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# Anti-Corruption Policy



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*Any questions regarding this document or others should be forwarded to the following:*

*Pason Systems Inc.*

*6130 Third Street S.E.*

*Calgary, Alberta T2H 1K4*

*Canada*

*Phone: 1.403.301.3400*

*Fax: 1.403.301.3499*

*Email: [investors@pason.com](mailto:investors@pason.com)*

*Website: [www.pason.com](http://www.pason.com)*

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# 1 Introduction

## 1.1 Purpose

As a company operating in several countries, Pason (as defined in Section 1.2) is subject to various laws and conventions prohibiting bribery and corruption in Canada, the United States and elsewhere in jurisdictions in which it operates, including but not limited to Canada’s *Corruption of Foreign Public Officials Act* and the United States *Foreign Corrupt Practices Act of 1977* (“**Anti-Corruption Laws**”). Violations of the United States *Foreign Corrupt Practices Act of 1977* can also result in violations of other US laws, including anti-money laundering, mail and wire fraud, and conspiracy laws.

Accordingly, this Anti-Corruption Policy (this “**Policy**”) reiterates Pason’s commitment to integrity and explains the specific requirements and prohibitions applicable to Pason’s operations under applicable Anti-Corruption Laws. This Policy contains information intended to reduce the risk of corruption and bribery from occurring in Pason’s activities. Pason strictly prohibits all forms of corruption and bribery and will take all necessary steps to ensure that corruption and bribery do not occur in its business activities. In the event of a conflict between this Policy and applicable Anti-Corruption Laws, the more onerous requirements will apply. This Policy supplements and should be read in conjunction with Pason’s Code of Conduct and Ethics.

## 1.2 Scope

This Policy applies to the worldwide conduct of the directors, officers, employees and contractors of Pason Systems Inc., its subsidiaries and affiliated companies (including joint ventures which Pason Systems Inc., directly or indirectly, controls in fact or holds an ownership interest of 50% or more) (collectively “**Pason**”). This Policy also reflects the standard to which Pason expects any agent, consultant, representative or other intermediary acting for Pason anywhere in the world, and any supplier, vendor, distributor or joint-venture partner of Pason, to adhere to when acting on Pason’s behalf.

Where used below, “**Pason Representative**” means any Pason director, officer, employee, contractor or any agent, consultant, representative or other intermediary acting for Pason, and any supplier, vendor, distributor or joint-venture partner of Pason.

## 1.3 Responsibility for this Policy

Pason’s Board of Directors has appointed the General Counsel to oversee the administration of this Policy and its objectives. The General Counsel shall report directly to the Board of Directors on matters related to this Policy and is responsible for:

- disseminating this Policy to all Pason Representatives;
- implementing a training program on the substance of this Policy to be completed by all Pason employees;



- obtaining from all directors, officers and employees of Pason, and such Pason Representatives as the General Counsel deems appropriate, annual certification of compliance with this Policy substantially in the form attached to this Policy as Appendix “A”;
- establishing, maintaining and making accessible to all Pason Representatives, a mechanism for the reporting, including anonymously if preferred, of violations of this Policy (refer to Article 5 of this Policy for more details on reporting violations); and
- reviewing this Policy and its effectiveness, at least annually, and revising and updating the Policy as necessary.

## 2 Guiding Principles

### 2.1 No One can Order you to Ignore this Policy

No person subject to this Policy will suffer adverse consequences for refusing to offer, promise, pay, give or authorize any such benefit, advantage or reward, or refusing to violate this Policy in any other way, even if this results in the loss of business to Pason.

No person, regardless of seniority, has the authority to ask you to engage in behaviour that you believe would be contrary to this Policy and you have the “right to challenge” or report any situation that makes you uncomfortable, without fear of retaliation. If you are in a situation which you believe may violate or lead to a violation of this Policy, follow the procedures set out in Article 5, Reporting Violations.

This Policy is a guideline and cannot cover every situation. Keep in mind that even the appearance of a violation of this Policy could result in a costly, time-consuming and embarrassing investigation. Avoid situations which appear to constitute a violation, even if you think it is allowed under this Policy. Consult your manager, a member of Pason’s senior leadership team or a member of Pason’s Legal or Human Resources departments for assistance in dealing with such situations.

### 2.2 Summary of Obligations

Pason will not offer or accept a financial or other benefit:

- To influence a person to act improperly
- To reward a person for acting improperly
- Knowing or believing that the acceptance itself would be improper

Remember:

- If you have doubts or concerns, ask questions
- Always comply with the applicable local laws, and when doing so, ensure you also comply with this Policy
- Accurately and openly record all transactions and their true nature
- Conduct corruption due diligence on external parties
- If you hear rumours of improper payments, do not ignore them. Communicate them within Pason to ensure 100% compliance with this Policy can be achieved, and refer this Policy to anyone in doubt.

## 3 Prohibited Conduct

### 3.1 Bribery and Corruption

Neither Pason nor any Pason Representative may, directly or indirectly, offer, promise, pay, give or authorize any financial or other advantage, or anything else of value, to any other person or organization, with the intent to exert improper influence over the recipient, induce the recipient to violate his or her duties, secure an improper advantage for Pason or improperly reward the recipient for past conduct.

In addition, no Pason Representative may request, agree to receive, or accept anything of value from any other person as an inducement or reward for violating his or her duties to Pason or in exchange for an improper advantage.

#### **What constitutes a “financial or other advantage, or anything of value”?**

For purposes of this Policy, a **“financial or other advantage, or anything of value”** and similar references in this Policy include not only cash and cash equivalents, but also gifts, entertainment, travel expenses, accommodations and anything else of tangible or intangible value.

Even a promise to transfer value constitutes a benefit for purposes of this Policy, regardless of whether the value is ever actually transferred. The very offer to make such a payment is strictly prohibited. If the payment is prohibited, it is prohibited whether made directly or indirectly through a third party.

#### **What is an ‘improper advantage’?**

To be improper, the advantage or benefit must have been paid, provided or offered with the intent to exert improper influence over the recipient, induce the recipient to violate his or her duties, secure an improper advantage for Pason or improperly reward the recipient for past conduct. For purposes of this Policy, **“obtaining or retaining business or securing an improper advantage”** includes, but is not limited to, preferential treatment in a bid, a reduction in taxes or customs duties, a favorable change in regulations, tolerance of non-compliance with local rules or other favors or preferential treatment.

This is not limited to the obtaining of new contracts or renewal of existing business contracts, or the reduction, relaxation or circumvention of a law or rule. How the individual assists can be any number of ways. They may do something, or omit to do something within the performance of the individual’s duties that causes Pason to receive, increase, or retain business or get some other advantage that enables Pason to do any of the foregoing. The individual could also use his or her position to influence the decision or duties of the organization for which that individual performs duties or functions. In either scenario, the creation of an obligation to reciprocate, or the expectation that the individual will become obligated to reciprocate is the activity that this Policy aims to prevent.

## What about dealings with ‘public officials’?

Extra precautions should be taken when dealing with public officials and state-owned companies. While Pason’s policy against bribery does not distinguish between public officials and private businesses, dealings with government and government-controlled businesses receive a higher level of scrutiny.

For purposes of this Policy, a “**public official**” means any agent or employee of a government, regulatory, quasi-government, or similar public body, including but not limited to:

- Politicians such as: Presidents, Ministers, Governors, Mayors
- Political candidates and representatives of political parties
- Judges
- Employees, consultants, or agents of the government bureaucracy, such as: police officers, central bank officers, customs officials, border guards, tax officials, securities commissioners, and stock market employees
- Employees, consultants, or agents of state-owned or state-controlled companies, such as: buyers for state-owned oil companies, cargo loaders of state-owned rail companies, construction workers for public services departments
- Any representative of a government agency or acting in a similar official capacity, including members of royal families
- Any delegate of any of the above to carry out government responsibility

and includes any family members or friends of, or organizations connected to, any of the above individuals, if the public official could be influenced through these parties, despite not being the direct beneficiary (ex. a donation to the public official’s preferred political party, charity or church).

## Facilitation Payments

Facilitation payments are those that are not made to obtain business or other improper advantage, but rather to expedite or secure the performance of routine, non-discretionary governmental action. Pason prohibits the use of facilitation payments to expedite a government or public official to do something they are required to do. Payments to obtain permits, licenses, visas, work orders to allow a person to do business in a foreign country, providing police protection, mail delivery or phone service, scheduling inspections or the loading or unloading of cargo, are all examples of government action that is non-discretionary, and therefore, actions that we will not pay to have performed in an expedited manner. For clarity, facilitation payments do not include the legitimate payment of official fees paid directly to a government or agency or enterprise of the government in accordance with established fee schedules or other official documents.

## Exigent Circumstances

If Pason Representatives perceive an imminent threat to the life, health, safety or liberty of themselves or those around them, they may take steps reasonable under the circumstances to



avoid that risk, including, if necessary, making a payment that is demanded in connection with the threat. The Pason Representative should report the payment as soon as reasonably possible in accordance with the procedures set out in Section 5, Reporting Violations.

### **Local Customs and Practices**

All Pason Representatives must follow this Policy, even if it conflicts with local customs or practices. For example, the fact that the giving, offering or acceptance of payments, gifts, entertainment or other things of value is perceived as usual, expected or customary does not make it permissible under this Policy or applicable Anti-Corruption Laws. Gifts and entertainment may be offered, given, provided and accepted only as set forth in this Policy.

## **3.2 Gifts, Entertainment and Travel**

A Pason Representative may give or receive gifts that are promotional and of minimal value, as long as they could not be considered a bribe or otherwise provided to influence the outcome of a business transaction.

### **Gift Giving**

Do not provide excessive or lavish entertainment or hospitality to a public official, commercial clients, business partners or any third party Pason may do business with.

We will offer Pason branded gifts to our customers, suppliers, and potential customers and suppliers with the intent of enhancing our brand and awareness of our company. Caution should be used when providing non-branded gifts, to ensure they are appropriate in the circumstances. Gifts of cash or cash equivalents such as gift cards, checks, or money orders are never appropriate and strictly prohibited.

To avoid even the appearance of impropriety, any gifts or entertainment opportunities accepted from a third party or given to a third party must meet the criteria below:

- it is not intended to secure an improper advantage or otherwise inappropriately influence the recipient;
- it is permitted by law;
- it is permitted by Pason's policies;
- it is permitted by the recipient's policies; AND
- it is reasonable in value and appropriate under the circumstances.

Any amounts spent on gifts or entertainment must be accurately recorded in Pason's accounts.

If the gift or entertainment represents a reasonable expense incurred in good faith relating directly to the promotion, demonstration or expansion of Pason's products or services, that expense is permitted as part of Pason's normal course of business.

The expenditure should be promptly, accurately, and openly recorded with no effort to conceal the facts surrounding the circumstances in which the gift was given.



## **Receiving Gifts**

You may not receive anything of value, directly or indirectly, if it might cause a conflict between personal interests and professional duties or create the appearance of such a conflict. Gifts or entertainment accepted from those doing or seeking to do business with Pason does not require approval under this Policy. However, gifts or entertainment should be limited and must meet the five criteria for gift giving set out above.

You may not solicit gifts or favors from anyone in connection with your position at Pason.

A helpful guideline when considering the appropriateness of accepting a gift or entertainment being offered to you is to consider whether you would be able to reciprocate with equivalent value, without obtaining prior approval or guidance from your manager. Consult with your manager if you are unsure whether prior approval of the gift or entertainment is necessary, considering not only the financial authority limits but also whether it is of appropriate value in the circumstances.

## **Paying for Third Party Travel Expenses**

Payment for customers' and other third parties' travel expenses should be done with caution. We should only pay (or offer to pay) for travel expenses when that travel is necessary to educate customers and potential customers about a Pason product or service offering. Similar to gifts and entertainment, travel must be appropriate and reasonable, approved by the appropriate level of management, and recorded accurately in our books and records.

## 4 Controls and Diligence

### 4.1 Internal Controls

Management of Pason shall develop, implement and maintain a system of accounting policies and internal controls to facilitate compliance with this Policy, as well as to foster a culture of integrity and maintain high ethical standards throughout Pason.

### 4.2 Books and Records

Pason shall maintain books and records that are full, fair and accurate and understandable to reflect all transactions, use and disposition of assets, and other similar information. All Pason Representatives must ensure that:

- all gifts, hospitality, and other expenses are properly reported and recorded;
- any payment made on behalf of Pason is supported by appropriate documentation; and
- no Pason Representative shall create or help create any documents for the purpose of concealing any improper activity.

In reviewing and approving expenses, or in the review of any books and records, any question which may arise in connection with this Policy shall be brought to the attention of the Chief Financial Officer.

### 4.3 Due Diligence Requirements

Pason can be liable for actions of Pason contractors, sub-contractors, suppliers, agents, partners, joint ventures, and minority-owned subsidiaries under Anti-Corruption Laws. Pason Employees must make best efforts to ensure that the actions of, or interactions with, any Pason Representative will not violate applicable Anti-Corruption Laws. Where a potential relationship may be being vulnerable to corruption risk, the following guidelines should be followed:

- Due diligence investigations must be made, recorded, and preserved to determine if the party has any historical violations or investigations under applicable Anti-Corruption Laws, and to determine if any red flags exist that would lead you to reasonable believe the party presents and significant corruption risk.
- Inquiries should be made, recorded, and preserved around the party's connection to any political parties, candidates, or public officials to ensure they are permissible under applicable Anti-Corruption Laws.
- The contracts between Pason and the party must contain the following provisions:
  - The party's obligation to strictly comply with applicable Anti-Corruption Laws and regular certification of compliance



- The party's obligation to maintain separate and accurate books and records, and when deemed necessary by Pason, in accordance with IFRS or GAAP
- Pason's right to audit the other party's books and records for any potential interactions with public officials
- Pason's right to terminate the contract, without penalty, if credible evidence is discovered of a violation of applicable Anti-Corruption Laws
- Throughout the relationship with the party, Pason must regularly monitor and be alert to suspicious circumstances. For example, requests for discounts and/or unsubstantiated payments should be investigated to ensure they are not being made in order to fund inappropriate transactions otherwise prohibited under this Policy.

## 5 Reporting Violations

This Policy is principles-based and is not proscriptive of every situation and requires that you apply judgment to every situation in light of the intent of the Policy.

### 5.1 Reporting Violations

All violations and suspected violations of this Policy must be reported without delay to the responsible member of the senior leadership team, Chief Financial Officer, General Counsel or Audit Committee Chairman through our Ethics Hotline.

The Pason Ethics Hotline is independently managed in order for Pason employees and other Pason Representatives 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](http://www.pason.ethicspoint.com)**

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

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, General Counsel or Audit Committee Chairman through our Ethics Hotline, you may elevate the issue to the person of appropriate organizational seniority. We recognize there could be situations where it may not be practical to disclose an issue to the responsible person or to a manager. In these situations, you are encouraged to report concerns directly to the responsible member of the senior leadership team, Chief Financial Officer, General Counsel, or Audit Committee Chairman through our Ethics Hotline.

### 5.2 External Violations

Many of Pason’s customers have similar policies prohibiting inappropriate gifts and entertainment that are given to create an obligation on the recipient. Some of those customers have asked Pason to report the offer or solicitation of such gifts or entertainment as part of their compliance policies.

If any customer or external party solicits a gift or gratuity from you, you must refuse to make the payment, and notify your manager, or the responsible member of the senior leadership team, so that appropriate action (if any) can be taken.



### **5.3 Facilitation Payments**

Where you are required to make a facilitation payment in exigent circumstances as described in Section 3.1, you must report this as soon as possible to the Chief Financial Officer so that the payment can be accurately recorded and identified in expense reports and other books and records.

### **5.4 Consequences of Non-Compliance with this Policy**

The penalties for violating Anti-Corruption Laws are severe. In addition to being subject to disciplinary action up to and including termination of your employment or other relationship with Pason, individuals who violate Anti-Corruption Laws may also be subject to fines, imprisonment and other sanctions, such as loss of export privileges and debarment from government contracting.

Pason will not pay fines or penalties assessed against Pason Representatives for the violation of Anti-Corruption Laws.

## 6 Approval and Adoption

This Policy was last approved by the Board of Directors on May 2, 2024.

**Pason Systems Inc.**



**Natalie Fenez**

**Corporate Secretary**

## 7 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
1.0	11-6-19	Natalie Fenez	Policy updated
1.0	04-29-21	Natalie Fenez	Reviewed by Board of Directors. No change.
2.0	04-28-22	Natalie Fenez	Version 2.0 approved by Board of Directors.
2.0	05-04-23	Natalie Fenez	Reviewed by Board of Directors. No change.
2.0	05-02-24	Natalie Fenez	Reviewed by Board of Directors. No change.





## Appendix “A” - Pason Anti-Corruption Acknowledgement Form

I, \_\_\_\_\_, have read Pason’s Anti-Corruption Policy. I understand it and agree to abide by and be bound by all its policies and procedures entirely. I understand that a violation may result in my dismissal, as well as government fines, imprisonment, and other criminal sanctions.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Dated: \_\_\_\_\_