

**SYNEX INTERNATIONAL INC.  
NEWS RELEASE**

TSX : SXI

October 24, 2017

**LEADING INDEPENDENT GOVERNANCE AND PROXY ADVISOR RECOMMENDS  
SYNEX SHAREHOLDERS VOTE WHITE PROXY FOR MANAGEMENT NOMINEES**

**Your vote is extremely important.  
Make an Informed Choice and Vote the WHITE Proxy to Protect your Investment.**

The Special Committee of Synex International Inc. (TSX:SXI) (the “**Company**” or “**Synex**”) wishes to announce today that a leading independent governance and proxy advisory firm, Glass Lewis & Co. (“**Glass Lewis**”), has recommended that Synex shareholders vote the WHITE proxy FOR the management nominees at the upcoming Annual General Meeting of Synex’s shareholders scheduled for 10:00 a.m. (Vancouver time) on Friday, November 3, 2017 at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia.

Glass Lewis made its proxy vote recommendation after carefully reviewing the facts and arguments made by both the Special Committee of Synex and Daniel Russell (the “**Dissident**” or “**Russell**”). The independent recommendation is intended to assist shareholders in making choices regarding proxy voting decisions. Glass Lewis made the following points in recommending that its clients vote the WHITE proxy FOR the management nominees:

**RUSSELL’S ARGUMENTS – “LIGHT ON DETAIL, LACKING IN CONTEXT”**

“...we consider the overall case presented by Mr. Russell is light on detail, lacking in context and nearly bereft of circumspection in terms of the significant degree of influence he has personally wielded over Synex. Perhaps just as problematic, we consider he has paired these arguments with a very broadly framed plan that seems to double down on his effort to skirt his historical service in the Synex board room.”

**RUSSELL’S PLAN – “UNQUANTIFIABLE PROMISES”**

“...Russell is not only the Company's largest investor but also a long-serving director. With a seat in the board room over the last 13 years, we believe unaffiliated investors should expect considerably more granularity than an unquantifiable promise to "deal with the very real issues" facing Synex or "analyze operations" and "fully extract value" from assets that Mr. Russell has presumably been in a position to intimately observe and discuss since 2004. Indeed, the only concrete plan appears to relate to cutting overhead expenses, including salaries, though we would caution even that line item lacks a measurable objective or benchmark of any substance...”

**RUSSELL’S STRATEGY – “LOOSELY FRAMED ARGUMENTS”**

“...Russell offers loosely framed arguments around strategy, expenses, profitability and return on assets. We consider these positions are offered somewhat colloquially and are placed in decidedly limited context with suitable peers or industry benchmarks which might [not] (sic) reasonably reflect challenging conditions in the energy sector as a whole. We thus do not believe they serve as informative or compelling points here, particularly given Mr. Russell's historical and significant ability to actively engage with the remainder of the board on these issues through both his directorship and his position as Synex's largest shareholder.”

## **RUSSELL’S NOMINEES – NOT “A CLEAR AND FAVOURABLE ALTERNATIVE”**

With respect to Cecilia Tam:

“does not appear to have any relevant executive or public board experience”

With respect to David Schincariol:

“it is not clear he has substantive experience with independent energy production firms and it does not appear he has any executive or public board experience”

With respect to Richard McGivern:

“we do not believe [his] disclosed background clearly establishes relevant executive experience and does not indicate he has any public board experience”

With respect to the hand-picked slate collectively:

“While we would not suggest the foregoing candidates lack appropriate expertise within the scope of their current employment, we question how this framework -- i.e. a collection of independent nominees with limited industry background and no apparent public board service -- reflects, in Mr. Russell's words, "world-class experience and expertise" with respect to the challenges and opportunities presently facing Synex.”

## **RUSSELL’S SHARE PRICE ARGUMENT – FAILED TO SUPPORT HIS CASE**

“... we believe the Dissident has failed to provide sufficiently contextualized figures to support the case that Synex's performance has deviated significantly from industry trends or even that the Company's share price performance -- already hampered by volatility stemming a low free float and limited trading liquidity -- has materially underperformed suitable benchmarks.”

## **RUSSELL – “NEAR-UNILATERAL AUTHORITY”**

“... in the event the Dissident is successful... the board will be comprised of five members, two of which will be Mr. Russell and his spouse. Combined with a large equity stake and independent nominees bringing a relatively neophyte degree of experience to the public board room, we are concerned Mr. Russell will be positioned to exercise near-unilateral authority regarding Synex's strategic and financial direction. We hold this perspective even before giving effect to the fact that Mr. Russell has indicated his prospective intention to take on a senior management role, "as an interim or transitional measure. In short, we do not believe support for the Dissident's agenda and candidates represents a clear and favorable alternative...”

## **RUSSELL’S CRITIQUE – “A RATHER ODD STONE TO THROW”**

“We would further suggest Mr. Russell's [total shareholder return] critique is a rather odd stone to throw, given his lengthy service on Synex's board. Instead of addressing what seems to be a self-inflicted attack on his own legacy, we note Mr. Russell's primary materials fail to meaningfully acknowledge his directorship with Synex and instead attempt -- rather unconvincingly, in our view -- to frame his agenda from the perspective of a board room outsider.”

<b>Management and the management nominees are qualified to successfully lead Synex.</b>
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## **MANAGEMENT SLATE STRENGTH**

Management and the management nominees have experience which is directly relevant to the business of a public company operating and developing independent power projects in British Columbia. Unlike the Dissident and certain of his nominees, management and the management slate have:

- **Strong local connections, extensive industry experience and substantial public company governance experience.**
- **A history of successfully designing, building and operating medium-sized hydroelectric plants – a complex set of tasks that require specialized and diverse skill sets.**
- **Broad-based support from shareholders, unlike the Dissident’s primary support from his spouse and members of his family.**

Management’s slate (as found on your WHITE proxy) includes Tanya DeAngelis, who is the Dissident’s spouse, in recognition of the fact that Russell, as a large shareholder, should have representation on the Board and the access and influence available to a director.

The nominees listed in your WHITE proxy represent the best choice for the Company who will act in the best interests of ALL shareholders.

## **CORPORATE GOVERNANCE AND STRATEGIC PLANNING**

Glass Lewis has recognized certain corporate governance matters facing the Company – matters which the Special Committee has identified previously. In recognition of these items going forward, the Special Committee will recommend that the board appoint an empowered Corporate Governance, Nomination and Compensation Committee comprised of three independent directors. The Special Committee will also recommend that the board appoint a Strategic Operations Committee, which will be empowered to be responsible for considering and making recommendations in regard to the Company’s strategic direction and planning with a view to enhancing corporate and shareholder value. Positive change is on the side of management’s nominees.

## **VOTE TO PROTECT YOUR INVESTMENT IN SYNEX**

### **Annual General Meeting**

The Annual General Meeting of Synex’s shareholders is scheduled for 10:00 a.m. (Vancouver time) on Friday, November 3, 2017 at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia.

### **The Special Committee Recommendations**

#### **Your vote is extremely important.**

The Special Committee unanimously recommends that Synex shareholders vote only the WHITE proxy or voting instruction form FOR the management nominees.

Shareholders who have previously voted the Dissident's proxy or voting instruction form and wish to support the management nominees, have the right to change their vote by simply voting the WHITE proxy or voting instruction form. It is the later dated proxy which will count. Please disregard any other coloured proxies you receive.

For more information, Synex shareholders are encouraged to access the Management Information Circular of Synex on its website at [www.synex.com](http://www.synex.com) or under Synex's profile at [www.sedar.com](http://www.sedar.com).

**VOTE TODAY.** Time is of the essence and Synex shareholders are urged to vote online by following the instructions found on the WHITE proxy or voting instruction form to ensure votes are received in a timely manner. **Vote no later than the deadline of November 1, 2017 at 10:00 a.m. (Vancouver time).**

## SHAREHOLDER QUESTIONS

Questions or requests for assistance with voting may be directed to Synex's proxy solicitor,

**Laurel Hill Advisory Group**  
Toll free in North America: 1 (877) 452-7184  
(1 (416) 304-0211 outside North America)  
Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

*This press release contains forward-looking information. This information relates to future events and the Company's future performance. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", "aim", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Company's internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this press release may contain forward-looking information attributed to third party sources. The Special Committee believes that the expectations reflected in this forward-looking information are reasonable; however, undue reliance should not be placed on this forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.*

*This press release contains forward-looking information concerning, among other things, the following: the Special Committee's assessment that Glass Lewis' recommendations validate that the future of the Company best lies in the hands of the management nominees; the conclusions and assessments of Glass Lewis as set forth herein; and matters with respect to the upcoming meeting, including the scheduled date and time of the meeting and the cut off time for proxies. A number of risks and other factors could cause actual results to differ materially from those expressed in the forward-looking information contained in this press release including, but not limited to, the risk that the Company's and Glass Lewis' assessments, as set forth herein, are incorrect; the risk that the meeting date and time may be delayed, adjourned or otherwise. With respect to forward-looking information contained in this press release, the Special Committee has made assumptions regarding, among other things: that Glass Lewis' recommendations will not change; the time and date of the meeting (and related voting cut-offs) will not change. The Special Committee has included the above summary of assumptions and risks related to forward-looking information included in this press release in order to provide investors with a more complete perspective on the Company's future operations. Readers are cautioned that this information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this press release are expressly qualified by this cautionary statement. The forward-looking information contained herein is made as of the date of this press release and the Company disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.*