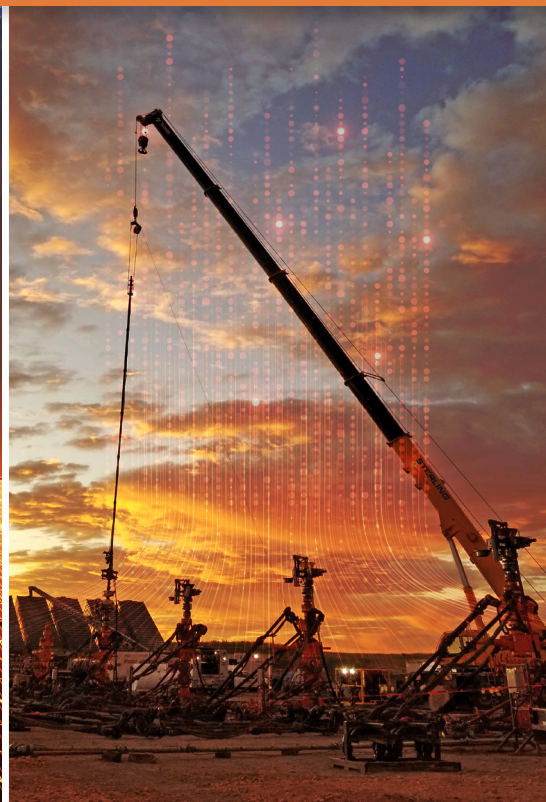




MANAGEMENT INFORMATION CIRCULAR

DATED MARCH 13, 2024
ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 2, 2024

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PASON SYSTEMS INC.

Notice of Annual and Special Meeting of Shareholders

Date and Time

Thursday, May 2, 2024 at 3:30 p.m. (MDT)

Location

The Meeting will be conducted via live audio webcast at www.meetnow.global/M5QPL7V. Additional details on how to access and login to the Meeting will be provided on the Pason Systems Inc. ("Pason") website at www.pason.com in the Investors section (under Annual General Meeting Materials).

Items of Business

The following items of business will be addressed at the Annual and Special Meeting of Shareholders (the "Meeting"):

1. To receive and consider the audited consolidated financial statements of Pason for the year ended December 31, 2023 (the "Financial Statements") and the auditors' report thereon;
2. To fix the number of directors to be elected at the Meeting at six;
3. To elect six directors for the ensuing year;
4. To appoint auditors for the 2024 fiscal year and authorize the board of directors (the "Board") to fix their remuneration;
5. To conduct a non-binding "say on pay" advisory vote on Pason's approach to executive compensation;
6. To approve the 2024 Stock Option Plan; and
7. To transact such other business as may properly come before the Meeting or any adjournment thereof.

Record Date

Registered holders ("Shareholders") of Pason's common shares ("Common Shares") at the close of business on March 13, 2024 (the "Record Date") will be entitled to receive notice of and vote at the Meeting or any adjournment(s) thereof. If a Shareholder acquires Common Shares after the Record Date and wishes to vote at the Meeting, the Shareholder must produce properly endorsed certificates evidencing their Common Shares or otherwise establish that the Shareholder owns Common Shares and request at any time before the Meeting that such Shareholder's name be included in the list of Shareholders entitled to vote at the Meeting.

Notice-and-Access

Pason has elected to use the notice-and-access ("Notice-and-Access") provisions adopted by the Canadian Securities Administrators for delivery of proxy materials to its Shareholders. This will allow Pason to post its Meeting Materials online, which helps reduce the volume of materials and paper to be physically mailed to Shareholders. Shareholders will receive a notification and a form of proxy or voting instruction form enabling them to vote at the Meeting, along with information on how they may access the Meeting Materials.

Meeting Materials

The notice of meeting and management information circular dated March 13, 2024 in respect of the Meeting, and Pason's Financial Statements, along with the related management discussion and analysis (collectively, the "Meeting Materials") have been posted and are available for review on our website (www.pason.com) in the Investors section (under Annual General Meeting Materials) and filed on SEDAR+ (www.sedarplus.ca). Shareholders are encouraged to review the Meeting Materials prior to voting.

Voting

It is important to Pason that Shareholders exercise their votes. As such, whether or not a Shareholder plans to attend the Meeting, they are encouraged to vote in accordance with the instructions on the form of proxy or voting instruction form. Even if a Shareholder plans to attend the Meeting, the Shareholder may still vote via proxy/phone/internet. **In order to be valid and acted upon at the Meeting, instruments of proxy must be received by ComputerShare Trust Company of Canada, at 100 University Avenue, Eighth Floor, Toronto, Ontario, M5J 2Y1, not later than 3:30 p.m. (MDT) on April 30, 2024**, or if the Meeting is adjourned or postponed, 48 hours prior to such adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays) (the “voting deadline”). Registered Shareholders voting or appointing a proxy by Internet or phone must submit those instructions by that same voting deadline.

Further instructions with respect to attending the Meeting virtually or voting by proxy are provided in the instrument of proxy and the Circular.

A recording of the Meeting will be available on our company website after the Meeting.

By order of the Board.

A handwritten signature in black ink, appearing to read 'Jon Faber', with a stylized, cursive script.

Jon Faber, President & Chief Executive Officer

March 13, 2024, in Calgary, Alberta

About this Circular and Related Proxy Materials

Management Information Circular dated March 13, 2024, for the Annual and Special Meeting of Shareholders to be held on Thursday, May 2, 2024

FAQs: Meeting and Voting

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 and Special Meeting (the "Meeting") of Shareholders to be held on the date and time and at the location noted below.

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 encouraged 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 the day of the Meeting, such Shareholder may still vote by proxy. Read the information contained in the following paragraphs for more details about voting.

Unless otherwise stated, information in this Information Circular is given as at March 13, 2024, and amounts are expressed in Canadian dollars.

When and Where is the Meeting?

The Meeting is being held on Thursday, May 2, 2024 at 3:30 p.m. (MDT) and will be conducted via live audio webcast at www.meetnow.global/M5QPL7V. Additional details on how to access and login to the Meeting will be provided on Pason's website at www.pason.com in the Investors section (under Annual General Meeting Materials). **We recommend that you log in to the webcast at least fifteen minutes before the time of the virtual Meeting.**

Items of Business

At the Meeting, Pason's 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 2024 and authorize Pason's board of directors ("Board") to fix their remuneration;
4. Conduct a non-binding "say on pay" advisory vote on Pason's approach to executive compensation; and
5. Approve the 2024 Stock Option Plan.

A simple majority of more than 50% of the votes cast at the Meeting, personally 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 8.

Notice-and-Access

Pason is relying on the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 ("Notice-and-Access") to deliver meeting materials to beneficial Shareholders (as described in more detail below). Notice-and-access allows companies to post meeting materials online, reducing paper and mailing costs.

Beneficial Shareholders will still receive a Notice of Meeting and a form of proxy (or voting instruction form, if applicable) and may request a paper copy of the meeting materials in accordance with the instructions below. Registered Shareholders (i.e. a Shareholder whose name appears on the records of the Corporation) will receive a paper copy of the Notice of Meeting, this Information Circular and a form of proxy.

The Corporation will not be sending proxy-related materials directly to non-objecting beneficial Shareholders. The Corporation intends to pay for intermediaries to deliver proxy-related materials to objecting beneficial Shareholders.

The meeting materials have been posted and are available for review on Pason's website (www.pason.com) in the Investors section (under Annual General Meeting Materials) and under Pason's profile on SEDAR+ (www.sedarplus.ca).

Any Shareholder who wishes to receive a paper copy of the meeting materials, at no cost to them, may request copies from the Corporation at 6130 – 3rd Street SE, Calgary, Alberta, T2H 1K4, Fax: (403) 301-3499, Toll Free: 1 (877) 255-3158 or by email at InvestorRelations@pason.com.

Requests for paper copies should be made as soon as possible, but must be received no later than 2:00 p.m. (MDT) on April 18, 2024 in order to allow sufficient time for Shareholders to receive and review the meeting materials and return the proxy form or voting instruction form prior to the proxy deadline.

Who is Eligible to Vote at the Meeting?

Only Shareholders of record at the close of business on March 13, 2024 (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.

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

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. 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 on the day of the Meeting, such Shareholder does not need to do anything except attend the Meeting. Registered Shareholders will be able to listen to the virtual meeting, ask questions and vote online, all in real time, provided they are connected to the Internet and properly follow the instructions contained on Pason's website.

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 its 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 and vote on the day of the Meeting, he or she must be named as a proxyholder 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. Duly appointed proxyholders will be able to listen to the virtual meeting, ask questions and vote online, all in real time, provided they are connected to the Internet and properly follow the instructions contained on Pason's website. Beneficial Shareholders who have not duly appointed themselves as proxyholders may still attend the virtual meeting as guests. Guests will be able to listen to the meeting but will not be able to vote at the meeting or ask questions.

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 judgement.

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 p.m. (MDT) on April 30, 2024, 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 Chair of the Meeting on the day of the Meeting prior to its start. If a registered Shareholder appoints a proxyholder 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 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, whether personally 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 Chair 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 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 13, 2024, there were 79,473,121 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 13, 2024.

Name and Municipality	Nature of Ownership	Number of Shares	% of Class
Fidelity Management & Research Company Boston, MA	Indirect ⁽¹⁾	8,076,576	10.16%

⁽¹⁾ Fidelity Management & Research Company LLC; Fidelity Management Trust Company; FIAM LLC; Fidelity Institutional Asset Management Trust Company; Strategic Advisers LLC; Crosby Advisers LLC; and Fidelity Diversifying Solutions LLC, 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-Law") 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 who comply with applicable requirements set out in the By-Law will be eligible for election as directors of the Corporation. A copy of Pason's By-Law is available for review on Pason's website (www.pason.com) in the Investors section (under Corporate Governance) and filed on SEDAR+ (www.sedarplus.ca).

What are the Non-IFRS Financial Measures?

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

- Adjusted EBITDA;
- Return on invested capital;
- Days Sales Outstanding;
- Total Return to Shareholders ("TRS");
- Index Return; and
- Relative Return.

These non-IFRS financial measures are defined throughout this Information Circular and are included because they are used by management for a variety of internal measurements that either must be disclosed in this Information Circular, or are used by management to evaluate, among other things, operating performance, leverage, and liquidity. Furthermore, certain non-IFRS measures are used in the calculations of executive compensation payouts as is further disclosed under the heading, *Compensation Discussion and Analysis* ("CD&A"), on page 20.

Business of the Meeting

Financial Statements, Auditors' Report, and Management Report

The Board has approved all of the information in the 2023 Annual Report, including the Financial Statements of the Corporation and the auditors' report thereon. A copy of the Financial Statements is available on SEDAR+ (www.sedarplus.ca) and on Pason's website (www.pason.com) in the Investors section. 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 seven directors, six 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 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.

- Marcel Kessler
- T. Jay Collins
- Jon Faber
- Sophia Langlois
- Ken Mullen
- Laura L. Schwinn

Judi Hess is not seeking re-election to the Board of Directors and will retire from the Board effective at the end of the Meeting.

All the individuals nominated as directors, with the exception of Sophia Langlois, are currently members of the Board. Sophia Langlois is a new director nominee to the Board for 2024. Detailed information about these nominees can be found in this Information Circular under the heading *Information on Director Nominees* on page 12.

The voting results from the last three years' Meetings for those five directors standing for re-election were as follows:

Director	Marcel Kessler	T. Jay Collins	Jon Faber	Ken Mullen ⁽¹⁾	Laura L. Schwinn
2023	66,751,560 (94.59%)	69,650,860 (98.70%)	69,715,862 (98.79%)	70,284,673 (99.60%)	67,733,021 (95.98%)
2022	63,005,529 (96.31%)	61,008,295 (93.26%)	64,693,482 (98.89%)	n/a	62,593,306 (95.68%)
2021	60,010,956 (97.66%)	61,216,997 (99.62%)	61,434,423 (99.98%)	n/a	59,859,158 (97.41%)

⁽¹⁾ Ken Mullen was appointed by the Board as a director on January 9, 2023.

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 16.

Appointment of Auditors

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

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, in respect of the last three years:

Service	2023	2022	2021
Audit fees	\$319,300	\$262,500	\$254,800
Audit-related fees (for assurance services related to review of financial statements)	\$52,300	\$42,500	\$44,700
Tax fees (for tax compliance, advice, and planning) ⁽¹⁾	\$204,900	\$149,944	\$149,122
All other fees (for services that do not fall under the previous categories)	\$3,100	\$3,200	\$9,500
Total	\$579,600	\$458,144	\$458,122

⁽¹⁾ Pason incurred additional tax fees in 2023 in connection with the acquisition of Intelligent Wellhead Systems Inc. on January 1, 2024.

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	2023	2022	2021
Vote in favour	96.47%	94.25%	96.97%

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 Management Information Circular dated March 13, 2024, and delivered in advance of the 2024 Annual and Special 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.**

Approval of the 2024 Stock Option Plan

At an annual and special meeting of Shareholders held on April 29, 2021, the Shareholders approved the existing version of Pason's Stock Option Plan (the "Stock Option Plan"). The Toronto Stock Exchange ("TSX") Company Manual provides that all unallocated options, rights or other entitlements under a securities-based compensation plan of an issuer must be approved by its securityholders every three years after such plan's institution if the plan does not have a fixed maximum number of securities issuable thereunder, which is the case with the Stock Option Plan. At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution approving the renewal and restatement of the Stock Option Plan (the "2024 Stock Option Plan") and all unallocated options thereunder. If approved, the 2024 Stock Option Plan will require renewal again three years from the date of the Meeting, on or before May 2, 2027.

A copy of the 2024 Stock Option Plan is attached to this Information Circular as Appendix "A". The purpose, mechanics and other material features of the 2024 Stock Option are substantially similar to the existing Stock Option Plan. While no material amendments were made to the Stock Option Plan, (i) language has been added to Section 15 to clarify that any adjustments thereunder are subject to TSX approval, (ii) the contact information for the Corporation in Section 18 "Notice" has been updated, and (iii) a few minor grammatical errors were corrected. Further information about the details Pason's 2024 Stock Option Plan is discussed under the heading *Long-Term Incentives* on page 27.

If approved by Shareholders, all outstanding options to purchase Shares issued under the existing Stock Option Plan will be deemed governed by the terms of the 2024 Stock Option Plan. There will be no new grants under the existing Stock Option Plan and the Corporation will only be permitted to grant new stock options under the 2024 Stock Option Plan.

If not approved by Shareholders, options that are currently outstanding under the Stock Option Plan will continue unaffected; however, Pason will be unable to grant any new options.

Proposed resolution to adopt the 2024 Stock Option Plan

At the meeting, Shareholders will be asked to vote for or against the following resolution:

"BE IT RESOLVED:

1. The 2024 Stock Option Plan which is described in Pason's Management Information Circular dated March 13, 2024, be and is hereby approved, ratified and confirmed; and
2. All unallocated options issuable pursuant to the 2024 Stock Option Plan are hereby approved and authorised until May 2, 2027, the third anniversary date of the adoption of this resolution by the Shareholders; and
3. Any officer or director of Pason be and is hereby authorized for and on behalf of Pason, under corporate seal or otherwise, to do all such things and to execute all such documents or instruments as may be necessary or desirable to give effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions."

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 renewal of the 2024 Stock Option Plan and approval of all unallocated options thereunder.

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 13, 2024, those being corporate records, public records, and information provided by each nominee.

Director Profiles

MARCEL KESSLER			
Marcel Kessler has been a director of Pason Systems Inc. since 2012 and currently serves as the Chair of Pason's Board of Directors. Mr. Kessler served as the Chief Executive Officer and President of GrafTech International Ltd., a publicly traded leading manufacturer of high-quality graphite electrode products (2022 to 2023), and was formerly the President and Chief Executive Officer of Pason (2011 to 2020). Before joining Pason in 2011, Mr. Kessler was President, North America, of Exploration Logistics Group, an assistance, medical, safety and security solutions provider, President and Chief Executive Officer of CCR Technologies, a provider of solvent reclaiming services, and a Partner at McKinsey & Company, a management consulting firm. Mr. Kessler holds a Masters in Engineering with Distinction from the Swiss Federal Institute of Technology and a Masters in Finance from the London Business School. Mr. Kessler has been granted an ICD.D designation by the Institute of Corporate Directors.			
	Pason Securities Held		
	Shares⁽¹⁾	DSUs⁽²⁾	Total Shareholdings⁽³⁾
	60,000	32,503	\$1,277,466
	Board and Committees	2023 Meetings	Total 2023 Attendance
	Board of Directors	6/6	100%
			Value of Total 2023 Compensation⁽⁴⁾
			\$265,634
Expertise: Board & Governance, Leadership, Industry Experience, Financial Literacy, Technology, Cybersecurity, Human Resources & Compensation, International Business, and Health, Safety, Environmental & Social Responsibility.			
Other Public Company Board/Committee Memberships			
Company	Listing	Positions	
GrafTech International Ltd.	NYSE: EAF	Board	

Non-Executive Chair
of the Board

Director since: 2012

Independent

Age: 57

Victoria, British
Columbia, Canada

T. JAY COLLINS

Jay Collins was appointed to the Pason Board in August 2012. Mr. Collins was previously a director of Murphy Oil Corporation, a global oil exploration & production company. He was also a director of Oceaneering International, Inc., a global provider of engineered services and products primarily to the offshore oil and gas industry (2002 to 2023) and served as its Chief Executive Officer (2006 to 2011). Prior to that, he served as Oceaneering's President (1998 to 2011), Chief Operating Officer (1998 to 2006), Executive Vice President – Oilfield Marine Services (1995 to 1998), and Senior Vice President and Chief Financial Officer (1993 to 1995). Mr. Collins has over 40 years of experience in the oil and gas industry and has served on numerous industry-related boards, including the National Ocean Industries Association, National Petroleum Council, the American Productivity & Quality Center, the Texas Institute of Science, and the Houston Technology Center. Mr. Collins received a Master of Business Administration from Harvard Graduate School of Business and received both his Bachelor of Arts and Master of Engineering in Chemical Engineering degrees from Rice University.



Compensation
Committee Chair
Director since: 2012

Independent

Age: 77

Houston, Texas, USA

Pason Securities Held

Shares ⁽¹⁾	DSUs ⁽²⁾	Total Shareholdings ⁽³⁾
-	134,801	\$1,861,602

Board and Committees	2023 Meetings	Total 2023 Attendance	Value of Total 2023 Compensation ⁽⁴⁾
Board of Directors	6/6	100%	\$178,432
HR & Compensation Committee	1/1		
Audit Committee	4/4		

Expertise: Board & Governance, Leadership, Industry Experience, Financial Literacy, Human Resources & Compensation, International Business and Health, Safety, Environmental & Social Responsibility.

Other Public Company Board/Committee Memberships

Company	Listing	Positions
None	-	-

JON FABER

Jon Faber was appointed as Pason's President & Chief Executive Officer in 2020 and previously served as Pason's Chief Financial Officer (2014 to 2020). Prior to joining Pason, Mr. Faber was Vice President, Investment Banking, with National Bank Financial and Wellington West Capital Markets. Mr. Faber received a Bachelor of Business Administration from Brock University and Master of Business Administration from Purdue University. He holds Chartered Financial Analyst, Chartered Business Valuator and Chartered Professional Accountant designations. Mr. Faber has also completed the Advanced Management Program at the Wharton School of the University of Pennsylvania.



President & Chief
Executive Officer
Director since: 2020

Non-Independent

Age: 45

Calgary, Alberta,
Canada

Pason Securities Held

Shares ⁽¹⁾	RSUs ⁽²⁾	DSUs ⁽²⁾	Total Shareholdings ⁽³⁾⁽⁵⁾
42,000	33,875	68,544	\$1,994,426

Board and Committees	2023 Meetings	Total 2023 Attendance	Value of Total 2023 Compensation ⁽⁴⁾⁽⁵⁾
Board of Directors	6/6	100%	n/a

Expertise: Board and Governance, Leadership, Industry Experience, Financial Literacy, Technology, Cybersecurity, Human Resources & Compensation, International Business, and Health, Safety, Environmental & Social Responsibility.

Other Public Company Board/Committee Memberships

Company	Listing	Positions
none	-	-

SOPHIA LANGLOIS

Sophia Langlois is a corporate director with over 28 years of experience in the energy sector. As a public company audit partner with KPMG LLP in Calgary (2006 to 2020), she served domestic and international companies including many in the energy services sector. She also led the Corporate Services group for KPMG Calgary and was the KPMG National Audit Partner in charge of People Strategy for three years. Ms. Langlois is presently a board member, compensation committee member and Chair of the audit committees for both Loop Energy Inc. and Alaris Equity Partners. She has been involved with numerous not-for-profit organizations and is presently on the board of Telus Spark Science Centre. She received her Bachelor of Commerce degree from the University of Calgary, holds a Chartered Professional Accountant designation and is a member of the Human Resources Institute of Alberta. Ms. Langlois has been granted an ICD.D designation by the Institute of Corporate Directors.



Director

Director since: n/a

Independent

Age: 54

Calgary, Canada

Pason Securities Held

Shares ⁽¹⁾	DSUs ⁽²⁾	Total Shareholdings ⁽³⁾
-	-	-

Board and Committees	2023 Meetings	Total 2023 Attendance	Value of Total 2023 Compensation ⁽⁴⁾
Board of Directors	n/a	n/a	n/a
Corporate Governance & Nominations Committee	n/a		
Audit Committee	n/a		
HR & Compensation Committee	n/a		

Expertise: Board and Governance, Leadership, Industry Experience, Financial Literacy, Cybersecurity, Human Resources & Compensation, and Health, Safety, Environmental & Social Responsibility.

Other Public Company Board/Committee Memberships

Company	Listing	Positions
Loop Energy Inc.	TSX:LPEN	Board, Audit Committee Chair, Compensation and Governance Committee Member
Alaris Equity Partners	TSX:AD.UN	Board, Audit Committee Chair, Compensation Committee Member

KEN MULLEN

Ken Mullen has over 25 years of experience holding various executive and director positions with public and private energy and energy services companies. He was appointed to Pason's Board as a director on January 9, 2023. Ken was previously engaged as a dealing representative with Barometer Capital Management Inc. and was a co-founder and President & CEO of Savanna Energy Services Corp. Prior to this, he was President & CEO of Plains Energy Services Ltd. He currently serves on the board of Total Energy Services Inc. Mr. Mullen received his Bachelor of Commerce and Bachelor of Laws degrees from the University of Calgary and holds a Chartered Professional Accountant designation. Mr. Mullen has been granted an ICD.D designation by the Institute of Corporate Directors.⁽⁶⁾



Audit Committee Chair

Director since: 2023

Independent

Age: 62

Calgary, Alberta, Canada

Pason Securities Held

Shares ⁽¹⁾	DSUs ⁽²⁾	Total Shareholdings ⁽³⁾
2,000	9,423	\$157,752

Board and Committees	2023 Meetings	Total 2023 Attendance	Value of Total 2023 Compensation ⁽⁴⁾
Board of Directors	6/6	100%	\$182,280
Corporate Governance & Nominations Committee	2/2 ⁽⁶⁾		
Audit Committee	2/2 ⁽⁶⁾		

Expertise: Board and Governance, Leadership, Industry Experience, Financial Literacy, Technology, Cybersecurity, Human Resources & Compensation, International Business, and Health, Safety, Environmental & Social Responsibility.

Other Public Company Board/Committee Memberships

Company	Listing	Positions
Total Energy Services Inc.	TSX: TOT	Board

LAURA L. SCHWINN

Laura Schwinn is a former C-suite executive and independent business advisor with over 30 years of experience in the energy and petrochemical industries. Ms. Schwinn was President of W. R. Grace & Co.'s Specialty Catalysts business, a leading global supplier of catalysts and engineered materials (2018 to 2023). Prior to this, Ms. Schwinn was the CEO of C&C Reservoirs, a cloud-based analogue intelligence system for upstream subsurface applications delivering solutions to challenges across the oil and gas lifecycle (2014 to 2017). Before joining C&C Reservoirs, Ms. Schwinn worked for 12 years at Halliburton, one of the world's largest providers of products and services to the energy industry, with increasing roles of responsibility culminating in her role as Global Leader, Vice President, Drill Bits and Services (2010 to 2013). Ms. Schwinn has held international business development roles with Schlumberger Corporation and has served on boards in the U.S., Canada, the Middle East, and China. She received a Bachelor of Commerce degree in International Business from the University of Victoria and has been granted an ICD.D designation by the Institute of Corporate Directors.



Lead Director, Corporate Governance & Nomination Committee Chair

Director since: 2019

Independent

Age: 59

Fulton, Maryland, USA

Pason Securities Held

Shares ⁽¹⁾	DSUs ⁽²⁾	Total Shareholdings ⁽³⁾
-	43,770	\$604,464

Board and Committees	2023 Meetings	Total 2023 Attendance	Value of Total 2023 Compensation ⁽⁴⁾
Board of Directors	6/6	100%	\$178,134
Corporate Governance & Nominations Committee	4/4		
HR & Compensation Committee	1/1		

Expertise: Board and Governance, Leadership, Industry Experience, Financial Literacy, Technology, Cybersecurity, Human Resources & Compensation, International Business, and Health, Safety, Environmental & Social Responsibility.

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) Deferred Share Units ("DSUs") and Restricted Share Units ("RSUs") are not voting securities. See page 16 under the heading *Director Compensation* for a description of DSUs. See page 27 under the heading *Restricted Share Unit (RSU) Plan* for a description of RSUs. The numbers referenced below the terms DSUs and RSUs in the nominee biographies above refer to the number of DSUs credited to the director's account, and the RSUs outstanding, as at March 13, 2024, the date of this Information Circular.
- (3) Total Shareholdings is the amount determined by multiplying the number of each nominee's Shares held, RSUs awarded and DSUs credited to their accounts as of March 13, 2024, by the closing price of the Shares on the TSX on March 13, 2024 (\$13.81).
- (4) The Value of Total 2023 Compensation includes DSUs awarded and dividend equivalents credited to DSU accounts in 2023 (based on the value of the DSUs when credited to each director's account) and retainers. Certain directors elected to receive part of their compensation in the form of DSUs rather than cash, as reflected in the *Non-Management Director Compensation Table* on page 18. For further information regarding the director's total compensation see *Director Compensation* on page 16.
- (5) Jon Faber, who is a director and Named Executive Officer (as defined herein), holds stock options, performance share units, RSUs and DSUs that were granted to him in his capacity as an executive officer of Pason, as set forth on page 32. As a member of management, Jon Faber did not receive compensation for his service as director of the Corporation in 2023.
- (6) Ken Mullen joined the Audit Committee and the Corporate Governance & Nominations Committee on May 4, 2023 and attended all committee meetings held in 2023 after that date.

Majority Voting

The Board has adopted a policy that 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 Chair'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 Chair's compensation is then reviewed annually by the CGN Committee to ensure it adequately, effectively, and appropriately, compensates the Chair 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 (Jon Faber presently being the only one) are not separately compensated for their services as directors; their compensation derives 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 20 under the heading *Compensation Discussion and Analysis ("CD&A")*.

Annual Cash and Equity-Based Retainers

The Corporation provides its directors with a compensation package comprised of annual cash and equity-based retainers. 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 the fiscal year ended December 31, 2023.

Type of Compensation	Value
DSUs ⁽¹⁾	\$125,000
Annual Board Retainer ^{(2) (3)}	\$60,000
Retainer for Chair of the Board ^{(2) (3)}	\$100,000
Retainer for Lead Director ^{(2) (3)}	\$12,500
Retainer for Audit Committee chair ^{(2) (3)}	\$20,000
Retainer for other committee chairs ^{(2) (3)}	\$12,500
Meeting fees ⁽⁴⁾	nil

(1) The director compensation in 2022 included only \$100,000 in DSUs. This amount was increased to \$125,000 at the beginning of 2023. As such, the number of DSUs awarded to the directors for 2023 service and credited to the directors' accounts in 2023 was 7,932 which was calculated by dividing the initial target value (\$100,000 per year) by the weighted average trading price of the Shares on the TSX for the five days ended on November 30, 2022 (\$16.07) and dividing the additional target value (\$25,000 per year) by the weighted average trading price of the Shares on the TSX for the five days ended on March 2, 2023 (\$14.65). Since Ken Mullen was appointed at the beginning of 2023, his values were calculated as at the date of his appointment.

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

(3) Directors are only eligible for one retainer in addition to the Annual Board Retainer, regardless of the number of roles in which they serve, whether as Chair of the Board, chair of a committee or Lead Director. They will be paid the highest of the additional retainer amounts for which they are eligible. For example, Laura Schwinn was paid a total of \$12,500 for her service as both Lead Director and Corporate Governance & Nomination Committee chair in 2023.

(4) The Directors eliminated meeting fees in 2023.

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. Grants made under the DSU Plan are subject to recommendation by the CGN Committee and approval by the Board.

DSUs are granted annually for non-management directors' 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. If a non-management director leaves the Board during a calendar year, a pro-rata amount of the DSUs awarded for that year will be credited to the director within 30 days of leaving, 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 terms of the DSU Plan.

DSU accounts are credited with an equivalent number of DSUs to account for any dividend paid on the Shares. The additional DSUs are credited to the director's account on the dividend payment date and are calculated by dividing the total dividend the director would have received on Share equivalents by the weighted average trading price of the Shares on the TSX for the last five trading days prior to the dividend payment date. A director's DSUs are counted towards the Director Share Ownership Guidelines, as further described below under the heading *Director Share Ownership Guidelines*.

In 2020, the Board approved an amendment to the DSU Plan to allow directors who are also members of management to elect to receive all or part of their short-term incentive payments in the form of DSUs. If so elected, all or part of the annual discretionary bonus can be settled by dividing the elected amount by the weighted average trading price of Shares on the TSX for the last five trading days prior to the conversion date. The conversion date is the date on which any cash portion of the annual discretionary bonus becomes payable, which must be at least five trading days after the public release of year-end or interim results.

Allowing directors who are members of management to elect to receive a portion of their compensation in the form of DSUs further aligns the interests of such directors with those of the Shareholders and any DSUs held by such individuals are counted toward the Executive Share Ownership Guidelines, as further described under the heading *Equity Compensation Plan Information* on page 28.

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; and
- 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*, starting on page 40 of this Information Circular.

Non-Management Director Compensation Table

The table below sets out the compensation paid and awarded to non-management directors for the fiscal year ended December 31, 2023.

Name ⁽¹⁾	Fees Paid in Cash ⁽²⁾	Fees Paid in DSUs ⁽³⁾	Total Compensation
Marcel Kessler	\$160,000	\$105,634	\$265,634
T. Jay Collins	\$ -	\$178,432	\$178,432
Judi M. Hess	\$ -	\$165,873	\$165,873
Ken Mullen	\$58,506	\$123,774	\$182,280
Laura L. Schwinn	\$72,500	\$105,634	\$178,134

⁽¹⁾ Sophia Langlois has been excluded from this table as she is a new director nominee to the Board for 2024.

⁽²⁾ Under the terms of the DSU Plan, directors may elect to receive any cash compensation (additional board retainer, retainer for Chair of the Board, retainer for Lead Director, retainer for Audit Committee chair, and retainer for other committee chairs) in the form of DSUs rather than cash. Judi Hess, who is not standing for re-election, elected to receive such fees in the form of DSUs in 2023, as did Jay Collins. Ken Mullen elected to receive 20% of such fees in the form of DSUs for 2023.

⁽³⁾ This column includes the DSU compensation and any cash compensation elected to be received in the form of DSUs under the terms of the DSU Plan. The value of the DSUs is linked to the Corporation's Share price. Under the terms of the DSU Plan, the DSUs were awarded on November 30, 2022 for Board service in 2023, and were credited to each director's account in installments on the last day of March, June, September, and December 2023. The value identified in the table above does not include dividend equivalents that were added to each director's DSU account in respect of DSUs held from previous grants. The number of DSUs granted for 2023 service is disclosed under the heading *Annual Cash and Equity-Based Retainers* on page 17. Furthermore, the value identified in the table above includes DSUs credited to director accounts who elected to receive 2023 retainer in DSUs.

Outstanding Share-Based Awards

The following table summarizes the outstanding DSUs held by non-management directors as at December 31, 2023.

Name ⁽¹⁾	Share-Based Awards – DSUs					
	Number of DSUs awarded and credited to accounts ⁽²⁾	Number of DSUs awarded but not yet credited to accounts ⁽³⁾	Total number of DSUs outstanding	Payout value of DSUs awarded and credited to accounts ⁽⁴⁾	Payout value of DSUs awarded but not yet credited to accounts ⁽⁵⁾	Total payout value of DSUs outstanding
Marcel Kessler	32,503	8,856	41,359	\$525,574	\$143,202	\$668,776
T. Jay Collins	134,801	8,856	143,657	\$2,179,732	\$143,202	\$2,322,934
Judi M. Hess	113,426	8,856	122,282	\$1,834,098	\$143,202	\$1,977,300
Ken Mullen	9,423	8,856	18,279	\$152,370	\$143,202	\$295,572
Laura L. Schwinn	43,770	8,856	52,626	\$707,761	\$143,202	\$850,963

(1) Sophia Langlois has been excluded from this table as she is a new director nominee to the Board for 2024.

(2) Represents total number of DSUs credited to the directors' accounts as at December 31, 2023.

(3) Represents DSUs awarded to directors on November 30, 2023 for their service in 2024. DSUs awarded on November 30, 2023 will be credited to each director's account at the end of each financial quarter in 2024, 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.

(4) Calculated based on the market price of the Shares at December 29, 2023 (\$16.17) multiplied by the total number of DSUs credited to the directors' accounts at December 31, 2023. 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 17.

(5) Calculated based on the market price of the Shares at December 29, 2023 (\$16.17) multiplied by the number of DSUs that were awarded to directors on November 30, 2023, but have not yet been credited to the directors' accounts on December 31, 2023. 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 the Chair, Lead Director or committee chairs earned by a director in 2024, for those who have elected as such. The amount also excludes dividend equivalents that may be credited on such amounts in 2024.

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 DSUs or Shares of a minimum aggregate value of three times their annual retainers, including both cash and equity components. 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 or are in line to meet these ownership guidelines.

The following table shows the shareholdings of, and DSUs credited to, each director as at December 31, 2023, valued at \$16.17, which is the closing price of the Shares on the TSX on December 29, 2023.

Name ⁽¹⁾	Number of Shares Owned	Number of DSUs Credited	Market Value of Shares Owned and DSUs Credited	2023 Annual Cash and Equity Retainer	Target Ownership (3x Annual Retainer)	Target Met
Marcel Kessler	60,000	32,503	\$1,495,774	\$285,000	\$855,000	✓
T. Jay Collins	-	134,801	\$2,179,732	\$197,500	\$592,500	✓
Judi M. Hess	-	113,426	\$1,834,098	\$185,000	\$555,000	✓
Ken Mullen ⁽²⁾	2,000	9,423	\$184,710	\$205,000	\$615,000	On track
Laura L. Schwinn	-	43,770	\$707,761	\$197,500	\$592,500	✓

(1) Jon Faber is excluded from this table, as management directors are subject to the higher requirements of the *Executive Share Ownership Guidelines* described under the heading *Equity Compensation Plan Information* on page 28. Sophia Langlois has been excluded from this table as she is a new director nominee to the Board for 2024.

(2) Ken Mullen was appointed in 2023 and is on track to meet his ownership target by 2028.

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 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, 2023. Pason’s NEOs for 2023 are as follows:

Name	Title
Jon Faber	President & CEO
Celine Boston	CFO
Kevin Boston	VP Commercial
Bryce McLean	VP Operations
Russell Smith	VP International

Pason’s Executive Compensation Approach

At Pason, executive compensation is a key component of the Corporation’s 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 hold an equity exposure in Pason 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 Pason’s website at www.pason.com in the Investors section (under Corporate Governance).

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 CEO’s performance annually using a formalized performance evaluation tool 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 any non-IFRS financial measures used in determining executive compensation and evaluate appropriateness of any adjustments made to such measures;
- 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; and
- 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 Laura Schwinn. 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 Profiles*, on page 12. Additional information regarding the independent status of each Board member is provided under the heading, *Corporate Governance*, on page 40.

Independent Compensation Advisor

The HRC Committee may, from time-to-time, retain an independent compensation advisor 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; and
- 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 2023, the HRC Committee did not engage an independent compensation advisor to review and assess Pason's executive compensation program. However, Pason does continue to engage Mercer to provide services for Pason's health, welfare, and pension benefits, as outlined in the table below:

	2023	2022
Executive compensation-related fees	-	-
Other fees ⁽¹⁾	\$19,472	\$27,119
Total fees	\$19,472	\$27,119

⁽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 that are reviewed and approved by the HRC Committee.

Annually, generally in 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.

The HRC Committee has established a 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
Calfrac Well Services Ltd. (TSX: CFW)	Cactus, Inc. (NYSE: WHD)
CES Energy Solutions Corp. (TSX: CEU)	Dril-Quip, Inc. (NYSE: DRQ)
Enerflex Ltd. (TSX: EFX)	Forum Energy Technologies, Inc. (NYSE: FET)
Ensign Energy Services Inc. (TSX: ESI)	Helix Energy Solutions Group, Inc. (NYSE: HLX)
Precision Drilling Corporation (TSX: PD, NYSE: PDS)	Oceaneering International Ltd. (NYSE: OII)
Secure Energy Services Inc. (TSX: SES)	Oil States International Inc. (NYSE: OIS)
Matr Corp. (TSX: MATR)	
Trican Well Services Ltd. (TSX: TCW)	

Performance Share Unit (PSU) Plan Peer Group

Pason's TRS performance is measured against the OSX (PHLX Oilfield Services Sector Index) index and the S&P TSX Composite Index (TSX). The OSX index is currently comprised of 15 American oilfield service companies. The TSX index is currently comprised of 225 Canadian companies. Additional information regarding the Corporation's PSU Plan can be found under the heading, *Performance Share Unit (PSU) Plan*, on page 27.

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, bonus 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 believe there are no risks arising from Pason's compensation policies and practices that are reasonably likely to have a material adverse effect on Pason.

Anti-hedging

The Corporation has a policy which prohibits officers and directors from engaging in any kind of hedging transaction that could reduce or limit the officer's or director's economic risk with respect to their shareholdings in the Corporation. Officers and directors are not permitted to purchase any financial instrument that is designed to hedge or offset a decrease in market value of the Shares. Pason's policy prohibits the purchase by officers and directors of financial instruments, including, without limitation, prepaid variable forward contracts, equity swaps, collars, puts, calls or other derivative securities that are designed to hedge or offset a decrease in market value of their Shares.

Executive Officer Clawback Policy

In 2023, the Board adopted a Clawback Policy which allows the Board, in its discretion, to require reimbursement of all or a portion of any incentive-based compensation approved, granted or awarded to an executive officer, the amount of which is based or contingent, in whole or in part, on the achievement of a financial measure or measures that were subsequently the subject of, or affected by, a restatement of all or a portion of Pason's financial statements, where the amount of the award would have been lower than the amount actually awarded. For the purposes of the Clawback Policy, "executive officer" means any executive officer, and includes any president, chief executive officer, chief financial officer, or vice president of Pason.

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 discretionary 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 TRS performance and economic value creation 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 25.

(2) The PSU plan is further described under the heading *Performance Share Unit (PSU) Plan* on page 27.

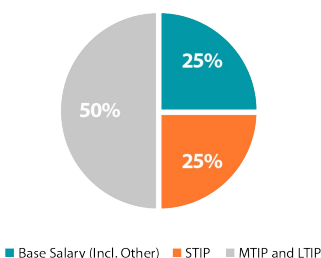
(3) The RSU plan is further described under the heading *Restricted Share Unit (RSU) Plan* on page 27.

(4) The stock option plan is further described under the heading *Long-Term Incentives* on page 27.

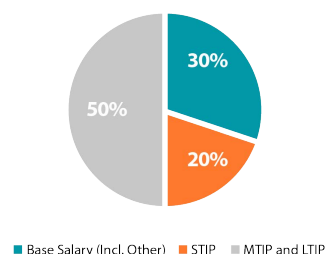
Compensation Mix

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 2023 target compensation mix for the CEO and the target compensation for the other NEOs:

CEO Target Compensation



Other NEOs' Target Compensation



The portion of target compensation for NEOs that is delivered in the form of MTIP and LTIP awards is split as follows:

	Medium-Term Incentive (MTIP)		Long-Term Incentive (LTIP)
	Performance Share Units (PSUs)	Restricted Share Unit (RSUs)	Stock Options
CEO	50%	25%	25%
All other NEOs	25%	50%	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 deems relevant.

Fixed Compensation

Base Salary

Base salary reflects the scope, responsibility, accountability, and complexity of an executive's role. Adjustments to base salary may be awarded based on a combination of:

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

Additional information regarding NEO salaries can be found under the heading *Summary Compensation Table*, starting on page 34.

Variable Compensation

Short-Term Incentive

Pason supports a pay-for-performance philosophy. All employees, including NEOs, are eligible for an annual discretionary cash bonus. The annual discretionary 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 personal contributions. Each employee has a 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 that bonuses appropriately reflect the financial performance of the Corporation as well as the performance of employees.

The HRC Committee approves 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 & CEO	100%
All other NEOs	75%

Corporate performance measures, which inform the determination of bonus payments for all NEOs, as well as the determination of the available annual discretionary bonus pool for all employees, are described in the table below:

Corporate Performance Measures	
Adjusted EBITDA	This non-IFRS financial measure is calculated by taking net income before interest income and expense, income taxes, stock-based compensation expense, depreciation and amortization expense, adjusted for foreign exchange, impairment of property, plant, and equipment, restructuring costs, net monetary adjustments, government wage assistance, revaluation of put obligation, and other items which the Corporation does not consider to be in the normal course of continuing operations.
Revenue per Industry Day	This supplementary financial measure is calculated by taking revenue generated by the North American business unit divided by the number of North American oil and gas industry drilling days as provided by recognized industry sources.
Return on invested capital ⁽¹⁾	This non-IFRS financial measure is 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).
Days Sales Outstanding	This non-IFRS financial measure is calculated by taking the annual weighted average of average accounts receivable balances at the beginning and end of each quarter divided by average daily revenue within the quarter.
Safety performance	Measures include process-related measures around the Corporation's training initiatives and outcome-based measures of the Corporation's safety performance. Safety outcomes are measured through the Corporation's Total Recordable Incident Rate (TRIR).
Environmental and Social performance	Given Pason's business model, cybersecurity has been deemed a key "social" criteria and focus area for the Corporation. As a result, this measure references the security rating for Pason, as determined by Bitsight, an independent third-party cybersecurity ratings company. Ratings of 640-739 indicate intermediate mitigation, while ratings of 740-900 indicate advanced mitigation.

⁽¹⁾ 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 non-recurring 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.

The HRC Committee reviews and approves the outcomes required for threshold, target and maximum performance scores for each of these corporate performance measures. Performance scores for each measure can range from 0% to 175%, resulting in a total bonus multiplier that can range from 0% to 150%.

The corporate performance measures and their targets are reviewed and approved by the HRC Committee each year for appropriateness. Bonus payments are subject to review and approval of Pason's year-end audited financial statements by the Board before payment.

The consolidated bonus multiplier for the fiscal year ended December 31, 2023 was 110%, reflecting Pason's financial and operational performance during the year. Pason's target performance scores and actual results for the fiscal year ended December 31, 2023 are set out below:

Corporate Performance Measures			
		Target	Result
Financial results	Adjusted EBITDA	\$190 million	\$171 million
	Return on invested capital	17.5%	51%
Operating Measures	Revenue per Industry Day	\$895	\$950
	Days Sales Outstanding	80 days	75 days
	Safety performance – TRIR	0.70	0.95
	Safety process	90%	98%
	Cybersecurity	740	772
	2023 Bonus Multiplier		110%

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 that 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 RSUs 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 TSX, up to, and including, the closing market price on the Maturity Date. In the event of a change of control (as defined in the RSU Plan), 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 TRS and economic value creation over a multi-year period.

Under the PSU Plan, Pason’s relative TRS performance is evaluated against other North American oilfield services companies through comparison to returns from the OSX Index as well as a broad Canadian equity market through comparison to returns from the TSX Composite Index. Pason’s economic value creation is evaluated through the Corporation’s return on invested capital versus its cost of capital. Each of these measures of performance are individually capped at a maximum of 200%, and the three measures are averaged, resulting in an overall range of payouts between 0% and 200% of grant value. PSUs vest and are paid out at the end of a three-year measurement period (often referred to as a “cliff vest”), unless vesting is otherwise partially or fully accelerated under the terms of the plan as a result of a change of control or due to the death, permanent disability or retirement of a recipient. Accordingly, payouts related to the 2020 PSU grant occurred in 2023. These metrics and their targets are reviewed and approved by the HRC Committee each year for appropriateness.

Long-Term Incentives

Stock Option Plan

The stock option 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 the overall market competitiveness of the Corporation.

In 1996, the Board and Shareholders approved and adopted Pason’s first incentive stock option plan. On April 29, 2021, Shareholders approved the existing Stock Option Plan. As discussed on page 11, *Approval of the 2024 Stock Option Plan*, Shareholders are being asked to approve the “2024 Stock Option Plan” at this year’s Meeting. There are no substantive differences between the existing Stock Option Plan and the 2024 Stock Option Plan, therefore all discussion relating to the existing Stock Option Plan in this section and throughout the Information Circular is applicable to both plans.

The purpose of the Stock Option Plan is to provide the officers and employees of Pason with a long-term incentive that is intrinsically tied to the enterprise value of Pason, thereby encouraging them to remain associated with Pason and furnishing them with a strong incentive in their efforts on behalf of Pason.

Dilution

The following table shows the historical rate of dilution of the Corporation's float of Shares that would be caused by the exercise of all stock options outstanding during the year indicated. As outlined in the table below, the potential dilution rate since 2019 has been between 2.9% and 6.1%.

Historical Dilution	Dec 2023	Dec 2022	Dec 2021	Dec 2020	Dec 2019
Shares outstanding, end of period (# in 000s)	79,685	81,527	82,194	83,089	84,443
Options outstanding, end of period (# in 000s)	2,325	2,665	3,325	4,278	5,111
Options outstanding as a % of Shares	2.92	3.27	4.05	5.15	6.05

As at March 13, 2024, there were 79,473,121 Shares outstanding and 2,298,181 options to purchase Shares (equal to 2.9% of the outstanding Shares) outstanding. Pursuant to the Stock Option Plan, the maximum percentage of Shares issuable is limited to 7% of issued and outstanding Shares. As a result, Pason had 3,264,937 options available for grant as at March 13, 2024. In 2023, 291,256 of the new stock options issued were awarded to NEOs, with the balance of 407,721 of the new stock options issued 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⁾
2023	0.9%	0.3%
2022	0.8%	0.8%
2021	0.7%	0.1%

⁽¹⁾ Stock Options Grant Rate is calculated by dividing the total number of options granted per year by the number of weighted average outstanding Shares as determined 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 Stock Option Plan (described above under the heading *Stock Option Plan* on page 27), 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, 2023.

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	2,324,877	\$13.18	3,253,075
Equity compensation plans not approved by Shareholders	-	-	-
Total	2,324,877	\$13.18	3,253,075

Under the Stock Option Plan, no participant may, at any time, hold options for more than 5% of the total 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 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 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. Under the Stock Option Plan, the Board also sets the expiration time by which options may be exercised, which must be less than five years or a shorter period if prescribed by the stock exchange. All options that have been granted under the Stock Option Plan expire five years from their Grant Date. If any stock options expire during a trading blackout period, the expiration date is extended by ten business 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 Stock Option Plan, in the event of a change of control (as defined in the plan), all unvested stock options would immediately vest.

The Board has full authority to administer the 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 Stock Option Plan, the Board may, without Shareholder approval, effect the following changes to the plan or to any option issued thereunder:

- A modification 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 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 34.

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 CEO must have Share ownership equal to three (3) times base salary
- All other NEOs must have Share ownership equal to one (1) time 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. 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 shareholdings, unvested RSUs and DSUs credited of each NEO, as at March 13, 2024, valued at \$13.81, which is the closing price of the Shares on the TSX on March 13, 2024.

Name	Number and Value of Shares Owned	Number and Value of Unvested RSUs	Number and Value of DSUs Credited	Total Market Value of Shares Owned, Unvested RSUs and DSUs Credited	Annual Base Salary for 2023	Target Ownership	Target Met
Jon Faber President & CEO	42,000 \$580,020	33,875 \$467,814	68,544 \$946,592	\$1,994,426	\$485,000	\$1,455,000	✓
Celine Boston CFO	1,893 \$26,142	31,027 \$428,483	-	\$454,625	\$296,000	\$296,000	✓
Kevin Boston⁽¹⁾ VP Commercial	9,500 \$131,195	36,751 \$507,531	-	\$638,726	\$350,867	\$350,867	✓
Bryce McLean VP Operations	7,263 \$100,302	31,027 \$428,483	-	\$528,785	\$296,000	\$296,000	✓
Russell Smith⁽¹⁾ VP International	14,000 \$193,340	36,751 \$507,531	-	\$700,871	\$350,867	\$350,867	✓

⁽¹⁾ Kevin Boston and Russell Smith are paid in US dollars. Annual base salary for 2023 has been converted from USD at 1.34949.

2023 Compensation of Named Executive Officers

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

The total direct compensation paid and awarded to Pason's President & CEO 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 20.

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 appropriately allocate capital to Shareholders while maintaining a strong balance sheet.

Under the leadership of Jon Faber, President & CEO, Pason successfully navigated the 2023 calendar year, with specific highlights including:

1. Grew total revenue by 10% from 2022 to 2023 despite a 5% reduction in North American industry activity.
2. Generated a new record North American Revenue per Industry Day level of \$950, a 11% increase from the previous record in 2022.
3. Continued to increase the adoption of data delivery services for Pason's drilling customers;
4. Grew revenue in the Corporation's Solar Energy & Storage segment by 118% year over year;
5. Maintained a strong Adjusted EBITDA margin of 46.4% despite lower industry drilling activity in 2023;
6. Generated Free Cash Flow of \$97.0 million through disciplined management of operating costs, capital expenditures and working capital;⁽¹⁾
7. Protected a strong balance sheet and ended the year with cash and cash equivalents of \$171.8 million;
8. Invested an additional \$15 million towards the Corporation's non-controlling investment in completions technology business, Intelligent Wellhead Systems ("IWS"), and further announced the exercise of a call option to purchase the rest of IWS on January 1, 2024 for total consideration of \$88.2 million;
9. Returned \$66.5 million to shareholders through dividends and Share repurchases;
10. Achieved an average cyber security BitSight score of 772, which is a level that is considered to be advanced.

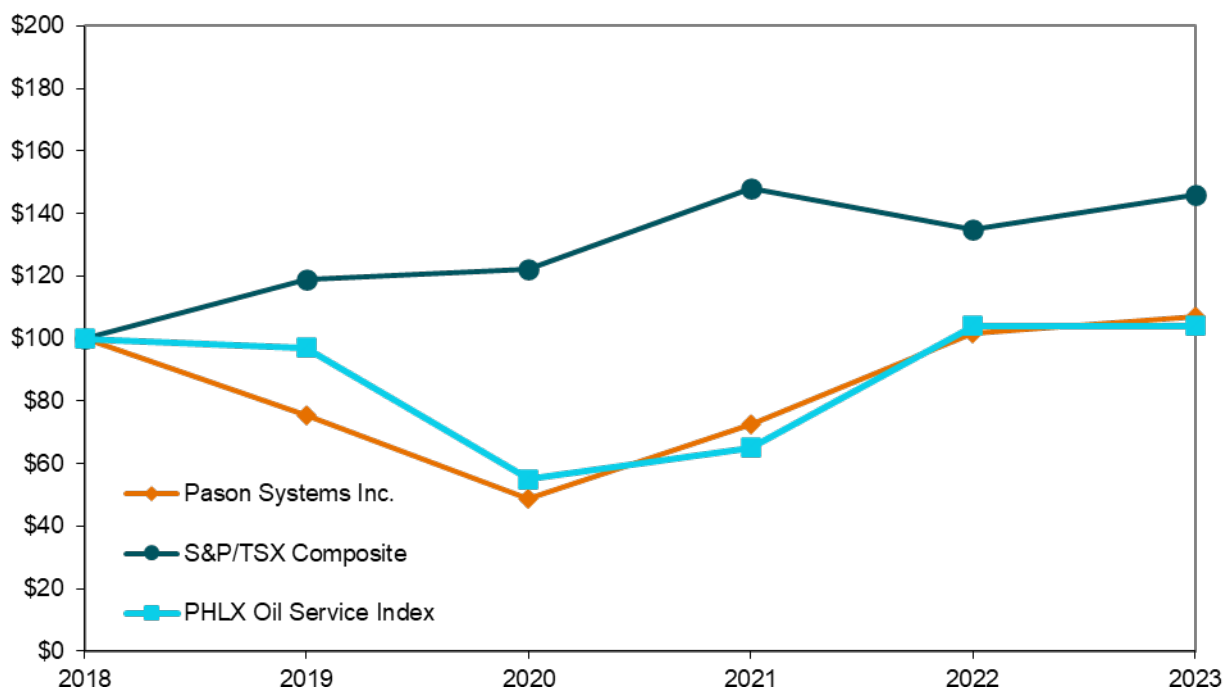
Pason continues to invest in the technology and service capabilities required to maintain its competitive position and meet the growing needs of customers. Further, the Corporation's recent acquisition of IWS provides Pason with growth opportunities relating to the adoption of completions technology. These factors, along with an exceptional workforce and culture, 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 & CEO and other NEOs was, in the opinion of the HRC Committee and the Board, aligned with corporate achievements and Shareholder returns in 2023.

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 and the PHLX Oil Service Sector Index (OSX). 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.

⁽¹⁾ Free Cash Flow is a non-IFRS financial measure and is incorporated by reference from the Corporation's MD&A for the year ended December 31, 2023.

Five-year Total Return on \$100 Investment



Index	Dec 2023	Dec 2022	Dec 2021	Dec 2020	Dec 2019
	(\$)	(\$)	(\$)	(\$)	(\$)
Pason Systems Inc.	107	102	73	49	75
S&P/TSX Composite	146	135	148	122	119
PHLX Oil Services Sector (OSX)	104	104	65	55	97

The compensation of Pason's President & CEO and executive management contains various elements, not all of which are directly related to shareholder returns. As such, the trends in NEO compensation do not necessarily correspond to the trends in equity indices illustrated in the preceding table. The HRC Committee and the Board review executive compensation of the President & CEO and executive management annually and consider a variety of factors which are included in the discussion under the headings of *Short-Term Incentive*, *Medium-Term Incentives*, and *Long-Term Incentives* on pages 25-27.

The HRC Committee and the Board believe that shareholder returns are an important consideration in the creation of compensation programs in order to align executive compensation with shareholder interests. Specifically, compensation delivered through the RSU Plan and the Stock Option Plan is correlated to absolute shareholder returns, and relative shareholder returns are the most significant components of the PSU Plan's performance metrics.

Accordingly, the HRC Committee and the Board believe that the compensation of the President & CEO and executive management is appropriately aligned with the interest of shareholders.

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	Medium-Term Incentive ⁽¹⁾		Long-Term Incentive	All Other Compensation ⁽²⁾	Total Compensation
			Discretionary Cash Bonus ⁽²⁾	RSU Grants ⁽³⁾	PSU Grants ⁽⁴⁾	Stock Option Grants ⁽⁵⁾		
Jon Faber President & CEO ⁽³⁾	2023	\$485,000	\$533,500	\$242,497	\$485,000	\$242,500	\$15,390	\$2,003,887
	2022	\$465,000	\$688,200	\$232,501	\$465,000	\$232,500	\$14,605	\$2,097,806
	2021	\$450,000	\$607,500	\$225,005	\$450,000	\$225,000	\$10,817	\$1,968,322
	2020	\$389,250	-	\$225,000	\$450,000	\$157,689	\$17,588	\$1,239,527
	2019	\$360,000	\$235,000	\$168,750	\$337,500	\$108,675	\$18,000	\$1,227,925
Celine Boston CFO ⁽⁸⁾	2023	\$296,000	\$244,200	\$221,995	\$111,000	\$111,000	\$14,800	\$998,995
	2022	\$284,000	\$315,240	\$213,008	\$106,500	\$106,500	\$8,933	\$1,034,181
	2021	\$275,000	\$278,438	\$206,254	\$103,125	\$103,125	\$8,250	\$974,192
	2020	\$23,974	-	\$206,250	\$103,125	\$72,274	\$75,688	\$481,311
	2019	-	-	-	-	-	-	-
Kevin Boston, VP Commercial ⁽⁶⁾	2023	\$350,867	\$289,466	\$263,635	\$131,820	\$131,820	\$10,526	\$1,178,134
	2022	\$325,395	\$361,188	\$257,008	\$128,503	\$128,503	\$9,762	\$1,210,359
	2021	\$282,150	\$285,678	\$236,571	\$118,284	\$118,285	\$8,465	\$1,049,433
	2020	\$334,785	-	\$222,750	\$111,375	\$78,056	\$10,044	\$757,010
	2019	\$331,707	\$218,927	\$104,333	\$208,667	\$67,190	\$9,952	\$940,776
Bryce McLean, VP Operations	2023	\$296,000	\$244,200	\$221,995	\$111,000	\$111,000	\$14,800	\$998,955
	2022	\$284,000	\$315,240	\$213,008	\$106,500	\$106,500	\$14,200	\$1,039,448
	2021	\$275,000	\$278,438	\$206,254	\$103,125	\$103,125	\$15,250	\$981,192
	2020	\$255,556	-	\$206,250	\$103,125	\$72,274	\$12,778	\$649,983
	2019	\$230,000	\$170,000	\$85,005	\$170,000	\$54,740	\$11,500	\$721,245
Russell Smith, VP International ⁽⁷⁾	2023	\$350,867	\$289,466	\$263,635	\$131,820	\$131,820	\$10,526	\$1,178,134
	2022	\$325,395	\$361,188	\$257,008	\$128,503	\$128,503	\$9,762	\$1,210,359
	2021	\$282,150	\$285,678	\$236,571	\$118,284	\$118,285	\$8,465	\$1,049,433
	2020	\$331,689	-	\$222,750	\$111,375	\$78,056	\$9,951	\$753,821
	2019	\$328,390	\$159,220	\$90,000	\$180,000	\$57,960	\$9,852	\$825,422

⁽¹⁾ The RSU and PSU plans are further described under the headings *Restricted Share Unit (RSU) Plan* and *Performance Share Unit (PSU) Plan*, respectively, starting on page 27.

⁽²⁾ All Other Compensation represents the value of contributions the Corporation made to the NEOs' retirement savings plans implemented in 2013 and as described under the heading *Benefits and Perquisites* on page 30.

⁽³⁾ 2023 discretionary cash bonuses are paid in 2024, after financial results are finalized. Pursuant to the terms of the DSU Plan, as a management director, Jon Faber is entitled to elect to receive a portion of his short-term incentives in the form of DSUs. The DSU Plan is described under the heading *Deferred Share Unit Plan*, starting on page 17. Mr. Faber elected to receive 50% of his 2021, 2022 and 2023 discretionary cash bonuses in the form of DSUs, with the balance paid out in cash. As a result, he was credited 23,599 DSUs in 2022, 23,781 DSUs in 2023 and 18,786 DSUs in 2024. The amounts shown in the table above represent 100% of Mr. Faber's 2021, 2022 and 2023 STIP entitlements.

⁽⁴⁾ RSUs were granted on November 30, 2023 at \$14.12 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 27, 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. 2023 stock option grants were valued at \$2.50.

⁽⁷⁾ Kevin Boston and Russell Smith are paid in US dollars. Disclosed compensation has been converted from USD at 1.350 in 2023, 1.302 in 2022, and 1.254 in 2021.

⁽⁸⁾ Celine Boston joined the Corporation in 2020.

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, 2023. The five NEOs held 1,087,519 (47%) of the 2,324,877 stock options issued and outstanding as at December 31, 2023.

Name and Principal Position	Grant Year	Medium-Term Incentive Plan Share-Based Awards: PSUs ⁽¹⁾		Medium-Term Incentive Plan Share-Based Awards: RSUs ⁽¹⁾		Long-Term Incentive Plan 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 ⁽⁵⁾	Number of Shares Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽⁶⁾
Jon Faber President & CEO ⁽⁷⁾	2023	485,000	\$485,000	17,174	\$277,704	97,000	\$14.40	Nov 30, 2028	\$171,690
	2022	465,000	\$448,772	9,645	\$155,960	93,000	\$16.07	Nov 30, 2027	\$9,300
	2021	450,000	\$865,665	7,056	\$114,096	90,000	\$10.63	Nov 30, 2026	\$498,600
	2020	-	-	-	-	30,000	\$7.33	Nov 30, 2025	\$265,200
	2019	-	-	-	-	67,500	\$12.90	Nov 30, 2024	\$220,725
Celine Boston CFO	2023	111,000	\$111,000	15,722	\$254,225	44,400	\$14.40	Nov 30, 2028	\$78,588
	2022	106,500	\$102,783	8,837	\$142,894	42,600	\$16.07	Nov 30, 2027	\$4,260
	2021	103,125	\$198,382	6,468	\$104,588	41,250	\$10.63	Nov 30, 2026	\$228,525
	2020	-	-	-	-	33,750	\$7.33	Nov 30, 2025	\$298,350
Kevin Boston VP Commercial	2023	131,820	\$131,820	18,671	\$301,910	52,728	\$14.40	Nov 30, 2028	\$93,329
	2022	128,503	\$124,018	10,662	\$172,405	51,401	\$16.07	Nov 30, 2027	\$5,140
	2021	118,284	\$227,543	7,418	\$119,949	47,314	\$10.63	Nov 30, 2026	\$262,120
	2020	-	-	-	-	24,700	\$7.33	Nov 30, 2025	\$218,348
	2019	-	-	-	-	36,733	\$12.90	Nov 30, 2024	\$120,117
Bryce McLean VP Operations	2023	111,000	\$111,000	15,722	\$254,225	44,400	\$14.40	Nov 30, 2028	\$78,588
	2022	106,500	\$102,783	8,837	\$142,894	42,600	\$16.07	Nov 30, 2027	\$4,260
	2021	103,125	\$198,382	6,468	\$104,588	41,250	\$10.63	Nov 30, 2026	\$228,525
	2020	-	-	-	-	13,750	\$7.33	Nov 30, 2025	\$121,550
	2019	-	-	-	-	-	-	-	-
Russell Smith VP International	2023	131,820	\$131,820	18,671	\$301,910	52,728	\$14.40	Nov 30, 2028	\$93,329
	2022	128,503	\$124,018	10,662	\$172,405	51,401	\$16.07	Nov 30, 2027	\$5,140
	2021	118,284	\$227,543	7,418	\$119,949	37,314	\$10.63	Nov 30, 2026	\$206,720
	2020	-	-	-	-	15,700	\$7.33	Nov 30, 2025	\$138,788
	2019	-	-	-	-	36,000	\$12.90	Nov 30, 2024	\$117,720

⁽¹⁾ The PSU and RSU plans are further described under the headings *Performance Share Unit (PSU) Plan* and *Restricted Share Unit (RSU) Plan* respectively, starting on page 27.

⁽²⁾ Represents all unexercised stock options. See page 27 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 27, each PSU has a notional target value of \$1.00.

⁽⁴⁾ The amounts disclosed for PSUs that were granted in November of 2023 reflect the target amounts payable to each NEO under the PSU Plan and do not take the performance conditions into account given that on December 31, 2023, only one month has elapsed since the grant date. The amounts disclosed for the unvested PSUs granted in 2021 and 2022 are measured at the PSU performance multiplier calculated as at December 31, 2023.

⁽⁵⁾ Calculated based on the market price of the Shares at December 31, 2023 (\$16.17).

⁽⁶⁾ Calculated based on the difference between the market price of the Shares at December 31, 2023 (\$16.17), and the exercise price of the stock options

⁽⁷⁾ for any in-the-money options.

⁽⁸⁾ Jon Faber elected to receive 50% of his 2023 discretionary cash bonus in DSUs and was credited with 18,786 DSUs in 2024.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table summarizes the discretionary cash bonus earned in 2023 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 2023 and the value realised from RSUs and PSUs that vested during 2023.

Name	Short-Term Incentive	Medium-Term Incentives		Long-Term Incentive	Total
	Discretionary Cash Bonus ⁽¹⁾	RSUs ⁽²⁾	PSUs ⁽³⁾	Stock Options ⁽⁴⁾	
Jon Faber President & CEO	\$533,500	\$312,193	\$599,985	\$325,200	\$1,770,878
Celine Boston CFO	\$244,200	\$286,128	\$137,497	\$149,050	\$816,875
Kevin Boston VP Commercial ⁽⁵⁾	\$289,466	\$320,994	\$147,544	\$164,450	\$922,454
Bryce McLean VP Operations	\$244,200	\$286,128	\$137,497	\$149,050	\$816,875
Russell Smith VP International ⁽⁵⁾	\$289,466	\$320,994	\$147,544	\$164,450	\$922,454

(1) As noted in the *Summary Compensation Table* on page 34, Jon Faber elected to receive 50% of his 2023 discretionary cash bonus in the form of DSUs. For greater certainty, the amount shown in the table above represents 100% of Jon Faber's 2023 STIP entitlement.

(2) Calculated based on the number of RSUs that matured in 2023 multiplied by the market price of the Shares on the maturity date.

(3) Calculated based on the number of PSUs that matured in 2023 multiplied by the applicable PSU Multiplier of each maturing tranche of PSUs on the maturity date.

(4) Calculated based on the difference between the market price of the Shares on November 30, 2023 and the exercise price of the stock options for any in-the-money options vesting on November 30, 2023, regardless of whether the stock option was exercised.

(5) Kevin Boston and Russell Smith are paid in US dollars. Disclosed compensation has been converted from USD at \$1.34949 in the table above where applicable.

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

There were 79,483 stock options exercised by the NEOs during the fiscal year ended December 31, 2023.

Name	Stock Options Exercised or Exchanged	Aggregate Value Realized ⁽¹⁾
Jon Faber President & CEO	25,400	\$220,218
Celine Boston CFO	5,000	\$41,350
Kevin Boston VP Commercial	20,000	\$128,397
Bryce McLean VP Operations	25,083	\$155,599
Russell Smith VP International	24,000	\$146,967

(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
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 unmaturing RSUs are cancelled immediately upon termination
PSU Plan	All unmaturing PSUs are cancelled immediately upon termination
Employment Agreement	NEOs are entitled to a retirement allowance for termination without cause (see below)

⁽¹⁾ Pursuant to the 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 27.

President & CEO

Jon Faber'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 Jon Faber'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, as applicable, 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. A person or group of persons acquires an equity interest in Pason that, together with all other equity interests already held by such individual or group, constitutes more than 50% of the total fair market value or total voting power of the equity interests in Pason;
2. A person or group of persons acquires (or has acquired in the last 12 months) an equity interest in Pason possessing 50% or more of the total voting power of the equity interests in Pason or a majority of the members of the Board is replaced during any 12 month period by directors whose appointment is not endorsed by a majority of the then current members; or
3. A person or group of persons acquires (or has acquired in the last 12 months) assets from Pason having a total gross fair market value equal to or in excess of 40% of the total gross fair market value of all Pason's assets.

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 ⁽¹⁾	Treatment upon Change of Control
Stock Option Plan	Accelerated vesting
RSU Plan	Accelerated maturity
PSU Plan	Accelerated maturity
Employment Agreement	The President & CEO and the Chief Financial Officer may be entitled to a retirement allowance upon change of control (see below)

⁽¹⁾ A change of control does not trigger early redemption under the DSU Plan. For more information about the DSU Plan, see *Deferred Share Unit Plan*, starting on page 17.

The employment agreements of the President & CEO and the Chief Financial Officer provide 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 they would receive upon termination as set out above. Should the executive decline to make that election within six months of such events, he or she 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, 2023. 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⁾
Jon Faber ⁽²⁾ President & CEO	\$1,018,500	\$3,512,710
Celine Boston ⁽²⁾ CFO	\$310,800	\$1,523,594
Kevin Boston VP Commercial	\$368,411	\$1,776,698
Bryce McLean VP Operations	\$310,800	\$1,346,794
Russell Smith VP International	\$368,411	\$1,639,341
Total payments to all NEOs	\$2,376,922	\$9,799,137

⁽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, 2023.

⁽²⁾ If a change of control event were to occur in connection with one of the subsequent events entitling Jon Faber and Celine Boston to an additional change of control benefit, as discussed above under the heading, *Termination and Change of Control Benefits Summary Table* on page 39, the total change of control benefit payable would be the termination amount, plus the change of control amount.

CEO Pay Ratio

The 2023 annual total compensation of Pason's median employee (other than for the President & Chief Executive Officer) was \$145,128, as compared to the Canadian median income of \$41,200 (source: 2021 Statistics Canada). The CEO's annual total compensation for 2023 was \$2,003,887, representing a ratio of approximately 14:1 to the Corporation's median employee income. By comparison, the average S&P 500 company CEO to employee pay ratio was 272:1 in 2022 (source: 2022 AFL-CIO Executive Paywatch).

To identify Pason's median employee compensation, we used the entire full-time, part-time and temporary employee population of Pason and its subsidiaries as of December 31, 2023, and measured compensation based on annualized base pay, target values of medium- and long-term incentive opportunities, year-to-date overtime and other year-to-date cash wages including bonuses, commissions and premiums.

After identifying Pason's median employee compensation, we calculated the CEO's annual total compensation for 2023 using the same methodology that we use to determine Pason's NEOs' annual total compensation for the *Summary Compensation Table* on page 34.

The pay ratio reported by other companies may not be comparable to the pay ratio reported above as other companies may have different employment and compensation practices and may use different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

Corporate Governance

Pason and its Board are committed to maintaining high standards of governance that comply with all applicable regulatory standards and reflect evolving best practices that are in the best interest of the Corporation and its Shareholders. The Board directly, and through its various committees, complies with evolving Canadian corporate governance requirements, which include the governance rules of the ABCA, TSX and Canadian Securities Administrators (CSA), such as:

- National Instrument 52-110 (*Audit Committees*)
- National Instrument 58-101 (*Disclosure of Corporate Governance Practices*), and
- National Policy 58-201 (*Corporate Governance Guidelines*).

To this end, the Board has adopted a Code of Conduct and Ethics (the “Code”), as well as a number of policies, including an Anti-Corruption Policy, a Disclosure and Public Communications Policy and a Trading in Securities and Reporting Policy, all of which are published in local languages. These policies, together with the mandates of the Board and its committees, have been adopted to assist the Corporation in maintaining a high standard of corporate governance.

A copy of the Code has been filed on SEDAR+ (www.sedarplus.ca) and is available on Pason’s website (www.pason.com) in the Investors section (under Corporate Governance). Copies of each of the Anti-Corruption Policy, a Disclosure and Public Communications Policy and a Trading in Securities and Reporting Policy, and the mandates of the Board and its committees, are also available on the Corporation’s website.

Board of Directors

The Board’s primary responsibilities are to ensure that Pason conducts its business with honesty and integrity, with the objective of creating sustainable and long-term value and profitable growth. The Board performs its key duties and responsibilities, delegates certain duties to its three standing committees, and discharges other duties to management in respect of the day-to-day affairs of the Corporation’s business.

The Chair of the Board is responsible for ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chair’s role includes coordinating the affairs of the Board, working with management (primarily the CEO) and ensuring effective relations with Board members, shareholders, other stakeholders and the public.

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 CEO, 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).

Pason’s Board exemplifies strong principles of corporate governance, which is illustrated by the following practices:

- the Board has an independent, non-executive Chair and an independent Lead Director,
- all of Pason’s directors, except for the CEO, are independent,
- the directors are each knowledgeable and experienced directors who can make a meaningful contribution to the Board, the development of Pason’s strategy and oversight of Pason’s risk management processes,
- each member of the Board has significant share ownership requirements to align the directors’ interests with those of Pason’s shareholders, and
- annual assessments are conducted of Board, Chair, committee and director effectiveness.

Board Size and Composition

Pason's articles state that the Board must have a minimum of one and a maximum of 15 directors. The Board has determined that six directors will be elected this year at the annual meeting. The Board believes this size is appropriate to achieve effective decision making given the scope of Pason's business, the skills and experience of the nominated directors, the roles of Pason's three standing committees. The Corporation believes that all of the nominated directors are well qualified to serve on the Board.

Board Independence

The CGN Committee and the Board review the independence of each Board member and nominated director against applicable Canadian legal requirements and guidelines on an annual basis. The Board has determined that five of the six nominated directors (83.3%) and all current members of each Board committee are independent for the purposes of NI 58-101 and NI 52-110.

Mr. Faber is not independent because of his current role as President and CEO of the Corporation. Mr. Faber will not have a vote in any of the committee meetings, however he will be invited to attend as an observer.

Other than as described above, none of the directors have a direct or indirect material relationship with Pason that could reasonably be expected to interfere with the exercise of their independent judgement.

Independent, Non-Executive Chair

The Chair is appointed by the Board and serves in a non-executive capacity. Pason has separate Chair and CEO positions, and Mr. Kessler has served as the non-executive Chair since October 1, 2020. Mr. Kessler is considered independent for the purposes of NI 58-101 and NI 52-110.

Independent Lead Director

In order to provide effective leadership, Laura Schwinn has been appointed as the independent Lead Director. The responsibilities of the Lead Director are described in the Board mandate available on the Corporation's website at www.pason.com in the Investors section (under Corporate Governance). 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 Chair is absent, chairing independent director meetings in the Chair's absence, and communicating with the other independent directors.

In-Camera Meetings

As part of every Board and Audit Committee meeting (and other committee meetings as needed), Pason's independent directors hold an in-camera session, during which non-independent directors and members of management are not in attendance. The attendance of each director for all Board and committee meetings held in 2023 is disclosed under the heading *Director Profiles* above.

Director Overboarding and Interlocking Directorships Policy

The Board believes that imposing a limit on the number of public boards a director may serve helps ensure the directors have sufficient time and attention to fulfill their commitments to the Board. The Board has therefore adopted a Director Overboarding Policy, under which non-executive directors are entitled to sit on the boards of directors of no more than four public companies, including the Board. None of the proposed nominee directors currently sit on more than four public company boards. Executive directors may only serve on the board of another public company with the written consent of the Board. Jon Faber, the only proposed nominee executive director on the Board, is not serving on the board of another public company.

The Board believes that imposing a limit on the number of interlocking directorships among its directors helps directors avoid circumstances that would impact their ability to exercise independent judgement. An interlock occurs when two or more Board members are also fellow board members of another public company. As a result, the Board has adopted an Interlocking Directorships Policy, under which no more than one public company board interlock is permitted among the Corporation's directors at any given time. None of the proposed nominee directors currently sit together on the same board of other publicly traded companies.

Additional information related to outside directorships is included under the heading *Director Profiles* above.

Board Diversity

The Board believes that a board of directors comprised of highly qualified directors from diverse backgrounds, and who reflect the changing dynamics of the markets in which the Corporation operates, the talent available with the required expertise, and the Corporation's evolving customer and employee base, promotes better corporate governance.

To support this, the Board has adopted a Diversity Recruitment Policy, pursuant to which the CGN Committee will, when identifying candidates to recommend for appointment/election to the Board:

- (a) consider only candidates who are highly qualified based on their experience, functional expertise, and personal skills and qualities;
- (b) consider diversity criteria including gender, age, ethnicity, and geographic background; and
- (c) ensure that the CGN Committee, and any independent external search firm that it engages, considers a pool of candidates that meet the Board's skills and diversity criteria.

Although Pason does not have specific targets regarding Board membership for each of the above noted groups, as described above, the CGN Committee does specifically consider the representation of each of these groups in its nomination of potential director candidates. In addition, the Board believes that its Diversity Recruitment Policy appropriately encourages the CGN Committee to consider gender, age, ethnicity, and geographic background when selecting director candidates. Currently, two of six, or 33.3%, of the Board is composed of women.

Strategic Planning

The Board oversees Pason's strategic planning process. Management develops the strategic plan and holds an annual strategic planning session with the Board to review the strategic plan, discuss strategic issues, identify corporate opportunities and evaluate the material risks facing Pason's business. The Board approves Pason's strategic plan, including the operating and capital budgets and other significant transactions. Management provides updates to the Board on progress against the strategic plan at quarterly meetings held throughout the year.

Succession Planning

The HRC Committee, together with the Board, oversees Pason's executive management talent development and succession plan. The HRC Committee reviews the succession plan each year and identifies near-term, mid-term, and longer-term potential replacements for each executive management position, including the CEO. The HRC Committee members have regular discussions with management relating to succession planning. Where required, a development plan is established for potential successors, which may include exposure to different areas of the Corporation, formal training, or other career progression opportunities. The HRC Committee presents the succession plan to the Board annually for review and discussion.

Throughout the year, directors have an opportunity to informally evaluate the candidates through presentations made at regular Board meetings and the annual Board strategy session. The directors believe they have a strong understanding of the Corporation's succession plan.

Access to Management

The Board has complete access to management. The Chair of the Board and committee Chairs connect with the CEO and other executives as needed. The Board encourages the Corporation's executives to include key managers in Board and committee meetings so they can share their expertise on specific matters. This approach gives the Board an opportunity to meet individuals who have the potential to assume more senior positions in the future, and allows these individuals to gain exposure to the Board.

Board Committees

As of March 13, 2024, the Board has three standing committees to oversee essential parts of the Corporation's governance, which are comprised of the following:

Corporate Governance and Nomination (CGN) Committee	Human Resources and Compensation (HRC) Committee	Audit Committee
Laura L. Schwinn (committee chair)	T. Jay Collins (committee chair)	Ken Mullen (committee chair)
Ken Mullen	Laura L. Schwinn	T. Jay Collins
Judi M. Hess	Judi M. Hess	Judi M. Hess

Each of these committees is composed entirely of independent directors within the meaning of National Instrument 52-110 and have the knowledge, skills, and experience necessary to effectively fulfill their duties. 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). In addition, Mr. Mullen, Mr. Collins and Ms. Hess are all “financial experts” within the meaning set forth by Glass Lewis (having experience as a certified public accountant, CFO, or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as a senior executive officer). Further, as a CPA, Mr. Mullen is an “audit financial expert” within the meaning set forth by Glass Lewis. Additional information regarding each member's education, experience and expertise is provided under the heading, *Director Profiles*, on page 12. Additional information regarding the independent status of each Board member is provided under the heading, *Corporate Governance*, on page 40.

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 overseeing environmental and social matters, monitoring the Corporation’s health and safety program and performance, managing conflicts of interest, 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. A copy of the CGN Committee’s complete mandate is available on the Corporation’s website (www.pason.com) in the Investors section (under Corporate Governance).

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 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 20 under the heading *Human Resources and Compensation Committee*. A copy of the HRC Committee’s complete mandate is available on the Corporation’s website (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 22 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; overseeing the Corporation's cybersecurity and IT programs; and reviewing all significant proposed related party transactions. A copy of the Audit Committee's complete mandate is available on the Corporation's website (www.pason.com) in the Investors section (under Corporate Governance).

The Board has determined that all members of the Audit Committee are financially literate, which means each member can read and understand a set of financial statements that are generally comparable to Pason's in terms of breadth and complexity of accounting issues. More information about the Audit Committee, including its composition and the relevant education and financial experience of its members, in the *Director Profiles* heading, and in Pason's Annual Information Form, which is available on Pason's website (www.pason.com) in the Investors section and on SEDAR+ (www.sedarplus.ca).

Orientation and 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 current directors in one-on-one settings and with the Board as a group, to ensure the director has the required knowledge or skillset to benefit Pason's business and contribute to the 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 offered 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 industry dynamics.

All of Pason's directors are registered with the Institute of Corporate Directors (the "ICD"). The ICD offers flexible director education and learning opportunities as well as a year-round continuing education program where directors can engage in informal learning sessions and networking events. The ICD provides the Board with timely information on current and emerging governance issues and best practices.

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 typically held both virtually and at the Corporation's offices in Calgary and Houston so the Board may tour the premises and meet with employees from time to time. Rig visits are occasionally arranged with the Corporation's employees so that directors may view installed and operational Pason products. Directors are invited to conduct field visits on their own to view Pason products, arranged through Pason or other affiliations.

Director Education in 2023

In addition to the development opportunities provided by the ICD, Pason's directors regularly engage in a variety of continuing education activities, including industry conferences and seminars. Directors regularly attend seminars on various topics relevant to directors' evolving role and responsibilities.

Board Effectiveness and Director Assessment

Board Renewal

The CGN Committee is 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 director 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, as described further under the heading *Board Diversity* above.

Once identified, the CGN Committee puts 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 Chair, President & CEO, and finally by the Board as a whole. The CGN Committee regularly assesses the skills, attributes, and experiences desirable in director nominees.

Skills Matrix

The CGN Committee has developed a list of key skillsets required to ensure that Pason's Board has the necessary breadth of knowledge to properly advise Pason and govern its business activities. The skills and experiences listed below are reviewed regularly for relevance and completeness. The CGN Committee considers these factors and others when discussing Board renewal. As noted under the heading *Director 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.

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.

The following skills matrix reflects the diverse skill set of the Board and identifies the specific experience and expertise brought by each of Pason's current directors.

Skill/ Experience Area	Description	Kessler	Collins	Faber	Langlois	Mullen	Schwinn
Board & Governance	Governance and compliance; risk assessment and management; teamwork; devil's advocacy	•	•	•	•	•	•
Leadership	CEO and/or senior leadership experience; strategy/planning/corporate and business development focus	•	•	•	•	•	•
Industry Experience	Knowledge of upstream oil and gas; oilfield services and technology; customers; competitors; operational issues; regulatory frameworks	•	•	•	•	•	•
Financial Literacy	Accounting; corporate finance; M&A; tax; investor relations	•	•	•	•	•	•
Technology	Managing innovation and commercialization; R&D; intellectual property	•	•	•	•	•	•
Cybersecurity	Protection of internet-connected systems such as hardware, software and data from cyberthreats	•	•	•	•	•	•
Human Resources & Compensation	Objectives and incentives; succession planning; executive compensation; benefit programs; perquisites	•	•	•	•	•	•
International	Global operations; understanding of different cultural, political and regulatory requirements	•	•	•	•	•	•
Health, Safety, Environment & Social	Understanding of industry regulation, policy and stakeholder expectations related to workplace health and safety, environmental and social responsibility, including climate, diversity and inclusion	•	•	•	•	•	•

- Expert or highly skilled in specific area
- Moderately skilled in specified area
- No skill in specific area

Director Assessments

The Board, its committees and individual directors are evaluated on their effectiveness and contribution to the Corporation through an annual assessment completed by each director of the Board. That review 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 skillset 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 assessment are reviewed by the CGN Committee and then presented to the Board for discussion, with further action taken to remedy outstanding concerns, if any.

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. The Board believes that director term limits help ensure ongoing Board renewal, sustain Board performance, and allow for the ongoing addition of expertise to the Board. Accordingly, the Board has adopted a Director Tenure Policy, whereby any non-executive director who joins the Board on or after August 10, 2021 may serve on the Board for a maximum period of 12 years after his or her initial election by shareholders or appointment by directors. The average tenure among Pason's six proposed nominees for election as directors is approximately six years and their average age is 60.

Risk Oversight and Enterprise Risk Management

Risk management is key to the successful execution of Pason's strategy. To ensure the Corporation's risk is managed appropriately, Pason has adopted a formalized enterprise risk management ("ERM") program, comprised of a comprehensive framework for risk identification, analysis, evaluation and mitigation. The ERM program involves ongoing monitoring and reporting to the Board and executive team. The purpose of the ERM program is to address risks to, or resulting from, the execution of Pason's strategy, through the adoption of practices that effectively identify and manage such risks.

In 2023, Pason engaged a third party consultant to conduct a thorough review of its ERM program, with the following objectives:

- conduct a formalized update of Pason's risk inventory to account for newly emerging threats;
- update Pason's risk profile to ensure proper alignment with overall corporate objectives; and
- enhance the existing reporting framework to ensure efficient, effective risk management communication at executive and Board levels.

Under the consultant's guidance, Pason developed a more centralized ERM program 2023, which:

- identifies key risks faced by the Corporation, including climate and social risks, that could materially impact the achievement of Pason's strategic objectives;
- ensures that such risks are aligned with Pason's business objectives and risk tolerance; and
- identifies and allocates appropriate resources to ensure that the risks are appropriately managed.

Program

Under Pason's newly centralized ERM program, the Corporation utilizes various tools to assess Pason's risk exposure. Such risk assessment tools include:

- enterprise risk register;
- enterprise risk heat map and report consisting of risk assessment and mitigation controls; and
- quarterly emerging risk reports.

The Board is provided with an emerging risk report, which identifies risk trends and changes in each quarter. In addition, Pason's ERM committee, which is made up of members of the executive team and other key internal stakeholders, conducts a formal risk benchmarking exercise on an annual basis and adjusts the risk assessment tools as needed.

The Board retains ultimate oversight of all enterprise risks, in addition to those specifically allocated to it in the table below. The Board reviews the enterprise risk register annually and is informed quarterly on emerging risks and management's response to these risks.

Pason's executive leadership team is accountable for developing and implementing risk management plans and actions, and effective risk management is reflected in their compensation. An executive leadership team member has been identified as responsible for each of the listed risks and provide an in-depth review for the Board on an annual basis.

The following table sets out a list of the key risks identified for Pason's business, as well as the Board committee responsible for overseeing such risk:

Enterprise Risk	Board/Board Committee Oversight
Cyber security	Audit
Technology (including technology outages and technology infrastructure resiliency)	Board
Legal and regulatory	Board
Governance risk	CGN
Strategy and development	Board
Operational (including supply chain disruptions)	Board
Macroeconomic (including geo-political, inflation and reduced drilling activity)	Board
Competition	Board
Talent attraction, retention and succession planning (including health and safety, engagement, diversity, and inclusion)	HRC
Hazards (including climate change)	Board

Pason's ERM program ensures that the Board is fully apprised of the interplay between the business environment and risks and is intended to inform the Corporation's overall strategy. More information about Pason's risks, including climate change risk, can be found in Pason's Annual Information Form which is available on Pason's website (www.pason.com) in the Investors section (under Annual General Meeting Materials) and on SEDAR+ (www.sedarplus.ca).

Committee responsibilities

The various Board committees provide oversight of risks falling within their respective areas to ensure such risks are reviewed by individuals having the appropriate expertise. The table below includes the risk focus area of each Board committee, and information on each risk focus area. The committees receive regular updates from management on these matters and regularly update the Board on their risk oversight activities.

Committee	Risk focus	Description
Audit Committee	Financial risk Cyber security	Oversees management's role in monitoring compliance with financial risk management policies and procedures and reviews the adequacy of Pason's financial reporting, regulatory compliance and cybersecurity program.
CGN Committee	Enterprise risk management program and managing allocation of risks Operational risk, people and process safety, sustainability, security and environmental risk	Oversees the ERM program and framework and meets with management annually to ensure proper Board and committee oversight. Recommends enhancements to risk management program and policies to the Board. Responsible for all matters relating to effective corporate governance, including oversight of Pason's overall environmental and social strategy and health and safety practices. Monitors compliance with HSE program through regular reporting from management, within the framework of our integrated HSE management system that is used to capture, organize and document our related policies, programs and procedures.
HRC Committee	Human resources and compensation risk	Oversees Pason's compensation policies and practices for executives and employees. Ensures that compensation risks are identified and mitigated, and that Pason's compensation policies are aligned with corporate objectives.

Health, Safety and Environment Program

Pason's strong safety culture is founded on its values and underpins the Corporation's commitment to providing a safe and healthy work environment for its employees, contractors, customers, property, environment, and the public. This commitment is anchored in Pason's health, safety and environmental ("HSE") policy. Pason invests heavily in the safety and operational integrity of its systems and is committed to achieving an injury-free workplace.

Pason's HSE program conforms to applicable industry standards and complies with applicable regulatory requirements. It follows a continuous improvement cycle organized into four key areas:

- conduct regular risk and regulatory assessments as well as objective and target setting, which includes defining roles and responsibilities and establishing total recordable case rate targets, while striving for zero incidents;
- continued development and implementation of programs, procedures and standards to manage operational risk;
- regular reviews of HSE compliance and performance through incident reporting, investigation, assurance activities, including internal and external audits and performance monitoring; and
- the ongoing assessment and management of any identified non-conformance, non-compliance and opportunities for improvement.

Pason's North American business units employ full-time HSE leaders who are responsible for the day-to-day implementation of the Corporation's HSE policy and promoting the safety culture among managers and employees, including conducting hazard identification, risk assessment and incident investigations. These certified safety professionals ensure Pason's compliance with all applicable safety and regulatory requirements. Each jurisdiction in which Pason operates includes an HSE manager or equivalent who is responsible for implementation and management of the Corporation's HSE program. These local HSE teams utilize a variety of tools to monitor the success of its programs and policies, including both leading and lagging indicators. Pason's Canadian operations successfully participates in the Certificate of Recognition programs in each province in which Pason conducts business.

The CGN Committee of the Board has ultimate oversight over the development, implementation and monitoring of the Corporation's HSE policies and reviews the Corporation's HSE performance with the Board every quarter. The CGN Committee oversees operational risk, HSE process safety, security of personnel, sustainability, environmental and climate change related risks and monitors development and implementation of systems, programs and policies relating to HSE matters through regular reporting from management. As part of this function, the CGN Committee and the Board receive detailed reports on:

- overall HSE corporate governance;
- operational performance and preventive maintenance metrics;
- significant occupational safety, process safety and asset integrity incidents;
- emergency preparedness, incident response and evaluation;
- occupational and process safety performance metrics;
- developments in and compliance with applicable legislation and regulations;
- prevention, mitigation and management of risks related to HSE matters, including climate change or business interruption risks (such as pandemics) that may adversely impact Pason; and
- sustainability matters, including social, environmental and climate change related risks and opportunities as well as related voluntary public disclosure such as Pason's Sustainability Report, which is available on the Corporation's website at www.pason.com in the Investors section (under Annual General Meeting Materials).

Cyber Security

Pason's business employs an information technology ("IT") infrastructure to capture, transmit, process, and store significant quantities of electronic information (including drilling data) on behalf of its customers. The Corporation's IT infrastructure is comprised of hardware, software, networks, data center facilities, web servers, and related resources, including certain third-party service providers. Pason has measures in place

to vet the security processes of its third party providers and makes meaningful investments in its infrastructure to ensure appropriate levels of security are in place to address material cyber risks. In addition, Pason's cyber risk oversight is conducted by the Board's Audit Committee, which receives information security updates from senior leadership at its quarterly meetings. As discussed on page 25, *Variable Compensation*, cybersecurity has been deemed a key focus area for the Corporation and has been incorporated as a corporate performance measure in determining variable compensation for Pason employees, including its senior executive and the CEO.

Pason conducts company-wide security awareness training, performs regular penetration testing and vulnerability assessments on its network and employs perimeter controls with 24-hour monitoring of its network access and security logs. The Company undergoes external audits such as SOC 1 Type II and SOC 2 Type II and its cloud-based environment is continuously monitored, both internally by Pason's security team, and externally by a third-party provider. Further disclosures relating to Pason's cyber security can be found in the Corporation's Annual Information Form, which is available on Pason's website (www.pason.com) in the Investors section (under Annual General Meeting Materials) and on SEDAR+ (www.sedarplus.ca).

Pason has not experienced any material losses relating to cyber attacks or other information security breaches in the last three (3) years.

Stakeholder Engagement

Pason recognizes the importance of engagement with its Shareholders and all other stakeholders and has an engagement program to ensure it has the means to understand and, when appropriate, address Shareholder concerns.

Pason engages with its stakeholders through a variety of means, including investor presentations, quarterly conference calls, quarterly employee townhalls, press releases, and Pason's annual meeting. In addition, the Board responds to inquiries of, and provides insight into Pason's governance practices to, shareholder advocacy groups as requested. Our comprehensive program is designed to engage with shareholders and align with best practices for director and shareholder engagement on governance and other matters, using the following forums:

Event	Pason Engagement	Further Details
Non-deal road shows, meetings, calls and discussions	Senior Management	With institutional and retail investors throughout the year to provide public information on our business, operations, capital allocation and sustainability initiatives.
Quarterly Conference Calls	Senior Management	With the investment and analyst community to review, and answer questions on, our most recently released financial and operating results, latest outlook and other items topical to the investment and analyst community. A copy of the investor presentation and a recording of the conference call for each of the previous four quarters are available on Pason's website (www.pason.com) in the Investors section (under Quarterly Filings).
News Releases	Senior Management	Released to the media throughout the year to report on any material information with respect to Pason.
Broker and Industry Sponsored Conferences	Senior Management; Directors	Speaking at industry investor conferences about public information on our business and financial results, as well as our corporate, social and sustainability strategy.
Meetings, calls and discussions	Senior Management	With portfolio managers, investment professionals and engagement with retail shareholders to address any shareholder-related questions or concerns, and to provide public information on Pason.
Regular Meetings	Corporate Secretary	With shareholder advocacy groups, such as the Canadian Coalition for Good Governance, Glass Lewis, ISS and certain interested shareholders to discuss governance practices.

Communicating with Investor Relations or Senior Management

Pason values Shareholder, employee and other interested party opinions, concerns and feedback. We invite you to communicate directly with Jon Faber, President and Chief Executive Officer, or Celine Boston, Chief Financial Officer, via email at investorrelations@pason.com, telephone at 403-301-3400, fax to 403-301-3499 or mail at:

Pason Systems Inc.
6130 3rd Street SE
Calgary, Alberta, T2H 1K4
Attention: Investor Relations

Communicating Directly with the Chair of the Board

Alternatively, Shareholders may contact the Chair of the Board directly by:

Telephone: (403) 301-3400
Email: chair@pason.com
Writing: Chair of the Board of Pason Systems Inc., 6130 3rd Street SE, Calgary, AB T2H 1K4

Ethical Business Conduct

Code of Conduct and Ethics & Whistleblower Hotline

Ethical behaviour is fundamental to the way Pason does business. As disclosed under *Corporate Governance* on page 40, the Board has adopted the Code, which applies to directors, officers, employees, contractors and other stakeholders (including certain suppliers). The Code describes the Corporation's core values in areas including: human rights; discrimination and harassment; diversity; safety and health; conflicts of interest; confidentiality, disclosure and public communications; the protection and proper use of corporate assets; trading in securities; accuracy of recording and reporting; improper payments; honest and ethical conduct; competition and fair dealing; political activities and contributions; gifts and entertainment; and the environment and social responsibility. Certain conduct prohibited by the Code, such as corruption and bribery, are subject to additional sub-policies with their own guidelines and training to further ensure compliance. The Code and related policies are all published in local languages.

The Code is supported by a compliance program, under which every Pason director, officer, employee and contractor must affirm that they have read, understood and will abide by the Code. Certain segments of the Corporation's workforce receive additional and targeted training in areas of risk that are more relevant to their work duties.

The Board has ultimate oversight of the implementation and enforcement of the Code through its various committees. Once per year, the CGN Committee reviews any updates recommended by management to the Code to ensure the Code reflects Pason's continued commitment to conducting business ethically, in accordance with applicable legal requirements and best practices.

In addition, the Code and the Corporation's other corporate policies encourage employees, contractors, officers and directors to report any potential or perceived contravention of the Code either directly to senior management or through Pason's "Ethics Hotline," without fear of retaliation. Pason strictly prohibits retaliation against any person by another employee, or by the Corporation, for reporting conduct that is perceived in good faith to be contrary to the Code. Actions are considered retaliatory if they have a materially adverse effect on the working or other conditions of the employee making a complaint or report.

Pason's Ethics Hotline is operated by an independent third party that notifies the Vice President, Legal and Audit Committee chair immediately upon receiving an anonymous complaint about any suspected unethical conduct or breach of Pason's policies. The Vice President, Legal, in conjunction with other members of senior management, is tasked with handling inquiries and complaints, investigating violations, and providing quarterly reports to the Board on all matters related to the Code.

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.

Conflicts of Interest and Related Party Transactions

The Code covers potential conflicts of interest and requires that all employees, officers, directors and contractors of Pason avoid situations that may result in a potential conflict of interest. A conflict of interest exists where the personal or business relationships or interests of an employee, officer, director or contractor conflict with, or have the potential to conflict with, those of Pason. The Code requires that any employee, officer, director or contractor who finds themselves in an actual or potential conflict situation report the conflict. The CEO and the other members of Pason's executive leadership team must receive CGN Committee consent for all potential conflicts of interest. Directors must declare any material interest they may have in any potential material contract or transaction to be entered by the Corporation and recuse themselves from related deliberations and approvals.

In addition to the Code, the Board has also adopted a Related Party Transactions Policy. This policy, overseen by the Audit Committee, defines a related party transaction as a transfer of resources, services or obligations between Pason and a related party (being a director, executive officer or key management personnel of Pason and any close family member as defined by IFRS), regardless of whether a price is charged or whether then transaction is material.

Executive officers and key management personnel are required to confirm their knowledge of any related party transaction on a quarterly basis. Directors are required to complete an annual questionnaire disclosing any conflicts of interest and related party transactions, and are required to confirm this again verbally at every quarterly Board meeting. If a related party transaction is disclosed, the Board undertakes a review of the relevant facts and will either approve or disapprove the proposed related party transaction. If the Board does not approve the related party transaction, such director, executive officer or key management personnel is prohibited from entering into the transaction.

There were no material conflicts of interests or related party transactions reported by the Board or the Corporation's executive leadership team in 2023.

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 2023, the Corporation renewed the existing NCIB, for a period commencing on December 20, 2023, and expiring on December 19, 2024. Under the new NCIB, the Corporation may purchase for cancellation, from time-to-time, as the Corporation considers advisable, up to a maximum of 7,949,888 Shares, which represents 10% of the applicable public float.

The actual number of 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 33,781 Shares. The Corporation may make one block purchase per calendar week which exceeds the daily purchase restriction.

For the year ended December 31, 2023, the Corporation purchased 2,150,900 Shares for cancellation, for a total cash consideration of \$27.9 million. Additional information on the Corporation's NCIB is available on SEDAR+ (www.sedarplus.ca).

Additional Information

Additional information related to the Corporation is available on SEDAR+ (www.sedarplus.ca). Additional financial information is contained in the Corporation's comparative audited consolidated financial statements and MD&A for the years ended December 31, 2023 and 2022, which are included in the Corporation's Annual Report for the year ended December 31, 2023.

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; and
- 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 – 3rd Street SE, Calgary, Alberta, T2H 1K4 or by faxing a request to 403-301-3499.

Dated March 13, 2024.

Appendix "A"

2024 Stock Option Plan

PASON SYSTEMS INC. 2024 STOCK OPTION PLAN

1. **PURPOSE**

The principal purpose of this 2024 Stock Option Plan (the "**Plan**") is to advance the interests of Pason by providing the officers and employees of Pason with a long term incentive that is intrinsically tied to the enterprise value of Pason, thereby encouraging them to remain associated with Pason and furnishing them with a strong incentive in their efforts on behalf of Pason in the conduct of their employment.

2. **DEFINED TERMS**

In this Plan the following words and phrases shall have the meanings indicated:

- a. "**Board**" means the Board of Directors of the Corporation as it may be constituted from time to time.
- b. "**Change of Control**" means:
 - i. Change in Ownership. Any one (1) person or more than one (1) person acting as a group (as defined in subparagraph (iv) below) acquires ownership of an equity interest in the Corporation that, together with all other equity interests held by such person or group, constitutes more than fifty percent (50%) of the total Fair Market Value or total voting power of the equity interests in the Corporation. However, if any one (1) person or more than one (1) person acting as a group is considered to own more than fifty percent (50%) of the total Fair Market Value or total voting power of the equity interests in the Corporation, the acquisition of additional equity interests by the same person or persons shall not be considered to cause a change in the ownership of the Corporation (or to cause a change in the effective control of the Corporation, within the meaning of subparagraph (ii) below). An increase in the percentage of equity interest by any one (1) person or more than one (1) person acting as a group as a result of a transaction in which the Corporation acquires its equity interest in exchange for property will be treated as an acquisition of an equity interest for this purpose.
 - ii. Change in Effective Control. Either (i) any one (1) person or more than one (1) person acting as a group (as determined under subparagraph (iv) below) acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) ownership of an equity interest in the Corporation possessing fifty percent (50%) or more of the total voting power of the equity interests of the Corporation, or (ii) a majority of members of the Board is replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.
 - iii. Change in Ownership of a Substantial Portion of Assets. Any one (1) person or more than one (1) person acting as a group (as determined under subparagraph (iv) below) acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Corporation that have a total gross Fair Market Value equal to or more than forty percent (40%) of the total gross Fair Market Value of all of the assets of the Corporation immediately prior to such acquisition or

acquisitions. For this purpose, gross Fair Market Value means the value of the assets of the Corporation, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. However, there is no Change in Control under this subparagraph (iii) when there is a transfer to an entity that is controlled by the equity holders of the transferring entity.

- iv. Persons Acting as a Group. For the purposes of this definition, persons will not be considered to be acting as a group solely because they purchase or own equity interests, or purchase assets, of the Corporation at the same time, or as a result of the same offering. However, persons will be considered to be acting as a group if they are the owners of an entity that enters into a merger, consolidation, purchase or acquisition of equity interests or assets, or similar business transaction with the Corporation. If a person, including an entity, owns equity interests in such an entity and in the Corporation at a time that both of the entities enter into a merger, consolidation, purchase or acquisition of equity interests or assets, or similar transaction, such person is considered to be acting as a group with other persons in an entity only with respect to, and to the extent of, the ownership in that entity prior to the transaction giving rise to the change and not with respect to the ownership interest in the other entity.
- c. **"Common Share"** means a common share in the capital of the Corporation.
- d. **"Committee"** means the Human Resources and Compensation Committee of the Board or such other committee which has been delegated the responsibilities of determining the compensation policies of Pason.
- e. **"Corporation"** means Pason Systems Inc. and includes any successor entity thereto.
- f. **"Exchange"** means the Toronto Stock Exchange or if at the relevant time the Common Shares are not then listed for trading on the Toronto Stock Exchange, such other exchange(s) on which the Common Shares are then listed for trading.
- g. **"Fair Market Value"** means the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. In the case of a Common Share, "Fair Market Value" means the volume weighted average trading price of the Common Shares on any Exchange where the Common Shares are listed for the last five trading days prior to such day or, on a day during any period when the Common Shares are not listed on an Exchange, the weighted average trading price of the Common Shares on an over-the-counter market for the last five trading days prior to such day on which at least one board lot of the Common Shares was traded.
- h. **"Insider"** has the meaning set forth in the applicable rules of the Exchange.
- i. **"Options"** means options to purchase Common Shares.
- j. **"Participant"** means an officer or employee of Pason who is approved by the Committee for participation in this Plan.
- k. **"Pason"** means, collectively, Pason and all Pason Entities.
- l. **"Pason Entity"** means, collectively, any of the Corporation's subsidiaries, partnerships, trusts or other controlled entities (for the purpose of this Plan, the Corporation is considered to control such other entity if the Corporation, directly or indirectly, has the authority to direct the affairs of such other entity, regardless of the percentage of voting rights attached to the securities of such entity or the percentage of votes attributable to director seats, manager positions, trustee positions or such other similar management bodies.

- m. **"Permanent Disability"** means a mental or physical disability whereby the individual is: (i) unable, due to illness, disease, mental or physical disability or similar cause, to fulfill his or her duties and obligations to Pason for a consecutive period of six (6) months or a cumulative period of six (6) months out of any twelve (12) consecutive calendar months; or (ii) declared by a Court of competent jurisdiction to be mentally incompetent or incapable of managing his or her affairs.
- n. **"Person"** includes an individual, partnership, association, trust, body corporate, trustee, executor, administrator, personal or other legal representative and any national, provincial, state or municipal government.
- o. **"Plan Administrator"** means a person or firm designated by the Committee from time to time to administer the Plan on behalf of the Corporation pursuant to Section 3 hereof.
- p. **"Tranche"** means, with respect to unvested Options, all those Options with the same grant date and vesting date.

3. **ADMINISTRATION AND GRANTING OF OPTIONS**

- a. This Plan shall be administered by the Committee pursuant to rules of procedure fixed by the Board. The Committee shall have the authority to:
 - i. approve the form, terms and provisions of the respective Option agreements or grant notices (collectively, **"Option Agreements"**);
 - ii. retain a person or firm for the purposes of administering this Plan on behalf of the Corporation (the **"Plan Administrator"**);
 - iii. designate the time or times at which such Options shall be granted; and
 - iv. determine the number of Common Shares to be subject to each Option.
- b. The Committee may from time to time grant Options to Participants and determine the exercise price of the Common Shares (the **"Exercise Price"**), provided that the number of Options to be granted shall not exceed the limits provided for in Section 4 hereof and the Exercise Price shall not be less than the price provided for in Section 7 hereof. An individual who has been granted an Option may, if such Participant is otherwise eligible, and if permitted by the Exchange or other regulatory body having jurisdiction, be granted an additional Option or Options if the Committee so determines.

4. **SHARES SUBJECT TO PLAN**

- a. Subject to adjustment as provided in Section 15 hereof, the aggregate number of authorized but unissued Common Shares of the Corporation allocated and made available to be granted to Participants under this Plan, together with any authorized but unissued Common Shares reserved but unissued under any previous stock option or any other equity-based incentive plan of the Corporation pursuant to which Common Shares may be issued, shall not exceed 7% of the then issued and outstanding Common Shares (on a non-diluted basis).
- b. The number of Common Shares subject to Options to any one Participant shall be determined by the Committee, provided that:
 - i. at no time shall any Participant hold Options for more than 5% of the total issued and outstanding Common Shares;
 - ii. at no time shall any Insider hold Options which could, when combined with any and all other equity-based incentive plans of the Corporation pursuant to which Common Shares may

be issued, result in the issuance, in any one-year period, of a number of Common Shares exceeding 5% of the total issued and outstanding Common Shares; and

- iii. at no time shall the number of Common 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 Common Shares may be issued, exceed 10% of the total issued and outstanding Common Shares.

5. **VESTING**

Options granted pursuant to this Plan shall, unless otherwise determined by the Committee and specifically set out in an Option Agreement, vest as to one-third on each of the first, second and third anniversaries of their grant date. The Committee may, in its sole discretion, determine alternative vesting schedules or other times during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.

6. **MAINTENANCE OF SUFFICIENT CAPITAL**

The Corporation shall at all times during the term of this Plan reserve and keep available such numbers of Common Shares as will be sufficient to satisfy the requirements of Options granted pursuant to this Plan.

7. **OPTION EXERCISE PRICE**

The Exercise Price of any Option shall not be less than the closing market price of a board lot of Common Shares on the Exchange on the last trading day preceding the date of grant on which there was a closing price.

8. **DURATION OF OPTION**

Each Option and all rights thereunder shall expire on the date set out in the Option Agreement(s) and shall be subject to earlier termination as provided in Sections 10, 11 and 12 hereof.

9. **OPTION PERIOD AND CONDITIONS OF EXERCISE**

- a. The Option period (the "**Option Period**") shall be a period of time fixed by the Committee, not to exceed the maximum period permitted by the Exchange or other regulatory body having jurisdiction, to a maximum of 5 years, provided that the Option Period shall be reduced with respect to any Option as provided in Sections 10, 11 and 12 hereof.
- b. If the expiry date of an Option occurs during or within 10 days following a self-imposed "blackout period" as prescribed by the Corporation according to its policies, the Option Period will be extended to a date that is 10 business days following the end of the "blackout period".
- c. Except as set forth in Sections 10 and 11, no Option may be exercised unless the Participant is at the time of such exercise an officer or employee of Pason.
- d. The exercise of any Option will be contingent upon receipt by the Corporation, or in the case of there being a Plan Administrator, receipt by the Plan Administrator, of a notice of exercise, specifying the number of Common Shares being purchased, in the form approved by the Corporation or Plan Administrator, accompanied by payment in guaranteed funds for the full purchase price of such Common Shares.
- e. Any Option which expires or is not exercised in accordance with the provision of Sections 10, 11 or 12 shall terminate and be of no further force or effect and the Participant or his personal representative or estate, as the case may be, shall receive no further right or benefit of any kind or nature with respect thereto.

10. **CEASING TO BE AN OFFICER OR EMPLOYEE**

If a Participant ceases to be an officer or employee of Pason for any reason other than as a result of the death or Permanent Disability of the Participant, any Options granted to the Participant which the Participant was entitled to exercise on the last date of active and actual employment or retention (the "**Termination Date**") may be exercised by the Participant only before the earlier of: (i) the expiry date of such Option; or (ii) 90 days from the Termination Date, whether such termination is with or without notice, adequate notice or legal notice to the Participant. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or ought to have been given shall be considered as extending the Participant's period of employment or retention beyond the Termination Date.

11. **DEATH OR PERMANENT DISABILITY OF PARTICIPANT**

- a. **Vested but Unexercised Options.** In the event of the death or Permanent Disability of a Participant, with respect to Options previously granted to a Participant which the Participant was entitled to exercise on the date of the Participant's death or the date the Participant's office or employment with Pason was terminated due to the Permanent Disability of the Participant, such Options shall become exercisable:
- i. in the event of death of a Participant, only by the person(s) to whom the Participant's rights under the Options shall pass by the Participant's will or the laws of descent and distribution, and only within 12 months from the date of death, notwithstanding the expiry date of such Options; and
 - ii. in the event of Permanent Disability of a Participant, only by the Participant or the person(s) to whom the Participant's rights under the Option shall pass by the Participant's power of attorney or order of a Court of competent jurisdiction, and only within 12 months from the date the Participant's office or employment with Pason was terminated due to the Permanent Disability of the Participant, notwithstanding the expiry date of such Options.
- b. **Unvested Options.** In the event of the death or Permanent Disability of a Participant, with respect to Options previously granted to a Participant for which the Participant was not yet entitled to exercise on the date of the Participant's death or the date the Participant's office or employment with Pason was terminated due to the Permanent Disability of the Participant, such unvested Options shall be deemed to vest and become exercisable (the "**Pro-Rata Vesting Options**") in accordance with the formula set forth below. Such Pro- Rata Vesting Options that are deemed to vest as set forth in this Section 11(b) shall become exercisable:
- i. in the event of death of a Participant, only by the person(s) to whom the Participant's rights under the Options shall pass by the Participant's will or the laws of descent and distribution, and only within 12 months from the date of death, notwithstanding the expiry date of such Options; and
 - ii. In the event of Permanent Disability of a Participant, only by the Participant or the person(s) to whom the Participant's rights under the Option shall pass by the Participant's power of attorney or order of a Court of competent jurisdiction, and only within 12 months from the date the Participant's office or employment with Pason was terminated due to the Permanent Disability of the Participant, notwithstanding the expiry date of such Options.

A separate calculation will be done for each Tranche of such unvested Options deemed to vest and become exercisable as set forth in this Section 11(b). For purposes of such calculation, the number of Pro-Rata Vesting Options will be calculated using the grant date of the applicable Options as specified in the Option Agreement and the date of the Participant's death or the date the Participant's office or employment with Pason was terminated due to the Permanent Disability of the Participant, as the case may be (in either event, the "**Date of Separation**") as the reference date to determine the number of calendar months of employment of the Participant.

Number of Pro-Rata Vesting Options = $A \times (B/C)$
where:

A = Number of Options granted to the Participant on the applicable grant date that are not vested on the Participant's Date of Separation

B = Number of full calendar days of employment from the applicable grant date to the Participant's Date of Separation

C = Number of full calendar days from the applicable grant date to the date the unvested Options would have vested

12. **CHANGE OF CONTROL**

If a Change of Control has occurred, then all Options previously granted to a Participant that have not then vested as at the date of the Change of Control shall be deemed to vest on the date which is immediately prior to the date upon which a Change of Control is completed.

13. **RIGHTS OF PARTICIPANT**

No Participant or legal representative, legatee or distribute of a Participant will be, or will be deemed to be, a holder of any Common Shares subject to an Option under this Plan or have any rights or privileges of a shareholder of the Corporation, unless and until certificates for such shares are issued to such persons under the terms of this Plan or a recording has been made in the Corporation's records, or those of the Plan Administrator, representing the issuance of such shares to such persons under the terms of this Plan.

14. **PROCEEDS FROM SALE OF SHARES**

The proceeds from the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Corporation may determine.

15. **ADJUSTMENTS**

Appropriate adjustments in the number of Common Shares optioned or in the Option Price per Common Share, as regards Options granted or to be granted, may be made by the Committee in its discretion to give effect to adjustments in the number of Common Shares resulting subsequent to the approval of this Plan from subdivisions, consolidations or reclassification of the Common Shares, the payment of stock dividends by the Corporation or other relevant changes in the capital of the Corporation, subject to review and approval by the Exchange or any regulatory authority having jurisdiction over the securities of the Corporation.

16. **AMENDMENT AND TERMINATION OF PLAN**

- a. The Committee may, at any time, suspend or terminate this Plan.
- b. The Board may not, without the approval of the shareholders of the Corporation, amend or revise this Plan or any Option granted hereunder that has the effect of:
 - i. Any increase in the number of Common Shares reserved for issuance under this Plan pursuant to Section 4(a);

- ii. Any reduction in the Exercise Price or cancellation and reissue of Options or other entitlements;
 - iii. Any amendment that extends the Option Period beyond the original expiry;
 - iv. Amendments to eligible Participants that may permit the introduction or reintroduction of non-employee directors of the Board on a discretionary basis;
 - v. Any amendment which would permit Options granted under this Plan to be transferable or assignable other than for normal estate settlement purposes described in Section 19(c);
 - vi. Any amendment to the Insider participation limit described in Section 4(b)(ii); or
 - vii. Amendments to the amendment provisions in this Section 16.
- c. The Committee may, without the approval of the shareholders of the Corporation, amend or revise this Plan or any Option that has the effect of:
- i. A modification of a provision of this Plan which is required to comply with applicable laws, the requirements of the Exchange or any regulatory authority having jurisdiction over the securities of the Corporation;
 - ii. A modification which extends or accelerates the terms of vesting applicable to any Option;
 - iii. A modification with the objective to correct any provision which is inapplicable or ambiguous or is an error or omission and amendments which are of a "housekeeping" nature; or
 - iv. A modification which amends or modifies the mechanics of exercise of an Option.

17. **NECESSARY APPROVALS**

The ability of the Options to be exercised and the obligation of the Corporation to issue and deliver certificates representing Common Shares in accordance with this Plan are subject to any approvals which may be required from the shareholders of the Corporation, the Exchange or any regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any Option Price paid to the Corporation will be returned to the Participant.

18. **NOTICES**

All notices that may or are required to be given pursuant to any provision of this Plan or any Option Agreement are to be given or made in writing and delivered personally or by email or other form of recorded electronic communication

- a. in the case of notices to be sent to the Corporation
6130 3rd Street, S.E.
Calgary, AB T2H 1K4
Attention: VP Legal & Corporate Secretary
Email: legal@pason.com
- b. in the case where a Plan Administrator has been retained, to the address of the Plan Administrator posted on the Corporation's website; and
- c. in the case of a Participant, to the address of the Participant according to the records of the Corporation

The date or time of receipt of any such notice will be deemed to be the date of delivery provided the time of delivery is before 4:00 p.m. in Calgary on a day that the head office of the Corporation is open for normal business (a "**Work Day**"), or if delivered after such time, on the next Work Day. The

Corporation, the Plan Administrator and a Participant may change addresses for notice purposes from time to time by providing notice to the other two parties in the manner provided for in this Section 18.

19. **GENERAL**

- a. **Prior Plans.** This Plan shall entirely replace and supersede prior stock option plans of the Corporation.
- b. **Effect of Headings.** The section and subsection headings contained in this Plan are for convenience only and shall not affect the construction hereof.
- c. **Transferability.** The right to exercise any Option granted under this Plan and to receive the Common Shares issuable hereunder may only be settled by a Participant personally or through such Participant's personal representative or estate and no assignment, sale, transfer, pledge or charge on any Option, whether voluntary, involuntary, by operation of law or otherwise (except by will or laws of descent and distribution), vests any interest or right in such Option granted under this Plan whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge, such Option shall terminate and be of no further force or effect.
- d. **No Right to Continued Employment.** Nothing in this Plan or in any Option Agreement entered into pursuant to this Plan shall confer upon any Participant the right to hold an office or continue in the employ or service of the Corporation or a Pason Entity, to be entitled to any remuneration or benefits not set forth in this Plan or an Option Agreement or to interfere with or limit in any way the right of the Corporation or a Pason Entity to terminate Participant's office, employment or service arrangement with Pason.
- e. **Governing Language.** This Plan is written in the English language and each notice, instrument, certificate or other communication to be given under or in connection with this Plan shall be in the English language. If this Plan or any notice, instrument, certificate or other communication is translated into any other language, the English language text shall prevail.
- f. **Market Fluctuations.** The Corporation makes no representations or warranties to a Participant with respect to this Plan or the Options whatsoever. In seeking the benefits of participation in this Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of the Common Shares and all other risks associated with the holding of Options and the Option Agreements.
- g. **Currency.** Any payments and benefits under this Plan to be paid in cash shall be determined in the lawful currency of Canada and paid in the local currency of the Participant's country of residence using the currency exchange rate available to the Corporation at the time of payment.
- h. **Participation is Voluntary; No Additional Rights.** The participation of any Participant in this Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in this Plan.
- i. **Governing Law.** This Plan shall be governed by and construed in accordance with the laws in force in the Province of Alberta.

20. **EFFECTIVE DATE OF PLAN**

This Plan has been adopted by the Board, subject to the approval of the Exchange, any other regulatory body having jurisdiction, and the shareholders of the Corporation and, if so approved, this Plan shall become effective upon such approvals being obtained.

This Plan was approved by the Board of Directors on February 28, 2024 and approved by the Shareholders on May 2, 2024.

Marcel Kessler, Chair
Board of Directors
Pason Systems Inc.



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