

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ See Attachment

Multiple horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment

Multiple horizontal lines for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature on file

Signature ▶ _____ Date ▶ _____

Print your name ▶ **Quanny Van** Title ▶ **Senior Director, Tax and Treasury**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Numerex Corp.

Attachment to Form
8937

Date of Organizational Action: 7 December 2017

Part II – Question 14

Numerex Corp., (“Numerex”), a Pennsylvania corporation (FEIN: 11-2948749) was a party to a transaction with Sierra Wireless, Inc., (“Sierra”), a Canadian corporation (FEIN: 98-0163236) and Wireless Acquisition Sub, Inc. (“Merger Sub”), a Delaware corporation wholly-owned by Sierra, which occurred on 7 December 2017. The transaction was governed by the terms of an Agreement and Plan of Merger by and among Sierra, Numerex and Merger Sub, dated August 2, 2017 (the “Merger Agreement”).

In connection with the transaction, Merger Sub merged with and into Numerex with Numerex being the surviving corporation and becoming a wholly-owned subsidiary of Sierra (the “Merger”). The effect of this Merger is that Numerex was acquired by Sierra and shares of Numerex Class A Common Stock (“Numerex Shares”) are no longer publicly traded.

The Merger is intended to be treated as a reorganization for U.S. federal income tax purposes within the meaning of Internal Revenue Code (“IRC”) Section 368(a).

Each holder of Numerex Shares issued and outstanding immediately prior to the effective time of the Merger was entitled in accordance with the terms of the Merger Agreement to receive 0.1800 Sierra common shares (“Sierra Shares”) in exchange for each Numerex Share cancelled, plus cash in lieu of any fractional Sierra Shares.

The Merger is described in more detail in the Registration Statement of Sierra on Form F-4 filed on 18 September 2017 with the Securities and Exchange Commission (“SEC”), as amended and supplemented through to 7 December 2017 and the related Proxy Statement/Prospectus contained therein (collectively the “Registration Statement”). The Registration Statement is available on the SEC’s EDGAR website.

A general summary of certain tax considerations applicable to former U.S. shareholders of Numerex is set forth in the section of the Registration Statement titled “The Merger Proposal—U.S. Federal Income Tax Consequences”.

Part II, Question 15

Each Numerex Share issued and outstanding immediately prior to the effective time of the Merger was cancelled and converted into the right to receive 0.1800 of a Sierra Share, plus cash in lieu of any fractional Sierra Shares. The holder's basis in Numerex Shares should be carried over to the Sierra Shares received. No gain or loss should be recognized by the former holder of Numerex Shares where the basis of the Numerex Shares is allocable to Sierra Shares received.

Sierra did not issue any fractional Sierra Shares in the Transaction. In accordance with the terms of the Merger Agreement, holders of Numerex Shares were entitled to receive cash in lieu of any fractional Sierra Share that would otherwise have been issued to the holder. A former U.S. holder of Numerex Shares who receives cash in lieu of a fractional Sierra Share pursuant to the Merger generally should be treated as having received such fractional Sierra Share in the Merger and then as having received cash in redemption of such fractional Sierra Share. Gain or loss generally should be recognized based on the difference between the amount of cash received in lieu of the fractional Sierra Share and the portion of the U.S. holder's aggregate tax basis in the Numerex Shares cancelled which is allocable to the fractional share.

Former Numerex shareholders should review the Registration Statement and consult with their own tax advisors regarding the tax consequences of the Transaction.

Part II, Question 16

Sierra's equity valuation was based on the closing price of Sierra Shares on the last day of trading immediately prior to the effective time of the Merger, which for 6 December 2017 was US\$21.25.

Generally, a U.S. holder will have an aggregate adjusted tax basis in the Sierra Shares received in the Merger equal to the holder's adjusted tax basis in the Numerex Shares cancelled less the basis attributable to fractional Sierra Shares deemed sold for cash.

Shareholders should consult with their own tax advisors to determine whether they are required to recognize any gain and what measure of fair market value is appropriate.

Part II, Question 17

The Merger is intended to be (should be) treated as a “reorganization” for U.S. federal income tax purposes within the meaning of IRC Section 368(a). Additionally, the Merger should not result in gain being recognized pursuant to IRC Section 367(a) by persons who were stockholders of Numerex immediately prior to the effective time of the Merger.

Effect on Shareholders –

- A. IRC Section 354(a)(1) – Exchanges of stock and securities in certain reorganizations
- B. IRC Section 302 – Distributions in redemption of stock (See also Revenue Ruling 66-365)
- C. IRC Section 358 – Basis to distributees
- D. IRC Section 1001 – Determination of amount of and recognition of gain or loss
- E. IRC Section 1221 – Capital asset defined
- F. IRC Section 1222 – Other terms relating to capital gains and losses
- G. IRC Section 1223 - Holding period of property

Effect on Corporations –

- A. IRC Section 361(a) – Nonrecognition of gain or loss to corporations

Part II, Question 18

If the Merger is respected as a "reorganization" within the meaning of Section 368(a) of the Code, a U.S. holder should not recognize any gain or loss as a result of the receipt of Sierra Shares in the Merger except for any gain or loss recognized with respect to cash received in lieu of a fractional Sierra Share. The recipient of cash (if any) in lieu of a fractional Sierra Share will be treated as having received the fractional Sierra Share pursuant to the transaction and then as having sold that fractional Sierra Share for cash. A U.S. holder will recognize gain or loss on any cash received in lieu of a fractional Sierra Share equal to the difference between the amount of cash received and the portion of the U.S. holder's adjusted tax basis of the Numerex Shares cancelled that is allocable to the fractional Sierra Share. Such gain or loss generally will be long-term capital gain or loss if the holding period in the Numerex Shares was more than twelve months as of the effective time of the Merger. The deductibility of capital losses is subject to limitations.

A U.S. holder's holding period for the Sierra Shares received in the Merger will include the U.S. holder's holding period for the Numerex Shares cancelled in exchange for the right to receive the Sierra Shares.

Part II, Question 19

The stock basis adjustment and any gain or loss will be taken into account in the tax year of the shareholder during which the exchange occurred. This will be 2017 for calendar year taxpayers.

Individual taxpayers may be required to file Form 8949, *Sales and Other Dispositions of Capital Assets*, with their tax return.

Additional Information; Cautionary Note

Summaries of the Merger are not intended to be complete and are qualified in their entirety by reference to the Merger Agreement, the full text of which is included as Annex A in the Registration Statement.

A general summary of certain tax considerations applicable to former U.S. shareholders of Numerex is set forth in the section of the Registration Statement titled "The Merger Proposal—U.S. Federal Income Tax Consequences".

The information in this document does not constitute tax advice, nor does it purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Shareholders are urged to consult their own legal, financial or tax advisor with respect to their individual tax consequences relating to this organizational action.