Sylogist Announces Compensation Update and Management Change

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CALGARY, Sept. 26, 2019 /CNW/ - **Sylogist Ltd. (TSXV:SYZ)** ("Sylogist" or the "Company") advises that its Board, following the review and recommendations of its independent Compensation Committee, is undertaking changes to management and some of its compensation arrangements, with the agreement of the Company's executive officers.

Compensation Update

Over the past few months Sylogist's independent Compensation Committee has undertaken a review of current equity and executive compensation plans. The Compensation Committee has interviewed and received input from several institutional investment managers and larger individual investors to obtain current market views. It is the intention of the Committee to establish processes for future executive positions in consultation with appropriate industry professionals.

The conclusions of the investment managers and investors discussions revealed the majority of institutional managers are seeking equity and executive compensation plans that are heavily weighted towards stock performance and prefer restricted stock units (RSUs) compensation versus the current cash bonus which is based on actual company operating performance.

As Sylogist evolves from its entrepreneurial beginnings to that of an established growth company, future executive compensation plans will align more closely with current market models provided they allow the company to attract the talent required for superior operating performance.

Updating the current CEO and Executive VP compensation plans to current market models would have a large one-time impact on earnings. Rather than creating and negotiating replacement employment contracts for these two positions the current contracts will remain in force. To address the key concerns of institutional managers, the CEO and Executive VP have voluntarily committed to: 1) purchasing Sylogist stock using a percentage of their after-tax cash bonus compensation; and 2) reducing the change of control compensation. Details of these amendments, when finalized, will be described in the Company's next annual management information circular.

As a company listed on the TSX Venture Exchange, Sylogist is required to have its stock option plan approved annually. At the May 1, 2019 annual general meeting of shareholders, the Sylogist stock option plan was approved. Sylogist has had a consistent and growing dividend track record with low stock price volatility, small daily trading volumes and a large percentage of USA based revenue. These characteristics make stock options the lowest cost, and a non-cash cost, form of equity compensation. Sylogist plans to continue with stock options as the preferred form of equity compensation as long as stock options provide the most economic form of equity compensation.

Management Change

Effective September 30, 2019, Mr. Andre Drouillard, Vice President of Corporate Development and Investors Relations, will be departing the Company. We appreciate Andre's contributions and look forward to observing his future successes.

About Sylogist

Sylogist is a software company that, through strategic acquisitions, investments and operations management, provides comprehensive, mission-critical ERP solutions, including fund accounting, grant management and payroll to public service organizations. Sylogist's public service customers include local governments, non-profit organizations, non-governmental organizations, educational institutions and government agencies, as well as public compliance driven and funded. Our Company delivers highly scalable, multi-language, multi-currency software solutions, which serve the needs of an international clientele.

Full financial statements together with Management's Discussion and Analysis are available on SEDAR at www.sedar.com.

The Company's stock is traded on the TSX Venture Exchange under the symbol SYZ. Information about Sylogist can be found at http://www.sylogist.com.

Forward-looking Statements

Certain statements in this news release may be forward-looking statements within the meaning of applicable securities laws and regulations. These statements typically use words such as expect, believe, estimate, project, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology. Forward-looking information in this news release includes statements with respect to the establishment of processes for the compensation of future executive positions, the current CEO and Executive VP contracts remaining in force, the CEO and Executive VP using a percentage of their after-tax cash bonus compensation to purchase Sylogist stock and voluntarily reducing their change of control compensation and the provision of details thereof, the continuation of stock options as the preferred form of equity compensation and the departure date of the Vice President of Corporate Development and Investor Relations. By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the beliefs and plans and other forward-looking expectations expressed herein will not be achieved or will prove inaccurate. Although Sylogist believes that the expectations reflected in these forward-looking statements are reasonable, it provides no assurance that these expectations will prove to have been correct. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Additional information regarding some of these risks, uncertainties and other factors may be found under in the management's discussion and analysis for the period ended June 30, 2019, and other documents available on the Company's profile at www.sedar.com. Although Sylogist believes that the material assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur. Sylogist disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

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