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Trading in Securities and Reporting Policy

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Version 2.0



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1 Introduction

1.1 Purpose

The purpose of this Trading in Securities and Reporting Policy (the “**Policy**”) is to safeguard against any wrongdoing that might be caused by Employees who have knowledge of non-public information about Pason that might impact the price of Pason’s securities or the decision to buy, sell or hold Pason’s securities.

This Policy covers three rules:

- 1) Prohibition on insider trading, tipping and trading in derivatives;
- 2) Imposition of regularly scheduled and ad hoc blackout periods on trading Pason securities; and
- 3) Requirement that certain Employees (Pason Insiders, as defined below) report all their trades in Pason securities.

This Policy supplements Pason’s Code of Conduct and Ethics.

1.2 Scope

This Policy applies to all directors, officers, employees and full-time contractors (collectively “**Employees**”) of Pason Systems Inc. and its subsidiaries and affiliates (collectively “**Pason**”). This Policy also reflects the standard to which Pason expects any consultant, advisor, agent, representative or other intermediary to adhere to when engaging in professional or business activities for or on behalf of Pason.

Employees are responsible for ensuring compliance with this Policy by their family members and others sharing their household, as well as any companies or entities which they control, partnerships in which they are a general partner, trusts in which they are a trustee, and estates in which they are an executor (collectively “**Related Person**”). This Policy applies not only while Employees are in service of Pason, but also after the completion or termination of such service to the extent the person possesses Material Inside Information (defined below). This Policy applies to Trades (defined below) in Pason Securities (defined below), regardless of whether those securities are owned directly or indirectly, legally or beneficially, in a trust, estate or other company or entity.

While this Policy is based primarily on Canadian laws, it is the responsibility of every Pason Employee to comply with the applicable laws of the jurisdiction in which such person is resident or subject to. Those laws may be more onerous than those described in this Policy.

1.3 Consequences

As a publicly listed company with its securities traded on the Toronto Stock Exchange (TSX), Pason's securities may only be traded in accordance with relevant securities law and stock exchange rules.

Securities law generally prohibits trading or dealing in securities of any company on the basis of material non-public or "inside" information. A breach of such laws is a serious offense and may lead to discipline by regulatory and government authorities, including significant fines and imprisonment. The obligation to prevent insider trading is therefore of significant importance. This Policy has been established to assist all Employees in complying with their legal and regulatory obligations, and to protect Pason from potential liability arising from breaches of such obligations. This Policy does not replace the responsibility of each individual to understand and comply with securities laws the prohibitions on insider trading and dealing.

In addition to disciplinary actions that regulatory and governmental authorities may take, any violation of this Policy made lead to disciplinary action by Pason and will constitute grounds for immediate termination of employment or contractual relationship with Pason with cause. If Pason discovers that any Employee has violated securities laws, Pason may refer the matter to the appropriate authorities. Pason shall not indemnify or reimburse any individual for their losses as a result of violating this Policy.

1.4 Responsibilities

The Chief Financial Officer is responsible for establishing and maintaining the practices, procedures and internal controls necessary to implement this Policy and for initiating the notice of any Blackout Periods (defined below).

The Chief Financial Officer is responsible for establishing and maintaining a list of Pason Insiders (defined below) and a list of those Employees subject to quarterly and annual results Blackout Periods.

The head of Legal is responsible for providing all newly appointed directors and officers with a copy of this Policy. The head of Human Resources is responsible for providing all newly hired Employees and full-time contractors with a copy of this Policy and for obtaining an



acknowledgement from all Pason Insiders that they have read and understand its contents in the form set out in Schedule A.

1.5 Questions

This Policy offers guidelines but cannot cover every situation. If you come across a situation you believe raises questions or concerns, you should discuss it with your manager, Vice President, a member of the Legal department or the Chief Financial Officer.

2 Policy and Procedures

2.1 Definitions

The following definitions are important for your understanding of this Policy:

“**Blackout Periods**” are described in Section 2.2.

“**Material Inside Information**” means information relating to Pason’s business and affairs that both:

- 1) has not been disclosed to the general public, and;
- 2) could reasonably be considered to either:
 - a. have a significant effect on the market price or value of Pason Securities; or
 - b. be important for an investor in making his or her decision to buy, sell or hold Pason Securities.

Information is considered to have been disclosed to the general public if it has been disclosed broadly through a news release and only after the public has been given a reasonable amount of time to analyze the information, generally two clear trading days.

Examples of Material Inside Information would include financial results, information about a significant capital program, dividend changes, impending defaults or bankruptcy, significant threatened litigation, or news about a pending proposed transaction such as a purchase of a business, the sale of a division, or a new financing. It is impossible to create a comprehensive list and therefore the foregoing list should not be considered as all inclusive.

“**Pason Insiders**” means all directors and officers of Pason, as well as those members of executive management who are deemed to be insiders under securities law. The Finance department will maintain a list of Pason’s Insiders and will notify all of those individuals, who must sign the acknowledgement form set out in Schedule A.

“**Pason Security**” or “**Pason Securities**” means an equity or debt instrument issued by Pason, including common stock, preferred stock, stock options, restricted units, deferred units and all other units, and derivative securities relating to Pason’s securities whether or not issued by Pason.

“**Pre-Arranged Plan**” means:

- 1) a pre-approved trading plan that complies with Rule 10B5-1 of the *Securities Exchange Act* of 1934 (US), or
- 2) an automatic securities purchase plan (ASPP) or automatic securities disposition plan (ASDP) compliant with Ontario Securities Commission Staff Notice 55-701.

“**Trade**” or “**Deal**” means any purchase, sale or transfer of the beneficial ownership of a Pason Security, whether on or off the stock market, whether directly or indirectly through another person acting on their behalf, and includes the exercise of instruments such as stock options.

“**SEDI**” is defined in Section 2.3.

2.2 Prohibited Activity

2.2.1 No Insider Trading

No Employee may Trade in Pason Securities at a time when he or she has Material Inside Information.

2.2.2 No Trading during Blackout Periods

Employees must not Trade in Pason Securities during any Blackout Period imposed on that person. Employees are encouraged to advise all their Related Persons to observe Blackout Periods on Trading in Pason Securities.

Only after the information has been fully disclosed in accordance with Pason’s Disclosure and Public Communications Policy, and a reasonable period of time has passed, may Employees Trade in Pason Securities. The end of each Blackout Period will be specified by Pason’s Finance department and will generally be after two clear trading days after the information’s release.

2.2.3 No Tipping

No Employee may provide Material Inside Information to any other person or company (including any agents, brokers, service providers, analysts, investors, media or any Related Person) unless it is disclosed pursuant to Pason’s Disclosure and Public Communications Policy and is necessary in the ordinary course of Pason’s business.



Maintaining the confidentiality of Pason's information is essential for competitive, security, and other business reasons, as well as to comply with securities laws. Employees must treat all information they learn about Pason or its business plans in connection with their employment as confidential and proprietary to Pason. Inadvertent disclosure of Pason's confidential information or Material Inside Information may expose Pason and Employees to significant risk of investigation and litigation. Accordingly, Employees should be discreet with such information and not discuss it in public places where it can be overheard such as elevators, restaurants, dinner parties, taxis and airplanes. Discussion of confidential information on cellular phones or other wireless devices is discouraged. In addition, carrying confidential information through airport security, whether in hardcopy or digital format (such as on a smart phone, laptop, or other electronic storage device) is discouraged as it may be subject to search, seizure and viewing.

2.2.4 No Advice

No Employees may give trading advice of any kind to anyone at a time when he or she has Material Inside Information, except that Employees should advise others not to Trade in Pason Securities if such Trade might violate this Policy or securities law. To avoid the appearance of a violation, Employees should refrain at all times from providing advice or making recommendations regarding Trades in Pason Securities.

2.2.5 Insider Trading in Other Companies

This Policy also applies to Material Inside Information relating to other companies, including joint venture partners, customers, vendors and suppliers of Pason, when that information is obtained by Employees in the course of employment or providing services for Pason. The prohibitions on insider trading and tipping apply to the securities of other companies and Material Inside Information concerning that other company.

Accordingly, Employees may not: (a) Trade in securities of any other public company while possessing Material Inside Information concerning that company; (b) "tip" or disclose Material Inside Information concerning any company to anyone; or (c) give trading advice of any kind to anyone concerning any other company while possessing Material Inside Information about that company that such person learned in the course of service to Pason.

2.3 Blackout Periods

Pason reserves the right to restrict Employee Trading in Pason Securities. These restrictions are generally referred to as “Blackout Periods” and are imposed when there is the potential or there is in fact a significant pending event, or there is information available not scheduled for disclosure until subsequently approved by management or the board of directors (for example, quarterly or annual financial results) which may or may not be Material Inside Information. Blackout Periods may be imposed over all or a group of Employees.

Employees may not directly or indirectly through any person acting on their behalf, Trade in Pason Securities during any Blackout Period imposed on that person specifically, or during any Blackout Period imposed on Employees generally. Employees are encouraged to advise all Related Persons to observe the Blackout Period on Trading in Pason Securities.

The following Blackout Periods have been established:

2.3.1 Quarterly and Annual Results Blackout Periods

A Blackout Period will apply to all Pason Insiders and to certain finance, accounting and other employees who are notified in advance by Pason’s Finance department, when quarterly or annual financial statements are being prepared but the results have not yet been disclosed to the general public. Blackout Periods for the quarterly and annual financial results will commence on the first day of every financial quarter and will end after two clear trading days have elapsed after the release of such financial results.

2.3.2 Equity Incentive Compensation Calculation Blackout Periods

A Blackout Period may be imposed on Pason Insiders during a period of time used to measure the grant price of stock options, the maturity price of units based on the stock price or other equity compensation calculation period, normally the last 5 trading days of November or other period of time based on the company’s compensation cycle.

2.3.3 Ad Hoc Blackout Periods

A Blackout Period may be imposed at any other time and applicable to all or a group of Employees due to certain important circumstances. Pason management will notify all persons affected by an ad hoc Blackout Period by email. An ad hoc Blackout Period may be imposed by the Chief Executive Officer, Chief Financial Officer, head of Legal, Chairman of the Board of Directors, or Lead Director.

2.3.4 Pre-Arranged Trading Programs

Notwithstanding the foregoing prohibitions against Trading in Pason Securities during a Blackout Period, a Trade will not be considered to have occurred if the transactional activity takes place pursuant to a Pre-Arranged Plan. For purposes of complying with this Policy, the investment decision to enter or exit a Pre-Arranged Plan must be made at a time when Trading in Pason Securities is permitted, and such investment decision may not be revoked or altered at a time when Trading in Pason Securities is prohibited.

Any Pason Insider who intends to implement a Pre-Arranged Plan must provide a written copy of such Pre-Arranged Plan to the head of Legal for prior review and approval.

Pre-Arranged Plans may not be established, modified or terminated with knowledge of Material Inside Information. A Pre-Arranged Plan will not safeguard an individual against an allegation of insider trading if the individual has influence over Trades within the Pre-Arranged Plan. Pason will not provide securities advice to individuals and it is their responsibility to ensure any Pre-Arranged Plan is compliant with all applicable securities law.

Despite the absence of a formal Blackout Period, Person Personnel are prohibited from Trading in Pason Securities any time they are in possession of Material Inside Information in accordance with Section 2.1.

2.4 Insider Trade Notification and Reporting

This Section 2.3 applies to all Employees who are notified by the Finance department that they are considered a Pason Insider.

Pason Insiders are required to notify Pason's Legal department by email to sedi@pason.com with any change in their name, address, position or other such information as becomes mandatory to report through the System for Electronic Disclosure for Insiders ("SEDI") implemented by the Canadian Securities Administrators.

Immediately after any Trading or Dealing in Pason Securities, including entering into or varying a Pre-Arranged Plan, each Pason Insider must notify Pason's Legal department by email to sedi@pason.com with the following details of the Trade:

- a. The number of Pason Securities Traded;
- b. The date of the Trade;
- c. The price of each transaction of the Trade (price of the securities bought or sold, exercise price of options, etc.) and the currency of the Trade (if not Canadian dollars);



- d. If the Pason Securities were acquired or disposed of other than in the open market, the nature and details of the transaction; and
- e. The number of Pason Securities owned after the Trade.

Within 5 calendar days of any Trading or Dealing in Pason Securities, each Pason Insider must file a report through SEDI. Any Trading or Dealing pursuant to a Pre-Arranged Plan must be identified as such in the general remarks section of the SEDI report. At the request of any Pason Insider, the Legal department will file a SEDI report on behalf of such Pason Insider, provided he or she has supplied all requisite information to allow for such filing on their behalf.

3 Violations of this Policy

3.1 Reporting violations

All violations and suspected violations of this Code must be reported without delay to the responsible member of the Chief Financial Officer, head of Legal or Audit Committee Chairman through our Ethics Hotline.

The Pason Ethics Hotline is independently managed in order for Pason Employees to report compliance issues and possible wrongdoings of any nature on a confidential basis. Calls will be received 24 hours a day, 7 days a week to handle, address, and document any reports.

You can enter your anonymous report online at:

Pason Ethics Hotline website – www.pason.ethicspoint.com

You can also call the hotline using the number provided on the website for your location.

Investigations into reports of Policy violations will be conducted in a confidential and consistent manner.

Additionally, Pason encourages everyone to use his or her “Right to Challenge” - report or discuss directly with the responsible person any observed conditions or behaviour that may contradict or result in a contradiction of this Policy. If the appropriate response is not swiftly taken, including a report to the responsible member of the senior leadership team, Chief Financial Officer, head of Legal or Audit Committee Chairman through our Ethics Hotline, you may elevate the issue to the person of appropriate organizational seniority.

4 Approval and Adoption

This Policy was last approved by the Board of Directors on August 6, 2020.

Pason Systems Inc.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Natalie Fenez,
Corporate Secretary



Schedule A – Acknowledgement Form

Pason Trading in Securities and Reporting Policy Acknowledgement Form

I, _____, have read Pason's Trading in Securities and Reporting Policy. I understand it and agree to abide by and be bound by all its policies and procedures. I understand that a violation may result in my dismissal, as well as government fines, imprisonment, and other criminal sanctions.

Signed: _____

Title: _____

Dated: _____

Document Revision Record

The following table describes all revisions made to this document.

Version	Date MM.DD.YY	Changed By	Description of Change / Reason for Change
2.0	08.06.20	Natalie Fenez	Policy revision