	\$20.62	Nov 30, 2020	-
Kevin Boston VP Business Development	2019	208,667	\$208,667	8,113	\$106,361	41,733	\$12.90	Nov 30, 2024	\$8,764
	2018	166,667	\$333,333			50,000	\$20.22	Nov 30, 2023	-
	2017	80,000	\$146,664			50,000	\$18.49	Nov 30, 2022	-
	2016					32,000	\$15.94	Nov 30, 2021	-
	2015					43,000	\$20.62	Nov 30, 2020	-

(1) The RSU and PSU plans are further described under the headings *Restricted Share Unit (RSU) Plan* and *Performance Share Unit (PSU) Plan*, respectively, on page 23.

(2) Represents all unexercised stock options. See page 25 under the heading *Long-Term Incentives* for more information about Pason's stock option plan.

(3) As described above under the heading *Medium-Term Incentives* on page 23, each PSU has a notional target value of \$1.00.

(4) The amounts disclosed for PSUs that were granted in November of 2019 reflect the target amounts payable to each NEO under the PSU Plan and do not take the performance conditions into account because such conditions are measured over a multi-year horizon and as at December 31, 2019, only one month of performance could be measured. The amounts disclosed for the unvested PSUs granted in 2017 and 2018 are measured at the actual PSU performance multiplier as at December 31, 2019.

(5) Calculated based on the difference between the market price of the Shares at December 31, 2019 (\$13.11), and the exercise price of the stock options for any in-the-money options.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table summarizes the cash bonus earned in 2019 and the value that would have been realised if the stock options granted to each of the NEOs had been exercised on the vesting date in 2019 and the value realised from RSUs and PSUs that vested during 2019.

Name	Short-Term Incentive Plan Cash Bonus	Medium-Term Incentive Plan RSUs ⁽¹⁾	Medium-Term Incentive Plan PSUs ⁽²⁾	Long-Term Incentive Plan Stock Options ⁽³⁾	Total
Marcel Kessler President & CEO	\$650,000	-	\$1,179,360	-	\$1,829,360
Jon Faber CFO	\$235,000	-	\$624,498	-	\$859,498
Timur Kuru VP US Operations ⁽⁴⁾	\$265,366	\$51,360	\$704,386	-	\$1,021,112
Russell Smith, VP International Operations ⁽⁴⁾	\$159,220	-	\$392,506	-	\$551,726
Kevin Boston, VP Business Development ⁽⁴⁾	\$218,927	-	\$477,664	-	\$696,591

(1) Calculated based on the number of RSUs that matured in 2019 multiplied by the market price of the Shares on the maturity date.

(2) The following table shows the PSU multipliers for the 2018, 2017 and 2016 grants which vested in 2019:

	OSX Return	SPTTEN Return	Average Indices Return	Pason Return	Relative Return	PSU Multiplier
2018 Grant	-43.66%	-24.40%	-34.03%	-10.68%	23.35%	2.0000
2017 Grant	-25.51%	-14.06%	-19.78%	-1.85%	17.94%	1.8968
2016 Grant	-20.89%	-3.84%	-12.37%	9.09%	21.46%	2.0000

(3) Calculated based on the difference between the market price of the Shares on the options' vesting date in 2019 and the exercise price of the stock options, regardless of whether the stock option was exercised.

(4) Timur Kuru, Russell Smith, and Kevin Boston are paid in US dollars. Disclosed compensation has been converted from USD at 1.327 in 2019.

Aggregated Option Exercises During the Most Recently Completed Financial Year-End and Option Values

There were 35,100 stock options exercised by the NEOs during the fiscal year ended December 31, 2019.

Name	Stock Options Exercised or Exchanged	Aggregate Value Realized ⁽¹⁾
Marcel Kessler President & CEO	20,100	\$92,460
Jon Faber CFO	10,000	\$40,668
Timur Kuru VP US Operations	-	-
Russell Smith VP International Operations	-	-
Kevin Boston VP Business Development	5,000	\$22,550

(1) Aggregate value realized has been calculated based upon the difference between the exercise price and the closing price of Shares on the date of exercise, multiplied by the number of Shares acquired or exchanged upon exercise of the relevant options.

Termination and Change of Control Benefits

Termination of Employment

In the event of termination of employment, each of the NEOs would receive the termination benefits set out in the Stock Option, RSU, and PSU Plans. NEOs are afforded no special treatment upon termination or otherwise under these plans.

The following table summarizes the results of termination of employment under the medium and long-term incentive plans and the NEOs' employment agreements:

Plan	Treatment Upon Termination
Amended and Restated Stock Option Plan	Participants have 90 days from the date of termination to exercise any vested options ⁽¹⁾ . Unvested options expire immediately upon termination.
RSU Plan	All unmatured RSUs are cancelled immediately upon termination.
PSU Plan	All unmatured PSUs are cancelled immediately upon termination.
Employment Agreement	Incremental payments to all NEOs for termination without cause (see below).

⁽¹⁾ Pursuant to the Amended and Restated Stock Option Plan, if the termination is a result of the participant's death or permanent disability, the time period to exercise options is extended to 12 months. For more information about the stock option plan, see *Stock Option Plan* on page 25.

President & Chief Executive Officer

Marcel Kessler's employment agreement provides that should his employment be terminated by the Corporation at any time other than for just cause, he would be entitled to a payment of:

1. An amount equal to 24 months of his then annual base salary; plus,
2. An amount equal to five percent of his then annual base salary to compensate for loss of medical, dental and insurance coverage.

The Corporation is deemed to have terminated Marcel Kessler's employment without just cause if:

1. His regular place of work is relocated outside of Calgary without his consent;
2. The Corporation fails to continue to provide him with any material benefit or plan, or fails to obtain an assumption of the Corporation's obligations under such benefits or plans from any successor company; or
3. A variety of other occurrences that are typically associated with constructive dismissal at law.

Chief Financial Officer and Other NEOs

The employment agreements for the Chief Financial Officer and other NEOs provides that should his/her employment be terminated by the Corporation at any time other than for just cause, he/she would be entitled to a payment of:

1. An amount equal to 12 months of his/her then annual base salary; plus
2. An amount equal to five percent of his/her then annual base salary to compensate for the loss of medical, dental and insurance coverage.

The Corporation is deemed to have terminated the employment without just cause if:

1. His/her regular place of work is relocated outside of Calgary or Houston, respectively, without his/her consent;
2. The Corporation fails to continue to provide him/her with any material benefit or plan, or fails to obtain an assumption of the Corporation's obligations under such benefits or plans from

any successor company; or

3. A variety of other occurrences that are typically associated with constructive dismissal at law.

Change of Control

In the event of a change of control, all unvested or unmatured stock options, RSUs and PSUs held by NEOs would immediately vest. Accelerated vesting applies equally to all other participants in those plans.

For purposes of the accelerated vesting under Pason's stock option, RSU and PSU Plans, the definition of a change of control event is generally consistent, and is deemed to occur if any of the following transpire:

1. Twenty-five percent of Pason's voting securities are acquired (through a new acquisition of stock or cumulatively with stock already held) by any individual or group acting together;
2. Any business combination (e.g., acquisition, merger) where Pason's Shareholders hold less than fifty percent of the votes of the combined/new entity; or
3. If the current members of the Board (or subsequent members of the Board approved by a majority of the then current members) no longer comprise a majority of the Board.

The following table summarizes the results of a change of control under the medium and long-term incentive plans and the NEOs' employment agreements:

Plan	Treatment upon Change of Control
Amended and Restated Stock Option Plan	Accelerated vesting
RSU Plan	Accelerated maturity
PSU Plan	Accelerated maturity
Employment Agreement	No incremental payments to NEO's other than to Marcel Kessler and Jon Faber (see below for discussion of double-trigger benefits)

The employment agreements of the President & Chief Executive Officer and Chief Financial Officer provides that, should a change of control occur, such executives have the right, for a period of six months following such a change of control, to elect to resign from their employment with the corporation with two months' advance notice.

Upon making such an election, the executive would become entitled to a payment equal to that which he would receive upon his termination as set out above. Should the executive decline to make that election within six months from such events, he would be deemed to have acquiesced to the change of control event and circumstances that might otherwise constitute constructive dismissal.

Termination and Change of Control Benefits Summary Table

The following table contains a summary of the payments that each NEO would have received had that individual's employment been terminated without just cause or had a change of control event occurred on December 31, 2019. Generally, all change of control and termination benefits are due to the employee within 20 days of the triggering event.

Name	Termination (without just cause)	Change of Control ⁽¹⁾
Marcel Kessler ⁽²⁾ President & CEO	\$1,230,000	\$961,829
Jon Faber ⁽²⁾ CFO	\$378,000	\$465,005
Timur Kuru VP US Operations	\$440,242	\$487,669
Russell Smith VP International Operations	\$344,809	\$272,759
Kevin Boston VP Business Development	\$348,293	\$330,256
Total payments to all NEOs	\$2,741,344	\$2,517,518

⁽¹⁾ Amounts in this column represent a payment equal to the value of each NEO's vested and unvested stock options, unvested RSUs, and unvested PSUs, as at December 31, 2019.

⁽²⁾ If a change of control event were to occur in connection with one of the subsequent events entitling Marcel Kessler and Jon Faber to an additional change of control benefit, as discussed above under the heading, *Termination and Change of Control Benefits Summary Table* on page 37, the total change of control benefit payable would be the termination amount, plus the change of control amount.

Corporate Governance Disclosure

Pason and its Board are committed to maintaining high standards of governance which comply with all regulatory standards and reflect evolving best practices that are in the interest of the organization and its Shareholders. The Board directly, and through its various committees, complies with evolving Canadian corporate governance requirements, including those established under NI 52-110 (Audit Committees), NI 58-101 (Disclosure of Corporate Governance Practices), and NP 58-201 (Corporate Governance Guidelines). The information required to be disclosed under NI 52-110 is included in the AIF under the heading “Audit Committee”.

Board of Directors

Board Membership and Independence

The Board is currently made up of six directors. Four of the six nominated directors and all current members of each Board committee are independent for the purposes of NI 58-101 and NI 52-110. As Pason’s current President & Chief Executive Officer, Marcel Kessler is not independent. James D. Hill, Chairman of the Board, is deemed to have a material relationship with the Corporation and is therefore not independent within the meaning of National Instrument 52-110 Audit Committees. Mr. Hill will not participate in any of the committee meetings.

As a member of Management, Mr. Kessler will not serve on any standing committees of the Board. If elected, Mr. Kessler will attend by invitation all or substantially all the CGN Committee, Audit Committee and HRC Committee meetings. He will not have a vote at such committee meetings and will not be present for decisions that involve him personally.

There are no interlocking board positions in that none of the proposed nominee directors sit together on the same board of other publicly traded companies or sit together with any of Pason’s executives on any other boards. Additional information related to outside directorships is included under the heading *Director Biographies*.

In Camera Meetings

Pason’s independent directors hold an in-camera meeting at which non-independent directors and members of management are not in attendance as part of every Board and committee meeting. The attendance of each director for all Board and committee meetings held in 2019 is disclosed under the heading *Director Biographies*.

Chairman of the Board is not Independent

Pason’s Chairman, James D. Hill, is not independent within the meaning of National Instrument 52-110 Audit Committees. In order to provide effective leadership, James B. Howe, has been appointed as the independent Lead Director. The responsibilities of the Lead Director are described in the Board of Directors mandate available on the Corporation’s website at www.pason.com in the Investors section. Such responsibilities include assuring effective and independent corporate governance in managing the affairs of the Board and the Corporation, chairing meetings and acting as the Corporation’s spokesperson when the Chairman is absent, chairing independent director sessions of meetings, and communicating with the independent directors.

Board Mandate, Committee Mandates and Position Descriptions

The Board of Directors mandate was updated effective February 26, 2019. The Board reviews its mandate annually and considers changes as appropriate. The Board mandate includes written position descriptions for the Chair of the Board and the Lead Director. Stand alone position descriptions are also available for the Chief Executive Officer, the Chief Financial Officer and the Secretary. Position descriptions for the chair of each of the Audit Committee, the CGN Committee and the HRC Committee are incorporated in the respective mandates for each of these committees. These mandates and position descriptions are all

available on the Corporation's website at www.pason.com in the Investors section (under Corporate Governance).

Orientation and Continuing Education

New Director Orientation

A comprehensive on-boarding program, including one-on-one and group Meetings with management and other Board members is provided for each new director.

Prior to being nominated by the Board to stand for election, each new director meets with numerous directors in one-on-one settings, as well as with the Board as a group to ensure that the director has sufficient knowledge of the Corporation's business or aspects thereof that are necessary to ensure effective oversight by the Board as a whole.

Upon appointment or election, each new director is given a comprehensive introduction package including the mandates of the Board and its committees and the position descriptions so that the new director understands the role of the Board, its committees and officers. New directors are also given access to all relevant background documents of Pason, including corporate policies, governance documents, corporate records, and prior Board materials, including strategy documents. New directors are given product demonstrations and hold meetings with various business unit managers, product managers, and R&D personnel as part of their on-boarding process.

Director Continuing Education

Management promotes continuing education among its directors by encouraging them to attend seminars and conferences that contribute to a better understanding of their role as directors and Pason and its market. Comprehensive Board materials are provided to directors in advance of regularly scheduled meetings, which include prereading materials and background analysis. Pason holds a day-long annual strategy session for the Board during which management conducts various presentations and workshops for the Board to dive deep into Pason's business and the industry dynamics.

Management provides regular reports to the Board and its committees to educate the directors on business and industry issues faced by the Corporation. Management also provides regular presentations to the Board throughout the year to keep them informed of the Corporation's ongoing strategic planning process and certain key initiatives.

Board meetings are regularly held at the Corporation's head office and periodically held at the Corporation's Houston office so the Board can tour the premises and meet with employees on a regular basis. Rig visits are occasionally arranged with the Corporation's employees so that directors may view installed and operational Pason products. Directors also regularly conduct field visits on their own to view Pason products, arranged through Pason or other affiliations.

Ethical Business Conduct

Code of Conduct and Ethics Hotline

Ethical behavior is fundamental to the way we do business at Pason. The Board has adopted a Code of Conduct and Ethics, which is applicable to directors, officers, employees and other stakeholders (including certain suppliers). A copy of the Code of Conduct has been filed on SEDAR (Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval) at www.sedar.com and is available on the Corporation's website at www.pason.com in the Investors section (under Corporate Governance).

Pason has a robust corporate governance system that allows for ethical issues to be reported, assessed and resolved in a confidential and timely manner. This is achieved through a combination of corporate policies, robust enforcement mechanisms, an independent ethics hotline, and a closed-loop resolution process for every ethical issue reported.

The ethics hotline is operated by an independent third party that notifies the Audit Committee Chair immediately upon receiving a confidential and anonymous complaint about any suspected illegal conduct

or breach of Pason’s policies. The Corporation’s internal audit function, in conjunction with other members of senior management, is tasked with overseeing ethical compliance and provides quarterly reports to the Board regarding follow-up on any issues reported through the ethics hotline, as well as any other significant ethical investigations. Reports are reviewed by our legal, internal audit function and human resources departments, investigated by the appropriate department based on the allegation, and reported quarterly to the Audit Committee.

No material change reports were filed since the beginning of 2014 that pertain to any conduct of a director or officer that constitutes a departure from the Code of Conduct.

Certain conduct prohibited by the code, such as corruption and bribery, are subject to additional sub-policies with their own guidelines and training programs to further ensure compliance. Certain segments of the Corporation’s employees receive additional and targeted training to areas of risk that are more relevant to their work duties.

Anti-Corruption Policy

The Corporation has adopted an Anti-Corruption Policy that applies to every director, officer, and employee of Pason and its subsidiaries, and requires compliance with Canada’s *Corruption of Foreign Public Officials Act*, the *U.S. Foreign Corrupt Practices Act*, and any other applicable foreign anti-bribery or anti-corruption laws. The Anti-Corruption Policy is available on the Corporation’s website at www.pason.com in the Investors section (under Corporate Governance). The Vice President, Legal, oversees compliance with the Anti-Corruption Policy, with ultimate oversight by the CEO. The Corporation provides mandatory, comprehensive training annually on issues dealing with bribery and corruption for certain groups of employees. Additionally, in-person training is delivered throughout the organization as needed.

Conflicts of Interest

Where the personal or business relationships or interests of directors may conflict with those of the Corporation, directors are required to disclose in writing to the Corporate Secretary or verbally at a Board meeting the nature and extent of the conflict of interest. In the event of a *bona fide* conflict of interest, a director will declare that conflict, will not participate in that part of the meeting in which the matter is discussed, and must abstain from voting on the matter. Pason’s employees are also required to disclose any actual or potential conflicts of interest. The conflicts disclosed are reviewed by Pason’s legal, internal audit and human resources departments, as applicable.

Insider Trading

Pason’s Trading in Securities and Reporting Policy applies to all directors, executive officers and employees. The policy outlines the regular blackout periods when trading is not allowed and the timing of trading windows, as well as prohibited insider trading activities, tipping, and general trading restrictions. It also addresses insider reporting requirements and processes. Pason insiders and individuals that have access to material undisclosed information are notified by email of each applicable blackout period and trading window.

Board Committees

As of March 17, 2020, the Board has three standing committees to oversee essential parts of the Corporation’s governance, which are:

Corporate Governance and Nomination (CGN) Committee	Human Resources and Compensation (HRC) Committee	Audit Committee
Judi M. Hess (Committee Chair)	T. Jay Collins (Committee Chair)	James B. Howe (Committee Chair)
James B. Howe	Judi M. Hess	T. Jay Collins
Laura L. Schwinn	Laura L. Schwinn	Laura L. Schwinn

Each of these committees is composed entirely of independent directors within the meaning of National Instrument 52-110. The CGN Committee is tasked with identifying which directors are “independent” within

the meaning set forth in National Instrument 52-110. The mandates for each of the Board's committees are available on the Corporation's website at www.pason.com in the Investors section (under Corporate Governance).

Corporate Governance and Nomination Committee

The CGN Committee is responsible for developing and making recommendations to the Board on all matters relating to effective corporate governance. Within this mandate, the CGN Committee is responsible for monitoring compliance with current governance requirements, keeping abreast of governance best practices, assessing the size and composition of the Board and its committees, implementing director compensation programs, and conducting performance assessments of the directors and the Board as a whole.

The CGN Committee is also responsible for Board and committee succession planning and new director orientation. As part of its succession planning efforts, the CGN Committee is responsible for identifying potential new Board members, either through referrals or a third-party search firm. Once identified, prospective candidates are screened by a third-party search firm, and then reviewed by the CGN Committee to ensure the candidates have the appropriate background, skills, experience, and time to devote the necessary attention to the directorship. The skills matrix, discussed below, is used to identify necessary qualifications of new nominees. Gender diversity of the Board is also a criterion in identifying potential candidates. The CGN Committee will then put forward recommendations to the Board as to the suitability of each candidate. Qualifying candidates are interviewed by members of the CGN Committee, and then by the Chairman, President & Chief Executive Officer, and finally by the Board as a whole. The CGN Committee regularly assesses the skills, attributes, and experiences desirable in director nominees. The list below sets out the skills and experiences that the CGN Committee considers important for the Board, as a whole, to possess:

Skill/ Experience Area	Description	Director Nominees Possessing Highly Skilled and Expert Levels of Experience
Leadership	CEO and/or senior leadership experience; strategy/planning/business development focus	5 of 6
Industry experience	Knowledge of upstream oil and gas; oilfield services and technology; customers; competitors; operational issue; regulatory frameworks	5 of 6
Financial literacy	Accounting; corporate finance; M&A; tax; investor relations	6 of 6
Technology	Managing innovation and commercialization; R&D; information technology; intellectual property	5 of 6
Human resources and compensation	Objectives and incentives; succession planning; executive compensation; benefit programs; perquisites	6 of 6
International	Global operations; understanding of different cultural, political and regulatory requirements	5 of 6
Health, safety and environment	Understanding of industry regulation and public policy related to workplace HSE and social responsibility	5 of 6
Board	Governance and compliance; risk assessment and management; teamwork; devil's advocacy	6 of 6

The CGN Committee continues to review the necessity of the skills and experiences listed above, in light of the Corporation's business and strategy, to ensure that sufficient directors possess those skills and experiences, and in the right combination given the dynamics of the Board. The number of women directors and directors with diverse backgrounds is also considered in assessing the Board composition, as described further under the heading *Diversity on the Board* on page 43. The CGN Committee considers the

six director nominees identified in this Information Circular to represent the appropriate mix at this stage in the Corporation's development, though it will continually reassess this as the business, industry, and economy change.

The CGN Committee periodically reviews the adequacy and form of director compensation to ensure that the level of compensation is appropriate given the responsibilities and risks involved in being an effective director and makes recommendations to the Board accordingly.

As noted under the heading *Assessments* below, the CGN Committee reviews the results of an annual survey of the Board to determine their individual and collective effectiveness and contribution to the Corporation.

HRC Committee

The HRC Committee is responsible for reviewing, approving and overseeing Pason's compensation philosophy and programs for executives and employees. It is also tasked with evaluating the performance and recommending total compensation for the CEO and other executive officers. In addition, the HRC Committee is responsible for overseeing all the Corporation's equity-based compensation plans, retirement plans, executive succession planning, executive stock ownership guidelines, compensation risk management and all the Corporation's other significant human resources policies, plans, principles, and practices to ensure they are designed to achieve the goals and objectives of the Corporation. The responsibilities of the HRC Committee are further described on page 17 under the heading *Human Resources and Compensation Committee*. The mandate of the HRC Committee of the Board is available on the Corporation's website at (www.pason.com) in the Investors section (under Corporate Governance). The Corporation's annual compensation decision-making process, including the role of the HRC Committee, is set out on page 18 under the heading *Compensation Approval Process*.

Audit Committee

The principal duties of the Audit Committee include overseeing financial statements and financial reporting of Pason and its subsidiaries; establishing appropriate accounting practices and internal controls; approving all audit and non-audit services provided by the independent auditor; consulting with the auditor independent of Management and overseeing the work of the independent auditor; ensuring compliance with regulatory and reporting requirements; directing the activities of the internal audit group; and overseeing the Company's cybersecurity and IT programs.

Information regarding the Audit Committee required by NI 52-110, including its composition and the relevant education and experience of its members, can be found in the section entitled "Audit Committee" in Pason's Annual Information Form. The mandate of the Audit Committee of the Board is available on the Corporation's website at (www.pason.com) in the Investors section (under Corporate Governance).

Assessments

The Board, its committees and individual directors are assessed with respect to their effectiveness and contribution to the Corporation through a survey completed by each director of the Board. That survey is designed to rate the Board's effectiveness by surveying a range of issues, including the efficacy of the Corporation's strategic planning process and monitoring thereof, the effectiveness of the Corporation's compliance and controls, the CEO's performance and the linkage to compensation, Board and committee succession planning, the appropriateness of the directors' level of engagement with management, the process for selection and evaluation of director candidates, committee structure and general Board practices. It includes a director peer evaluation, a self-evaluation, a review of the director skills matrix and questions about the effectiveness of the Board as a whole.

The skill set of each director is reviewed by the CGN Committee Chair and is discussed with individual directors, where appropriate, to consider each director's individual contributions and identify training and education opportunities. The full results of each survey are reviewed by the CGN Committee and then presented to the Board for discussion, with further action taken to remedy outstanding concerns, if any.

Executive Succession Planning

The HRC Committee, together with the Board, oversees Pason's executive management talent development and succession plan. The HRC Committee annually reviews the succession plan for each executive management position, including the President and CEO and makes succession planning recommendations to the Board. As part of this review, possible career progression opportunities are also identified. As part of this review, a matrix is developed that identifies near-term and longer-term potential replacements for each executive management position, including the CEO position.

Diversity on the Board

The Board believes that the inclusion of directors with diverse backgrounds, including diversity of gender, age, ethnicity, business experience, professional expertise and geography, on its Board stimulates a broader exchange of perspectives and promotes better corporate governance. The CGN Committee is responsible for identifying new director nominees and assesses candidates based on a combination of factors including educational background, experience, and expertise. The CGN Committee also takes into consideration a candidate's gender, age and ethnicity, to ensure the Board benefits from a broader range of perspectives.

Pason believes that a process that allows for the consideration of a various factors, including measures of diversity, will result in a more qualified and valuable candidate. While Pason has not adopted a board diversity policy, it is firmly committed to gender diversity and, in 2019, it increased its representation of women on the Board from one to two directors, who now represent 33% of the current Board.

Director Term Limits and Retirement

Each director's term expires at the end of the next annual Meeting or when a successor is elected or appointed to the Board. Pason does not impose term limits or mandatory retirement on its directors. The average tenure among Pason's six proposed nominees for election as directors is approximately eleven (11) years and their average age is 63.

Pason's Board does not believe that term limits or mandatory retirement based on age is in the Shareholders' best interests based on the current Board make-up and in light of the other mechanisms used by the Board to foster renewal, as discussed above under the heading *Assessments*. The Board's annual self and peer assessments of director effectiveness and Board composition, including the director's age, tenure, and the mix of skills and expertise in light of the demands of the business for director oversight is considered effective.

The CGN Committee actively manages the Board composition through the annual review process. The nomination process used to recruit new directors is rigorous to ensure the Board always has an appropriate mix of subject matter experts with the necessary experiences. With the processes currently in place, the Board believes that underperforming directors or those who lack the appropriate skill sets can be identified and removed, and that the necessary mix of directors will be assured, particularly as the directors' oversight role changes with the business and industry conditions.

It has been the Board's experience that some of the longer-serving directors provide the most value, particularly in light of the complex and niche business that Pason operates. However, routine director evaluation and skills assessments allow for the periodic renewal that encourages new perspectives on the business. The Board feels these new perspectives and new strategic ideas are useful and Board renewal through existing mechanisms will continue to bring these forward to add value to Shareholders.

Availability of Certain Documents and Additional Information

Availability of Certain Documents

Under the policies adopted by the Canadian Securities Administrators, a person or company who wishes to receive interim financial statements from the Corporation must deliver a written request for such material to the Corporation, together with a signed statement that the person or company is the owner of securities of the Corporation. The Corporation's policy is to provide interim financial statements to registered Shareholders; however, non-registered Shareholders who wish to receive interim financial statements are encouraged to send the enclosed return form in the addressed envelope provided to the Corporation's Transfer Agent, ComputerShare Trust Company of Canada. The Corporation will maintain a supplemental list of persons and companies wishing to receive interim financial statements.

Normal Course Issuer Bid (NCIB)

In 2018, the Corporation implemented an NCIB which ended on December 17, 2019. The Corporation renewed the expiring NCIB, which commenced on December 18, 2019 and expires on December 17, 2020. Under the new NCIB, the Corporation may purchase for cancellation, from time to time, as the Corporation considers advisable, up to a maximum of 6,777,269 common shares, which represent 10% of the public float.

The actual number of common shares that may be purchased for cancellation and the timing of any such purchases will be determined by the Corporation, subject to a maximum daily purchase limitation of 44,210 common shares. The Corporation may make one block purchase per calendar week which exceeds the daily purchase restriction.

For the year ended December 31, 2019, the Corporation purchased 1,538,000 common shares for cancellation, for a total cash consideration of \$24,040,000.

Additional Information

Additional information related to the Corporation is available on SEDAR at www.sedar.com. Additional financial information is contained in the Corporation's comparative audited consolidated financial statements and MD&A for the years ended December 31, 2019 and 2018, which are included in the Corporation's Annual Report for the year ended December 31, 2019.

The Corporation will provide to any person or company, upon request to the CFO or Corporate Secretary of the Corporation:

- One copy of the Corporation's latest Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated therein by reference
- One copy of comparative financial statements of the Corporation for the Corporation's most recently completed financial year together with the accompanying report of the auditor thereon and the MD&A, and one copy of any interim financial statements, including the MD&A of the Corporation subsequent to the financial statements for its most recently completed financial year

Any request for documents referred to above should be made to the Corporate Secretary or CFO of Pason Systems Inc. at 6130 Third Street SE, Calgary, Alberta, T2H 1K4 or by faxing a request to 403-301-3499.

Dated March 17, 2020.





Technology • Deployed • Simply