

SIERRA WIRELESS, INC.

MANDATE OF THE AUDIT COMMITTEE

OF THE BOARD OF DIRECTORS

1. Purpose and Scope

The audit committee (“**Committee**”) was established by the Board of Directors (“**Board**”) of Sierra Wireless Inc. (“**Company**”) to assist the Board in fulfilling its responsibilities for oversight of the following:

- the Company's systems of internal and disclosure controls;
- the Company's financial reporting process including the Company's financial statements and other financial information provided by the company to its shareholders, the public and others in accordance with applicable securities and corporate legislation and the Company's Disclosure Policy;
- the Company's compliance with financial, accounting, legal and regulatory requirements including the Company's Code of Business Conduct;
- the appointment, compensation, independence, oversight, communication with, performance and change of the Company's external and independent auditors (the “Auditors”);
- the Company's process for identification of the principal risks of the Company's business and ensuring that an appropriate process is in place to manage risks across the enterprise; and
- the fulfillment of the other responsibilities set forth in this Mandate.

2. Organization, Membership and Meetings

- Committee members shall meet the requirements of the Toronto Stock Exchange, the NASDAQ Exchange, the Securities and Exchange Commission, the securities commissions of each of the Provinces of Canada in which the Company is a reporting issuer and any other regulatory agency that may have jurisdiction over the operations of the Company from time to time.
- The Committee shall consist of three or more directors who are “independent” as defined by applicable law, regulations, guidelines and policies, and as determined by the Governance and Nominating Committee (“GNC”) of the Board.
- All members of the Committee shall be “financially literate”, and at least one member of the Committee shall be a “financial expert”. “Financially literate” and “financial expert” will have the respective meanings set out in applicable law, regulations, guidelines and policies.
- Members of the Committee shall be appointed annually by the Board on the recommendation of the GNC. Members may be replaced by the Board at any time, but shall otherwise serve until a successor has been named.
- No Committee member may serve on the compensation committee of another company if any director of the Company is, or has been in the past three years, an employee of that other company.
- No director shall serve as a member of the Committee if that director previously served as Chief Executive Officer or Chief Financial Officer of the Company or its affiliates or of an acquired company within the past five years, other than in the capacity as Interim Chief Executive Officer or Interim Chief Financial Officer for a period of less than one year.
- No member shall be affiliated with the Company or any subsidiary.
- The Committee shall meet from time to time, as it deems necessary, but at least four times per year.
- The presence in person or by teleconference of a majority of Committee members shall constitute a quorum for any meeting of the Committee.

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- The Committee may include management at its meetings, but shall also hold an executive session at each meeting at which only independent directors are present.
- The Committee shall maintain written minutes of its meetings, which minutes will be filed in the corporate minute book.

3. Authority and Responsibilities

3.1. External Audit:

- Recommend to the Board the appointment and compensation of the Auditors. Oversee the work of the Auditors (including resolution of disagreements between Management and the Auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.
- Review in advance and pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Auditors, as permitted by applicable governance rules and in particular Section 10A of the Securities Exchange Act of 1934 and, in connection therewith, to approve all fees and other terms of engagement. The Committee shall also review and pre-approve all disclosures required to be included in any public filings with respect to non-audit services. The Committee may delegate to one or more members the authority to pre-approve non-audit services, provided a report is made to the Committee at its next scheduled meeting. The Committee may consult with Management but shall not delegate these responsibilities to Management.
- Communicate directly with the Auditors.
- Review the performance of the Auditors on at least an annual basis.
- On an annual basis, review and discuss with the Auditors all relationships the Auditors have with the Company in order to evaluate the Auditors' continued independence. The Committee: (i) shall ensure that the Auditors submit to the Committee on an annual basis a written statement delineating all relationships and services that may impact the objectivity and independence of the Auditors; (ii) shall discuss with the Auditors any disclosed relationship or services that may impact the objectivity and independence of the Auditors; and (iii) shall satisfy itself as to the Auditors' independence.
- At least annually, obtain and review an annual report from the Auditors describing (i) the Auditors' internal quality control procedures and (ii) any material issues raised by the most recent internal quality control review, or peer review, of the Auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Auditors, and any steps taken to deal with any such issues.
- Confirm that the rotation of the lead audit partner or the audit partner responsible for reviewing the audit (the concurring partner), for the Company's Auditors complies with the requirements of the Canadian and US regulatory authorities.
- Review, based upon the recommendation of the Auditors and Management, the scope and plan of the work to be done by the Auditors for each fiscal year.

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3.2. Financial statements:

- Review and discuss with Management and the Auditors the Company's quarterly financial statements (including disclosures made in Management's Discussion and Analysis, as defined in Multilateral Instrument 51-102, and interim earnings press releases) prior to submission to shareholders, any governmental body, any stock exchange or disclosure to the public. Approve the interim financial statements and footnotes, MD&A and interim earnings press release.
- Review and discuss with Management and the Auditors the Company's annual audited financial statements (including disclosures made in Management's Discussion and Analysis and annual earnings press releases) prior to submission to shareholders, any governmental body, any stock exchange or disclosure to the public. Recommend to the Board approval of the annual audited financial statements and footnotes, MD&A and annual earnings press release.
- Recommend to the Board, if appropriate, that the Company's annual audited financial statements be included in the Company's annual report for filing with appropriate securities regulatory agencies.
- Review and approve any reports required to be included in the Company's annual meeting materials and any other Committee reports required by applicable securities laws or stock exchange listing requirements or rules.

3.3. Periodic and annual reviews:

- Periodically review with each of Management and the Auditors (i) any significant disagreement between Management and the Auditors in connection with the preparation of the financial statements, (ii) any difficulties encountered during the course of the audit or review (including any restrictions on the scope of work or access to required information), and (iii) Management's response to each.
- Periodically discuss with the Auditors, without Management being present (i) their judgments about the quality, appropriateness, and acceptability of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, and (ii) the completeness and accuracy of the Company's financial statements.
- Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or Management. Review with the Auditors and Management, at appropriate intervals, the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
- Review with Management, the Auditors and the Company's counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including significant changes in accounting standards or rules as promulgated by the Canadian Institute of Chartered Accountants, the securities regulators having jurisdiction over the Company or other regulatory authorities with relevant jurisdiction.
- Obtain and review an annual report from Management relating to the accounting principles used in preparation of the Company's financial statements (including those policies for which Management is required to exercise discretion or judgments regarding the implementation thereof).
- At least annually, obtain and review a report from Management summarizing the Company's investments in cash or cash equivalents and marketable securities.
- On an annual basis, review the Company's Treasury Investment Policy.

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3.4. Discussions with Management:

- Review and discuss with Management the Company's annual and interim earnings press releases (including the use of “pro forma” or “adjusted” non-GAAP information), financial information and earnings guidance provided to analysts and rating agencies as well as all other material public disclosure documents such as the Company’s AIF, management information circular and any prospectuses.
- Review and discuss with Management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses.
- Inquire about the application of the Company's accounting policies and their consistency from period to period, and the compatibility of these accounting policies with generally accepted accounting principles, and (where appropriate) the Company's provisions for liabilities that may have a material impact on the financial statements of the Company.
- Review and discuss with Management the Company's major financial risk exposures and the steps Management has taken to monitor and control such exposures (including Management's risk assessment and risk management policies).
- Review and discuss with Management all disclosures made by the Company concerning any material changes in the financial condition or operations of the Company.
- The Committee will meet periodically and separately with the Company’s counsel to review material legal affairs of the Company and the Company’s compliance with applicable law and listing standards.
- Review annually the Auditors’ letter of the recommendations with respect to internal controls over financial reporting to Management and Management's response to such letter.
- Periodically review the Company’s administration of equity awards under the Company’s long-term incentive plans (stock option plan and restricted share unit plans) including without limitation: (i) the practices and procedures adhered to; and (ii) the accounting treatment of equity awards. In doing so, the Audit Committee shall: (i) have special regard to grants of equity awards to insiders of the Company; (ii) review individual equity awards on a “sample” basis; and (iii) assess the records retention relating to equity awards on a sample basis.

3.5. Internal controls and disclosure:

- In consultation with the Auditors and Management: (a) review the effectiveness of the Company’s internal control structure and system including information technology security and control, and the procedures designed to ensure compliance with laws and regulations, and (b) discuss the responsibilities, budget and staffing needs of the Company’s internal accounting department.
- Establish and review procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

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- Be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures.
- Be satisfied that record retention services provided by third parties are effective. (For example, that equity grants are appropriately recorded and that all information necessary for compliance with all relevant laws, regulations and Company policies is available for review when required).

3.6. Risk Management and Compliance

- Ensure that in addition to the Committee's oversight of management's process to identify and manage key financial risks, the Company has in place a process for enterprise risk management whereby the Committee reviews the enterprise's most critical risks and tracks management's actions to manage such risks.
- Review with management and the senior risk management executive the charter, activities, staffing and organizational structure of the risk management function.
- On a periodic basis, but not less than once per year, report to the Board on the process for enterprise risk management, the company's most critical risks and management's actions to address such risks.
- Discuss with the senior risk management executive any issues that may have been brought forward concerning compliance with the Company's Code of Business Conduct.
- Ensure that there are no unjustified restrictions or limitations on the activities of the risk management function and review and concur in the appointment, replacement or dismissal of the senior risk management executive.
- On an annual basis, review the effectiveness of the risk management function
- On a regular basis, meet separately with the senior risk management executive to discuss any matters that the Committee or the senior risk management executive believes should be discussed

3.7. Reporting obligations:

- Oversee management's compliance with all reporting obligations related to the AIF (Form 40-F for US purposes) and management information circular under Part 5 of Multilateral Instrument 52-110.

3.8. Other:

- Oversee management's process for identifying and disclosing related-party transactions and review any significant transactions that warrant the attention of the Committee.
- Review and approve the Company's hiring policies regarding partners, employees, and former partners and employees of the present and former external auditor of the Company.
- Review any Management decision to seek a second opinion from Auditors other than the Company's regular Auditors with respect to any significant accounting issue.
- Review with Management and the Auditors the sufficiency and quality of the financial and accounting personnel of the Company.
- Review and reassess the adequacy of this Mandate annually and recommend to the Board any changes the Committee deems appropriate.
- Conduct an annual performance evaluation of Committee operations.

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- As necessary to carry out its duties, engage independent legal, accounting or other advisors to advise the Committee and set and pay the compensation for any such legal, accounting or other advisors employed by the Committee.
- Perform any other activities consistent with this Mandate, the Company's By-laws and governing law as the Committee or the Board deems necessary or appropriate.
- The Committee will have full access to all books, records, facilities and personnel of the Company.

4. External and Internal Linkages

- The Board
- The CEO and Senior Management
- The senior Risk Management executive
- The Company's External Auditors
- Outside Consultants and Advisors
- The Corporate Governance and Nominating Committee

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5. Annual Agenda

5.1 Audit Committee Purpose

	Q1	Q2	Q3	Q4	OC
Review mandate					X
Conduct Special Investigations	*	*	*	*	*

5.2 Audit Committee Composition and Meetings

	Q1	Q2	Q3	Q4	OC
Assess independence and financial literacy of Committee members					X
Establish number and timing of meetings					X
Committee chair to establish meeting agendas	X	X	X	X	X
Maintain minutes and report to Board of Directors	X	X	X	X	X
In camera session with the external auditors	X	X	X	X	X
In camera session with the head of Internal Audit function	X	X	X	X	X
Perform self-assessment of Audit Committee and members					X
Prepare report of Audit Committee effectiveness to Board					X

5.3 Audit Committee Responsibilities and Duties

a. External Auditor

	Q1	Q2	Q3	Q4	OC
Recommend appointment and compensation of external auditors					X
Review annual external audit plan			X		
Approve audit and non-audit fees in advance	*	*	*	*	
Review performance of external auditors	X	X	X	X	X
Review independence letter and discuss auditor independence				X	
Review reports from Auditors on their own internal control procedures				X	
Review audit partner rotation				X	

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b. Financial Statements

	Q1	Q2	Q3	Q4	OC
Approve quarterly financial reporting including financial statements, MD&A, press release and guidance	X	X	X		
Review annual financial reporting including financial statements, MD&A, press release and guidance and recommend approval to the Board of Directors				X	
Review with management and the external auditors all balance sheet items requiring the use of management judgement and discretion	X	X	X	X	
Review significant accounting principles and policies used in the preparation of the annual financial statements				X	
Review litigation and related accruals	X	X	X	X	X
Review audit findings report and other materials presented by the external auditor	X	X	X	X	
Review regulatory reports	*	*	*	*	*
Prepare and/or review reports required to be included in annual meeting materials	*	*	*	*	

c. Periodic and Annual Reviews

	Q1	Q2	Q3	Q4	OC
Review any significant disagreements between management and Auditors	*	*	*	*	
Review any difficulties encountered during the review or audit	*	*	*	*	
Discuss appropriateness of accounting principles, critical accounting policies and management's judgments and estimates without management present	X	X	X	X	X
Consider and approve, if necessary, significant changes to accounting policies and financial disclosure practices	*	*	*	*	*
Review legal matters with legal counsel	*	*	*	*	X
Obtain and review a report from Management summarizing the Company's investments in cash or cash equivalents and marketable securities	X	X	X	X	
Review the Company's Treasury Investment Policy					X

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d. Discussions with Management

	Q1	Q2	Q3	Q4	OC
Review material off-balance sheet transactions, arrangements, obligations and contingent obligations	X	X	X	X	
Review and discuss major financial risk exposures and steps taken to monitor and control such exposures	*	*	*	*	*
Review Auditors' letter of recommendations to management and management's response		X			
Review the Company's administration of equity awards under the Company's long-term incentive plans					X
Review the Company's record retention services with third parties to ensure that all information necessary to demonstrate regulatory compliance is available for review when required.					X

e. Internal Controls and Disclosure

	Q1	Q2	Q3	Q4	OC
Review adequacy of internal control structure and system with management and Auditors					X
Review procedures for Reporting Concerns to the Audit Committee					X
Discuss any whistleblowing activity	X	X	X	X	X
Review adequacy of procedures for review of public disclosure of financial information					X
Review disclosure of audit committee information required in the AIF and management information circular	*	*	*	*	

f. Risk Management

	Q1	Q2	Q3	Q4	OC
Review risk management process and management of the Company's most critical risks					X
Review the mandate, activities, staffing and org structure of the risk management function					X
Review the effectiveness of the Risk Management function					X
Meet separately with the senior risk management executive to discuss any matters that the Committee or the senior risk management executive believes should be discussed					X

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g. Other

	Q1	Q2	Q3	Q4	OC
Oversee management’s process for identifying and disclosing related-party transactions and review any significant transactions that warrant the attention of the Committee.	*	*	*	*	X
Review and approve hiring policies regarding partners, employees, former partners and employees of the present and former Auditor					*
Review any management decision to seek a second opinion from Auditors other than the regular Auditors	*	*	*	*	
Review with management and Auditors the sufficiency and quality of financial and accounting personnel					X
Review financial personnel succession planning					X
Review treasury investment policy					X
Confirm appointment of investment fund manager					X
Review the Company’s Gross Margin and Operating expense analysis					X
Review the Company’s Corporate Structure and Income Taxes with management					X
Review the Company’s IT Security environment with the Company’s senior IT executive					X
Review the Company’s Capital Allocation strategies					X
Review of the Company’s Foreign Exchange Policy and Strategy					X
Review of the Company’s Incident Response Plans related to cyber events					X

OC – Off-cycle meetings of the committee

* - As needed

X – Recommended timing