



SIERRA
WIRELESS®

NOTICE OF 2020 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF
SIERRA WIRELESS, INC.
TO BE HELD ON MAY 21, 2020

MANAGEMENT INFORMATION CIRCULAR

DATED April 20, 2020



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that the annual general and special meeting (the “Meeting”) of holders of common shares (“Shareholders”) of Sierra Wireless, Inc. (the “Corporation”) will be held at the Corporation’s head office at 13811 Wireless Way, Richmond, British Columbia, Canada, on Thursday, May 21, 2020 at 3:00 p.m. (Pacific Time), for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2019, and the auditors’ report thereon;
2. to appoint Ernst & Young LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration of the auditors;
3. to elect directors for the ensuing year;
4. to consider and, if deemed advisable, pass an ordinary resolution to approve certain amendments to the Corporation’s Amended and Restated 1997 Stock Option Plan and to approve all unallocated entitlements thereunder;
5. to consider and, if deemed advisable, pass an ordinary resolution to approve certain amendments to the Corporation’s 2011 Treasury Based Restricted Share Unit Plan;
6. to consider and, if deemed advisable, approve an advisory resolution to accept the Corporation’s approach to executive compensation;
7. to consider and, if deemed advisable, pass an ordinary resolution authorizing and approving an amendment to, and the restatement of, the Corporation’s Amended and Restated By-Law No. 1;
8. to consider and, if deemed advisable, pass a special resolution to authorize the Corporation to amend its articles to increase the maximum number of directors of the Corporation from nine to twelve; and
9. to transact such other business as may properly come before the Meeting.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

Only Shareholders of record at the close of business on April 13, 2020 are entitled to receive notice of the Meeting and to vote at the Meeting.

To ensure your representation at the Meeting, return the enclosed proxy, whether or not you plan to personally attend the Meeting. Sending your proxy will not prevent you from voting in person at the Meeting. All proxies completed by **registered Shareholders** must be returned to the Corporation:

- by delivering the proxy to the Corporation’s transfer agent, Computershare Investor Services Inc. at its office at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, for receipt not later than Tuesday, May 19, 2020, at 3:00 p.m. (Pacific Time);

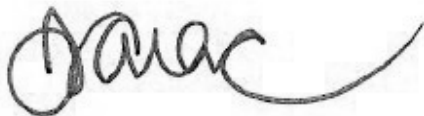
- by fax to the Toronto office of Computershare Investor Services Inc., Attention: Proxy Tabulation at 416-263-9524 (outside of North America) or 1-866-249-7775 (within North America) not later than Tuesday, May 19, 2020 at 3:00 p.m. (Pacific Time); or
- by telephone or internet, as instructed in the enclosed form of proxy, not later than Tuesday, May 19, 2020 at 3:00 p.m. (Pacific Time).

Non-registered Shareholders whose shares are registered in the name of an intermediary should carefully follow voting instructions provided by the intermediary. A more detailed description on returning proxies by non-registered Shareholders can be found on page 2 of the Management Information Circular accompanying this Notice of Meeting.

Impact of COVID-19: The Corporation is carefully monitoring the public health impact of the coronavirus (COVID-19) on a daily basis, and may decide to modify the date, time or location of the Meeting depending on the situation. While we understand this could disrupt the travel plans of those who plan to attend the Meeting, our first priority is the health and safety of our communities, Shareholders, employees and other stakeholders. In the event we decide to modify the date, time or location of the Meeting, Shareholders will be notified and provided with additional details in a press release, at our website at <https://www.sierrawireless.com/company/newsroom/> and pursuant to filings we make with Canadian and United States securities regulatory authorities. As always, we encourage you to vote your shares prior to the Meeting.

DATED at Richmond, British Columbia, this 20th day of April, 2020.

By Order of the Board of Directors



Jennifer A. Farac
Corporate Secretary



April 20, 2020

Dear Shareholder:

On behalf of the Board of Directors and Management of Sierra Wireless, Inc. (the "Corporation"), we cordially invite you to attend the annual general and special meeting (the "Meeting") of the holders of common shares of the Corporation to be held at our Richmond, British Columbia headquarters located at 13811 Wireless Way, Richmond, British Columbia on Thursday, May 21, 2020 at 3:00 p.m. (Pacific Time).

This management information circular (the "Information Circular") contains a description of business that will be conducted at the Meeting, along with materials highlighting our activities and performance during the year.

Your participation in the affairs of the Corporation is important to us. Should you be unable to attend the Meeting, there are instructions included within the Information Circular describing the process for providing your voting instructions to ensure that your voice is heard. The proxy voting instructions can be found on page 1 of this Information Circular.

The Corporation is carefully monitoring the public health impact of the coronavirus (COVID-19) on a daily basis, and may decide to modify the date, time or location of the Meeting depending on the situation. While we understand this could disrupt the travel plans of those who plan to attend the Meeting, our first priority is the health and safety of our communities, shareholders, employees and other stakeholders. In the event we decide to modify the date, time or location of the Meeting, shareholders will be notified and provided with additional details in a press release, at our website at <https://www.sierrawireless.com/company/newsroom/> and pursuant to filings we make with Canadian and United States securities regulatory authorities. As always, we encourage you to vote your shares prior to the Meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Kent Thexton".

Kent P. Thexton
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read "Robin A. Abrams".

Robin A. Abrams
Chair of the Board

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MANAGEMENT INFORMATION CIRCULAR

As at April 20, 2020

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Information Circular is provided in connection with the solicitation of proxies by Management for use at the Meeting. Solicitation of proxies from registered shareholders will primarily be by mail or courier, supplemented by telephone or other personal contact by employees or agents of the Corporation at nominal cost. All costs of solicitation will be paid by the Corporation. The Corporation has retained the services of Kingsdale Advisors (“Kingsdale”) as its proxy solicitation agent to assist the Company in soliciting proxies. The Corporation estimates the fees for Kingsdale associated with this year’s proxy solicitation will be approximately US\$37,500 plus charges for any telephone calls and disbursements.

The Meeting will be held on Thursday, May 21, 2020 at 3:00 p.m. (Pacific Time) at 13811 Wireless Way, Richmond, British Columbia for the purposes set forth in the accompanying Notice of Meeting. The information contained herein is given as at April 20, 2020 except as otherwise indicated.

The Corporation is carefully monitoring the public health impact of the coronavirus (COVID-19) on a daily basis, and may decide to modify the date, time or location of the Meeting depending on the situation. While we understand this could disrupt the travel plans of those who plan to attend the Meeting, our first priority is the health and safety of our communities, shareholders, employees and other stakeholders. In the event we decide to modify the date, time or location of the Meeting, shareholders will be notified and provided with additional details in a press release, at our website at <https://www.sierrawireless.com/company/newsroom/> and pursuant to filings we make with Canadian and United States securities regulatory authorities. As always, we encourage you to vote your shares prior to the Meeting.

In this document, “you” and “your” refer to the shareholders of the Corporation and “Sierra Wireless”, the “Corporation”, the “Company”, “we”, “us” or “our” refer to Sierra Wireless, Inc.

Appointment of Proxyholder

The persons named in the accompanying form of proxy are officers, directors and/or other nominees of the Corporation. **A shareholder has the right to appoint as a proxyholder a person or company (who need not be a shareholder of the Corporation) other than the persons designated in the previous sentence to attend and act on the shareholder’s behalf at the Meeting. To exercise this right, the shareholder may either insert the name of such other person or company in the blank space provided in the form of proxy or complete and submit another form of proxy.**

A person or company whose name appears on the books and records of the Corporation is a registered shareholder. A non-registered shareholder is a beneficial owner of Common Shares that are registered in the name of an intermediary (such as a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates).

Notice to United States Shareholders

The solicitation of proxies by the Corporation is not subject to the requirements of Section 14(a) of the *United States Securities Exchange Act of 1934*, as amended (the “U.S. Exchange Act”), by virtue of an exemption applicable to proxy solicitations by “foreign private issuers” as defined in Rule 3b-4 under the U.S. Exchange Act. Accordingly, this Information Circular has been prepared in accordance with the applicable disclosure requirements

in Canada. Residents of the United States should be aware that such requirements are different than those of the United States applicable to proxy statements under the U.S. Exchange Act.

Registered Shareholders

A registered shareholder may vote Common Shares owned by it at the Meeting either in person or by proxy. A registered shareholder who wishes to vote in person at the Meeting need not complete or return the form of proxy included with this Information Circular, as those registered shareholders choosing to attend the Meeting may have their votes taken and counted at the Meeting. However, to ensure your representation at the Meeting, we encourage you to return the enclosed proxy, whether or not you plan to personally attend. Sending your proxy will not prevent you from voting in person at the Meeting.

A registered shareholder who chooses to vote by proxy can do so using several methods in addition to mailing the enclosed form of proxy. All proxies completed by registered shareholders must be returned to the Corporation:

- by delivering the proxy to the Corporation's transfer agent, Computershare Investor Services Inc. ("Computershare") at its office at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, for receipt not later than Tuesday, May 19, 2020, at 3:00 p.m. (Pacific Time);
- by fax to the Toronto office of Computershare, Attention: Proxy Tabulation at 416-263-9524 (outside North America) or 1-866-249-7775 (within North America) not later than Tuesday, May 19, 2020, at 3:00 p.m. (Pacific Time); or
- by telephone or internet, as instructed in the enclosed form of proxy, not later than Tuesday, May 19, 2020, at 3:00 p.m. (Pacific Time).

Please review the enclosed form of proxy carefully for additional information and resources for assistance.

To be effective, a proxy form must be received by Computershare no later than 3:00 p.m. (Pacific Time) two days (excluding Saturdays, Sundays, and statutory holidays) preceding the Meeting or any adjournment of the Meeting.

The Common Shares represented by such shareholder's proxy will be voted or withheld from voting in accordance with the instructions indicated by the shareholder on the form of proxy or alternative method of voting on any ballot that may be called for.

Non-Registered Shareholders

We have distributed copies of this Information Circular and accompanying Notice of Meeting to intermediaries for distribution to non-registered shareholders at the Corporation's expense. Unless a non-registered shareholder has waived its rights to receive these materials, an intermediary is required to deliver them to the non-registered shareholder and to seek instructions on how to vote the Common Shares beneficially owned by the non-registered shareholder. In many cases, intermediaries will have used a service company to forward these Meeting materials to non-registered shareholders.

Non-registered shareholders who receive these Meeting materials will typically be given the ability to provide voting instructions in one of two ways.

Usually a non-registered shareholder will be given a voting instruction form, which must be completed and signed by the non-registered shareholder in accordance with the instructions provided by the intermediary. In this case, a non-registered shareholder **cannot** use the mechanisms described above for registered shareholders and **must** follow the instructions provided by their intermediary (which in some cases may allow the completion of the voting instruction form by telephone or the Internet).

Occasionally, however, a non-registered shareholder may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Common Shares beneficially owned by the non-registered shareholder but is otherwise not completed. This form of proxy does not need to be signed by the non-registered shareholder. In this case, the non-registered shareholder can complete the proxy and vote by mail or facsimile only, as described above for registered shareholders.

These procedures are designed to enable non-registered shareholders to direct the voting of their Common Shares. Any non-registered shareholder receiving either a form of proxy or a voting instruction form who wishes to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), should strike out the names of the persons identified in the form of proxy as the proxy holder and insert the non-registered shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, should follow the corresponding instructions provided by the intermediary. **In either case, the non-registered shareholder should carefully follow the instructions provided by the intermediary.**

Revocability of Proxies

A shareholder may revoke a proxy by delivering an instrument in writing executed by the shareholder or the shareholder's attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney for the corporation, either to the registered office of the Corporation at Suite 2600, Three Bentall Centre, 595 Burrard Street, P.O. Box 49314, Vancouver, British Columbia, V7X 1L3, at any time up to 3:00 p.m. (Pacific Time) two days (excluding Saturdays, Sundays, and statutory holidays) preceding the Meeting, or if adjourned, any reconvening thereof, or to the Chair of the Meeting on the day of the Meeting before any vote in respect of which the proxy is to be used shall have been taken or in any other manner provided by law.

A revocation does not affect any matter on which a vote has been taken prior to the revocation. A shareholder of the Corporation may also revoke a proxy by signing a form of proxy bearing a later date and returning such proxy and delivering it to Computershare as aforesaid at any time up to 3:00 p.m. (Pacific Time) two days (excluding Saturdays, Sundays, and statutory holidays) preceding the Meeting or any adjournment thereof.

A person duly appointed under a form of proxy will be entitled to vote the Common Shares represented thereby only if the form of proxy is properly completed and delivered in accordance with the requirements set out above and such proxy has not been revoked.

Voting of Proxies and Discretionary Authority

Unless specifically directed in the form of proxy to withhold the Common Shares represented by the form of proxy from a ballot or show of hands, the proxies named in the accompanying form of proxy shall vote the Common Shares represented by the form of proxy on each ballot or show of hands. Where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Common Shares will be voted in accordance with the specifications so made.

In the absence of any instructions on the proxy or if such instructions are unclear, Common Shares represented by the form of proxy will be voted IN FAVOUR of each matter identified on the form of proxy, in each case as more particularly described elsewhere in this Information Circular.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other matter of business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matter of business. At the time of the printing of this Information

Circular, management knows of no such amendment, variation or other matter which may be presented at the Meeting.

Interest of Certain Persons in Matters to be Acted Upon

Other than as disclosed in this Information Circular, no director or executive officer of the Corporation, past, present or nominated, or any associate or affiliate of such persons, or any person on behalf of whom this solicitation is made, has any interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors, except to the extent that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Corporation.

Interests of Informed Persons in Material Transactions

Other than as disclosed in this Information Circular, no informed person of the Corporation (as that term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*), proposed nominee for election as a director, or any associate or affiliate of the foregoing, had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or has any material interest, direct or indirect, in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Voting Securities and Principal Holders Thereof

The Corporation is authorized to issue an unlimited number of Common Shares of which, as of the date of this Information Circular, 36,337,256 Common Shares are issued and outstanding as fully paid and non-assessable shares. The holders of Common Shares are entitled to one vote for each Common Share held. The Corporation is also authorized to issue an unlimited number of preference shares, issuable in series, of which none are issued and outstanding.

Any shareholder of record at the close of business on April 13, 2020 (the "Record Date") who either personally attends the Meeting or who has completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or have his Common Shares voted at the Meeting.

Other than as set out below, to the knowledge of the directors and executive officers of the Corporation, as at the date hereof, no person or company beneficially owns or controls or directs, directly or indirectly, 10% or more of the voting rights attached to the outstanding Common Shares:

- As of December 31, 2019, Brandes Investment Partners, L.P. reported control, but not ownership, of 4,489,085 Common Shares or 12.40% of the issued and outstanding Common Shares.
- As of February 29, 2020, Trigran Investments, Inc. reported control, but not ownership, of 4,910,309 Common Shares or 13.55% of the issued and outstanding Common Shares.

BUSINESS OF THE MEETING

1. Receipt of Financial Statements

The audited consolidated financial statements of the Corporation for the year ended December 31, 2019, including the auditors' report thereon, are available on SEDAR at www.sedar.com or on the Corporation's website at www.sierrawireless.com/company/investor-information/annual-reports-and-regulatory-filings/. Copies of such financial statements will also be available at the Meeting. No vote will be taken on the financial statements at the Meeting.

2. Appointment of Auditors

At the meeting, the Shareholders will be asked to vote on the re-appointment of Ernst & Young LLP ("EY"), Chartered Professional Accountants, as auditors of the Corporation for the ensuing year and to authorize the Board to fix their remuneration. The term of the auditor shall end at the close of the next annual meeting of the shareholders. EY was first appointed auditor of the Company on May 19, 2016.

The persons named as proxyholders in the enclosed form of proxy, if not expressly directed to the contrary, intend to vote FOR the appointment of Ernst & Young LLP, Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed and to authorize the directors to determine the remuneration to be paid to the auditors. A simple majority of the votes cast at the Meeting, whether in person or by proxy, will constitute approval of the resolution to appoint EY as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed and to authorize the directors to determine the remuneration to be paid to the auditors.

Audit Fees

For the fiscal years ended December 31, 2019 and 2018 the Corporation paid auditors fees as follows:

<i>(in United States dollars)</i>	2019	2018
Audit fees	\$ 1,017,000	\$ 1,014,060
Tax fees	79,020	9,400
Audit-related fees	38,755	—
	<u>\$ 1,134,775</u>	<u>\$ 1,023,460</u>

Audit fees for 2019 and 2018 include fees related to the audit of our year-end financial statements, the audit of our internal control over financial reporting, review of our interim financial statements, statutory audits, consents and services that are normally provided by our auditors in connection with statutory and regulatory filings or engagements for such year. Tax fees for 2019 relate to tax advisory services related to an acquisition and tax compliance matters. Tax fees for 2018 relate to tax compliance matters. Audit-related fees for 2019 relate to due diligence related to an acquisition. Audit-related fees for 2018 were \$nil.

3. Election of Directors

The restated articles of incorporation of the Corporation provide that the Board shall consist of a minimum of one director and a maximum of nine directors. The term of office of each of the present directors expires at the Meeting. The Board presently consists of nine directors, and it is intended that nine directors be elected at the Meeting for the ensuing year. Subsequent to the Meeting, the size of the Board will increase if the Board Expansion Resolution is approved. See "Business of Meeting - Amendment of Articles" below.

Each director elected will hold office until the next annual meeting of shareholders of the Corporation or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the By-laws of the Corporation or with the provisions of the *Canada Business Corporations Act* ("CBCA").

Cooperation Agreement

Each of James R. Anderson and Karima Bawa have been appointed to our board of directors pursuant to a cooperation agreement, dated April 16, 2020 (the "Cooperation Agreement"), between the Corporation and Lion Point Capital, LP (and certain of its affiliated entities) ("Lion Point"). Pursuant to the Cooperation Agreement, the Corporation (i) appointed James R. Anderson and Karima Bawa to fill two vacancies created by resigning directors, and (ii) agreed to propose and recommend for approval at the Meeting a special resolution of shareholders providing for an increase in the maximum size of the Board from nine (9) to twelve (12) directors (the "Board Expansion Resolution"). See "Business of the Meeting - Amendment of Articles" below.

Subject to the approval of the Board Expansion Resolution, as soon as practicable following the Meeting, the Board will appoint to the Board two independent director candidates selected by Lion Point (after reasonable consultation with the Corporation) and one independent director candidate selected by the Corporation (after reasonable consultation with Lion Point); provided, however, that if the Board Expansion Resolution is not approved at the Meeting, one incumbent director will resign from the Board promptly following the Meeting, and the Board will appoint one independent director candidate selected by Lion Point to fill the resulting vacancy on the Board (any such appointed directors, together with James R. Anderson and Karima Bawa, the “New Directors”). The Corporation and Lion Point have agreed that in the event that the Board Expansion Resolution is approved, the Board will appoint Martin Mc Court, Mark Twaalfhoven and Raj Talluri as directors of the Corporation, as previously disclosed in the Corporation’s press release issued on April 16, 2020. Pursuant to the Cooperation Agreement, the Corporation agreed to appoint each of the New Directors to at least one of the Board’s standing committees. Pursuant to the Cooperation Agreement, Lion Point agreed to certain standstill commitments as previously disclosed in the Corporation’s material change report filed on April 17, 2020. A copy of the Cooperation Agreement is available under the Corporation’s profile on www.sedar.com. The Corporation and Lion Point have further agreed (separate and apart from the Cooperation Agreement) that the Corporation will use reasonable best efforts to cause and accept the resignation of one incumbent director by no later than the date of the 2021 annual meeting of shareholders, resulting in a decrease in the size of the Board from 12 to 11 directors.

Majority Voting Policy

The Board has adopted a majority voting policy pursuant to which, in an uncontested election of directors, each director nominee who does not receive a greater number of Common Shares voted in favour of his or her election than Common Shares “withheld” from voting must tender his or her resignation to the Chair of the Board, to take effect on acceptance by the Board. The Governance and Nominating Committee will consider such tendered resignation and make a recommendation to the Board as to the action to be taken with respect to such tendered resignation. The Board will take formal action on the Governance and Nominating Committee’s recommendation no later than 90 days following the date of the shareholders’ meeting and will announce its decision by press release. If the Board declines to accept the resignation, it will include in the press release the reason or reasons for its decision. The director will not participate in the Governance and Nominating Committee or Board deliberations on the resignation.

Advance Notice Provisions

The Corporation’s By-Law No. 1 provides for advance notice of nominations of directors (“Advance Notice Provisions”) in circumstances where nominations of persons for election to the Board are made by shareholders other than pursuant to a requisition of a meeting or a shareholder proposal, in each case made pursuant to the provisions of the CBCA. The Advance Notice Provisions fix deadlines by which a shareholder must notify the Corporation of nominations of persons for election to the Board as follows: such notice must be provided to the Corporate Secretary of the Corporation (i) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than 30 days prior to the date of the meeting; provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the date (the “Notice Date”) on which the first public announcement of the date of the meeting was made, notice by the nominating shareholder may be given not later than the close of business on the tenth day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual or annual and special meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth day following the day on which the first public announcement of the date of the meeting was made. The Advance Notice Provisions also stipulate that certain information about any proposed nominee and the nominating shareholder be included in such a notice in order for it to be valid. The purpose of the Advance Notice Provisions is to ensure that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate prior notice of director nominations, as well as sufficient information concerning the nominees, and can thereby exercise their voting rights in an informed manner. In addition, the Advance Notice Provisions should assist in facilitating an orderly and efficient meeting process. A copy of the Corporation’s By-Law No. 1 is available on SEDAR at www.sedar.com.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote FOR the nominees listed in the table below under the heading "Director Nominees" unless a shareholder has specified in such shareholder's proxy that such shareholder's shares are to be voted against such resolution. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. All of the nominees presented for election as directors are currently directors of the Corporation. All persons nominated were recommended to the Board by the Governance and Nominating Committee. The persons nominated and named below are, in the opinion of the Board, well qualified to act as directors and all have confirmed their willingness to serve.

Director Nominees

The following pages set out detailed information on director nominees including:

- place of residence;
- year first elected or appointed as a director;
- age, principal occupation at present and within the preceding five years and whether independent;
- other principal directorships;
- committee memberships and meeting attendance in 2019;
- achievement indicator of minimum share ownership guidelines (as per the method of calculation set forth on page 50 under the section entitled "Minimum Share Ownership Guidelines"); and
- securities held including the number of Common Shares beneficially owned by each director nominee or over which each exercises control or direction, directly or indirectly.
 - The Common Shares and Restricted Share Units ("RSUs") values at December 31, 2019 were calculated using the closing share price of the Common Shares on the TSX of Cdn \$12.39 translated at the spot foreign exchange rate of Cdn\$1.00 = US\$0.7699 for Canadian resident director nominees and on the NASDAQ of US\$9.55 for non-Canadian resident director nominees.
 - The Common Shares and RSUs values at December 31, 2018 were calculated using the closing share price of the Common Shares on the TSX of Cdn\$18.33 translated at the spot foreign exchange rate of Cdn\$1.00 = US\$0.7331 for Canadian resident director nominees and on the NASDAQ of US\$13.43 for non-Canadian resident director nominees.

GREGORY D. AASEN

West Vancouver, British Columbia, Canada

Independent Director since: 1997

Age: 64

Mr. Aasen is a Corporate Director. Prior to his retirement in June 2007, Mr. Aasen was the chief strategy officer at PMC-Sierra, a company which Mr. Aasen was instrumental in founding in 1992. At PMC-Sierra, Mr. Aasen also served as vice president and general manager of the Communications Products division, chief operating officer, and chief technology officer. With extensive experience in the semiconductor industry, Mr. Aasen began his career at Mitel. In 1986, he joined MPR Teltech and later established the Pacific Microelectronic Centre (PMC) which provided the genesis for PMC-Sierra which was spun out of MPR Teltech in 1992. Mr. Aasen received a bachelor's degree in Electrical Engineering from the University of British Columbia in 1979.

Board and Committee Memberships		Meeting Attendance		Public Board Memberships		
Board of Directors	10/10	100%	None			
Human Resources Committee	9/9	100%				

Securities held as at fiscal year end						
	Common Shares	RSUs	Total Common Shares and RSUs	Total Value of Common Shares and RSUs (US\$)	Options	Minimum Share Ownership Guidelines
2019	28,877	13,266	42,143	\$ 401,952	7,375	Meets
2018	27,646	8,920	36,566	\$ 491,364	10,904	
Change	1,231	4,346	5,577	\$ (89,412)	(3,529)	

ROBIN A. ABRAMS

Los Altos, California, U.S.A.

Independent Director since: 2010

Age: 68

Ms. Abrams is a Corporate Director. Prior to her retirement, Ms. Abrams gained extensive experience in governance and management of large, publicly traded entities including as the CEO of Zilog, Palm Computing, Inc. and VeriFone. Ms. Abrams has held internationally focused executive positions at Apple and Unisys and has held CEO positions at the following start-up companies: Firefly Mobile, a mobile products company for the youth market, and BlueKite, a leading provider of bandwidth optimization software for wireless operators. Ms. Abrams earned her B.A. and J.D. degrees from the University of Nebraska, and she serves on the board of directors of several companies.

Board and Committee Memberships		Meeting Attendance		Public Board Memberships		
Board of Directors		10/10	100%	HCL Technologies - Bombay Stock Exchange ("BSE") and National Stock Exchange of India ("NSE") (Audit and Compensation Committees) Lattice Semiconductor - NASDAQ (Nominating and Governance Committee) FactSet Research Systems Inc. - NASDAQ (Audit, Nominating and Governance Committees)		
Audit Committee ⁽¹⁾		9/9	100%			
Governance and Nominating Committee		4/4	100%			
Securities held as at fiscal year end						
	Common Shares	RSUs	Total Common Shares and RSUs	Total Value of Common Shares and RSUs (US\$)	Options	Minimum Share Ownership Guidelines
2019	31,384	6,912	38,296	\$ 365,727	7,375	Meets
2018	25,128	6,256	31,384	\$ 421,487	10,904	
Change	6,256	656	6,912	\$ (55,760)	(3,529)	

⁽¹⁾ Effective December 31, 2019, Ms. Abrams resigned from the Audit Committee.

RUSSELL N. JONES

Ottawa, Ontario, Canada

Independent Director since: 2018

Age: 61

Mr. Jones is a Corporate Director. He is a retired executive with extensive experience in the technology industry and demonstrated experience in financial oversight and reporting. Prior to his retirement, Mr. Jones was CFO of Shopify Inc. He joined Shopify in early 2011 and took the company public in May 2015. Mr. Jones has also held senior executive roles at a number of companies including Mitel Corporation, Newbridge Networks, Watchfire, Quake Technologies. He also co-founded a CFO advisory firm focused on earlier stage technology companies. Mr. Jones is a director of CPA Ontario and sits on both its Human Resources and Finance and Audit Committees. He is a CPA, CA and holds a Bachelor of Commerce (Honours) from Carleton University and an ICD.D certification from the Institute of Corporate Directors. Mr. Jones joined the Board in September 2018 and was appointed to the Audit Committee and the Governance and Nominating Committee in November 2018.

Board and Committee Memberships		Meeting Attendance		Public Board Memberships		
Board of Directors		10/10	100%	None		
Audit Committee		9/9	100%			
Governance and Nominating Committee		4/4	100%			

Securities held as at fiscal year end						
	Common Shares	RSUs	Total Common Shares and RSUs	Total Value of Common Shares and RSUs (US\$)	Options	Minimum Share Ownership Guidelines
2019	3,800	13,560	17,360	\$ 165,577	—	Meets ⁽¹⁾
2018	—	6,648	6,648	\$ 89,334	—	
Change	3,800	6,912	10,712	\$ 76,243	—	

⁽¹⁾ As per the guidelines, Mr. Jones has four years from his appointment to acquire the minimum share ownership set out in the guidelines.

LORI M. O'NEILL

Ottawa, Ontario, Canada

Independent Director since: 2019

Age: 54

Lori M. O'Neill is a Corporate Director. Ms. O'Neill is a FCPA, FCA, corporate director and independent financial and governance consultant. She provides governance and financial consulting services to growth companies, after serving over 24 years with Deloitte LLP. As a partner at Deloitte LLP with various national and industry leadership roles, she focused on advising growth companies from start-ups to multinationals, supporting complex transactions, private and public equity offerings, and mergers and acquisitions in Canada and the U.S. Ms. O'Neill is a board member for Constellation Software Inc., as well as board member and chair of the Audit Committee for the Ontario Lottery and Gaming Corporation, Hydro Ottawa, University of Ottawa Heart Institute, and Tehema Group (formerly: Pythian Group, Inc.) and is chair of the Board of Governors for Ashbury College. Ms. O'Neill graduated from Carleton University with a Bachelor of Commerce (Highest Honors) in 1988, achieved her CPA, CA designation in 1990, her U.S. CPA designation in 2003, and completed the ICD Director Education Program attaining the ICD.D. Her meeting attendance below is reflective of the meetings held after her appointment.

Board and Committee Memberships		Meeting Attendance		Public Board Memberships		
Board of Directors		4/4	100%	Constellation Software Inc.		
Audit Committee		2/2	100%			
Human Resources Committee		1/1	100%			
Securities held as at fiscal year end						
	Common Shares	RSUs	Total Common Shares and RSUs	Total Value of Common Shares and RSUs (US\$)	Options	Minimum Share Ownership Guidelines
2019	—	10,289	10,289	\$ 98,135	—	Meets ⁽¹⁾
2018	—	—	—	\$ —	—	
Change	—	10,289	10,289	\$ 98,135	—	

⁽¹⁾ As per the guidelines, Ms. O'Neill has four years from her appointment to acquire the minimum share ownership set out in the guidelines.

THOMAS SIEBER

Zurich, Switzerland

Independent Director since: 2014

Age: 58

Mr. Sieber is a Corporate Director and also currently serves as the Chairman of the Board of the Swiss utility company Axpo Holding AG, a position he has held since March 2016. Mr. Sieber has extensive experience as a technology industry executive with demonstrated expertise in building pan-European enterprise sales channels. Mr. Sieber was the CEO of Salt Mobile SA (formerly Orange Switzerland) from 2009 to 2012, where he led a successful turnaround of the business and drove the sale process of the company to a new owner. He then served as Chairman until the end of 2015. Before joining Orange, Mr. Sieber was Executive Vice President of Sales for Fujitsu Siemens Computers. Mr. Sieber started his career at Hewlett-Packard, advancing to General Manager for Small and Medium Enterprise, EMEA, by the time he left the company in 2001. He studied Business Administration at the University of St.Gallen (HSG) in Switzerland, graduating in 1987. Mr. Sieber also currently serves on the board of directors of the private Swiss software company Garaio AG and the publicly listed Indian IT services company, HCL Technologies.

Board and Committee Memberships		Meeting Attendance		Public Board Memberships		
Board of Directors	10/10	100%	HCL Technologies - Bombay Stock Exchange ("BSE") and National Stock Exchange of India ("NSE")			
Audit Committee	8/9	89%				
Governance and Nominating Committee	4/4	100%				
Securities held as at fiscal year end						
	Common Shares	RSUs	Total Common Shares and RSUs	Total Value of Common Shares and RSUs (US\$)	Options	Minimum Share Ownership Guidelines
2019	47,339	6,912	54,251	\$ 518,097	7,375	Meets
2018	41,083	6,256	47,339	\$ 635,763	10,904	
Change	6,256	656	6,912	\$ (117,666)	(3,529)	

KENT P. THEXTON

Toronto, Ontario, Canada

Director since: 2005

Age: 57

Mr. Thexton has been President and Chief Executive Officer of Sierra Wireless since November 2018 and has overall Management responsibility for the Corporation. Prior to assuming the permanent role, he had been serving as interim President and Chief Executive Officer since May 31, 2018 and the non-executive Chair of the Board of Sierra Wireless since February 2016. From May 2016 until October 2018, he was a Managing Partner of ScaleUP Ventures Inc., a venture capital fund that targets early stage investments in high growth technology companies in large, growing markets that have begun to show traction. From January 2014 to April 2016, Mr. Thexton was Managing Director of OMERS Ventures, the venture capital investment arm of the OMERS Pension Plan. During his career, Mr. Thexton has spent almost 25 years in both founder and operational management positions at growth companies globally including serving as Chief Data and Marketing Officer and board member at European telecom firm O2 Group plc, which sold to Telefonica S.A. in 2005 for \$35 billion. Mr. Thexton has been an active and successful angel investor for a number of years and also founded venture-backed i-wireless, which grew to become a leading US MVNO with over one million subscribers. Mr. Thexton's involvement in the Governance and Nominating Committee ended prior to his assumption of his executive position.

Board and Committee Memberships		Meeting Attendance		Public Board Memberships		
Board of Directors		10/10	100%	None		
Securities held as at fiscal year end						
	Common Shares	RSUs	Total Common Shares and RSUs	Total Value of Common Shares and RSUs (US\$)	Options	Minimum Share Ownership Guidelines
2019	98,473	207,120	305,593	\$ 2,914,692	7,375	Meets ⁽¹⁾
2018	76,342	175,124	251,466	\$ 3,379,130	8,478	
Change	22,131	31,996	54,127	\$ (464,438)	(1,103)	

⁽¹⁾ As per the guidelines, Mr. Thexton has five years from his appointment as President & CEO to acquire the minimum share ownership set out in the guidelines.

GREGORY L. WATERS

Los Gatos, California, U.S.A.

Independent Director since: 2020

Age: 59

Gregory L. Waters joined the Sierra Wireless Board of Directors in March 2020. Mr. Waters is an experienced corporate director, CEO and advisor, specializing in growth companies associated with IoT and Machine Learning. Mr. Waters also currently serves on the Board of Directors of Mellanox Technologies, Ltd., a global leader in Cloud Data Center interconnect solutions. From 2014 to 2019, he was President, CEO and a member of the Board of Directors of Integrated Device Technology Inc., a global leader in Analog Mixed Signal solutions which was acquired by Renesas Electronics in April 2019. Prior to IDT, Mr. Waters served as Executive Vice President and General Manager for Skyworks Solutions from 2003 to 2012, where he led the company's wireless businesses to an industry leadership position. He joined Agere Systems Inc in 1998, serving in various roles, including Vice President of the wireless communications business and Vice President of the broadband communications business, and Senior Vice President of Strategy and Business Development, where he played a key role in the company's IPO. He began his career at Texas Instruments Inc. in a variety of management positions in sales, customer design centers and product line management. Mr. Waters has a B.S. in Engineering from the University of Vermont and an M.S. in Computer Science from Northeastern University, with a specialization in Artificial Intelligence. His meeting attendance below is reflective of his appointment in 2020.

Board and Committee Memberships		Meeting Attendance		Public Board Memberships		
Board of Directors		N/A	N/A	Mellanox Technologies, Ltd		
Human Resources Committee		N/A	N/A			
Securities held as at fiscal year end						
	Common Shares	RSUs	Total Common Shares and RSUs	Total Value of Common Shares and RSUs (US\$)	Options	Minimum Share Ownership Guidelines
2019	—	—	—	—	—	N/A ⁽¹⁾
2018	—	—	—	—	—	
Change	—	—	—	—	—	

⁽¹⁾ Mr. Waters was appointed the Company's Board of Directors on March 23, 2020. As per the guidelines, Mr. Waters has four years from his appointment to acquire the minimum share ownership set out in the guidelines.

JAMES R. ANDERSON

Los Gatos, California, U.S.A

Independent Director since: 2020

Age: 48

James R. Anderson joined the Sierra Wireless Board of Directors in April 2020. Mr. Anderson is Lattice Semiconductor Corporation's ("Lattice") President and Chief Executive Officer and serves on the company's Board of Directors. He joined Lattice in September 2018 and has since driven a transformation of the company which has led to record profitability and more than a doubling of market capitalization. Prior to Lattice, Mr. Anderson led AMD's Computing and Graphics business group from 2015. While at AMD, Mr. Anderson drove a strategic and operational transformation that brought disruptive new products to the market and delivered market-leading revenue growth and significant profitability expansion for AMD, which helped drive a tenfold increase in AMD's market capitalization. Prior to AMD, Mr. Anderson held a broad range of leadership positions spanning general management, engineering, sales, marketing, and strategy at companies including, Intel, Broadcom Limited (formerly, Avago Technologies), and LSI Corporation. Mr. Anderson holds an MBA and Master of Science in electrical engineering and computer science from the Massachusetts Institute of Technology, a Master of Science in electrical engineering from Purdue University, and a Bachelor of Science in electrical engineering from the University of Minnesota. Mr. Anderson has received four patents for innovations in computer architecture.

Board and Committee Memberships		Meeting Attendance		Public Board Memberships		
Board of Directors		N/A	N/A	Lattice Semiconductor Corporation		
Human Resources Committee		N/A	N/A			
Securities held as at fiscal year end						
	Common Shares	RSUs	Total Common Shares and RSUs	Total Value of Common Shares and RSUs (US\$)	Options	Minimum Share Ownership Guidelines
2019	—	—	—	—	—	N/A ⁽¹⁾
2018	—	—	—	—	—	
Change	—	—	—	—	—	

⁽¹⁾ Mr. Anderson was appointed the Corporation's Board of Directors on April 16, 2020. As per the guidelines, Mr. Anderson has four years from his appointment to acquire the minimum share ownership set out in the guidelines.

KARIMA BAWA

Vancouver, British Columbia, Canada

Independent Director since: 2020

Age: 53

Karima Bawa joined the Sierra Wireless Board of Directors in April 2020. Ms. Bawa is a Senior Fellow at the Centre for International Governance and Innovation and as well serves as an IP Advisor. She is a board member for the College of Patent Agents and Trademark Agents and for the British Columbia Health Professions Review Board. Ms. Bawa is also the former General Counsel and Chief Legal Officer for Research In Motion Limited (now BlackBerry). In the 12 years she served at BlackBerry she was a member of the senior leadership team and oversaw a global legal team. Ms. Bawa was also a member of various strategic and operational senior management committees. Ms. Bawa is a lawyer and holds a Bachelor of Science, a Master in Business Administration and an ICD.D certification from the Institute of Corporate Directors.

Board and Committee Memberships		Meeting Attendance		Public Board Memberships		
Board of Directors		N/A	N/A	None		
Governance and Nominating Committee		N/A	N/A			
Securities held as at fiscal year end						
	Common Shares	RSUs	Total Common Shares and RSUs	Total Value of Common Shares and RSUs (US\$)	Options	Minimum Share Ownership Guidelines
2019	—	—	—	—	—	N/A ⁽¹⁾
2018	—	—	—	—	—	
Change	—	—	—	—	—	

⁽¹⁾ Ms. Bawa was appointed the Corporation's Board of Directors on April 16, 2020. As per the guidelines, Ms. Bawa has four years from her appointment to acquire the minimum share ownership set out in the guidelines.

None of the nominees for election as a director, except where otherwise specifically indicated, is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director or executive officer of any company, including the Corporation, that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation which, in each case, was in effect for a period of more than 30 consecutive days (each, an "order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Lori O'Neill was a director of DragonWave Inc. ("DragonWave") from June 13, 2013 until July 31, 2017. Ms. O'Neill, together with all the then current directors of DragonWave, resigned from the board of DragonWave on July 31, 2017 upon the appointment by the Ontario Superior Court of Justice of KSV Kofman Inc. as receiver over all of the property and assets of DragonWave on the application of DragonWave's senior creditors. On July 20, 2017, the Investment Industry Regulatory Organization of Canada suspended trading of DragonWave's common shares on the TSX and DragonWave's delisting from the TSX was announced on August 1, 2017, effective August 30, 2017. DragonWave's delisting from Nasdaq took effect on August 2, 2017.

In addition, none of the nominees for election as a director has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Further Information on Proposed Nominees

For further information relating to the proposed nominees, refer to the section entitled "Directors and Executive Officers" in our Annual Information Form ("AIF") dated March 10, 2020. The information included in this Information Circular is current as of the date of this Information Circular. The AIF is available on our website at www.sierrawireless.com/company/investor-information/annual-reports-and-regulatory-filings/ or on SEDAR at www.sedar.com.

Director Attendance and Meetings Held During the Year Ended December 31, 2019

Board members are expected to attend all board meetings and meetings of the committees on which they serve. The following table sets out the attendance, in person and by telephone, of the Board members currently standing for election, at Board meetings and Board standing committee meetings held during the year ended December 31, 2019. In 2019, five Board meetings were held in person and five meetings were held by telephone conference.

Board and committee meetings held during the year ended December 31, 2019	Board Meetings Attended	Committee Meetings Attended	Percentage of Meetings Attended
Gregory D. Aasen	10 of 10	9 of 9	100%
Robin A. Abrams	10 of 10	13 of 13	100%
Russell N. Jones	10 of 10	13 of 13	100%
Thomas Sieber	10 of 10	12 of 13	92%
Kent P. Thexton	10 of 10	N/A	100%
Lori O'Neill ⁽²⁾	4 of 4	3 of 3	100%
Gregory L. Waters ⁽³⁾	N/A	N/A	N/A
James R. Anderson ⁽⁴⁾	N/A	N/A	N/A
Karima Bawa ⁽⁵⁾	N/A	N/A	N/A

⁽¹⁾ Mr. Thexton is not independent and is not a member of any Board committee. He attends certain committee meetings in his capacity as President and Chief Executive Officer at the invitation of the respective committee chair.

⁽²⁾ Ms. O'Neill joined the Board in September 2019 and was appointed to the Audit Committee and the Human Resources Committee in September 2019. Her meeting attendance is reflective of the meetings held after her appointment.

⁽³⁾ Mr. Waters joined the Board in March 2020 and was appointed to the Human Resources Committee in March 2020.

⁽⁴⁾ Mr. Anderson joined the Board in April 2020 and was appointed to the Human Resources Committee in April 2020.

⁽⁵⁾ Ms. Bawa joined the Board in April 2020 and was appointed to the Governance and Nominating Committee in April 2020.

Committee Memberships and Independence Status of Director Board Nominees

The following table sets out the Board committee memberships and independence status of each director nominee as of the date of this Information Circular.

Directors	Board Committee Composition			
	Independent	Audit	Governance and Nominating	Human Resources
Gregory D. Aasen	✓	—	—	Chair
Robin A. Abrams	✓	—	✓	—
Russell N. Jones	✓	✓	✓	—
Thomas Sieber	✓	✓	Chair	—
Kent P. Thexton	✗	—	—	—
Lori O'Neill	✓	Chair	—	✓
Gregory L. Waters	✓	—	—	✓
James R. Anderson	✓	—	—	✓
Karima Bawa	✓	—	✓	—

The Board determined that each director nominee is independent, except Kent Thexton who is the President and Chief Executive Officer of the Corporation. All members of the Board committees are independent.

For detailed information about how the Board determines director independence, see the section entitled Independence on page 27.

Director Attendance at the 2019 Annual Meeting of Shareholders

The Corporation encourages each member of the Board to attend its annual meeting of shareholders. At our last meeting held May 23, 2019, all of the current director nominees who were serving on the Board as of that date attended the meeting.

2019 AGM Voting Results for Directors

The 2019 voting results for directors standing for re-election at the Meeting were announced by the Corporation by press release on May 24, 2019 and are set out below. Ms. O'Neill, Mr. Waters, Mr. Anderson and Ms. Bawa were appointed by the Board as directors subsequent to the 2019 AGM.

Directors	Votes For	% of Votes	Votes Withheld	% of Votes
Gregory D. Aasen	13,264,817	94.75%	734,311	5.25%
Robin A. Abrams	13,184,529	94.18%	814,597	5.82%
Russell N. Jones	13,769,428	98.36%	229,698	1.64%
Thomas Sieber	13,750,859	98.23%	248,267	1.77%
Kent P. Thexton	13,660,833	97.58%	338,295	2.42%

4. Amendment and Restatement of the Amended and Restated 1997 Option Plan and approval of all unallocated entitlements thereunder

Background

The shareholders and directors of the Corporation have previously approved the current Amended and Restated 1997 Stock Option Plan (the "Option Plan") under which directors, officers and employees of the Corporation may be granted options to acquire Common Shares. The Option Plan was last approved by Shareholders on May 18, 2017. The principal purpose of the Option Plan is to provide incentives to attract, retain and motivate high caliber persons whose contributions are important to the success of the Corporation.

A summary of the key terms of the Option Plan is included in Schedule A hereto.

The Option Plan is a "rolling" plan as described in section 613 of the TSX Company Manual, and as such, the Corporation must obtain shareholder approval of the unallocated entitlements under the Option Plan every three years in accordance with TSX policies. At the Meeting, Shareholders will be asked to approve a resolution to amend and restate the Option Plan in the form attached to this Information Circular as Appendix A and to approve all unallocated entitlements under the Option Plan. The proposed amendments will increase the number of Common Shares subject to issuance under the Option Plan from the lesser of (a) a rolling maximum of 8.1% of the issued and outstanding Common Shares from time to time; or (b) 7,000,000 Common Shares, as provided by the current Option Plan, to the lesser of (a) a rolling maximum of 8.9% of the issued and outstanding Common Shares from time to time; or (b) 7,000,000 Common Shares. As of April 20, 2020, this amendment will result in 3,234,016 Common Shares being subject to issuance under the Option Plan.

Approval by Shareholders

The text of the resolution of the shareholders of the Corporation to approve the Option Plan and all unallocated entitlements is set forth below:

“BE IT RESOLVED, as an ordinary resolution of the shareholders of Sierra Wireless, Inc. (the “Corporation”), that:

1. The amendments to the Amended and Restated 1997 Stock Option Plan (the "Option Plan") shown in Appendix A attached to the Corporation’s 2020 Management Information Circular be and hereby are approved;
2. The unallocated entitlements under the Option Plan are hereby approved and the Corporation will have the ability to grant options under the Option Plan until May 21, 2023, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. Any director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and to execute and deliver all such documents and instruments as may be necessary or desirable to give effect to this resolution.”

The persons named in the enclosed form of proxy, if named as proxy, intend to vote FOR the foregoing resolution unless a shareholder has specified in such shareholder’s proxy that such shareholder’s shares are to be voted against such resolution.

In the event that the foregoing resolutions are not passed by the requisite number of votes cast at the Meeting, the Company will not have an operative stock option plan and therefore the Board will not be able to issue additional stock options until such time as another stock option plan is created and approved, and may consequently have difficulty attracting and retaining high caliber personnel. Options previously allocated under the Option Plan will continue unaffected by the disapproval of the Option Plan Resolution; however previously granted options will not be available for re-allocation if they are canceled prior to exercise.

The foregoing resolution must be approved by a simple majority of 50% plus one vote of the votes cast by shareholders.

5. Amendments to the 2011 Treasury Based Restricted Share Unit Plan

Background

The Corporation implemented the 2011 Treasury Based Restricted Share Unit Plan (the “Treasury RSU Plan”) to further the growth and profitability of the Corporation by increasing long-term incentives and encouraging Common Share ownership on the part of employees, independent contractors and outside directors of the Corporation and its subsidiaries.

The Treasury RSU Plan is an important component of the Corporation's overall compensation program and allows the Corporation to attract, hire and retain skilled employees in a highly competitive environment. The granting of Treasury RSU units enables our employees to participate in the long-term growth and performance of the company in alignment with shareholder value creation. Our employee base is expected to grow over time as the Corporation expands both organically and through acquisition. The continued availability of the Treasury RSU Plan will allow us to incent and retain our valued employees as they execute on the longer term vision for the Company.

A summary of the key terms of the Treasury RSU Plan is included in Schedule A hereto.

In accordance with TSX rules that the Corporation obtain re-approval of the Treasury RSU Plan every three years, shareholders last approved the Treasury RSU Plan and the unallocated entitlements thereunder on May 17, 2018. At the Meeting, Shareholders will be asked to approve a resolution to amend the Treasury RSU Plan in the form attached to this Information Circular as Appendix B. The proposed amendments provide that the maximum number of Common Shares issuable pursuant to outstanding awards under the Treasury RSU Plan from time to time will be increased from 3.7% of the issued and outstanding Common Shares from time to time to a maximum of 4.6% of the issued and outstanding Common Shares from time to time. As of April 20, 2020, this amendment will result in 1,671,514 Common Shares being subject to issuance under the Treasury RSU Plan.

Approval by Shareholders

The text of the resolution of the shareholders of the Corporation to approve the Treasury RSU Plan is set forth below:

“BE IT RESOLVED, as an ordinary resolution of the shareholders of Sierra Wireless, Inc. (the “Corporation”), that:

1. The amendments to the 2011 Treasury Based Restricted Share Unit Plan shown in Appendix B attached to the Corporation’s 2020 Management Information Circular be and hereby are approved; and
2. Any director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and to execute and deliver all such documents and instruments as may be necessary or desirable to give effect to this resolution.”

The persons named in the enclosed form of proxy, if named as proxy, intend to vote FOR the foregoing resolution unless a shareholder has specified in such shareholder’s proxy that such shareholder’s shares are to be voted against such resolution.

In the event that the foregoing resolutions are not passed by the requisite number of votes cast at the Meeting and the proposed amendments to the Treasury RSU Plan are not approved, the Company will continue to have the ability to settle future RSUs granted under the current Treasury RSU Plan in Common Shares issued from treasury or in cash until 2021 when the Treasury RSU Plan and the unallocated entitlements thereunder will be subject to re-approval by shareholders in accordance with TSX rules.

The foregoing resolution must be approved by a simple majority of 50% plus one vote of the votes cast by shareholders.

6. Advisory Vote on Executive Compensation ("Say on Pay")

The underlying principle for executive pay throughout the Corporation is “pay-for-performance”. We believe that this philosophy achieves the goal of attracting and retaining excellent employees and executive officers, while rewarding the demonstrated behaviors that reinforce the Corporation’s values and help to deliver on its corporate objectives. A detailed discussion of our executive compensation program is provided in the “*Compensation Discussion and Analysis*” section of this Information Circular on page 43.

The Board has determined that holding advisory votes on executive compensation (commonly referred to as "Say on Pay") is a governance best practice. This is our third year of providing the opportunity for shareholders to engage on this topic. This non-binding advisory vote on executive compensation will provide you as a shareholder with the opportunity to vote “FOR” or “AGAINST” our approach to executive compensation. The text of the resolution of the shareholders of the Corporation to accept, on an advisory basis, the Corporation’s approach to executive compensation is set forth below:

“BE IT RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Sierra Wireless, Inc. (the “Corporation”), that the shareholders of the Corporation accept the approach to executive compensation disclosed in the Corporation’s 2020 Management Information Circular.”

As this is an advisory vote, the results will not be binding upon the Board. However, the Board will consider the outcome of the vote as part of its ongoing review of executive compensation. The Board believes that it is essential for the shareholders to be well informed of the Corporation’s approach to executive compensation and considers this advisory vote to be an important part of the ongoing process of engagement between the shareholders and the Board.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote FOR the foregoing resolution unless a shareholder has specified in such shareholder’s proxy that such shareholder’s shares are to be voted against such resolution.

7. Amendment and Restatement of By-Law No. 1

At the Meeting, shareholders of the Corporation will be asked to consider and, if deemed advisable, confirm by ordinary resolution certain amendments to the Corporation’s Amended and Restated By-Law No. 1, as adopted and approved by the Board on April 20, 2020 (the “Amended By-Law”). The Board determined that the adoption of the Amended By-Law is in the best interests of the Corporation.

The Amended By-Law updates the Amended and Restated By-Law No. 1, dated April 13, 2016 (the “2016 By-Law”) to:

- (i) permit, but not require, meetings of shareholders to be held, in accordance with the CBCA, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting and to provide that any shareholder vote may be held, subject to and in accordance with the CBCA, partly or entirely by means of a telephonic, electronic or other communication facility, if the Corporation makes available such a communication facility;
- (ii) amend certain provisions regarding the notice and record dates for shareholder meetings to more closely align with requirements under applicable securities laws; and
- (iii) revise the advance notice provisions to better align with current best practices and industry standards.

The foregoing summary is qualified in its entirety by reference to the full text of the Amended By-Law, a copy of which is appended hereto as Appendix C, marked to show the amendments from the 2016 By-Law.

The text of the resolution of the shareholders of the Corporation to amend and restate the 2016 By-Law is set forth below:

“BE IT RESOLVED, as an ordinary resolution of the shareholders of Sierra Wireless, Inc. (the “Corporation”), that:

1. The amendment to, and restatement of, the Amended and Restated By-Law No. 1 shown in Appendix C attached to the Corporation’s 2020 Management Information Circular be and hereby is authorized and approved; and
2. Any director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and to execute and deliver all such documents and instruments as may be necessary or desirable to give effect to this resolution.”

The persons named in the enclosed form of proxy, if named as proxy, intend to vote FOR the foregoing resolution unless a shareholder has specified in such shareholder's proxy that such shareholder's shares are to be voted against such resolution.

The foregoing resolution must be approved by a simple majority of 50% plus one vote of the votes cast by shareholders.

8. Amendment of Articles

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass a special resolution authorizing the Corporation to apply for a certificate of amendment under the CBCA to amend its articles to increase the maximum number of directors of the Corporation from nine to twelve.

If the following Board Expansion Resolution is approved, the Board will appoint to the Board two independent director candidates selected by Lion Point (after reasonable consultation with the Corporation) and one independent director candidate selected by the Corporation (after reasonable consultation with Lion Point) as soon as practicable following the Meeting. The Corporation and Lion Point have agreed that in the event that the Board Expansion Resolution is approved, the Board will appoint Martin Mc Court, Mark Twaalfhoven and Raj Talluri as directors of the Corporation, as previously disclosed in the Corporation's press release issued on April 16, 2020. Biographical information for Martin Mc Court, Mark Twaalfhoven and Raj Talluri is set out below.

Martin D. Mc Court

Over a 14-year career as EVP Strategy and M&A, CTO and CMO for Gemalto, Martin Mc Court was instrumental in repositioning Gemalto from smartcards to Digital Security, building a €1 Billion Platform and Services business on top of the historical hardware business. Executing more than 40 acquisitions, Gemalto doubled in size to €3 Billion revenues, creating leadership positions in the adjacent markets for IOT, Cybersecurity and Biometrics. Gemalto was acquired by Thales in 2019. Previously Mr. Mc Court worked for 20 years at Corning Inc., holding a variety of management roles across R&D, Sales & Marketing, Strategy and M&A, most recently as GM of the worldwide network design and installation business. Mr. Mc Court also serves on the board of directors of IDnow GmbH (Germany) and Veridium ID (UK). Mr. Mc Court holds an MBA from INSEAD, a Ph.D from the Institut National Polytechnique de Grenoble, a B.Eng (Electronics) from University College Dublin and is a graduate of the Harvard Business School Corporate Directors Certificate program.

Mark Twaalfhoven

Mark Twaalfhoven is an international executive with more than 25 years of experience in managing and improving efficiency of complex, global technology organizations. Between 2014 and 2019, Mr. Twaalfhoven served as CEO of Pulse Electronics, where he significantly improved profitability and generated a 15-fold return on invested capital upon sale of the company. Previously, Mr. Twaalfhoven was President at Valuec B.V., a Hong Kong based investment firm focusing on performance improvements of growing technology companies. From 2005 to 2009, Mr. Twaalfhoven led the restructuring and successful turnaround of Teleplan International, a listed company providing total lifecycle care solutions for the computer, mobile phone and consumer industries, where he served as President and CEO. Between 1996 and 2005, Mr. Twaalfhoven served in a number of positions, including Senior Vice President and Corporate Officer of Amphenol Corporation, where he led the development and tenfold growth of its Asian operations. Mr. Twaalfhoven holds a Master of Science in Industrial Engineering from Stanford University, a Bachelor's Degree in Mechanical Engineering from Purdue University and he completed the Advanced Management Program at Harvard Business School.

Raj Talluri

Raj Talluri is a seasoned corporate executive with more than 27 years of corporate experience, spanning business management, strategic marketing, and engineering management. He is currently the Senior Vice

President and General Manager of the Mobile Business Unit at Micron Technology Inc. He is responsible for the P&L of this multibillion-dollar business unit, as well as building world-class memory and storage solutions to address the growing market opportunity driven by new usage models, from low-end devices to flagship smartphones. Prior to this role, Mr. Talluri served as senior vice president at Qualcomm Inc. for 9 years. He began his career at Texas Instruments, starting multiple new businesses in digital consumer electronics and wireless technologies. He also served as general manager of the Imaging and Audio business for five years and as general manager of the Cellular Media Solution business. Mr. Talluri holds a Ph. D in electrical engineering from the University of Texas at Austin, a Master of Engineering from Anna University in Chennai, India and a Bachelor of Engineering from Andhra University in Visakhapatnam, India.

If the Board Expansion Resolution is not approved at the Meeting, one incumbent director will resign from the Board promptly following the Meeting, and the Board will appoint one independent director candidate selected by Lion Point to the Board to fill the resulting vacancy on the Board. See "Business of the Meeting - Election of Directors - Cooperation Agreement" above.

The Board is of the view that the proposed amendment to the articles of the Corporation to increase the maximum number of directors of the Corporation from nine to twelve will enable the Corporation to effectively transition the Board over time, maintain diversity of view and experience among the directors of the Corporation and ensure that as the Corporation grows, the Board is of an adequate size to fulfill its stewardship responsibilities.

Approval by Shareholders

The text of the Board Expansion Resolution is set forth below:

"BE IT RESOLVED, as a special resolution of the shareholders of Sierra Wireless, Inc. (the "Corporation"), that:

1. The articles of the Corporation be amended to increase the number of directors from nine to twelve;
2. Notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation may, in their sole discretion, revoke this special resolution in whole or in part at any time prior to the issuance by the Director under the *Canada Business Corporations Act* of a certificate of amendment of articles without further notice to, or approval of, the shareholders of the Corporation; and
3. Any officer or director of the Corporation be authorized to execute and deliver all such documents and instruments, including articles of amendment in prescribed form, and to take such other actions, as may be necessary or desirable to give effect to this resolution."

The persons named in the enclosed form of proxy, if named as proxy, intend to vote FOR the foregoing resolution unless a shareholder has specified in such shareholder's proxy that such shareholder's shares are to be voted against such resolution.

The foregoing resolutions must be approved by not less than two thirds of the votes cast by shareholders.

9. Other Matters

The Corporation knows of no other matters to be submitted to the shareholders at the Meeting. If any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

CORPORATE GOVERNANCE DISCLOSURE

Key Elements of Corporate Governance at Sierra Wireless

Key Elements	Highlights	Page
Code of Business Conduct and supporting policies	The Board promotes a strong culture of integrity and ethical behavior for directors, management and employees, and we require all directors to certify compliance with our Code of Business Conduct each year	31
Board independence	The majority (89%) of our directors are independent and all board committees comprise independent directors. Our Board Chair, Robin Abrams, is an independent director	27
Director attendance and engagement	All members of the Board are fully engaged in their duties as directors which is demonstrated by the director attendance at Board and committee meetings in 2019	18
Board tenure	We use the annual board assessment to inform the GNC's decision to propose director nominees and we have a mandatory board retirement policy requiring directors to retire in the year that they reach age 70	40
Majority Voting Policy	Director nominees not receiving majority approval from shareholders of their nomination must tender their resignations	6
Annual Board and director assessment process	We have a formal annual process for assessment of the Board, its committees and individual directors	34
Director Compensation	Our Board compensation is designed to enable recruitment of experienced and talented directors whose interests are aligned with those of our shareholders. Directors receive annual equity awards consisting of 100% restricted share units and do not receive stock options as of April 1, 2017	63
Director equity ownership	Directors are expected to hold a minimum number of common shares that is no less than an amount equal to four times the annual board retainer	50
Director Education Policy, Board orientation and continuing education	We provide new directors with an intensive orientation to the Company and directors undertake annual development activities sponsored by the Company and other providers of professional development	30
Say-on-pay	We hold an annual advisory vote on executive compensation	21
Board Skills Matrix	The Governance and Nominating Committee maintains a Board skills matrix which is updated annually	36
Board diversity	The Board has a diverse mix of skills, background and experience and has adopted a Diversity Policy including, but not limited to, diversity characteristics such as gender, age, ethnicity, and geography	40
In camera meetings	At every regularly scheduled Board and committee meeting, independent directors meet without management present to provide a forum for open and frank discussion	27

Statement of Corporate Governance Practices

We are committed to corporate governance practices that enhance the interest of our shareholders, employees, customers, suppliers and other stakeholders. Our corporate governance practices provide a solid basis on which we oversee and conduct the operations of our business. Some of these practices include:

- (a) separating the role of the President and Chief Executive Officer from that of the Chair of the Board;
- (b) conducting in-camera sessions at each meeting of the Board and each Board committee meeting, where Board and committee members meet separately without management present;
- (c) having both the external auditor and the Company's senior risk management executive report to the Audit Committee; and
- (d) conducting in-camera sessions at each quarterly Audit Committee meeting where committee members meet separately with the external auditor and the senior risk management executive without management present.

At least annually, the Governance and Nominating Committee assesses emerging governance best practices and where appropriate, governance practices are enhanced.

This section discusses our governance approach, policies and practices. It also describes the role and functioning of the Board and the three standing Board committees. A copy of the mandates of the Board and the three standing committees of the Board can be found at www.sierrawireless.com/company/investor-information/board-of-directors-and-governance/.

The Corporation is a Canadian reporting issuer with its Common Shares listed on the TSX and the NASDAQ Global Market. In Canada, we are subject to securities regulations that impose on us a requirement to disclose certain corporate governance practices that we have adopted. Canadian regulations also provide guidance on various corporate governance practices that corporations like ours should adopt. The Corporation also monitors corporate governance developments in Canada and adopts best practices where such practices are aligned with our values and our goal of continuous improvement. Pursuant to an exemption granted by NASDAQ, we are permitted to follow our home country governance regulations with respect to quorum requirements, rather than those set forth by NASDAQ.

Our corporate governance disclosure obligations are set out in National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, and National Policy 58-201 - *Corporate Governance Guidelines* and Multilateral Instrument 52-110 - *Audit Committees*. These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of Board members.

Board of Directors

The Board oversees our business and the conduct of business by senior management and acts in accordance with the CBCA, the Restated Articles of Incorporation and By-laws of the Corporation, all other applicable statutory and legal requirements, our policies, the written mandate of the Board and Board committees and our Code of Business Conduct.

The Board presently consists of nine directors, all of whom will be standing for election at the Meeting. Board size and composition are reviewed annually based on changes in legal requirements, best practices, the skills and experiences required to enhance the Board's effectiveness and the number of directors needed to discharge the duties of the Board and its committees effectively. In September 2019, March 2020 and April 2020,

respectively, the Governance and Nominating Committee determined that Lori O'Neill, Gregory L. Waters, James R. Anderson and Karima Bawa should be added to the Board in order to add key strategic skills to the Board composition (refer to the table entitled "Summary of Independent Director Qualifications and Experience" on page 36 of this Information Circular). Current information about each of the nine nominee directors can be found on pages 8 to 16 of this Information Circular.

Independence

Acting on the recommendation of the Governance and Nominating Committee, the Board determines whether or not each director is independent. Based on information provided by each director, the Board considers all of the relationships each director has with the Corporation in light of the independence standards described in section 1.4 of National Instrument 52-110 - *Audit Committees*. A director is considered independent only where the Board affirmatively determines that the director has no material relationship with the Corporation. The Board has determined that, of our nine current directors, eight directors, or 89%, are independent directors under the standards described in section 1.4 of National Instrument 52-110 - *Audit Committees*. Kent P. Thexton is the Corporation's President and Chief Executive Officer and is not considered to be independent under these rules. Each of the Audit, Human Resources and Governance and Nominating Committees consist entirely of independent directors.

Independent Chair

We believe that the separation of the position of President and Chief Executive Officer from that of the Chair of the Board enhances the Board's independence. For this reason, our Board is led by a non-executive, independent director, Robin A. Abrams. The Chair of the Board is responsible for the overall leadership and management of the Board. According to the position description, the key responsibilities of the Chair of the Board include:

- providing leadership to enhance Board effectiveness;
- managing the activities of the Board and ensuring coordination among committees of the Board;
- ensuring that the respective roles of the Board and management are well delineated;
- acting as a liaison between the Board and management;
- ensuring that the Board has the information it needs to be effective;
- ensuring that the Board monitors the achievement of the aims, strategy and policies of the Corporation;
- representing the Corporation on particular matters identified by the Board or management with stakeholders; and
- leading by example and setting a high standard of integrity.

Refer to the tables under "Business of the Meeting - Election of Directors - Director Nominees" for information related to director attendance at meetings of the Board and the three standing committees.

In Camera Sessions

It is the practice of the Board for the independent directors to meet without management at each Board and committee meeting. In 2019, there was an in camera session as part of every regularly scheduled Board meeting as well as every standing committee meeting. During these sessions, the independent directors discuss, among other things, business execution and implementation by management. The Chair of the Board communicates with management regarding the discussions of the independent directors where appropriate.

Interlocking Directorships

The following directors of the Corporation currently serve together on interlocking Boards:

- Robin A. Abrams and Thomas Sieber serve together on the Board of HCL Technologies.
- Robin A. Abrams and James R. Anderson serve together on the Board of Lattice Semiconductor Corporation.

Role of the Board

Board Mandate

The roles and responsibilities of the Board are set out in the Board Mandate, the full text of which is posted on our website at www.sierrawireless.com/company/investor-information/board-of-directors-and-governance/ and on SEDAR at www.sedar.com.

The Governance and Nominating Committee is responsible for reviewing and assessing the adequacy of the Board Mandate on an annual basis.

Strategic Planning

Management is responsible for developing the strategic plan, which it presents to the Board each year for approval. During 2019, the Board held one meeting to specifically discuss the strategic plan and other strategic issues such as corporate opportunities and the main risks facing our business. Performance against the strategic plan and other strategic issues are discussed at each Board meeting.

Risk Management

The Board is responsible for overseeing risk and the risk management process including:

- ensuring that our principal risks are identified and that an appropriate process is in place for risk assessment and risk management;
- monitoring our risk management process; and
- seeking assurance that our internal control and management information systems are effective.

The Board has delegated specific risk management responsibilities to the Audit Committee. The Director, Risk and Internal Audit reports directly to the Chair of the Audit Committee. During 2019, the Audit Committee received regular reports from the Director, Risk and Internal Audit at which time risk management activities were discussed including observations and assessments of the Corporation's systems of governance, risk management and compliance. In addition, during 2019, the Audit Committee held three meetings during which extensive portions of the agenda were devoted to risk management and related topics. The Audit Committee provides updates on risk management to the full Board as warranted and, in any case, no less frequently than annually.

We use an enterprise risk management framework to effectively identify, prioritize, mitigate and monitor significant risks facing the Corporation, and to provide comprehensive reporting to the Audit Committee and the Board.

Our enterprise risk management process includes setting policy and strategy for integrating risk management culture, capabilities and practices throughout the organization with the purpose of managing risk and of identifying and validating risks and mitigation activities.

Internal Controls

The Board and Audit Committee are responsible for monitoring the integrity of our internal controls and management information systems. The Audit Committee is responsible for overseeing the process for ensuring that the Corporation has effective internal controls, including controls over accounting and financial reporting systems.

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. During 2019, management evaluated the effectiveness of our internal controls over financial reporting and concluded the internal controls over financial reporting were effective as at December 31, 2019.

During 2019, the Director, Risk and Internal Audit provided reports, on five occasions, to the Audit Committee on management's internal control compliance activities.

Management Succession Planning

The Board is responsible for ensuring that adequate succession planning measures are in place for the CEO. During 2019, the Board met and performed a succession assessment of the CEO. The Board also reviewed the CEO's assessment of the succession plans for the Corporation's senior executives. The assessment included an analysis of potential CEO successors identified within the organization. The assessment also included a review of developmental plans where training or experience will be sought for identified succession candidates to enable their successful advancement. More broadly, developing internal talent is a strategic priority for the organization. In order to support our growth initiatives, we recognize the need for a strong bench of internal candidates for every key leadership position. As such, development plans are put in place for high potential and succession candidates.

Position Descriptions

The Board has adopted and approved written position descriptions for the Chair of the Board and the chair of each standing committee of the Board as follows:

- Position Description — Chair, Governance and Nominating Committee;
- Position Description — Chair, Audit Committee; and
- Position Description — Chair, Human Resources Committee.

Each committee chair position description sets out the qualifications to be met to be appointed chair of the particular committee and the responsibilities and specific duties of the chair.

The full text of the position descriptions for the Chair of the Board and for the chair of each of the three standing committees are posted on our website at www.sierrawireless.com/company/investor-information/board-of-directors-and-governance/.

Chief Executive Officer

The CEO is appointed by the Board and is responsible for managing the affairs of the Corporation. His key responsibilities include setting the vision for the Corporation, focusing on creating value for shareholders and developing and implementing a strategic plan that is consistent with the corporate vision.

The Board has developed and approved a position description for the CEO of the Corporation, setting out the duties, roles and responsibilities of the CEO, including the following:

- developing, implementing and assessing the effectiveness of corporate strategy and business plans;
- providing executive leadership to the Corporation and achieving the results targeted in the corporate strategy and business plans;
- representing the Corporation in communications with stakeholders including shareholders, customers, suppliers, partners, employees, governments, regulators, industry, community and others;
- recruiting, retaining, assessing the performance of and developing a high caliber executive team, key employees and their successors;
- establishing and maintaining corporate policies and culture, leading by example and setting a high standard of integrity in all aspects of the business; and
- promoting programs that deliver shareholder value in excess of that of our peers.

Orientation and Continuing Education

The Governance and Nominating Committee provides leadership for the Board's director orientation and education programs for new members of the Board. In this regard, the Governance and Nominating Committee ensures that each new director fully understands the role of the Board, the Board committees, his or her responsibilities and liabilities associated with being a director of the Corporation and a member of a committee and the nature and operation of the Corporation's business. This is accomplished by an orientation program that includes meetings with the Chair of the Board, committee chairs, management, external audit and, where necessary, with industry subject matter experts to better understand the nature and operation of our business, our products and our corporate governance standards. New directors are provided with key information about the Corporation along with other information designed to help directors familiarize themselves with our business, our organization, our policies and our operations.

The Governance and Nominating Committee is also responsible for providing oversight on education for directors to ensure that the directors acquire and maintain skills and knowledge relevant to the performance of their duties as directors. Each Board member is expected to ensure that his or her knowledge and understanding of our business remains current. In 2019, management made regular business update presentations to the Board. In addition to the ongoing reporting on the business, these presentations included information on industry and market developments, competitive positioning and product & service developments. Strategy sessions were also conducted and information provided at these meetings included broad market & industry overviews, market positioning, ecosystem trends, technology landscape and longer term product & service strategy. In addition, directors hold meetings from time to time in locations where the Corporation has operations and as part of these meetings, the directors are able to review the Corporation's activities first-hand. In addition to these scheduled events, the directors are invited to tour the Corporation's facilities and meet with executive and operational management at their convenience. Once or twice per year, the Board organizes director education sessions dedicated to current topics of relevance to the Corporation's business. In 2019, the directors each invested several days, on average, attending courses and seminars covering the following topics:

- CPA-related annual Continuing Professional Development;
- Cyber Security, Risk Management, Strategy Oversight and Canadian Proxy Updates;
- Board Governance Practices, Women on Boards and Board Transitions;

- Geo-Political Risks and Global Economic Forecast;
- CEO/Board Relationship and Executive Compensation; and
- Capital Allocation and Shareholder Activism.

In March 2020 the Board approved and the Corporation implemented a Director Education Policy to help ensure that the Corporation's directors are provided with ongoing education relating to the Corporation's business and industry, as well as various other topics such as corporate governance, risk management and such broader topics as each director deems appropriate to enhance his or her effectiveness. Each Board member is expected to ensure that his or her knowledge and understanding of our business remains current. Pursuant to this policy, the Corporation will reimburse directors for the reasonable costs of attending director education programs.

Ethical Business Conduct

A strong culture of ethical business conduct is essential to governance. We are committed to conducting business ethically, honestly and in full compliance with all applicable laws and regulations, including anti-bribery and corruption laws and regulations.

Code of Business Conduct

The Board has a written Code of Business Conduct (the "Code") which sets out the standards of business practice and principles of behaviour with which we expect every director, officer, employee and contractor of the Corporation and its subsidiaries to comply. The Code describes our commitment to conducting business in accordance with the highest standards of business conduct and ethics and is designed to work in conjunction with our other key policies including the Corporation's:

- Procedures for Reporting Concerns to the Audit Committee;
- Insider Trading Policy;
- Disclosure Policy;
- Privacy Policy;
- Information Security Policy;
- Anti-Bribery and Corruption Policy;
- Anti-Hedging Policy for Directors and Officers;
- Harassment and Discrimination Prevention Policy;
- Board & Senior Management Diversity Policy; and
- Confidentiality and Conflict of Interest Agreements executed by each employee.

Each director, officer, employee and independent contractor of the Corporation acknowledges in writing that they have read, understood and agree to comply with our Code of Business Conduct at the time of appointment, first hire or engagement. In addition, each year, all employees and directors are required to confirm that they are following the Code. The compliance process is enhanced by regular employee training and awareness sessions held at our main business locations.

The Code includes our expectations of conduct in the following areas:

- upholding and respecting human rights;
- complying with the law and conducting business with integrity;
- avoiding conflicts of interest;
- use of corporate property including electronic devices;
- confidentiality; and
- accuracy of records and report.

The full text of the Code is filed on SEDAR at www.sedar.com and is posted on our website at www.sierrawireless.com/company/investor-information/board-of-directors-and-governance/.

Code Compliance and Monitoring

The Code is reviewed annually by the Governance and Nominating Committee. Updates, if any, are submitted to the Board for approval. The most recent update to the Code set out our commitment to uphold and respect human rights and was approved by the Board in April 2020. The Board has delegated oversight of compliance with the Code to the Audit Committee.

In accordance with the Code and the CBCA, each director and officer is required to disclose to the Corporation, in writing, the nature and extent of any interest he or she has in each material contract or material transaction made or proposed with the Corporation. Our Code requires that each director and officer make this disclosure in an appropriate and timely manner, as required by law. In accordance with the CBCA, the director who is required to make such a disclosure may not vote on any resolution to approve the contract or transaction, except in certain, limited circumstances.

The Code requires that all suspected or potential violations of the Code must be reported to the appropriate person. Reports can be made orally, in writing, or by utilizing the Corporation's business conduct helpline, which provides individuals with the option of making an anonymous report if desired and also provides for direct access to the Chair of the Audit Committee. Questions regarding the Code may be addressed to any member of senior management. Violations of the Code will not be tolerated and the Code describes the sanctions for its violation. Reports of violations of the Code are monitored by the Audit Committee and reviewed quarterly in accordance with the Audit Committee's mandate.

The integrity of our financial information is of paramount importance. The Corporation's *Procedures for Reporting Concerns to the Audit Committee* set out the procedures to address any complaints by employees of the Corporation concerning our accounting practices, internal controls or auditing matters and includes direct reporting (openly or anonymously) to the Chair of the Audit Committee. Any concerns related to these matters are monitored by the Audit Committee and reviewed quarterly in accordance with the Audit Committee's mandate.

For the financial year ended December 31, 2019, no waivers from the Code were requested by any director or executive officer.

Anti-Bribery and Corruption Policy

Our Anti-Bribery and Corruption Policy sets out our commitment to full compliance with Canada's Corruption of Foreign Public Officials Act ("CFPOA"), the U.S. Foreign Corrupt Practices Act ("FCPA"), the UK Anti-Bribery Act and any local anti-bribery or anti-corruption laws that may be applicable. This Policy supplements the Code of Business Conduct and provides guidelines for compliance with the CFPOA, FCPA, and other relevant laws world-wide along with definitions of bribery and corruption. Prior to the introduction of this policy in 2016, the key attributes had been incorporated directly into the Code.

Anti-Hedging Policy for Directors and Officers

Our Anti-Hedging Policy for Directors and Officers prohibits directors and officers from engaging in any kind of transaction, or purchase of any kind of financial instrument, that is designed or would have the effect of hedging the value of equity or other securities granted to, or held by such person or that could reduce or limit such person's economic risk with respect to such person's holdings, ownership or interest in or to any equity or other securities of the Company, including without limitation outstanding stock options, restricted share units, or other compensation awards the value of which are derived from, referenced to or based on the value or market price of securities of the Corporation.

Disclosure Policy

We are committed to communicating openly and in a timely manner with shareholders, employees and the public. Disclosure practices are monitored by the Corporation's disclosure committee comprised of the CEO and the CFO. The disclosure committee is responsible for:

- reviewing all news releases and public filings containing material information prior to their release and ensuring the information is timely, informative and accurate;
- ensuring that information is disseminated in accordance with all applicable legal and regulatory requirements;
- evaluating the design and effectiveness of our disclosure controls and procedures to ensure that they continue to provide reasonable assurance that information is gathered accurately and on a timely basis; and
- reviewing and updating the disclosure policy, if necessary, and reporting to the Governance and Nominating Committee.

Our website has information for shareholders, investment analysts, the media and the public. Our CEO and CFO meet regularly with investment analysts and investors via numerous means including conference calls, speaking engagements at conferences and one-on-one meetings.

Executive Compensation Clawback Policy

In April 2017, the Board approved the Corporation's Executive Compensation Clawback Policy which allows the Corporation to recover performance-based compensation from the Corporation's executives, including all vice-presidents, senior vice-presidents and C-level executives, in the event of a restatement of the Corporation's previous financial results (other than a restatement caused by a change in applicable accounting rules or interpretations), the result of which is that if any performance-based compensation paid, whether cash or equity based, would have been a lower amount had it been calculated based on such restated results, then the policy allows the corporation to recover the difference.

Compensation

In consultation with the Chair of the Board, the Human Resources Committee annually reviews the compensation of the Board. The Committee regularly consults with third party consultants to determine compensation that is commensurate with the nature of the Corporation's business, the risks associated with Board membership, the mandates of Committees and their members along with the additional responsibilities placed upon the Chair of the Board and the chairs of our standing committees.

Refer to the section entitled "Director Compensation" of this Information Circular for additional information on compensation received by members of the Board of Directors in 2019.

Committees of the Board

The Board carries out its responsibilities directly and through its committees, which make recommendations to the Board for approval. The Board has three standing committees, all of which are comprised of independent directors:

- the Governance and Nominating Committee;
- the Human Resources Committee; and
- the Audit Committee.

Governance and Nominating Committee

The Governance and Nominating Committee (the "GNC") is comprised of four independent directors: Mr. Sieber (Chair), Ms. Abrams, Mr. Jones and Ms. Bawa.

Working with the Chair of the Board, the GNC annually completes an assessment of Board, Board Committee, Chair of the Board and individual Board Member effectiveness employing questionnaires to which individual Board members respond (collectively the "Effectiveness Survey"). The Effectiveness Survey is compiled and scored by the GNC. The Effectiveness Survey consists of 3 parts:

- Board and Board committee effectiveness
 - Each director scores each board committee and the entire Board across a number of parameters, scores are aggregated and benchmarked for analysis by the GNC.
 - Each director responds to a questionnaire and responses are aggregated for analysis by the GNC.
 - The Chair of the Board interviews each of the directors and prepares a report for the GNC.
- Chair of the Board effectiveness
 - Each director scores the Chair of the Board across a number of parameters and the results are provided to the GNC Chair and the Human Resources Committee Chair for analysis and further action.
- Individual director effectiveness
 - The Chair of the Board interviews each director.

The results of the Effectiveness Survey are reviewed individually with the Board Chair, each Board committee chair and the Board as a whole, and corrective actions are taken as necessary. After completing the 2019 Effectiveness Survey, and in light of the addition of a new Board member in 2019 and three new Board members in 2020, and the planned additions to the Board should the Board Expansion Resolution be passed at the Meeting (see "Business of the Meeting - Election of Directors - Cooperation Agreement" above), the GNC and the Board believe that the composition of the Board, as well as the mix of talents, depth of experience and skills represented by Board members are well suited to the Corporation's current circumstances and its needs for sound governance, effective decision-making and efficient operation of its Board.

On a periodic basis, the GNC reviews the credentials, background, experience and skills of the Board and compares this with the needs of the Company after reviewing: Company strategy, regulatory requirements, Board tenure and committee rotation. Should the GNC determine the Corporation requires changes to the Board

membership, a recommendation is made to the Board and the GNC begins a recruiting process. In 2019, the GNC continued the Board Transition Process by identifying potential candidates as future director nominees in light of changing technology, governance requirements and future Board changes. As a result, during 2019 and the early months of 2020, several recommendations were made to the Board. In September 2019, one new member was appointed to the Board (Ms. O'Neill) and in March 2020, a further new member was appointed to the Board (Mr. Waters). In April 2020, two new members were appointed to the Board (Mr. Anderson and Ms. Bawa) pursuant to the Cooperation Agreement, to fill the vacancies on the Board following the resignations of two Board members (Mr. Cataford and Ms. Chik) that same month.

The process to nominate a new director begins with the GNC creating a candidate specification which, once approved by the Board, forms the basis for the recruiting strategy - either the selection of a recruiting firm or a Company staffed search. The next step is the creation of a "long-list" of candidates which takes into consideration knowledge of the industry and business, professional background of the individual and how that would fit with the competencies and skills of the existing directors, the integrity of the candidate, corporate governance experience, the ability to make the appropriate time commitment, background, race, age and gender. The Board seeks candidates to fill gaps in skills which are identified as a result of a Board skills matrix which is reviewed and updated annually by the GNC in consultation with all members of the Board. With the addition of one new director in 2019, one new director in March 2020, two new directors in April 2020 and the resignation of two directors prior to the Meeting, the Board was able to assure succession to the chair of the Audit Committee and strengthen key strategic skills while substantially reducing Board tenure. The matrix below shows the Board's mix of skills based on information provided by individual directors.

Summary of Independent Director Qualifications and Experience	Aasen	Abrams	Jones	Sieber	O'Neill	Waters	Anderson	Bawa
Industry-related skills								
Wireless Communications Industry Experience	✓	✓		✓	✓	✓	✓	✓
International Business Experience - Asia	✓	✓	✓			✓	✓	✓
International Business Experience - Europe	✓		✓	✓		✓	✓	✓
Network Operator Experience				✓		✓		✓
Customer Segments:								
Automotive						✓	✓	
Mobility		✓		✓		✓	✓	✓
Enterprise		✓	✓	✓	✓	✓	✓	✓
Industrial						✓	✓	
Subscriber Identification Module (SIM)								
IoT						✓	✓	
SAAS			✓		✓			
Cloud Computing			✓			✓	✓	
Security							✓	✓
Big Data			✓			✓	✓	✓
Semi-conductor	✓	✓	✓		✓	✓	✓	
General Business Skills								
Human Resource Management and Compensation	✓		✓		✓	✓	✓	✓
Product Development & Marketing	✓	✓	✓	✓	✓	✓	✓	
Sales & Distribution	✓	✓	✓	✓	✓	✓	✓	✓
Supply Chain & Manufacturing	✓		✓	✓		✓	✓	✓
Investor Relations			✓	✓		✓	✓	✓
Public Company Experience	✓	✓	✓	✓	✓	✓	✓	✓
Board and Committee Governance	✓	✓	✓	✓	✓	✓	✓	✓
Financial Literacy	✓	✓	✓	✓	✓	✓	✓	✓
Mergers & Acquisitions/ Organizational change	✓	✓	✓	✓	✓	✓	✓	✓
Strategy Development	✓	✓	✓	✓	✓	✓	✓	✓
Executive level responsibility for Company Growth	✓	✓	✓	✓	✓	✓	✓	✓

During 2019, the GNC met four times and, among other things, completed the following activities:

- recruited Ms. O'Neill as independent director of the Board;
- reviewed the mandate of the GNC and modified the work plan;
- reviewed the position descriptions of the Chair of the Board and Board committee Chairs;
- completed the Effectiveness Survey process as described above;
- prepared an updated Board skills matrix to identify gaps in director skillsets;
- reviewed the Corporation's Code of Business Conduct and other significant corporate policies including the Disclosure Policy, the Insider Trading Policy and the Board & Senior Management Diversity Policy;
- reviewed management's determination of the Corporation's Foreign Private Issuer status;

- met with Canadian and United States counsel to discuss regulatory compliance, trends and best practices in corporate governance;
- provided oversight with respect to the Corporation's diversity targets and programs; and
- reviewed the Corporation's corporate social responsibility plans and targets.

The specific responsibilities, powers and operation of the Governance and Nominating Committee are set out in its mandate which can be found on the Corporation's website at www.sierrawireless.com/company/investor-information/board-of-directors-and-governance/.

Human Resources Committee

The Human Resources Committee ("HRC") is currently comprised of four independent directors: Mr. Aasen (Chair), Ms. O'Neill, Mr. Waters and Mr. Anderson.

The HRC is responsible for determining the executive compensation programs for all directors and executive officers of the Corporation, except for the CEO, whose compensation is approved by the Board. The HRC is also responsible for certain aspects of the compensation programs for non-executive employees such as stock-based compensation. The HRC also reviews the position descriptions and development plans for senior management, ensuring that the Corporation has in place succession plans to maintain a strong management talent pipeline for the future. The HRC monitors the Corporation's diversity programs and targets, especially as they relate to promoting gender diversity.

The Mandate of the HRC prohibits a director from serving as a member of the Committee if that director has been, in the past three years or is currently, part of an interlocking directorate in which he or she serves on the compensation committee of another company and any director of the Corporation is an employee of such other company. The mandate of the HRC requires that a non-management executive session be held at each regularly scheduled meeting.

Current members of the HRC are well versed in contemporary executive compensation programs and issues. All members have experience in executive compensation matters, including involvement in compensation matters of other public companies. This experience allows the Committee to understand current best practices, risk reduction strategies, legal framework and disclosure obligations related to executive compensation.

During 2019, the Committee met nine times and, among other things, completed the following activities:

- reviewed the CEO's position description and senior executive organization structure;
- reviewed the development plans of senior management;
- reviewed progress against senior management diversity objectives;
- managed the 360 degree assessment process for the CEO;
- provided oversight of the process to review executive and board compensation;
- analyzed the results of the compensation studies and determined remuneration for directors and executives;
- reviewed and recommended for approval to the Board the CEO's compensation;
- determined the quarterly and annual incentive plan targets and objectives for executives;
- reviewed and approved quarterly and annual achievement of incentive plan targets; and
- determined stock based compensation grants and oversaw the administration of the stock-based compensation program.

The specific responsibilities, powers and operation of the HRC are set out in its mandate, a copy of which can be found on the Corporation's website at www.sierrawireless.com/company/investor-information/board-of-directors-and-governance/.

Audit Committee

The Audit Committee is currently comprised of three independent directors: Ms. O'Neill (Chair), Mr. Jones and Mr. Sieber. Mr. Cataford was a member of the Audit Committee in 2019 and until his resignation in April 2020 and Ms. Abrams was a member of the Audit Committee until December 31, 2019, although she continues to serve as Chair of the Board. All of the current members of the Audit Committee are independent directors as defined in NI 52-110, as were Mr. Cataford and Ms. Abrams until their respective resignations. The Board of Directors has determined that Ms. O'Neill, Mr. Jones and Mr. Sieber are all Audit Committee financial experts within the meaning of General Instruction B(8)(b) of Form 40-F. As Mr. Cataford and Ms. Abrams resigned from the Audit Committee effective April 16, 2020 and December 31, 2019, respectively, each is no longer considered to be an audit committee financial expert as of the date of their respective resignation. The Securities and Exchange Commission ("SEC") has indicated that the designation or identification of a person as an audit committee financial expert does not make such person an "expert" for any purpose, impose any duties, obligations or liability on such person that are greater than those imposed on members of the audit committee or board of directors who do not carry this designation or identification, or affect the duties, obligations or liabilities of any other member of the audit committee or board of directors.

The Mandate of the Audit Committee describes the key functions of the Committee including review of the Corporation's financial statements and statutory filings, recommendation and management of the Corporation's external auditors, monitoring of our internal control and risk management programs, and monitoring of compliance with several of our policies.

During 2019, the Committee met nine times and, among other things, completed the following activities:

- reviewed the Committee's mandate to ensure that the mandate reflects leading practices for Audit Committees and to ensure that meeting agendas covered all relevant topics;
- assessed the performance, independence and financial literacy of the Committee members, along with Committee effectiveness;
- completed quarterly private meetings with the external auditors without management being present;
- reviewed the performance, independence, internal controls, partner rotation and fees of the external auditors;
- on a quarterly basis approved quarterly financial disclosure including financial statements, MD&A, and guidance;
- engaged with management and the external auditors with regard to significant estimates and areas of judgment regarding accounting principles and financial statement presentation including:
 - inventory reserves and purchase commitments;
 - warranty reserves;
 - carrying value of goodwill and intangibles;
 - contingent royalty reserves;
 - accounts receivable and allowance for doubtful accounts; and
 - litigation provisions;
- reviewed and recommended for approval to the Board, annual financial disclosure including financial statements and MD&A;

- reviewed reports from the external auditors;
- reviewed the adequacy of the Corporation's internal controls and disclosure procedures along with management's activities undertaken to assess internal controls and disclosure controls;
- reviewed the activities and adequacy of the Corporation's risk management program, delivering updates on identified risks and mitigation plans to the Board;
- determined and approved remuneration of the Corporation's external auditors;
- completed private meetings with the Corporation's senior risk management executive without management being present;
- reviewed the Company's anti-fraud programs and provided oversight for the Company's ethics compliance activities including the Company's "whistleblower" hotline; and
- at least quarterly, provided the Board with an update on the Committee's activities.

Of the nine meetings held in 2019, five were "off-cycle" meetings which were held specifically to address relevant risk management, internal control and financial reporting topics. During these meetings, management presented reports and updates to the Audit Committee on the following topics:

- product and network security initiatives;
- information security initiatives and "cyber" risks;
- corporate IT landscape;
- litigation updates;
- foreign exchange risk and hedging strategy;
- capital allocation;
- Numerex post-acquisition review;
- the impact of various regulatory changes;
- emerging business risks;
- the process for implementation of the new accounting rules for leases and credit losses on financial instruments; and
- corporate structure and taxation changes.

Further disclosure concerning the composition, responsibilities, powers and operation of the Board's Audit Committee and the relevant education and experience of the members of the Audit Committee, including a copy of the Committee's mandate, is set out in the Corporation's AIF under the heading "Audit Committee". The AIF is available on our website at www.sierrawireless.com/company/investor-information/annual-reports-and-regulatory-filings/ or on SEDAR at www.sedar.com.

Other Committees

The Governance and Nominating Committee, the Human Resources Committee and the Audit Committee are the only standing committees of the Board. From time to time the Board creates special committees charged with specific activities that are relevant in discharging the Board's overall responsibilities, such as review of strategic opportunities and evaluation of certain risk areas. Special committees are comprised of directors based on their personal and professional experience to address the task at hand. No special committees were formed in 2019.

Director Tenure

The Corporation does not impose arbitrary director term limits as a way to retire non-performing directors. The Board is concerned that such limits may serve to remove high performing directors as well as directors with unique and critical skill sets based solely on tenure. Instead, the Board:

- has implemented a policy of mandatory retirement at age 70 for all Board members;
- has a rigorous process of annual Board peer evaluations that allows the Board (or in the case of the evaluation of the Chair of the Board, the Chairs of the GNC and HRC) to have a clear understanding of each director's contributions before recommending a list of nominees for shareholder approval;
- ensures that, in choosing prospective directors, it is focused appropriately on skills and experience critical to the Board's responsibilities, including assessing and providing input on the Corporation's strategic and operating activities; and
- has implemented from time-to-time a rotation of Committee membership, Chair of the Board appointment and Committee Chair appointments.

In addition, at every GNC meeting, the members discuss in-camera the new skills which are needed to address the challenges facing the Corporation and whether the current Board composition is adequate. The GNC has developed a Board Transition Plan which addresses new key skill areas as well as director tenure. The GNC maintains, at all times and consistent with the Corporation's diversity objectives, a list of a limited pool of potential new candidates to draw upon in the event changes are required.

Diversity Policy

In early 2015 the Board approved and the Corporation implemented a Board Diversity Policy (the "Diversity Policy"). By defining the Corporation's policy with respect to diversity on the Board and in senior management positions at the Corporation, the Diversity Policy aims to further the Corporation's commitment to a merit-based system for the composition of the Board and its senior management team, within a diverse and inclusive culture that solicits multiple perspectives and views, free of conscious or unconscious bias and discrimination.

In early 2019 revisions were made to the Diversity Policy, including the establishment of more specific targets related to gender diversity and consolidating the Board and Executive Diversity policies into one comprehensive policy, the Board and Senior Management Diversity Policy. In March 2020, further revisions were made to the Diversity Policy, including broadening the diversity criteria that the GNC and Board will consider in supporting the Corporation's diversity objectives to include Aboriginal peoples, persons with disabilities and members of visible minorities. A copy of our Diversity Policy can be found at www.sierrawireless.com/company/investor-information/board-of-directors-and-governance/.

In creating an effective Board, the Corporation identifies, nominates and retains high quality directors. The Board considers the level of representation of women on the Board as a way to increase overall Board effectiveness. The Board also considers other diversity criteria including: Aboriginal peoples, persons with disabilities and members of visible minorities. For new director searches, the Diversity Policy requires that the candidates include candidates from diverse backgrounds generally and multiple women candidates in particular.

The GNC reviews the Diversity Policy annually and assesses the effectiveness of the existing procedures for Board appointments in terms of achieving the Corporation's overall goals for good governance, including objectives for Board diversity. The GNC monitors the progress of Board diversity targets. Under the Diversity Policy the HRC is charged with assessing the effectiveness of the procedures for executive appointments in terms of achieving the Corporation's goals for diversity. A target was set in early 2019 for the Corporation to reach 20% gender diversity

in the Senior Management team by 2022. Recruitment targets to support this target are established annually and a number of programs have been introduced to promote the retention and promotion of women to more advanced leadership roles within the Corporation (e.g. Executive Mentorship Program). To date, the Corporation is on track to meet its goal.

As part of the Diversity Policy, the Corporation has adopted a target for women to represent at least 30% of the independent directors on the Board. During 2019, the Corporation added one additional female board member (Lori O'Neill) and in April 2020, the Corporation added one new female board member (Karima Bawa) to fill the vacancy created by the resignation of another female member (Joy Chik). Currently, three members of the Board out of eight independent directors are women, which represents 37.5% of our independent directors proposed for election at the Meeting. Subsequent to the Meeting, this percentage will decrease to 27% if the Board Expansion Resolution is approved; however, the Board will continue to work towards achieving its target in this regard as it looks to reduce the size of the Board to 11 directors no later than the Corporation's annual meeting of shareholders in 2021. See "Business of Meeting - Election of Directors" and "Business of Meeting - Amendment of Articles" above.

In addition, the Corporation recognizes the value of increasing the level of diversity in executive officer and senior leadership positions and considers diversity criteria, including the level of representation of women, Aboriginal peoples, persons with disabilities and members of visible minorities, when considering the optimum composition of its Senior Management team. As part of the recently revised Diversity Policy, the Corporation set itself a target to significantly increase the number of women within its Senior Management team to 20% of such team by 2022. In April 2020, Jennifer Farac was appointed General Counsel and Corporate Secretary of the Corporation and joined the Executive Leadership team. The Corporation currently has no female named executive officers (as that term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102")); however, the Executive Leadership team currently has one (12.5%) female member (Ms. Farac).

Among other things, the Diversity Policy requires that for each appointment (including Senior Management appointments), a target of 25% of the selected candidates will be women. Under the Diversity Policy, the Corporation is taking the following steps to increase the representation of women in executive roles:

- Proactively identifying high potential women as part of executive management succession planning;
- Implementing policies which address impediments to inclusion and gender diversity in the workplace and reviewing their availability and utilization;
- Implementing development plans related to current opportunities for high potential women; and
- Developing a mentoring program that matches high potential employees, including aspiring women, with executive mentors.

While the Corporation has adopted targets for the representation by women on the Board and within its Senior Management team, the Corporation has not established any specific targets or quotas regarding the representation on the Board or in Senior Management positions (including executive officers as that term is defined in NI 51-102) of certain other designated groups of diversity (as defined in the CBCA): Aboriginal peoples, persons with disabilities and visible minorities. The Corporation will consider the benefits of additional diversity targets in the future once it has had an opportunity to collect and assess relevant data. The Corporation believes that it is a combination of the skills, experience and character of an individual that are the most important qualities in assessing the value that such individual can bring to the Board or to their executive position.

Regarding the current diversity of the Board with respect to these designated groups, no directors are Aboriginal peoples or persons with disabilities and one (11%) director is a member of a visible minority. With respect to our current executive officers, none are Aboriginal peoples, persons with disabilities or members of visible minorities.

Corporate Social Responsibility

Sierra Wireless has been actively involved in building a responsible, sustainable business for many years, along with empowering other businesses to create sustainable practices using our products. We are a member of the Responsible Business Alliance (RBA, formerly EICC), and committed to conducting our operations in line with the RBA Code of Conduct, which sets out common standards for social, environmental and ethical issues aimed at achieving more equitable work environments and environmentally friendly supply chains.

The sustainability principles to which we are committed, and are integrating into our business, have been presented in our second annual Corporate Social Responsibility progress report, published in March 2019, and available on our website at www.sierrawireless.com/company/corporate-social-responsibility/. In the report, we acknowledged our responsibility to work towards a better, more sustainable future from the manufacturing floor to the boardroom and demonstrated the ways in which we are honoring our commitment to integrate environmental sustainability and positive social impacts throughout our business. We are committed to working with vendors, partners and our team members to bring prominence to social responsibility in the IoT industry. We will continue to develop our goals as part of our recognition that our commitment to improving our corporate responsibility and refining our sustainability approach are essential components of our long-term growth.

COMPENSATION DISCUSSION AND ANALYSIS

This discussion explains all the significant elements of compensation awarded to, earned by, paid to, or payable to our named executive officers (“NEOs”) for the most recently completed year. National Instrument 51-102 — *Continuous Disclosure Obligations* defines a NEO as:

- (a) the chief executive officer of the Corporation;
- (b) the chief financial officer of the Corporation;
- (c) the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of, or during, the most recently completed financial year, whose total compensation was individually, more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

The Corporation’s NEOs for the fiscal year ended December 31, 2019 were:

1. Kent P. Thexton, President and Chief Executive Officer;
2. David G. McLennan, Chief Financial Officer, Chief Transformation Officer, and Corporate Secretary;
3. Rene Link, Chief Marketing Officer and Senior Vice President, Corporate Strategy;
4. Marc Overton, Chief Solutions Officer and Senior Vice President, EMEA Sales; and
5. Pierre Teyssier, Senior Vice President, Operations and Purchasing.

Responsibility for Executive Compensation Programs

The Human Resources Committee is responsible for maintaining the integrity of our executive compensation programs, reviewing and approving the annual base salary for the Corporation's NEOs as well as short-term and long-term incentive compensation programs (with the exception of the CEO's compensation which is reviewed and approved by the Board of Directors).

The Human Resources Committee is comprised of three independent directors: Mr. Aasen, Ms. O'Neill and Mr. Anderson. All members of the Human Resources Committee have compensation governance experience.

The incentive plans are typically awarded in the form of cash and equity-based compensation arrangements, are based on the competitive practices of comparable companies and serve to align the interests of the NEOs with those of the Corporation’s shareholders. The Human Resources Committee undertakes a comprehensive review of compensation plans for the Corporation’s NEOs and professional consultants are regularly engaged to assist the Human Resources Committee in such reviews. These consultants utilize published compensation surveys and peer group data to develop comparable compensation benchmarks and advise the Human Resources Committee on the amount and structure of NEO compensation arrangements. The Human Resources Committee considers the consultants’ recommendations in its executive compensation determinations.

Compensation for the Chief Executive Officer is recommended to the Board of Directors by the Human Resources Committee. The Committee’s recommendation is reviewed, modified as appropriate, and ultimately approved by the Board of Directors.

Compensation levels for the other NEOs, and other members of the executive team, are recommended to the Human Resources Committee by the CEO. The CEO’s recommendations are reviewed, modified as appropriate,

and ultimately approved by the Human Resources Committee. Non-executive compensation is generally determined by managers of the Corporation.

Administration of equity-based long term incentives, including restricted share unit and performance based share unit awards, and stock option awards is the responsibility of the Human Resources Committee and is governed by the Corporation's Procedures for Granting Equity Awards, which has been approved by the Board of Directors.

Our annual performance based Share Units are measured relative to a benchmark index, and our performance based short-term cash incentives are based on a mixture of management objectives, as well as financial metrics, whose measurement is subject to the internal control framework of the Corporation. Additional special program performance based Share Units are measured based on pre-set future financial performance metrics.

The Human Resources Committee acknowledges its oversight role in the design of compensation programs and as such has given consideration to certain risks inherent in the design of the Corporation's compensation programs and, specifically, the compensation programs for the executive management of the Corporation. One such risk is that incentive programs, in the absence of certain controls, may encourage performance in a particular category that may impair performance in other categories. The following features of our NEO compensation program have been designed and implemented to reduce risk:

- the Human Resources Committee can use its discretion in unusual circumstances to modify performance-based compensation in the event that the performance of the executive does not adequately reflect the pre-defined objectives of the program;
- the objectives upon which the short-term cash incentive performance-based compensation is based are directly tied to the Board approved strategy and business plan for the Corporation. The objectives are a mix of shorter term objectives (such as the achievement of revenue and operating income targets) and longer term objectives (such as growing recurring revenue pipeline and building a scalable company - including cost optimization programs and investing in systems, processes, quality and infrastructure). There is frequent oversight of the program. Performance relative to the financial metrics and the non-financial objectives are reviewed and approved by the Human Resources Committee;
- the earned amount of our annual performance based Share Units are calibrated to the relative performance of the Corporation's shares to that of a benchmark technology index (S&P SmallCap IT Index: PSCT);
- the earned amount of performance based Share Units for special incentive programs is determined relative to pre-set future financial performance metrics;
- the compensation program is materially similar from one executive to another throughout the Corporation and its subsidiaries; and
- the compensation program contains maximum limits, beyond which, awards are capped.

The Corporation's CEO and CFO are subject to the clawback provisions contained in Section 304 of the Sarbanes Oxley Act. In addition, effective April 2017, the Board of Directors approved an Executive Compensation Clawback Policy that contemplates the recovery of excess performance-based compensation from current or former executives in the event of a restatement of financial statements, or a malfeasance event.

For 2020, the Board does not intend to modify the methodology used to establish the NEO compensation levels. In the future, the Corporation is adopting a new annual bonus structure for NEOs and other employees

focused on semi-annual individual and corporate performance metrics; however, for 2020 NEOs will be receiving all or a significant portion of their annual bonus target in the form of a 2-year RSU grant.

The Company has adopted an Anti-Hedging Policy that prohibits NEOs or directors from purchasing derivative financial instruments including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Compensation Objectives

Our executive compensation program is designed to compensate executives in ways that promotes outstanding performance, as well as attract and retain talented executives on a global basis. The achievement of our compensation objectives is consistent with compensation practices in the marketplace in which we compete for talent and does so in a way that does not promote undue risk-taking.

It is our belief that NEO compensation should be tied to the creation of long-term value and that incentives should reward performance without encouraging undue risk-taking. In 2019, a significant portion of our NEOs' total direct compensation was "at risk" and tied closely to the success of meeting or exceeding the Corporation's short and long-term objectives. "At risk" means that the executive will not realize value unless specified goals, which are directly tied to the Corporation's performance, are achieved. In 2019, these performance goals were focused on Earnings Per Share targets, meeting specific long term operating cost targets, growing multi-year services revenue, and relative share price performance to an index.

Our objectives regarding compensation are to:

- attract and retain experienced, qualified, capable executives by paying compensation packages that are competitive in the markets in which we compete for executive talent;
- motivate short and long-term executive performance with cash incentives tied to the achievement of quarterly and annual goals set in the Board approved business plan. In 2019, these goals were based solely on quarterly and annual Earnings Per Share targets; and
- align our executives' interest with those of our shareholders by providing our executives with equity-based compensation and requiring them to comply with minimum share ownership guidelines resulting in a sustained ownership position.

Research and Benchmarking

Compensation targets are based upon peer group and compensation survey data of comparable positions at comparable companies, a specific individual's level of responsibility and experience, and the individual's influence on the immediate and sustained performance of the Corporation. Actual compensation awards are determined by a mix of individual, team and corporate performance. On an aggregate compensation basis, we target the 50th percentile of the blended peer group and published survey data by position, as a baseline when setting executive compensation.

The Human Resources Committee regularly performs a formal market review utilizing one or more independent compensation advisors. Since 2016, the Committee has engaged with Compensia, Inc. to provide compensation benchmarking, assistance in setting executive compensation targets and general advisory services. To assess compensation levels for 2019, Compensia conducted an independent third party executive compensation review and provided analysis, conclusions and recommendations for the total remuneration and mix of compensation elements for our executives. Compensia's objectives were to:

- Review the Corporation’s total direct compensation elements (base salary, cash and equity based incentives) and their relative mix (percentage of total compensation that each element represented) for executive positions;
- Assess the competitiveness of the Corporation’s executive compensation, based on revenue, assets, market capitalization as compared to a peer group of publicly traded companies defined by the Human Resources Committee, and published survey data from companies with projected revenue levels similar to the Corporation; and
- Provide conclusions and recommendations for current and future compensation packages for the Corporation’s executives.

In consultation with Compensia, the Human Resources Committee established the following list of peers (the “Peer Group”) to assist us in a competitive assessment of, and to serve as a benchmark for, our executive compensation:

Adtran Inc.	MaxLinear
CalAmp	Gogo
Calix	Netgear Inc.
Comtech Telecommunications	Orbcomm
Extreme Networks	QAD
GTT Communications	Ribbon Communications
Harmonic	Telit Communications
Infinera	uBlox
Lattice Semiconductor	8x8

The Peer Group was established based on criteria that we believe make these companies comparable to Sierra Wireless. Each member of the Peer Group has one or more similarities to the Corporation including:

- *Nature of ownership:* We believe that there are differences in the management of publicly traded companies and private companies. Further, since much of the compensation information sought for benchmarking is not easily attainable for private companies, we sought primarily publicly traded companies.
- *Business:* We compete for executive talent in many marketplaces, but most often in the global wireless technology, software development, SaaS and technology space, so we sought companies with operations in these businesses.
- *Size:* We believe that there is often a relationship between the size of a company, and the compensation of its executives, so we sought companies of similar size to Sierra Wireless.

Compensia obtained relevant compensation data for comparable positions from available disclosure by the Peer Group companies and market data from published survey sources. Based on a combination of the Peer Group analysis and survey sources, Compensia provided recommendations for the total remuneration and mix of compensation for the Corporation’s executives, including the NEOs.

In late 2018 following receipt of Compensia's report, the Human Resources Committee concluded that the executive composition mix largely remained appropriate and that a change in design was not appropriate. Based on this assessment, the Committee agreed not to provide for any normal course annual increases in 2019 base salary or target short term incentives for the CEO & other NEOs directly reporting to the CEO, but to review on an

individual basis any individual or aggregate compensation level for executives where compensation did not meet the 50th percentile target or where responsibilities have changed significantly. Note: Mr. Teyssier does not report directly to the CEO and as such his cash compensation levels are not directly reviewed and approved by the HRC.

For the fiscal years ended December 31, 2019 and 2018 the Corporation incurred the following fees payable to Compensia:

<i>(in United States dollars)</i>	2019		2018	
Executive Compensation- Related fees	\$	44,004	\$	51,074
All Other fees		Nil		Nil

Elements of Executive Compensation

Our policy is to compensate our executives for performance using a mix of annual base salary, quarterly and annual cash incentives, equity-based long term incentives and other indirect compensation.

Targets for each element of compensation are based on compensation data for comparable positions at comparable companies, the individual's level of responsibility and experience, and the individual's influence on the immediate and sustained performance of the Corporation. Actual compensation awards are determined by a mix of individual, team and corporate performance.

Annual Base Salary

Our independent compensation advisors obtain compensation data for salaries of comparable executive positions from published survey data and the Peer Group to determine the 25th, 50th and 75th percentile as benchmarks.

In 2019 the NEO's received a 0% base salary increase as part of the annual compensation review process, with the exception of Pierre Teyssier who received an annual merit increase of 3% to Euro 199,080. The 0% base annual salary increase recommendation reflected management and the Committee's continued focus on fiscal discipline.

Mr. Link received a base salary increase in July 2019 to further align his compensation to the market benchmarks, as a result of his expended responsibilities related to Go-To-Market Operations. Mr. Link's base salary was increased to \$325,000.

Mr. Thexton's base salary was set at \$600,000 upon his appointment as President & CEO on November 1, 2019. Mr. Thexton did not receive a base salary increase in 2019.

Short Term Incentives

Short term incentives in 2019 included quarterly cash incentives which directly link executive decision making, business execution and performance with the quarterly and annual Earnings Per Share goals of the Corporation as set out in the Board approved business plan and strategy. For 2019, NEOs had 100% of their total short term incentive based on quarterly Earnings Per Share performance.

Executive short-term incentive targets are set at a percentage of base salary. For 2019, target percentage incentive levels were set at similar levels as in 2018. In the future, the Corporation intends to adopt a new annual bonus structure for NEOs and other employees focused on semi-annual individual and corporate performance metrics; however, for 2020, NEOs will be receiving all or a significant portion of their annual bonus target in the form of a two-year RSU grant. The Human Resources Committee met at the end of each quarter to assess

performance and to approve the quarterly executive short term incentives based on the achievement of Earnings Per Share targets. The minimum Earnings Per Share threshold (discussed below) was not met and as a result no bonus payments were made to any of the NEOs in 2019.

- The Earnings Per Share (EPS) target metrics are measured by comparing actual performance to the relevant Plan metric derived from the Corporation’s consolidated financial plan approved by the Board of Directors (the “Plan”) on February 1, 2019.
- The 2019 annual bonus plan for NEOs was designed to payout starting at a minimum non-GAAP EPS threshold of \$0.46 and reach 100% payout at non-GAAP EPS of \$0.74. On a quarterly basis, the minimum threshold of EPS required to trigger payout in 2019 were as follows:

Q1	Q2	Q3	Q4	Full Year
\$0.01	\$0.12	\$0.13	\$0.20	\$0.46

None of these thresholds were met during the year (actual non-GAAP EPS for the full year was negative \$0.01), resulting in no 2019 payments of short term incentives to the NEOs.

- Non-GAAP financial measures are defined and reconciled to their nearest GAAP measure in the "Non-GAAP Financial Measures" section of the Corporation's Management's Discussion and Analysis for its most recently completed financial year available on SEDAR at www.sedar.com and on our website at www.sierrawireless.com/company/investor-information/annual-reports-and-regulatory-filings/.

Equity-Based Long-Term Incentives (“LTIs”)

Equity-based long-term incentives (“LTIs”) are designed to reinforce the connection between executive remuneration and the Corporation’s performance by motivating, retaining and rewarding participants for improving our long-term financial strength, and enhancing shareholder value. Annual LTI grants are based on position level and overall market competitiveness. In addition, from time-to-time LTIs are also granted to recognize performance on specific initiatives. Equity grants from prior years are not specifically taken into consideration when considering new grants.

The 2019 annual evergreen LTI grants, issued in February 2019 for Messrs. McLennan, Link, Overton and Teyssier were set at the same target dollar value as the 2018 LTI grants. Messrs. Thexton received his 2019 annual LTI grant as part of his new hire November 2018 grant.

In 2018, the Corporation removed stock options from the annual grant for NEOs and replaced them with performance-based Share Units. No stock options were issued to NEOs in 2019, nor does the Corporation plan to issue stock options to NEOs for the foreseeable future.

Annual LTI grants are comprised of a mix of performance based Share Units (“PSUs”) and Restricted Share Units (“RSUs”) (a summary of the key terms of the RSU Plan under which both of these types of awards are issued can be found in Schedule A). The mix of PSUs and RSUs is determined by the Human Resources Committee, taking into consideration, among other things, the number of Share Units available for granting, dilution impact, competitive factors and cash utilization. Once the mix has been determined and based on the target dollar value of each individual LTI grant, the Corporation uses a trailing six month average share price to determine the number of PSUs and RSUs to grant. Once the number of PSUs and RSUs are determined, the fair market value of the PSUs and RSUs are set at the market closing price on the day the PSUs and RSUs are granted.

The 2019 annual NEO LTI grants were issued 50% (50% in 2018) in the form of RSUs and 50% (0% in 2018) in the form of PSUs. Annual executive LTI grants are made in February (or the first available window following the

date of hire for new executives), after the public disclosure of our results for the previous fiscal year and when we are not in a trading blackout period. If we are in a trading blackout period, we will issue the grants after the trading blackout period has ended.

In January 2018 the Board of Directors approved a proposal to include a performance-based component to CEO and NEO compensation by adding performance based vesting criteria to certain grants of units under the RSU Plans ("PSUs"). The first grants under this new program were made to the CEO and members of the executive team in February 2018 under the Corporation's market-based RSU Plans, with 50% of the executive LTI grants issued in the form of PSUs and 50% in the form of RSUs. The Corporation does not intend to issue stock options to the CEO and Executive team for the foreseeable future.

The PSU plan design encompasses a Total Shareholder Return (TSR) metric, which measures the Company's TSR relative to a benchmark index over a 3-year period (For the 2019 awards, the S&P SmallCap IT Index (PSCT) continued to be used as the benchmark index). A target number of PSUs are established at grant date, based on a target dollar value. A range of 0% to 200% of the target PSUs will vest into shares at the end of the 3-year period based on the following principles:

- 100% of the target PSUs will vest if the Company's TSR is equal to the TSR of the benchmark index;
- Vesting will increase by 2% for every 1% that the Company's TSR exceeds the TSR of the benchmark index up to a maximum 200% payout;
- Vesting will decrease by 3% for every 1% that the Company's TSR falls below the TSR of the benchmark index with a maximum decrease to a 0% payout; and
- The target PSU payout will be capped at 100% if the Company's absolute TSR is negative (regardless of relative positioning).

In addition, in 2019 there were 2 special PSU program grants to certain NEOs during 2019:

1. Transformation Acceleration Program (cost reduction and efficiency) (Messrs. McLennan, Link, Overton and Teyssier)

A special PSU program was implemented for certain NEOs and other select company leaders to support the Company's transformation initiatives and cost reduction program. The performance criteria for these awards were based on achievement of cost reduction and efficiency measures related to the Corporation's Transformation Acceleration Program ("TAP"). These cost initiatives commenced in 2018 and are anticipated to be largely in place by the end of 2020.

A target number of PSUs are established at grant date, based on a target dollar value. A range of 0% to 200% of the target PSUs will vest into shares at the end of the 3-year period based on the following principles:

- 0% of the award will vest if the total actual and designed cost savings is less than \$44 million
- 50% to 100% of the award will vest if total actual and designed cost savings are between \$44 million to \$54 million
- 100% to 200% of the award will vest if total actual and designed cost savings are between \$54 million to \$64 million
- Total actual and designed cost savings achievement to be measured as at December 31, 2019

2. Accelerating Services Revenue Growth (All NEOs)

A special PSU program was implemented for the NEOs and other Senior Leaders to support the Company's strategic focus on the growth of recurring and services revenue. The performance criteria for these awards is directly linked to achieving recurring and other services revenue targets by the end of 2021.

For this program, a target number of PSUs are established at grant date, based on a target dollar value. A range of 0% to 200% of the target PSUs will vest into shares at the end of the 3-year period based on the following principles:

- 200% of the award will vest if the 2021 total annual recurring and other services revenues is greater than or equal to \$200 million. The awards are capped at 200%
- 0% of the award will vest if fourth quarter 2021 total recurring and other services revenue are less than \$42.5 million
- 0%-150% of the award will vest if fourth quarter 2021 total recurring and other services revenue is between \$42.5 million and \$60 million

Retirement Benefits

Canada Registered Retirement Savings Plan

The Canadian Registered Retirement Savings Plan is designed to offer eligible Canadian employees a tax-assisted method of saving for retirement. The Corporation matches employee contributions up to 3% of gross earnings to the annual allowable maximum.

U.S. 401(k)

The 401(k) program is designed to offer eligible U.S. employees a tax-assisted method of saving for retirement. The Corporation matches employee contributions up to 3% of gross earnings to the annual allowable maximum.

UK Pension Program

The UK Pension Program is designed to offer eligible UK employees a comparable method of contributions to savings for retirement. The corporation provides contributions to the plan of up to 3 times the employee voluntary contributions. Employee contributions are capped at 3% of gross earnings

France

In addition to the mandatory legal requirements, our subsidiaries in France contribute to a defined contribution pension plan for French personnel. This plan is based on a supplementary and tax assisted contribution of 4% of earnings, which is shared 60% by the Corporation and 40% by the employee.

Minimum Share Ownership Guidelines

In 2007, minimum share ownership guidelines were established by the Board for directors and senior executives. These guidelines are administered by the GNC of the Corporation, which has discretion to submit amendments for approval by the Board, and the Board may at any time approve amendments to the guidelines.

These ownership guidelines were updated in early 2019 to increase the CEO ownership requirements from 3 times annual base salary to 5 times annual base salary. Each senior executive is expected to own a minimum number of Common Shares or vested RSU's (or a combination thereof) that is equal to the lesser of:

- An amount equal to five times annual base salary in the case of the CEO, and an amount equal to one time annual base salary in the case of each other senior executive. For the purposes of assessing compliance with the guidelines, the Common Shares are valued at the higher of original cost or market value at the time of assessment, and the vested RSU's and PSU's are valued at the higher of fair market value at the grant date or the market value of the underlying Common Shares at the time of assessment.
- 115,000 Common Shares or vested RSU's (or a combination thereof) for the CEO and 12,000 Common Shares or vested RSU's (or a combination thereof) for each other senior executive.

New senior executives have five years from the date of their first appointment to comply with the minimum share ownership guidelines.

As of December 31, 2019, Messrs. Thexton, McLennan, Link and Teyssier met the minimum share ownership threshold. Mr. Overton's holdings were below the minimum threshold as of December 31, 2019; however, he has five years from the date of his July 2017 appointment as a senior executive to acquire the minimum share ownership set out in the guidelines.

Failure to meet or maintain these share ownership requirements may result in a reduction in future LTI awards and/or other compensation. There may be instances in which these share ownership guidelines would place a hardship on the executive. If such an instance occurs, the Board may consider and approve an alternative share ownership guideline for that individual, which reflects the intention of these guidelines and the individual's personal circumstances. The Corporation expects such instances to be rare.

Also, in early 2019, the minimum share ownership guidelines were updated to increase the ownership requirement for directors from three times annual retainer to four times. Each director is now expected to own a minimum number of Common Shares that is no less than an amount equal to four times their annual board retainer. For the purposes of assessment, Common Shares are valued at the higher of original cost or market value at the time of assessing compliance with this policy, and vested RSUs are valued at the higher of fair market value at the grant date or the market value of the underlying Common Shares at the time of assessment. The annual board retainer does not include supplementary retainers for Board Chair and Committee positions or annual RSU awards. New Board members have four years from their first appointment to comply with the minimum share ownership guidelines.

As of December 31, 2019, Mr. Aasen, Ms. Abrams and Mr. Sieber met the minimum share ownership threshold. Mr. Jones joined the Board in September 2018 and has four years from that date to acquire the minimum share ownership set out in the guidelines. Subsequent to the end of 2019, Mr. Jones purchased additional shares and now meets the minimum share ownership threshold. Ms. O'Neill joined the Board in September 2019 and has four years from that date to acquire the minimum share ownership set out in the guidelines. Similarly, Mr. Waters, Mr. Anderson and Ms. Bawa joined the Board in 2020 and have four years from the date of their respective appointments to acquire the minimum share ownership set out in the guidelines.

Compensation Details

Summary Direct Compensation

The following summaries of the total direct compensation components for each NEO include actual compensation compared to target for 2019.

Kent P. Thexton, President and Chief Executive Officer

Mr. Thexton's short term incentive attainment in 2019 was zero as a result of the EPS targets not being met

Direct Compensation Summary

	2019		2018	2017 ⁽²⁾
	Target	Actual	Actual	Actual
Salary	600,000	600,000	133,144	122,757
Short Term Incentives ⁽¹⁾	600,000	—	72,122	—
Total Cash	1,200,000	600,000	205,266	122,757
Options	—	—	—	—
Restricted Share Units	432,874	4,550,166	191,145	
Long Term Equity Incentives⁽³⁾	432,874	4,550,166	191,145	
Total Direct Compensation⁽⁴⁾	1,632,874	1,032,874	4,755,432	313,902

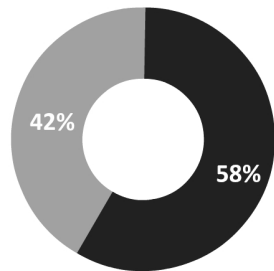
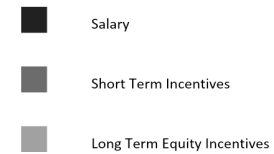
⁽¹⁾ 2018 includes \$9,870 for Special Project Incentives.

⁽²⁾ Mr. Thexton's 2017 compensation relates to retainer payments and equity grants during his service as Board Chair.

⁽³⁾ Mr. Thexton's 2018 Long Term Equity Incentives include grants issued during his service as Board Chair, interim CEO, initial CEO and an advance grant of his 2019 annual equity grant containing both RSUs and PSUs.

⁽⁴⁾ Mr. Thexton's 2018 total direct compensation reflects a combination of payments and equity grants for his service as Board Chair, interim CEO and full-time CEO.

2019 Actual Compensation Mix



David G. McLennan, Chief Financial Officer, Chief Transformation Officer and Corporate Secretary

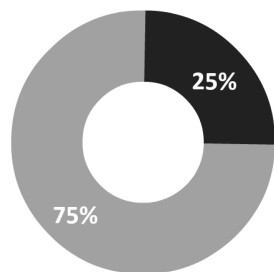
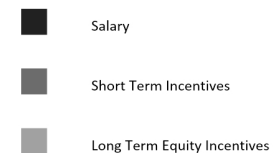
Mr. McLennan's short term incentive attainment in 2019 was zero as a result of the EPS targets not being met

Direct Compensation Summary

	2019		2018	2017
	Target	Actual	Actual	Actual
Salary	270,754	270,754	277,275	276,762
Short Term Incentives ⁽¹⁾	187,550	—	150,577	174,066
Total Cash	458,304	270,754	427,852	450,828
Options	—	—	—	493,801
Restricted Share Units	830,647	522,695	500,817	
Long Term Equity Incentives	830,647	522,695	994,618	
Total Direct Compensation	1,288,951	1,101,401	950,547	1,445,446

⁽¹⁾ 2018 includes \$19,740 for Special Project Incentives.

2019 Actual Compensation Mix



Rene Link, Chief Marketing Officer and Senior Vice President Corporate Strategy

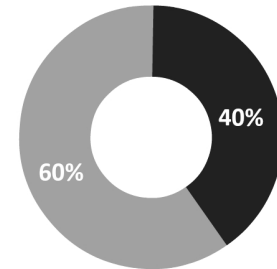
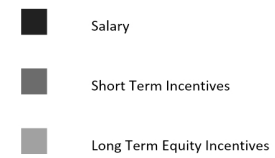
Mr. Link's short term incentive attainment in 2019 was zero as a result of the EPS targets not being met

Direct Compensation Summary

	2019		2018	2017
	Target	Actual	Actual	Actual
Salary	312,500	312,500	300,000	300,000
Short Term Incentives ⁽¹⁾	187,500	—	134,841	157,058
Total Cash	500,000	312,500	434,841	457,058
Options	—	—	—	213,214
Restricted Share Units	476,461	—	221,355	208,330
Long Term Equity Incentives	476,461	—	221,355	421,544
Total Direct Compensation	976,461	788,961	656,196	878,602

⁽¹⁾ 2018 includes \$9,870 for Special Project Incentives.

2019 Actual Compensation Mix



Marc Overton, Chief Solutions Officer and Senior Vice President, EMEA Sales

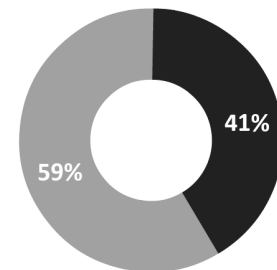
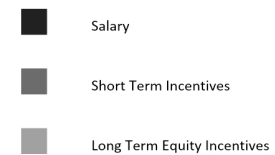
Mr. Overton's short term incentive attainment in 2019 was zero as a result of the EPS targets not being met

Direct Compensation Summary

	2019		2018	2017
	Target	Actual	Actual	Actual
Salary	349,757	349,757	365,528	156,460
Short Term Incentives ⁽¹⁾	205,000	—	130,522	103,907
Total Cash	554,757	349,757	496,050	260,367
Options	—	—	—	—
Restricted Share Units	500,089	—	241,510	463,075
Long Term Equity Incentives	500,089	—	241,510	463,075
Total Direct Compensation⁽²⁾	1,054,846	849,846	737,560	723,442

⁽¹⁾ 2018 includes \$9,870 for Special Project Incentives.

2019 Actual Compensation Mix



Pierre Teyssier, Senior Vice President, Operations and Purchasing

Mr. Teyssier's short term incentive attainment in 2019 was zero as a result of the EPS targets not being met

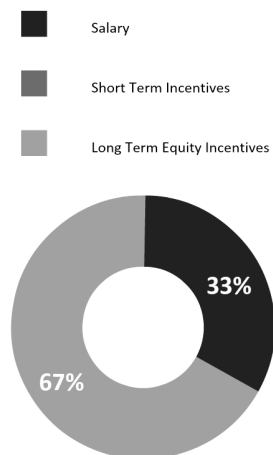
Direct Compensation Summary

	2019		2018	2017
	Target	Actual	Actual	Actual
Salary	221,283	221,283	228,157	217,820
Short Term Incentives ⁽¹⁾	—	—	80,093	79,198
Total Cash	221,283	221,283	308,250	297,018
Options	—	—	—	213,214
Restricted Share Units	452,833		201,235	208,330
Long Term Equity Incentives	452,833		201,235	421,544
Total Direct Compensation ⁽²⁾	674,116	674,116	509,485	718,562

⁽¹⁾ 2018 includes \$9,870 for Special Project Incentives.

⁽²⁾ In addition to direct compensation, Mr. Teyssier received other compensation related to his ex-patriate assignment in Hong Kong of \$97,693 in 2019, \$96,532 in 2018 and \$93,789 in 2017.

2019 Actual Compensation Mix



The following table provides a summary of the compensation earned during each of the last three financial years by each of the Corporation's NEOs.

Summary Total Compensation ⁽¹⁾

Name and Principal Position	Year	Salary (\$)	Share - based Awards ⁽²⁾ (\$)	Option - based Awards ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation (\$)			All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
					Short term Incentive Plans ⁽⁴⁾	Long-term Incentive Plans	Pension Value (\$)		
Kent P. Thexton, President, Chief Executive Officer and Director ⁽⁶⁾	2019	600,000	432,874	—	—	—	—	—	1,032,874
	2018	133,144	4,550,166	—	72,122	—	—	—	4,755,432
	2017	122,757	191,145	—	—	—	—	—	313,902
David G. McLennan Chief Financial Officer, Chief Transformation Officer and Corporate Secretary	2019	270,754	830,647	—	—	—	—	—	1,101,401
	2018	277,275	522,695	—	150,577	—	—	—	950,547
	2017	276,762	500,817	493,801	174,066	—	—	—	1,445,446
Rene Link, Chief Marketing Officer and Senior Vice President, Corporate Strategy	2019	312,500	476,461	—	—	—	—	—	788,961
	2018	300,000	221,355	—	134,841	—	—	—	656,196
	2017	300,000	208,330	213,214	157,058	—	—	—	878,602
Marc Overton, Chief Solutions Officer and Senior Vice President, EMEA Sales ⁽⁷⁾	2019	349,757	500,089	—	—	—	—	—	849,846
	2018	365,528	241,510	—	130,522	—	—	—	737,560
	2017	156,460	463,075	—	103,907	—	—	—	723,442
Pierre Teyssier, Senior Vice President, Operations and Purchasing	2019	221,283	452,833	—	—	—	—	97,693	771,809
	2018	228,157	201,235	—	80,093	—	—	96,532	606,017
	2017	217,820	208,330	213,214	79,198	—	—	93,789	812,351

Notes:

- (1) All dollar amounts in the Summary Total Compensation table and footnotes are reflected in U.S. dollars; however, compensation for Messrs. Thexton and McLennan was awarded, earned or payable in Canadian dollars. Compensation for Mr. Overton was awarded, earned or payable in GBP. Compensation for Mr. Teyssier was awarded, earned or payable in Euros (for salary and car allowance) and Hong Kong dollars (for housing allowance and "gross-ups" related to payment of taxes). As a result, compensation levels, in U.S. dollar equivalent, may change despite there being no changes in salary levels in the NEO's payment currency. The average rates of exchange used to convert Canadian dollar amounts to U.S. dollar amounts for the respective fiscal years were: 2019- 0.7537, 2018 - 0.7718, 2017- 0.7704. The average rates of exchange used to convert GBP amounts to U.S. dollar amounts for the respective fiscal years were: 2019- 1.2765, 2018- 1.3340 and 2017- 1.2868. The average rates of exchange used to convert Euro amounts to U.S. dollar amounts for the respective fiscal years were: 2019- 1.1197, 2018-1.1805 and 2017-1.1270. The average rates of exchange used to convert Hong Kong dollar amounts to U.S. dollar amounts for the respective fiscal years were: 2019- 0.1276, 2018-0.1276 and 2017-0.1281.
- (2) Share-based awards represent the fair value of RSUs granted in the year under the Restricted Share Unit Plans. The fair value of the RSUs is based on the closing market price of the Common Shares on the effective date of grant multiplied by the number of RSUs granted.

- (3) Option-based awards represent the fair value of stock options granted in the year under the Stock Option Plan. The fair value of stock options granted is calculated using the Black-Scholes valuation model. We use the Black-Scholes model because it provides a meaningful and reasonable estimate of the fair value of stock options with the following assumptions:

	2019	2018	2017
Risk-free interest rate	2.03%	2.22%	1.37%
Annual dividends per share	Nil	Nil	Nil
Expected stock price volatility	54%	55%	55%
Expected life of options (in years)	4.0	4.0	4.0
Average fair value of options granted (in dollars)	5.38	7.02	11.09

There is no dividend yield because the Corporation does not pay, and does not plan to pay, cash dividends on the Common Shares. The expected stock price volatility is based on the historical volatility of our average daily stock closing prices over a period equal to the expected life of each option grant. The risk-free interest rate is based on yields from government bond yields with a term equal to the expected term of the options being valued. The expected life of options represents the period of time that the options are expected to be outstanding based on historical data of option holder exercise and termination behavior. We account for forfeitures in compensation expense when they occur. In 2019 and 2018, no stock options were granted to NEOs.

- (4) Compensation from Short-term Incentive Plans (if any) includes amounts earned in the fourth quarter and an end of year cumulative portion, which are not paid out until the first quarter of the following year under the terms of the Corporation's Short-term Incentive Plans.
- (5) All other compensation includes severance payments, vacation payouts, contributions to retirement savings plans, severance payment, car allowances, housing allowances, "gross-ups" related to payment of taxes. Mr. Teyssier's other compensation includes gross-ups related to payment of taxes of \$43,919 (2018- \$43,908; 2017- \$41,697), housing allowance of \$39,733 (2018- \$37,821; 2017- \$37,959) and car allowance of \$14,041 (2018- \$14,803; 2017- \$14,133) related to his ex-patriate assignment in Hong Kong.
- (6) Mr. Thexton was appointed Interim CEO on May 31, 2018 and assumed the permanent role of CEO commencing on November 1, 2018. Prior to his appointment, Mr. Thexton was the Chair of the Board of Directors. Mr. Thexton remained on the Board as Directors after his appointment to CEO. In 2018, his compensation includes his former role as Chair of the Board and his role as the Company's President and Chief Executive Officer. Since his appointment to Interim CEO, he did not receive any compensation in his role as a Director of the Company.

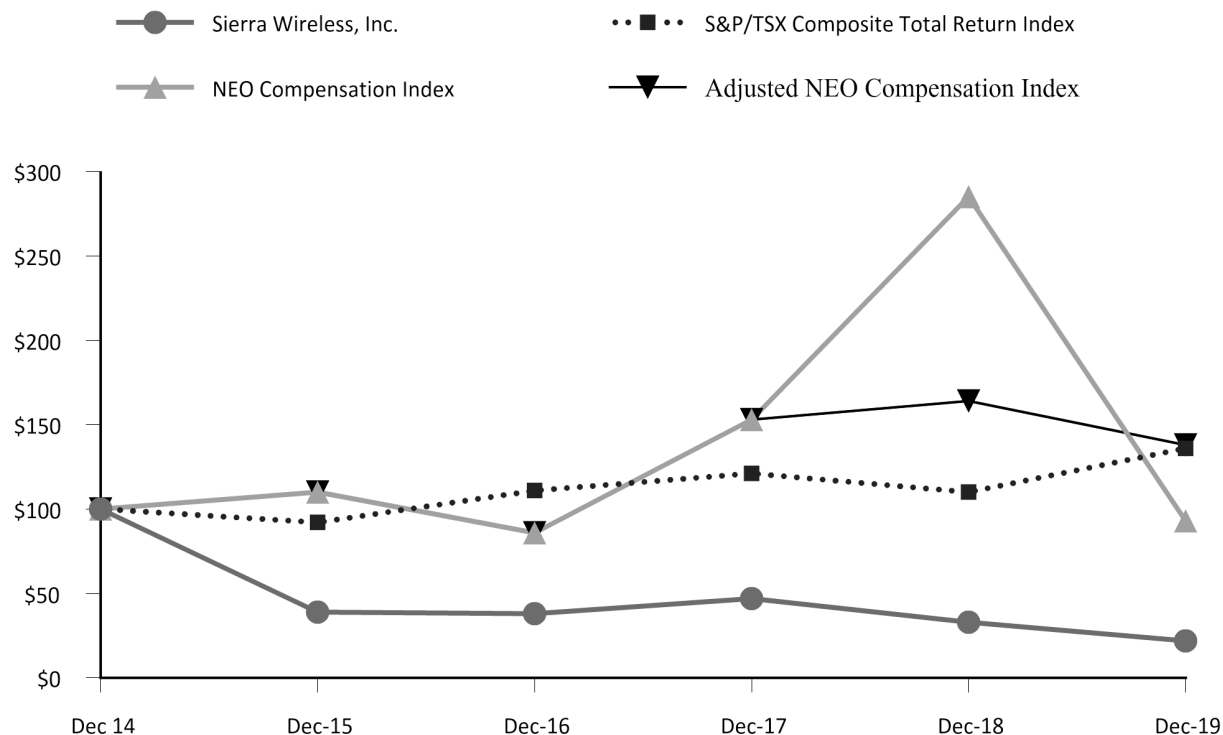
2018	Salary (\$)	Share - based Awards (\$)	Total
Chair of the Board	35,657	90,659	126,316
Interim CEO	—	1,156,389	1,156,389
CEO	97,487	3,303,118	3,400,605
	133,144	4,550,166	4,683,310

Mr. Thexton's 2018 total CEO share-based awards of \$3,303,118 includes \$1,651,559 advance grant of his annual 2019 equity grant. His share-based awards in 2018 exclude 11,919 RSU units or \$231,278 that were canceled as his tenure as interim CEO ended early and replaced with full-time CEO grants. The total fair value of his share-based awards in 2018, including the canceled RSUs, is \$4,781,444.

- (7) Mr. Overton joined the Company in July 2017.

Share Performance

The following graph compares the Corporation's cumulative shareholder return over the last five years on a Cdn \$100 investment in its Common Shares (made December 31, 2014) to the cumulative return of a comparable investment on the S&P/TSX Composite Total Return Index. The graph also shows the relationship between shareholder return and aggregate NEO compensation over the last five years. The compound annual growth in NEO total compensation was -1.5% for the five-year period, compared to -25.8% compound annual growth of the Corporation's share price in the same period.



	Dec 2014 \$	Dec 2015 \$	Dec 2016 \$	Dec 2017 \$	Dec 2018 \$	Dec 2019 \$
Sierra Wireless, Inc.	100	39	38	47	33	22
S&P/TSX Composite Total Return Index	100	92	111	121	110	136
NEO Compensation (US\$'000) ⁽¹⁾⁽²⁾	5,882	5,602	4,234	7,659	14,273	4,545
Adjusted NEO Compensation (US\$'000) ⁽³⁾	5,882	5,602	4,234	7,659	8,209	6,748
NEO Compensation Index	100	110	86	153	285	93
Adjusted NEO Compensation Index	100	110	86	153	164	138

Notes:

- (1) NEO compensation is composed of salary, short-term incentive payments, value of equity awards at time of grant and other compensation as reported in the Summary Total Compensation table.
- (2) NEOs were Messrs. Thexton and McLennan and the three most highly compensated executive officers of the Corporation other than the CEO and CFO.

- (3) Adjusted NEO compensation in 2018 excludes Mr. Cohenour, former CEO, severance of \$3,623,112, Mr. Thexton's Board of Director compensation of \$126,316 and annual 2019 share based awards of \$1,652,559; and Mr. Krause's annual 2019 share based awards of \$550,517. Adjusted NEO compensation in 2019 includes Mr. Thexton and Mr. Krause's annual 2019 share based awards of \$1,652,559 and \$550,517, respectively.

As at December 31, 2019, the share price of the Corporation was approximately 67.6% from its price one year earlier.

Incentive Plan Awards

Outstanding Option-based Awards and Share-based Awards

The following table sets out information concerning unexercised options, PSUs and RSUs that have not vested for each NEO as of December 31, 2019. For a discussion of the key terms of the Employee Stock Option Plan and Restricted Share Unit Plans, refer to Schedule A of this Information Circular.

Name	Option-based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price ⁽²⁾ (\$)	Option Expiration Date ⁽³⁾	Value of Unexercised In-the-Money Options ⁽⁴⁾ (US \$)	Number of Units of Common Shares That Have Not Vested ⁽⁵⁾ (#)	Market or Payout Value of Share-based Awards That Have Not Vested ⁽⁶⁾ (US \$)	Market or Payout Value of Share-based Awards Not Paid out or Distributed (US \$)
Kent P. Thexton	1,918	Cdn\$ 40.25	February 9, 2020	\$ —	186,916	\$ 1,782,825	\$ 192,708
	5,457	Cdn\$ 14.28	February 8, 2021				
David G. McLennan	14,388	Cdn\$ 40.28	February 9, 2020	\$ —	96,381	\$ 919,292	\$ 320,709
	15,348	Cdn\$ 14.28	February 8, 2021				
	46,225	Cdn\$ 32.89	February 13, 2022				
Rene Link	19,026	US\$ 17.80	May 9, 2021	\$ —	50,703	\$ 484,214	\$ —
	19,260	US\$ 25.10	February 13, 2022				
Marc Overton	—	N/A N/A	N/A	\$ —	56,850	\$ 542,918	\$ —
Pierre Teyssier	5,995	US\$ 32.29	February 9, 2020	\$ —	47,916	\$ 457,598	\$ —
	7,461	US\$ 10.26	February 8, 2021				
	19,260	US\$ 25.10	February 13, 2022				

Notes:

- (1) Option-based awards vest over four years with 25% vesting after the first year and the remainder vesting monthly thereafter. None of the unexercised options outstanding have different vesting terms.
- (2) The option exercise price is determined by the closing market price on the effective date of grant. The value of the Common Shares on the NASDAQ is used for U.S. and French employees, and the value of the Common Shares on the TSX is used for Canadian employees.
- (3) Options have a term of five years.
- (4) At December 31, 2019 the closing stock price of the Common Shares on the NASDAQ was US \$9.55 and on the TSX was Cdn \$12.39.
- (5) Generally, RSUs vest over three years, in equal amounts on the anniversary date of the date of the grant. However, RSU grants to employees who are resident in France will not vest before the second anniversary from the date of grant, and any shares issued are subject to an additional two-year tax hold period. Unvested RSUs are comprised of grants dated February 13, 2017, August 4, 2017, February 12, 2018, November 13, 2018 and February 19, 2019. In 2019, the number of RSUs issued to NEOs was as follows:

Name	# of RSUs granted	Grant date
Kent P. Thexton	34,562	February 19, 2019
David G. McLennan	67,078	February 19, 2019
Rene Link	38,348	February 19, 2019
Marc Overton	40,263	February 19, 2019
Pierre Teyssier	36,433	February 19, 2019

- (6) The market value of RSUs at December 31, 2019 was calculated using the closing stock price of the Common Shares on the NASDAQ of US \$9.55 for Messrs. Link, Overton and Teyssier; and the closing stock price of the Common Shares on the TSX of Cdn \$12.39 for Messrs. Thexton and McLennan translated at the spot foreign exchange rate of Cdn \$1.00 = US \$0.7698.

Value Vested or Earned During Fiscal 2019

The following table sets out, for each NEO, the value of stock options and RSUs that vested during 2019, as well as the value of non-equity incentive compensation earned during 2019.

Name	Option-based Awards — Value Vested During 2019 ⁽¹⁾ (\$)	Share-based Awards — Value Vested During 2019 ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation — Total Value Earned During 2019 (\$)
Kent P. Thexton	2,052	208,837	—
David G. McLennan	15,411	299,021	—
Rene Link	—	125,983	—
Marc Overton	—	126,006	—
Pierre Teyssier	8,020	120,737	—

Notes:

- (1) This value was determined by calculating the difference between the market price of the underlying securities on the vesting date and the exercise price of the options on the vesting date, multiplied by the number of vested options. The closing stock price of the Common Shares on the NASDAQ and on the TSX was used for U.S. and Canadian employees, respectively. Canadian dollar values were translated at the spot foreign exchange rates on the specific vesting dates. Certain option-based awards vested when the market price was less than the exercise price and therefore a market value of zero was assigned to those options on the vesting date.
- (2) This value was calculated using the closing stock price of the Common Shares on the NASDAQ and on the TSX, for U.S. and Canadian employees respectively, on each vesting date multiplied by the number of shares acquired or units vested. Canadian dollar values were translated at the spot foreign exchange rates on the specific vesting dates. The closing market prices and spot foreign exchange rates to translate Canadian dollars into U.S. dollars were as follows:

Date	NASDAQ (US\$)	TSX (Cdn\$)	Spot Rate
February 8, 2019	15.25	20.21	0.7536
February 12, 2019	15.69	20.78	0.7548
February 13, 2019	15.50	20.58	0.7553
May 9, 2019	13.07	17.60	0.7417
August 4, 2019	11.64	15.49	0.7545
November 13, 2019	8.02	10.62	0.7548

Option Exercises During Fiscal 2019

The following table sets out, the number of common shares acquired through option exercises during 2019 and the aggregate value realized upon exercise. Value realized upon exercise is the difference between the market price of the common shares on the NASDAQ or on the TSX on the exercise date and the exercise price of the option.

Name	Shares acquired upon exercise (#)	Value Realized (\$)
Kent P. Thexton	—	—
David G. McLennan	—	—
Rene Link	—	—
Marc Overton	—	—
Pierre Teyssier	—	—

Burn Rate

Burn rate is defined as the total number of equity awards issued in a year, divided by the weighted average number of shares outstanding in the fiscal year. The burn rate under each of our Stock Option Plan and Treasury RSU Plan are as follows:

Equity Plan	2019	2018	2017
Stock Option Plan	1.28%	0.95%	2.12%
Treasury RSU Plan	0.96%	1.44%	1.03%

Termination and Change of Control Benefits

The Corporation has entered into executive employment agreements with each of Messrs. Thexton, McLennan, Link, Overton and Teyssier under which each executive has agreed to continue to serve the Corporation in his current office and perform the duties of such office for an indefinite term. Under the terms of each executive employment agreement, the executive has made commitments in favour of the Corporation, including non-competition and non-solicitation covenants, minimum notice periods in the event of the executive's resignation and continued service for a minimum period of time in the event of a change of control. In consideration of the services to be rendered by each executive under each of the executive employment agreements, each executive receives an annual salary and is entitled to participate in the short-term incentive program and long-term incentive plans of the Corporation and the dental, medical and other benefit plans as may be offered by the Corporation to senior officers, in their respective geography, from time to time.

In the event of the termination of Mr. Thexton's employment, other than for just cause, disability, death or change of control of the Corporation, the Corporation will provide working notice equal to 12 months. In the event of the termination of Messrs. McLennan and Link's employment, other than for just cause, disability, death or change of control of the Corporation, the Corporation will provide such executive with working notice equal to 12 months, plus one additional month of working notice for each completed 12 month period of service to the Corporation, up to a maximum of 24 months. In the event of the termination of Mr. Overton's employment, other than for just cause, disability, death or change of control of the Corporation, the Corporation will provide such executive with working notice equal to 12 months. In lieu of working notice, the Corporation may elect to provide severance pay or may elect any combination of working notice and severance pay. Further, in the event of a termination other than for just cause, disability or change of control, the executive employment agreements for each of Messrs. Thexton, McLennan and Link provide that any PSUs held by such executive will have the target

number of shares pro-rated, accounting for the time between the original grant date and the end of their notice period, and the current performance status against the performance conditions set out in the applicable grant agreement will be applied to determine the total shares to be issued.

In addition, the executive employment agreements for Messrs. Thexton, McLennan and Link provide a “double trigger” approach upon a change of control for severance and accelerated vesting of equity-based awards.

If Messrs. Thexton employment is terminated 3 months prior to, or within 12 months following, a change of control, other than for just cause, disability or death (or is terminated by him for “good reason”), the Corporation will provide such executive an amount equal to 24 months base salary and benefits continuation and 12 months target bonus, all unvested RSUs and unexercised options, rights and warrants held by such executive shall be deemed to vest and will be exercisable for 90 days following the date of termination, and all unvested target PSUs will be accelerated and the current performance status against the performance conditions set out in the applicable grant agreement will be applied to determine the total shares to be issued.

If Messrs. McLennan and Link employment is terminated within 12 months following a change of control, other than for just cause, disability or death (or is terminated by him for “good reason”), the Corporation will provide such executive an amount equal to 18 months compensation, all unvested RSUs and unexercised options, rights and warrants held by such executive shall be deemed to vest and will be exercisable for 90 days following the date of termination, and all unvested target PSUs will be accelerated and the current performance status against the performance conditions set out in the applicable grant agreement will be applied to determine the total shares to be issued.

Mr. Teyssier has an employment agreement in France which does not have specific language beyond the legal requirements. The legal minimum severance payments (collective bargaining) are: 1/3 of monthly average salary (based on the past 12 months actual paid compensation) per year of seniority inside the company capped at 12 months, three months paid notice and payment of unused vacation days.

The following table sets out the estimated amounts payable to each NEO in the event of resignation, termination without cause, and change of control, assuming that the triggering event took place on December 31, 2019.

Type of Termination	Severance (\$)	Long Term Incentive ⁽²⁾ (\$)	Total Payout (\$)
Kent Thexton			
Resignation ⁽¹⁾	—	—	—
Termination (without cause)	1,200,000	323,486	1,523,486
Change of Control	1,980,000	445,599	2,425,599
David McLennan			
Resignation ⁽¹⁾	—	—	—
Termination (without cause)	1,809,887	531,504	2,341,391
Change of Control	1,461,402	576,142	2,037,544
Renee Link			
Resignation ⁽¹⁾	—	—	—
Termination (without cause)	632,148	270,970	903,118
Change of Control	872,364	289,879	1,162,243
Marc Overton			
Resignation ⁽³⁾	—	—	—
Termination (without cause)	423,905	311,030	734,935
Change of Control	—	—	—
Pierre Teyssier ⁽⁴⁾			
	—	—	—

Notes:

- (1) Upon written notice of resignation, the Corporation has the right to elect to immediately terminate the NEO's employment. The written notice of resignation cannot be less than six weeks and cannot be more than six months.
- (2) Long Term Incentive represents the unvested stock options and RSUs that become vested as a result of termination without cause and change of control.
- (3) Mr. Overton's UK employment agreement requires 3 months written notice in circumstances of his resignation from the Corporation.
- (4) There are currently no contracts, agreements, plans or arrangements in place for Mr. Teyssier that provide for payments following or in connection with any termination, resignation, retirement, change in control of the Corporation or a change in his responsibility beyond the legal requirements in France.

DIRECTOR COMPENSATION

In Fall 2016, the HRC (which is mandated by the board to review director compensation structure and levels) engaged with Compensia (independent compensation advisors) to conduct a full review of Board compensation using a peer comparator group and Compensia's knowledge of prevailing market trends and good governance trends. As a result of this study, the HRC recommended to the Board, and they approved, the following changes to Board compensation principles effective April 1, 2017:

- Alignment of Board and committee retainer values to market levels
- Re-balance of target value of equity and cash compensation mix
 - Elimination of meeting fees for Board and committee meetings
 - Increase annual target value of equity awards from \$80,000 to \$120,000
- Annual equity awards consisting of 100% restricted share units (eliminating the issuance of stock options for directors) with a 1-year vest cycle

All directors are reimbursed for travel and other reasonable expenses incurred in attending Board or committee meetings or while engaged in other Corporation or Board business.

In Fall 2019, Compensia were engaged once more to review director compensation structure and levels using a peer comparator group and Compensia's knowledge of prevailing market trends and good governance trends. Following review, the HRC recommended no changes to either compensation structure or levels for 2020.

The following table itemizes the changes implemented for annual remuneration of independent directors of the Corporation effective April 1, 2017.

Board Compensation Schedule	Effective April 1, 2017	
Annual Retainer	US\$	40,000
Additional Compensation:		
Board Chair's Retainer	US\$	40,000
Audit Committee Chair	US\$	20,000
Audit Committee Member	US\$	9,000
HR Committee Chair	US\$	15,000
HR Committee Member	US\$	6,000
Governance Committee Chair	US\$	12,000
Governance Committee Member	US\$	6,000
Annual Target Value Equity Award	US\$	120,000

In 2019, each director was granted equity that comprised 100% in restricted share units with a 1-year vesting schedule. All of the non-management directors were independent directors of the Corporation at the time the restricted shares were granted. Executive officers of the Corporation are not permitted to receive any compensation, including equity compensation, to which they might otherwise be entitled only by virtue of being

directors of the Corporation. All non-management directors are eligible to participate in the Corporation's equity plans.

The following table sets out the total compensation and benefits for our non-employee directors for fiscal 2019.

Name	Fees Earned or Paid in Cash ⁽¹⁾ (\$)	Share-based Awards ⁽²⁾⁽³⁾ (\$)	Option-based Awards (\$)	Total (\$)
Gregory D. Aasen	55,000	86,570	—	141,570
Robin A. Abrams	95,000	86,607	—	181,607
Paul G. Cataford ⁽⁴⁾	66,000	86,570	—	152,570
Joy Chik ⁽⁵⁾	46,000	86,607	—	132,607
Russell N. Jones	55,000	86,570	—	141,570
Lori M. O'Neill ⁽⁶⁾	17,083	87,227	—	104,310
Thomas Sieber	61,000	86,607	—	147,607
Gregory L. Waters ⁽⁷⁾	N/A	N/A	N/A	N/A
James R. Anderson ⁽⁸⁾	N/A	N/A	N/A	N/A
Karima Bawa ⁽⁹⁾	N/A	N/A	N/A	N/A

Notes:

- (1) Non-employee director fees are based in U.S. dollars.
- (2) Mr. Sieber and Ms. Abrams and Ms. Chik's share-based awards are denominated in U.S. dollars. All other non-employee director's awards are denominated in Canadian dollars and translated into U.S. dollars at the exchange rate of Cdn \$1.00 = US \$0.7554 for awards granted on February 19, 2019, and at the exchange rate of Cdn \$1.00 = US \$0.7563 for awards granted on November 8, 2019.
- (3) Mr. Aasen, Ms. Abrams, Ms. Chik, Mr. Jones and Mr. Sieber received 6,912 RSUs each on February 19, 2019. On February 19, 2019, the closing price of the Common Shares on the NASDAQ was US \$12.53 and Cdn \$16.58 on the TSX.
Ms. O'Neill received 10,289 RSUs on November 8, 2019. On November 8, 2019, the closing price of the Common Shares on the TSX was Cdn \$11.21.
- (4) Mr. Cataford resigned from the Board on April 16, 2020.
- (5) Ms. Chik resigned from the Board on April 16, 2020.
- (6) Ms. O'Neill was appointed to the Board of Directors on September 1, 2019.
- (7) Mr. Waters was appointed to the Board of Directors on March 23, 2020.
- (8) Mr. Anderson was appointed to the Board of Directors on April 16, 2020.
- (9) Ms. Bawa was appointed to the Board of Directors on April 16, 2020.

The following table sets out the outstanding option-based awards and share-based awards for our non-employee directors as at December 31, 2019.

Name	Option-based Awards					Share-based Awards		
	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price ⁽²⁾ (\$)	Option Expiration Date ⁽³⁾	Value of Unexercised In-the-Money Options ⁽⁴⁾ (\$)	Number of Units of Common Shares That Have Not Vested ⁽⁵⁾ (#)	Market or Payout Value of Share-based Awards That Have Not Vested ⁽⁶⁾ (\$)	Market Payout Value of Vested Share-based Awards Not Paid out or Distributed (\$)	
Gregory D. Aasen	1,918	Cdn\$	40.28	February 9, 2020	\$ —	6,912	\$ 65,927	\$ 60,605
	5,457	Cdn\$	14.28	February 8, 2021	\$ —			
Robin A. Abrams	1,918	US\$	32.29	February 9, 2020	\$ —	6,912	\$ 66,010	\$ —
	5,457	US\$	10.26	February 8, 2021	\$ —			
Paul G. Cataford ⁽⁷⁾	1,918	Cdn\$	40.28	February 9, 2020	\$ —	6,912	\$ 65,927	\$ 55,187
	4,157	Cdn\$	14.28	February 8, 2021	\$ —			
Joy Chik ⁽⁸⁾	—	N/A	N/A	N/A	N/A	6,912	\$ 66,010	\$ —
Russell N. Jones	—	N/A	N/A	N/A	N/A	6,912	\$ 65,927	\$ 63,409
Lori M. O'Neill	—	N/A	N/A	N/A	N/A	10,289	\$ 98,138	\$ —
Thomas Sieber	1,918	US\$	32.29	February 9, 2020	\$ —	6,912	\$ 66,010	\$ —
	5,457	US\$	10.26	February 8, 2021	\$ —			
Gregory L. Waters ⁽⁹⁾	—	N/A	N/A	N/A	N/A	—	N/A	N/A
James R. Anderson ⁽¹⁰⁾	—	N/A	N/A	N/A	N/A	—	N/A	N/A
Karima Bawa ⁽¹¹⁾	—	N/A	N/A	N/A	N/A	—	N/A	N/A

Notes:

- (1) Option-based awards vest over four years with 25% vesting after the first year and the remainder vesting monthly thereafter. None of the unexercised options outstanding have different vesting terms.
- (2) Option exercise price is determined by the closing market price on the effective date of grant. The value of the Common Shares on the NASDAQ is used for Ms. Abrams, Ms. Chik and Mr. Sieber, and the value of the Common Shares on the TSX is used for the other non-employee Canadian directors.
- (3) Options have a term of five years.
- (4) At December 31, 2019 the closing stock price of the Common Shares on the NASDAQ was US \$9.55; and on the TSX was Cdn \$12.39.
- (5) RSUs issued prior to 2017 vest over three years, in equal amounts on the anniversary date of the date of the grant. Starting in 2017, RSUs granted to non-employee directors cliff vest after one year. Unvested RSUs are comprised of grants dated February 19, 2019 and November 8, 2019. On February 19, 2019, Mr. Aasen, Ms. Abrams, Ms. Chik, Mr. Jones and Mr. Sieber were granted 6,912 RSUs each. On November 8, 2019, Ms. O'Neill was granted 10,289 RSUs.
- (6) The market value of RSUs that have not vested at December 31, 2019 was calculated using the closing stock price of the Common Shares on the NASDAQ of US \$9.55 for Mr. Sieber, Ms. Abrams and Ms. Chik; and the closing stock price of the Common Shares on the TSX of Cdn \$12.39 for the other non-employee Canadian directors translated at the spot foreign exchange rate of Cdn \$1.00 = US\$0.7698.
- (7) Mr. Cataford resigned from the Board on April 16, 2020.
- (8) Ms. Chik resigned from the Board on April 16, 2020.
- (9) Mr. Waters was appointed to the Board of Directors on March 23, 2020.
- (10) Mr. Anderson was appointed to the Board of Directors on April 16, 2020.
- (11) Ms. Bawa was appointed to the Board of Directors on April 16, 2020.

The following table sets out the amounts that each non-employee director would have earned during the year if the stock options that vested were exercised as well as the value realized upon vesting of RSUs during 2019.

Name	Option-based Awards — Value Vested During 2019 ⁽¹⁾ (\$)	Share-based Awards — Value Vested During 2019 ⁽²⁾⁽³⁾ (\$)
Gregory D. Aasen	2,052	97,819
Robin A. Abrams	2,564	97,589
Paul G. Cataford ⁽⁴⁾	2,052	97,819
Joy Chik ⁽⁵⁾	N/A	53,317
Russell N. Jones	N/A	53,288
Lori M. O'Neill	N/A	—
Thomas Sieber	2,564	97,589
Gregory L. Waters ⁽⁶⁾	N/A	N/A
James R. Anderson ⁽⁷⁾	N/A	N/A
Karima Bawa ⁽⁸⁾	N/A	N/A

Notes:

- (1) The value of option-based awards that vested during the year was calculated using the closing stock price of the Common Shares on the NASDAQ or on the TSX, for U.S. and Canadian directors, respectively, on each vesting date multiplied by the number of vested options. Canadian dollar values were translated at the spot foreign exchange rates on the specific vesting dates. Certain option-based awards vested when the market price was less than the exercise price and therefore a market value of zero was assigned to those options on the vesting date.
- (2) RSUs vest over three years, in equal amounts on the anniversary date of the date of the grant. For Mr. Aasen, Ms. Abrams and Mr. Sieber: On February 8, 2016, they each received 2,030 RSUs, of which 677 vested on February 8, 2019. RSUs issued starting in 2017 cliff vest in one year. On February 12, 2018, they each received 6,640 RSUs, which vested on February 13, 2019. On February 12, 2018, they each received 930 RSUs, which vested on February 12, 2019. Ms. Chik and Mr. Jones each received 6,648 RSUs on November 13, 2018 which vested on November 13, 2019. Ms. O'Neill was appointed to the Board in late 2019 hence she had nil valued vested awards.
- (3) The value earned upon vesting was calculated by multiplying the closing market price on the date of vesting of the units acquired for the U.S. and Canadian based non-employee directors respectively. The closing market prices and spot foreign exchange rates to translate Canadian dollars into U.S. dollars were as follows:

Date	NASDAQ (US\$)	TSX (Cdn\$)	Spot Rate
February 8, 2019	15.25	20.21	0.7536
February 12, 2019	15.69	20.78	0.7548
May 9, 2019	13.07	17.60	0.7417
November 13, 2019	8.02	10.62	0.7548

- (4) Mr. Cataford resigned from the Board on April 16, 2020.
- (5) Ms. Chik resigned from the Board on April 16, 2020.
- (6) Mr. Waters was appointed to the Board of Directors on March 23, 2020.
- (7) Mr. Anderson was appointed to the Board of Directors on April 16, 2020.
- (8) Ms. Bawa was appointed to the Board of Directors on April 16, 2020.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Each of the Option Plan and the Treasury RSU Plan authorize the issuance of securities of the Corporation. While the Treasury RSU Plan permits the Corporation to settle vested awards in treasury shares or cash (or a combination thereof), it has been the Corporation's practice to date to settle these awards in treasury shares. The Corporation does not anticipate any change to this practice in the foreseeable future.

The following table summarizes, as at December 31, 2019, the securities authorized for issuance under the Option Plan and Treasury RSU Plan.

Plan Category		Number of securities outstanding	(a) Number of securities to be issued upon exercise of outstanding options and RSUs	(b) Weighted-average exercise price of outstanding options and RSUs		(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))
Equity compensation plans approved by securityholders	Stock Option Plan ⁽¹⁾⁽²⁾	1,588,143	1,588,143	Cdn \$	23.62	455,062
				US \$	18.14	
	Treasury RSU Plan ⁽²⁾	891,697	1,057,901		Nil	282,733
Equity compensation plans not approved by securityholders		Nil	Nil		Nil	Nil
Total		2,479,840	2,646,044	Cdn \$	23.62	
				US \$	18.14	

Notes:

- (1) The maximum number of Common Shares issuable pursuant to the Stock Option Plan is the lesser of 8.1% of the number of issued and outstanding Common Shares from time to time; or 7,000,000 Common Shares. In addition, the maximum number of Common Shares issuable pursuant to the Stock Option Plan, together with any shares issuable pursuant to other security-based compensation arrangements, shall not exceed 8.1% of the number of issued and outstanding Common Shares from time to time. Under the Stock Option Plan, the number of securities to be issued upon exercise of outstanding options represents 4.4% and the number of securities remaining available for future issuance represents 0.8% of the issued and outstanding Common Shares as of December 31, 2019. Issued and outstanding Common Shares as at December 31, 2019 was 36,233,361. Number of securities remaining available for future issuance under the Stock Option Plan excludes both the number of securities outstanding options and RSUs. The weighted average remaining contractual life of outstanding options is 2.6 years.
- (2) The maximum number of Common Shares issuable pursuant to outstanding awards under the Treasury RSU Plan is 3.7% of the number of issued and outstanding shares and the maximum number of shares issuable pursuant to all of our security-based compensation arrangement is 8.1% of the number of issued and outstanding shares. Under the Treasury RSU Plan, the number of securities to be issued upon exercise of outstanding RSUs represents 2.9% and the number of securities remaining available for future issuance represents 0.8% of the issued and outstanding Common Shares as of December 31, 2019. As of December 31, 2019, 891,697 restricted share units (166,204 of which include performance-based vesting at a multiple not to exceed 200%) were outstanding that could result in the issuance of up to 1,057,901 common shares.

The following table summarizes, as at April 20, 2020, the securities authorized for issuance under the Stock Option Plan and Treasury RSU Plan.

Plan Category		Number of securities outstanding	(a) Number of securities to be issued upon exercise of outstanding options and RSUs	(b) Weighted-average exercise price of outstanding options and RSUs		(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))
Equity compensation plans approved by securityholders	Stock Option Plan ⁽¹⁾	1,427,718	1,427,718	Cdn \$	23.03	772,833
				US \$	16.29	
	Treasury RSU Plan ⁽²⁾	742,767	908,971		Nil	435,507
Equity compensation plans not approved by securityholders			Nil		Nil	Nil
Total		2,170,485	2,336,689	Cdn \$	23.03	
				US \$	16.29	

Notes:

- (1) Under the Stock Option Plan, the number of securities to be issued upon exercise of outstanding options represents 3.9% and the number of securities remaining available for future issuance represents 2.1% of the issued and outstanding Common Shares as of April 20, 2020. Issued and outstanding Common Shares as at April 20, 2020 was 36,337,256. Number of securities remaining available for future issuance under the Stock Option Plan excludes both the number of securities outstanding options and RSUs. The number of securities remaining available for future issuance are based on the current thresholds under the Stock Option Plan. The weighted average remaining contractual life of outstanding options is 2.5 years.
- (2) As of April 20, 2020, 742,767 restricted share units (166,204 of which include performance-based vesting at a multiple not to exceed 200%) were outstanding that could result in the issuance of up to 908,971 common shares. Under the Treasury RSU Plan, the number of securities to be issued upon exercise of outstanding RSUs represents 2.5% and the number of securities remaining available for future issuance represents 1.2% of the issued and outstanding Common Shares as of April 20, 2020. The number of securities remaining available for future issuance are based on the current thresholds under the Treasury RSU Plan.

NORMAL COURSE ISSUER BID

On August 1, 2018, we received approval from the TSX of our Notice of Intention to make a Normal Course Issuer Bid ("NCIB"). Pursuant to the NCIB, we were permitted to purchase for cancellation up to 3,580,668 of our common shares, or approximately 9.9% of the common shares outstanding as of the date of the announcement, representing 10% of the public float. The NCIB commenced on August 8, 2018 and terminated on August 7, 2019.

In 2019, we did not repurchase any common shares. In 2018, we repurchased and canceled 161,500 common shares at an average price of \$19.32 per share.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof there is, and during the most recently completed financial year there was, no indebtedness outstanding to the Corporation or any of its subsidiaries owed by any current and former officers, directors and employees of the Corporation and its subsidiaries or any of their associates nor has the Corporation nor any of its subsidiaries provided a guarantee, support agreement, letter of credit or similar arrangement with respect to indebtedness of such persons to other entities.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains directors' and officers' liability insurance. In the year ended December 31, 2019, the aggregate amount charged against earnings by the Corporation for the premium paid in respect of such insurance was approximately \$446,000. The policy does not specify that any part of the premium is paid in respect of either directors as a group or officers as a group.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year. The consolidated financial statements of the Corporation for the fiscal year ended December 31, 2019, together with the auditor's report on these statements, will be placed before shareholders at the Meeting.

The Corporation will provide, upon request to the Corporate Secretary by a shareholder, the Corporation's Annual Report that includes the consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year together with the accompanying report of the Corporation's auditors. Shareholders may contact the Corporate Secretary of the Corporation at 13811 Wireless Way, Richmond, British Columbia, telephone (604) 231-1100.

GENERAL

Unless otherwise stated, all matters referred to herein for approval by the shareholders require a simple majority of the shareholders voting, in person or by proxy, at the Meeting.

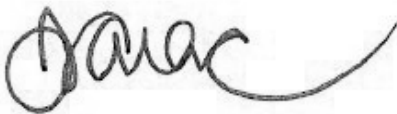
The Corporation knows of no other matters to be submitted to the Meeting. If any other matters properly come before the Meeting, the persons named in the accompanying form of proxy will vote the Common Shares represented by the proxy as the Board may recommend or as the proxy holders, acting in their sole discretion, may determine.

DIRECTORS' APPROVAL OF THIS CIRCULAR

The contents and sending of this Information Circular have been approved by the Board of the Corporation.

Dated at Richmond, British Columbia this 20th day of April, 2020.

On Behalf of the Board



Jennifer A. Farac
Corporate Secretary

Schedule A

The following describes our equity based long-term incentive plans, being our Stock Option Plan and market-based and treasury-based Restricted Share Unit Plans. Granting of equity under these Plans is governed by the Corporation's Procedures for Granting Equity Awards and is administered by the Human Resources Committee. Grants are made on a scheduled basis as per the procedures.

Stock Option Plan

The material terms of the Stock Option Plan are as follows:

- the number of outstanding options under the Stock Option Plan, as of December 31, 2019, is 1,588,143, representing 4.4% of the issued and outstanding Common Shares as of such date;
- employees and independent contractors of the Corporation working at least 20 hours per week, outside directors, and consultants to the Corporation in respect of whom the Corporation is permitted to grant options are eligible to participate in the Stock Option Plan;
- the maximum number of Common Shares reserved for issuance under the Stock Option Plan is currently the lesser of (a) a rolling maximum of 8.1% of the issued and outstanding Common Shares from time to time; or (b) 7,000,000 Shares. In addition, the maximum number of shares issuable pursuant to the Plan, together with any shares issuable pursuant to other security based compensation arrangements, shall not exceed 8.1% of the number of issued and outstanding common shares from time to time. As set out above under "Business of the Meeting" and as highlighted in the blacklined version of the Stock Option Plan attached as Appendix A, the Corporation is seeking to increase the number of Common Shares being subject to issuance under the Stock Option Plan to the lesser of (a) a rolling maximum of 8.9% of the issued and outstanding Common Shares from time to time; or (b) 7,000,000 Common Shares;
- in accordance with the insider participation limits of the Toronto Stock Exchange ("TSX"), the number of Common Shares (together with those shares which may be issued pursuant to other share compensation arrangements of the Corporation, including under the Corporation's Treasury RSU Plan): (i) issuable to insiders of the Corporation shall not exceed 10% of the issued and outstanding Common Shares, and (ii) issued to insiders of the Corporation, within any one-year period, shall not exceed 10% of the issued and outstanding Common Shares;
- the Corporation may not issue securities under any of its security based compensation plans that would, when aggregated, result in the number of Common Shares issuable exceeding 8.1% of the issued and outstanding Common Shares from time to time. As set out above under "Business of the Meeting" and as highlighted in the blacklined version of the Stock Option Plan attached as Appendix A, the Corporation is seeking to amend this provision to provide that the Corporation may not issue securities under any of its security based compensation plans that would, when aggregated, result in the number of Common Shares issuable exceeding 8.9% of the issued and outstanding Common Shares from time to time;
- the number of Common Shares issued to any one person shall not exceed 5% of the issued and outstanding Common Shares;
- the number of Common Shares issued to any one insider of the Corporation and such insider's associates (together with those shares which may be issued pursuant to any other share compensation arrangements of the Corporation), within a one-year period, shall not exceed 5% of the issued and outstanding Common Shares;
- the number of Common Shares issued to outside directors of the Corporation shall not exceed 1% of the total issued and outstanding Common Shares and the equity award value of any grant of options to outside directors shall not exceed \$100,000 per year per outside director;

- the exercise price for options under the Stock Option Plan is to be determined by a committee appointed by the Board (the “Committee”) or, if no committee is appointed, the Board, but shall not be less than the closing market price of the Common Shares on the TSX (in respect of Canadian participants) and the Nasdaq Global Market (“NASDAQ”) (in respect of all other participants) on the effective date of the grant of the options;
- the options will become vested and exercisable as to 12/48th of its Common Shares on the first anniversary of the start vesting date determined by the Committee, and vested and exercisable with respect to an additional 1/48th of the Common Shares at the end of each successive month thereafter;
- options may be exercised until the expiration date specified in the stock option certificate, which shall be set by the Committee. The expiration date cannot be more than 5 years from the date of grant. If, at the expiration date, the trading of Common Shares is restricted under the insider trading policy or any other policy of the Corporation, then the expiration date shall be deemed to be the 10th business day following the expiry of such restriction;
- if a participant’s employment is terminated the participant may exercise his or her options no later than: (i) three months after the date of termination in the case of a termination of employment for any reason other than death or disability; and (ii) no later than 12 months after the date of termination in respect of a termination of employment due to death or disability, in each case to the extent that the participant’s options would have been vested and exercisable on the date of termination;
- options granted under the Stock Option Plan are not transferable or assignable, except to immediate family members or to a corporation of which a participant is the sole shareholder;
- the Board shall have the power to, without shareholder approval, at any time and from time to time, either prospectively or retrospectively, amend, suspend, or terminate the Stock Option Plan or any option granted under the Stock Option Plan, including, without limiting the generality of the foregoing, changes of a clerical or grammatical nature, changes regarding the persons eligible to participate in the Stock Option Plan, and changes regarding the vesting of options; provided, however that:
 - (a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Shares are listed;
 - (b) no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of an optionee with respect to any then outstanding Option, as determined by the Board acting in good faith, without his or her consent in writing;
 - (c) the Board shall obtain shareholder approval of the following:
 - (i) any amendment to the maximum number of Common Shares specified in section 2.1 of the Stock Option Plan in respect of which options may be granted under the Plan (other than pursuant to section 2.2 of the Stock Option Plan);
 - (ii) any amendment that would reduce the exercise price of an outstanding option (as defined in applicable securities laws), other than pursuant to section 2.2 of the Stock Option Plan;
 - (iii) any amendment that would extend the term of any option granted under the Stock Option Plan beyond the expiration date;
 - (iv) any cancellation and re-issue of options;

- (v) any amendments to eligible participants that may permit the introduction or re-introduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on outside director participation;
 - (vi) any amendment which would permit options granted under the Stock Option Plan to be transferable or assignable other than for normal estate settlement purposes; and
 - (vii) any amendment to section 6.1(c) of the Stock Option Plan; and
- there are provisions for adjustment in the number of Common Shares issuable on exercise of options in the event of a share consolidation, split, reclassification or other relevant change in the Corporation's corporate structure or capitalization.

In addition to the foregoing:

- Employees who are French tax residents may not sell shares acquired on exercise of options before the fourth anniversary of the date of grant.
- Stock options have zero value to the recipient unless share price increases compared to the share price on the date of issue.
- The number of stock options granted is based on the target dollar value of the award divided by the average Black-Scholes valuation, calculated on the last trading day of each of the six months preceding the date of approval of the grant, based on the closing market price of the Corporation's common shares on each such date.
- The exercise price is the closing market price of the Corporation's common shares on the TSX (in respect of Canadian participants) or NASDAQ stock exchange (in respect of all other participants) on the effective grant date, which is the second business day following the press release announcing the Corporation's annual or quarterly financial results, unless on such date a black-out period is in effect, in which case the effective date shall be delayed and shall become the second business day following the cessation of such black-out period. There are additional requirements arising in connection with those employees who are French tax residents.

Restricted Share Unit Plans

We maintain three RSU plans: two market-based RSU plans, one for U.S. employees and one for all non-U.S. employees (the "Market RSUs Plans"), obligations from which are ultimately settled by shares acquired by the Corporation in the market, and a treasury-based RSU plan (the "Treasury RSU Plan"), obligations from which are ultimately settled by the issuance of shares from treasury or in cash.

The material terms of the Treasury RSU Plan are as follows:

- the number of outstanding RSUs under the Treasury RSU Plan, as of December 31, 2019, is 891,697 (166,204 of which include performance based vesting at a multiple not to exceed 200%), representing 2.5% of the issued and outstanding Common Shares as of such date. Based on the number of shares outstanding, 282,733 RSUs are available for future allocation under the Plan, representing 0.8% of the issued and outstanding Common Shares as of December 31, 2019;
- employees and independent contractors of the Corporation not working less than 20 hours per week, outside directors, and consultants to the Corporation in respect of whom the Corporation is permitted to grant options are eligible to participate in the Treasury RSU Plan;
- the maximum number of Common Shares issuable pursuant to awards under the Treasury RSU Plan from time to time is currently 3.7% of the Corporation's issued and outstanding shares, from time to time. As set out above under "Business of the Meeting" and as highlighted in the blacklined version of the Treasury RSU Plan attached as Appendix B, the Corporation is seeking

approval of an amendment to the Treasury RSU Plan to increase the maximum number of Common Shares being subject to issuance under the Treasury RSU Plan to a maximum of 4.6% of the issued and outstanding Common Shares from time to time;

- in accordance with the insider participation limits of the TSX, the number of Common Shares: (i) issuable to insiders of the Corporation together with any Common Shares issuable pursuant to any other security based compensation arrangement as defined in the Treasury RSU Plan, shall not exceed 10% of the issued and outstanding Common Shares, and (ii) issued to insiders of the Corporation, within any one-year period, shall not exceed 10% of the issued and outstanding Common Shares;
- the Corporation may not issue securities under any of its security based compensation plans that would, when aggregated, result in the number of Common Shares issuable exceeding 8.1% of the issued and outstanding Common Shares from time to time. As set out above under “Business of the Meeting” and as highlighted in the blacklined version of the Treasury RSU Plan attached as Appendix B, the Corporation is seeking to amend this provision to provide that the Corporation may not issue securities under any of its security based compensation plans that would, when aggregated, result in the number of Common Shares issuable exceeding 8.9% of the issued and outstanding Common Shares from time to time;
- the number of Common Shares issued to any one person under the Treasury RSU Plan shall not exceed 5% of the issued and outstanding Common Shares;
- the number of Common Shares issued, together with any Common Shares issued pursuant to any other security based compensation arrangement, to any insider of the Corporation and such insider's associates, within a one-year period, shall not exceed 5% of the issued and outstanding Common Shares;
- the number of Common Shares issued to outside directors of the Corporation, together with any Common Shares issued pursuant to any other security based compensation arrangement, shall not exceed 1% of the issued and outstanding Common Shares and the equity award value of grants of awards to outside directors shall not exceed \$150,000 per year per outside director;
- on the effective date of each restricted share unit approved for issuance, the restricted share unit will be issued for the fair market value thereof, being the closing market price of the Common Shares on the TSX (in respect of Canadian participants) and NASDAQ (in respect of all other participants) on such date;
- unless otherwise determined by the Corporation and specifically set out in the relevant grant agreement, restricted share units will vest (then called vested share units) 1/3 on each anniversary of the effective date of grant up to and including the third anniversary date;
- vested share units will be settled by the Corporation by issuing Common Shares from treasury or paying cash. Each vested share unit is entitled to one Common Share or cash in lieu, which cash payments shall be determined by multiplying the number of vested RSUs by the fair market value (as that term is defined in the Treasury RSU Plan) on the issue date, less applicable withholding. Share units may become vested share units based on a multiplier which shall not exceed 200%;
- unless otherwise determined by the Board in its sole discretion or unless otherwise expressly set forth in a grant agreement pertaining to a particular award, if a participant's employment is terminated for or without cause, and subject to the discretion of the Committee and the terms of certain employment agreements, all unvested share units will be canceled. If a participant's employment is terminated by reason of death or disability, then the vesting of all outstanding unvested share units shall be accelerated and such units shall become vested share units;
- the maximum term of an award under the Treasury RSU Plan is five (5) years from the date of grant. If the expiry date of an award falls within a period of time (i) during which, pursuant to the policies relating to insider trading adopted by the Board, certain designated persons may not trade

in any securities of the Corporation, or (ii) when there exists undisclosed material information in respect of the Corporation (each a "Black out Period"), such date may be extended to the date that is ten business days from the date that any Black-out Period end.

- restricted share units granted under the Treasury RSU Plan are not transferable or assignable, except to immediate family members or to a corporation of which a participant is the sole shareholder;
- the Board shall have the power to, without shareholder approval, at any time and from time to time, either prospectively or retrospectively, amend, suspend, or terminate the Treasury RSU Plan, any provisions thereof or any restricted share unit granted under the Treasury RSU Plan, as the Board, in its sole discretion, deems appropriate including, without limiting the generality of the foregoing:
 - (a) for the purposes of making formal minor or technical modifications to any of the provisions of the Treasury RSU Plan,
 - (b) to correct any ambiguity, defective provision, error or omission in the provisions of the Treasury RSU Plan,
 - (c) to change the vesting provisions of restricted share units including, without limitation, any acceleration of vesting provisions; or
 - (d) to change the termination provisions of restricted share units or the Treasury RSU Plan which does not entail an extension beyond the original expiry date of the restricted share units;

provided, however that:

- (e) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Shares are listed;
- (f) no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of a participant with respect to any then outstanding restricted share unit, as determined by the Board acting in good faith, without his or her consent in writing;
- (g) the Board shall obtain shareholder approval of the following amendments (all section references are to sections in the Treasury RSU Plan):
 - (i) to increase the maximum number of Common Shares issuable on the exercise of awards under section 6.1 (other than pursuant to section 10 or section 11);
 - (ii) to increase the number of Common Shares issuable to insiders above the restrictions in section 6.2;
 - (iii) to extend the expiry date of any outstanding awards;
 - (iv) to extend the maximum permitted expiry date under the Treasury RSU Plan beyond five (5) years;
 - (v) to cancel and re-issue any awards;
 - (vi) to permit share units granted under the Treasury RSU Plan to be transferable or assignable other than for normal estate settlement purposes;
 - (vii) to change the definition of participants to permit the introduction or re-introduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on outside director participation; and
 - (viii) any amendment to Section 12.1(g), which enumerates those amendments to the Treasury RSU Plan which require shareholder approval.

- there are provisions for adjustment in the number of Common Shares issuable on vesting of RSUs in the event of a share consolidation, split, reclassification or other relevant change in the Corporation's corporate structure or capitalization.

In the case of the Market RSU Plans, an independent trustee purchases the Corporation's common shares on the TSX or NASDAQ, using the Corporation's cash, and holds such shares in trust until the fixed vesting dates. Eligible participants include employees and, subject to applicable law, outside directors and non-employee corporate officers. RSUs vest 1/3 on each anniversary of the effective date of the grant, up to and including the third anniversary date. Vesting of RSUs for employees who are French tax residents commences on the second anniversary of the effective date of the grant.

With respect to both the Treasury RSU plan and the Market RSU plans:

- on each fixed vesting date, RSUs are settled with the Corporation's common shares held either by the trustee or issued from treasury, on the basis of one common share for each vested share unit. Share units may become vested share units on a one for one basis or based on a performance-based multiplier which shall not exceed 200%, as set out in the applicable grant agreement;
- the number of RSUs approved for issuance is based on the target dollar value of the award divided by the average closing price of the Corporation's common shares on the last trading day of each of the six months preceding the date of approval; and

on the effective date of each RSU approved for issuance (being the second business day following the Corporation's quarterly or annual earnings release), the restricted share unit is issued for the fair market value thereof, being a price not less than the closing market price of the Corporation's common shares on the TSX or NASDAQ on such date.

Appendix A - Amended and Restated 1997 Stock Option Plan

SIERRA WIRELESS, INC. AMENDED AND RESTATED 1997 STOCK OPTION PLAN

Purpose. The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company or any subsidiary of the Company, by offering them an opportunity to participate in the Company's future performance through awards of Options.

ARTICLE I INTERPRETATION

1.1 Definitions. As used in this Plan, the following words and terms will have the following meanings:

- (a) **"Board"** means the board of directors of the Company;
- (b) **"Committee"** means the committee appointed by the Board to administer this Plan, or if no committee is appointed, the Board;
- (c) **"Company"** means Sierra Wireless, Inc. or any successor corporation;
- (d) **"Disability"** means the mental or physical state of an individual such that:
 - (i) the Board, other than such individual, determine that such individual has been unable, due to illness, disease, mental or physical disability or similar cause, to fulfil his or her obligations as an employee, independent contractor, consultant or director of the Company either for any consecutive 6 month period or for any period of 8 months (whether or not consecutive) in any consecutive 12 month period;
 - (ii) a court of competent jurisdiction has declared such individual to be mentally incompetent or incapable of managing his or her affairs; or
 - (iii) in connection with a Participant holding an incentive stock option (intended to qualify under section 422 of the United States Internal Revenue Code of 1986, as amended (the **"Code"**)), a condition in which the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted, or can be expected to last, for a continuous period of not less than 12 months.
- (e) **"Effective Date"** means May 17, 2011;
- (f) **"Eligible Person"** means any person who is:
 - (i) a full-time employee or independent contractor of the Company and its majority-owned subsidiaries (**"subsidiaries"**), or a part-time employee or independent contractor of the Company and its subsidiaries working not less than 20 hours per week; or

- (ii) a consultant to the Company or a subsidiary in respect of whom the Company is permitted to grant Options; or
 - (iii) an Outside Director of the Company or a subsidiary;
- (g) “**Expiration Date**” means the expiration date specified in the Stock Option Certificate; provided, however, that if at any time the expiry of the term of an Option should be determined to occur either during a period in which the trading of Shares by the optionee is restricted under the insider trading policy or other policy of the Company or within ten business days following such a period, such Expiry Date shall be deemed to be the date that is the tenth business day following the date of expiry of such restriction. Subject to the foregoing, effective March 1, 1999, the Expiration Date shall not be more than 5 years after the date of the grant, and prior to March 1, 1999, the Expiration Date shall not be more than 10 years after the date of the grant;
- (h) “**Exercise Price**” means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option;
- (i) “**First Vesting Date**” means the first anniversary of the Start Vesting Date;
- (j) “**Insider**” has the meaning given to that term in the TSX rules relating to Security Based Compensation Arrangements;
- (k) “**Option**” means an award of an option to purchase Shares hereunder. To the extent so designated in the Stock Option Certificate, an Option may be an incentive stock option, intended to qualify under section 422 of the Code. Only Participants who are actual employees of the Company (or a parent or subsidiary corporation, as defined in section 424 of the Code), as opposed to independent contractors or consultants, may receive incentive stock options;
- (l) “**Outside Director**” means every director of the Company who is not a full-time employee or independent contractor of the Company;
- (m) “**Participant**” means every Eligible Person who is approved for participation in the Plan by the Committee;
- (n) “**Plan**” means this Amended and Restated 1997 Stock Option Plan, as further amended from time to time;
- (o) “**Security Based Compensation Arrangement**” has the meaning given to that term in the provisions of the TSX rules relating to security based compensation arrangements;
- (p) “**Shares**” means the Common Shares (of any series, if applicable) in the capital of the Company and include any shares of the Company into which such shares may be converted, reclassified, redesignated, subdivided, consolidated, exchanged or otherwise changed;
- (q) “**Start Vesting Date**” means that date, determined by the Board when, in respect to a particular grant of an Option under the Plan, vesting commences;

- (r) “**Termination**” or “**Terminated**” means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide continuous services as an employee, independent contractor, director or consultant to the Company. An employee will not be deemed to have ceased to provide services in the case of:
- (i) sick leave; or
 - (ii) any other leave of absence approved by the Committee, provided that such leave is for a period of not more than 90 days unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing.

The Committee will have sole discretion to determine whether a Participant has ceased to provide continuous services and the effective date on which the Participant ceased to provide services (the “**Termination Date**”). The foregoing notwithstanding, for Participants who possess incentive stock options, employment shall not be deemed to continue beyond the first 90 days of such leave, unless the Participant’s reemployment rights are guaranteed by statute or by contract; and

- (s) “**TSX**” means the Toronto Stock Exchange.

ARTICLE II THE PLAN/GRANT OF OPTIONS

2.1 Number of Shares Available. Subject to section 2.2 and Article 5, the total number of Shares reserved and available for grant and issuance pursuant to this Plan, as at the Effective Date, shall be the lesser of (a) a rolling number equal to ~~8.18.9%~~ of the total issued and outstanding Shares from time to time; or (b) 7,000,000 Shares. Subject to section 2.2 and Article 5, any unissued Shares in respect of which Options are granted but that are subject to issuance upon exercise of an Option but cease to be issuable under such Option for any reason (other than exercise of such Option), including without limitation, expiry of the Option or surrender of the Option pursuant to an option exchange program, will again be available for grant and issuance in connection with future Options granted under this Plan. At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all outstanding Options granted under this Plan. In addition to the foregoing:

- (a) the maximum number of Shares issuable pursuant to the Plan, together with any Shares issuable pursuant to any other Security Based Compensation Arrangement, from time to time, shall not exceed ~~8.18.9%~~ of the number of issued and outstanding Shares from time to time;
- (b) the number of Shares reserved for issuance to any one person pursuant to Options granted under the Plan shall not exceed 5% of the issued and outstanding Shares;
- (c) the maximum number of Shares which may be issuable pursuant to the Plan (together with any Shares which may be issuable pursuant to any other Security Based Compensation Arrangement) to all Insiders shall not exceed 10% of the issued and outstanding Shares on a non-diluted basis from time to time;

- (d) the maximum number of Shares which may be issued pursuant to the Plan (together with any Shares which may be issuable pursuant to any other Security Based Compensation Arrangement) to all Insiders, within any one-year period, shall not exceed 10% of the issued and outstanding Shares on a non-diluted basis from time to time;
- (e) the number of Shares which may be issued pursuant to the Plan (together with any Shares which may be issuable pursuant to any other Security Based Compensation Arrangement) to any one Insider and such Insiders' associates, within a one-year period, shall not exceed 5% of the issued and outstanding Shares on a non-diluted basis from time to time; and
- (f) the number of Shares which may be issued pursuant to the Plan (together with any Shares which may be issuable pursuant to any other Security Based Compensation Arrangement) to Outside Directors shall not exceed 1% of the total number of issued and outstanding Shares on a non-diluted basis from time to time and the equity award value of any grant of Options (together with the award value of all other rights granted under any other Security Based Compensation Arrangement) to Outside Directors shall not exceed \$100,000 per year per Outside Director.

All Shares issued on the exercise of Options in accordance with the terms of this Plan shall be issued from treasury by the Company as fully paid and non-assessable shares.

2.2 Adjustment of Shares. In the event that the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, consolidation, combination, reclassification or similar change in the capital structure of the Company without consideration, then:

- (a) the number of Shares reserved for issuance under the Plan; and
- (b) the number of Shares subject to outstanding Options; and
- (c) the Exercise Prices of outstanding Options;

will be proportionately adjusted, subject to any required action by the Board or the shareholders of the Company and compliance with applicable securities laws; provided, however, that fractions of a Share will not be issued but will either be: (i) paid in cash at the closing market price of the Shares on the TSX or the Nasdaq Global Market on the date of such aforementioned event; or (ii) rounded down to the nearest whole Share, as determined by the Committee.

2.3 Options. The Committee may grant Options to Eligible Persons and will determine the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following:

- (a) **Form of Option Grant.** Each Option granted under this Plan will be evidenced by a stock option agreement or stock option certificate (whether a stock option agreement or stock option certificate, called the "**Stock Option Certificate**") which will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan;

- (b) **Date of Grant.** The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless otherwise specified by the Committee. The Stock Option Certificate and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option;
- (c) **Exercise Period.** Options may be exercisable, up to the Expiration Date specified in the Stock Option Certificate, while the Participant is in continuous service and has not ceased to provide services to the Company and in accordance with the following vesting schedule (unless an alternate vesting schedule is determined by the Committee, acting in its sole discretion, with respect to any Participant and so noted in the Stock Option Certificate for such Participant or unless the vesting schedule is accelerated in accordance with the provisions of this Plan or such Participant's employment agreement):
- (i) subject to paragraph (ii), this Option shall not vest nor be exercisable with respect to any Shares until the First Vesting Date, on which date the Option will become vested and exercisable with respect to 12/48ths of the Shares and thereafter at the end of each full succeeding consecutive month after the First Vesting Date, the Option will become vested and exercisable as to an additional 1/48th of the Shares; and
 - (ii) in the case of any employee on sick leave or any other approved leave of absence which is not a Termination hereunder, the Committee may make such provisions respecting suspension of vesting of the Option during the period of sick leave or leave of absence as it may deem appropriate, except that in no event may an Option be exercised after the expiration of the term set forth in the Stock Option Certificate.

If the application of vesting causes the Option to become exercisable with respect to a fractional Share, such Share shall be rounded down to the nearest whole Share. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines. The option shall expire on the Expiration Date set forth in the Stock Option Certificate and must be exercised, if at all, on or before the Expiration Date;

- (d) **Exercise Price.** The Exercise Price of an Option will be determined by the Committee when the Option is granted and shall not be less than the closing market price of the Shares on the TSX (in respect of Canadian Participants) and on the Nasdaq Global Market (in respect of all other Participants) on the date of grant of the Option;
- (e) **Method of Exercise.** Options may be exercised only by delivery to the Company of a written stock option exercise agreement (the "**Exercise Agreement**") in a form approved by the Committee (which need not be the same for each Participant), stating the Participant's election to exercise the Option, the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding Participant's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, together with payment in full of the Exercise Price, and any applicable taxes, for the number of Shares being purchased. If someone other than the Participant exercises the Option, then such person must submit

documentation reasonably acceptable to the Company that such person has the right to exercise the Option. The Option may not be exercised unless such exercise is in compliance with all applicable securities laws, as they are in effect on the date of exercise.

- (f) **Termination.** Subject to earlier termination pursuant to Article 5 and notwithstanding the exercise periods set forth in the Stock Option Certificate, exercise of an Option will always be subject to the following:
 - (i) if the Participant is Terminated for any reason other than the Participant's death or Disability, then the Participant may exercise such Participant's Options, (but only to the extent that such Options would have been vested and exercisable upon the Termination Date), no later than three months after the Termination Date (but in any event, no later than the Expiration Date) or such other period as may be specified in the Stock Option Certificate; and
 - (ii) if the Participant is Terminated because of the Participant's death or Disability, then such Participant's Options may be exercised, (but only to the extent that such Options would have been vested and exercisable by Participant on the Termination Date) by Participant (or Participant's legal representative or authorized assignee), no later than 12 months after the Termination Date (but in any event no later than the Expiration Date) or such other period as may be specified in the Stock Option Certificate;
- (g) **Limitations on Exercise.** The Committee may specify a reasonable minimum number of Shares that may be purchased on exercise of an Option, provided that such minimum number will not prevent Participant from exercising the Option for the full number of Shares for which it is then exercisable;
- (h) **Modification, Extension or Renewal.** The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted; and
- (i) **Issuance of Shares.** Provided that the Exercise Agreement and payment are in form and substance satisfactory to counsel for the Company, the Company shall issue the Shares registered in the name of the Participant or Participant's legal representative and shall deliver certificates representing the Shares with the appropriate legends affixed thereto.

ARTICLE III ADMINISTRATION

3.1 Committee Authority. This Plan will be administered by the Committee or the Board acting as the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan including, without limitation, the authority to:

- (a) construe and interpret this Plan, any Stock Option Certificate and any other agreement or document executed pursuant to this Plan;

- (b) prescribe, amend and rescind rules and regulations relating to this Plan (subject to Section 6.1);
- (c) select Eligible Persons to receive Options under the Plan;
- (d) determine the form and terms of Options and Stock Option Certificates, not inconsistent with the terms of the Plan;
- (e) determine the Exercise Price of an Option;
- (f) determine the number of Shares to be covered by each Option;
- (g) determine whether Options will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, any other incentive or compensation plan of the Company;
- (h) amend or modify each Option (subject to Section 6.1);
- (i) determine the vesting and exercisability of Options; and
- (j) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Option, any Stock Option Certificate or any Exercise Agreement (subject to Section 6.1).

3.2 Committee Discretion. Any determination made by the Committee with respect to any Option will be made in its sole discretion at the time of grant of the Option or, unless in contravention of any express term of this Plan or Option, at any later time, and such determination will be final and binding on the Company and on all persons having an interest in any Option under this Plan.

ARTICLE IV PRIVILEGES OF OWNERSHIP

4.1 Voting and Dividends. No Participant will have any of the rights of a shareholder with respect to any Shares until the Shares are issued as evidenced by the appropriate entry on securities register of the Company. After Shares are issued to the Participant, the Participant will be a shareholder and have all the rights of a shareholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares.

4.2 Non-Transferability of Options. Options granted under this Plan, and any interest therein, may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than by will or by the applicable laws of descent; provided however that with respect to any Option which is not an incentive stock option intended to qualify under section 422 of the Code, a Participant may transfer such Option to: (a) a trust created by the Participant for the benefit of his or her lawful spouse, child, or children; (b) such Participant's lawful spouse, child or children; or (c) a corporation, all of the shares of which are owned by the Participant. Upon any such permitted transfer, none of the aforesaid transferees shall become a Participant under this Plan and the transferring Participant shall remain the Participant for the purposes of the interpretation of the terms and conditions of this Plan, as applicable. Options under this Plan shall not be subject to execution, attachment or similar process. The terms of the Option shall be binding upon the executors, administrators and heirs of the Participant.

ARTICLE V CORPORATE TRANSACTIONS

5.1 Assumption or Replacement of Options by Successor. If the event of:

- (a) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, or other transaction in which there is no substantial change in the shareholders of the Company or their relative shareholdings and the Options granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption will be binding on all Participants);
- (b) a merger in which the Company is the surviving corporation but after which shareholders of the Company immediately prior to such merger (other than any shareholder which merges, or which owns or controls another corporation which merges, with the Company in such merger) cease to own their shares or other equity interests in the Company; or
- (c) the sale of substantially all of the assets of the Company,

any or all outstanding Options may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Participants or, in the alternative, the successor corporation may substitute equivalent Options or provide substantially similar consideration to Participants as was provided to shareholders (after taking into account the existing provisions of the Options). The successor corporation may also issue, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions and other provisions no less favourable to the Participant than those which applied to such outstanding Shares immediately prior to such transaction described in this section 5.1, which substitution, provision or other consideration or issuance shall be binding on all Participants. In the event such successor corporation (if any) refuses to assume or substitute Options, as provided above, pursuant to a transaction described in this section 5.1, then notwithstanding any other provision in this Plan to the contrary, such Options will expire on such transaction at such time and on such conditions as the Committee will determine (including, without limitation, the Committee may, in the exercise of its sole discretion in such instances, give each Participant the right to exercise his or her Option as to all or a part of the Shares thereof, including Shares as to which the Option would not otherwise be exercisable).

5.2 Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, to the extent that an Option has not been previously exercised, it will terminate immediately prior to the consummation of such proposed action. The Committee may, in the exercise of its sole discretion in such instances, declare that any Option shall terminate as of a date fixed by the Committee and give each Participant the right to exercise his or her Option as to all or any part of the Shares thereof, including Shares as to which the Option would not otherwise be exercisable.

5.3 Assumption of Options by the Company. The Company, from time to time, also may substitute or assume outstanding options granted by another company, whether in connection with an acquisition of such other company or otherwise, by either:

- (a) granting an Option under this Plan in substitution of such other company's option; or
- (b) assuming such option as if it had been granted under this Plan if the terms of such assumed option could be applied to an Option granted under this Plan.

Such substitution or assumption will be permissible if the holder of the substituted or assumed option would have been eligible to be granted an Option under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an option granted by another company, the terms and conditions of such option will remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option will be adjusted appropriately). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

ARTICLE VI AMENDMENT OR TERMINATION OF PLAN

6.1 Board May Amend. The Board shall have the power to, without shareholder approval, at any time and from time to time, either prospectively or retrospectively, amend, suspend, or terminate the Plan or any Option granted under the Plan, including, without limiting the generality of the foregoing, changes of a clerical or grammatical nature, changes regarding the persons eligible to participate in the Plan, and changes regarding the vesting of Options; provided, however that:

- (a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Shares are listed;
- (b) no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of an optionee with respect to any then outstanding Option, as determined by the Board acting in good faith, without his or her consent in writing;
- (c) the Board shall obtain shareholder approval of the following:
 - (i) any amendment to the maximum number of Shares specified in section 2.1 in respect of which Options may be granted under the Plan (other than pursuant to section 2.2);
 - (ii) any amendment that would reduce the exercise price of an outstanding Option (as defined in applicable securities laws), other than pursuant to section 2.2;
 - (iii) any amendment that would extend the term of any Option granted under the Plan beyond the Expiration Date;
 - (iv) any cancellation and re-issue of Options;
 - (v) any amendments to Eligible Participants that may permit the introduction or re-introduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on Outside Director participation;
 - (vi) any amendment which would permit Options granted under the Plan to be transferable or assignable other than for normal estate settlement purposes; and
 - (vii) any amendment to this section 6.1(c).

6.2 Powers of the Board Following Termination of the Plan. If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board shall remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.

ARTICLE VII GENERAL

7.1 No Obligation to Employ. Nothing in this Plan or any Option granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or limit in any way the right of the Company to terminate Participant's employment or other relationship at any time, with or without cause.

7.2 Term of Plan. Unless earlier terminated as provided herein, this Plan will terminate 10 years from the Effective Date or, if earlier, the date of shareholder approval.

7.3 Governing Law. This Plan and all Options granted under this Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

7.4 Notices. Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing and addressed to participant at the address indicated in the Stock Option Certificate or to such other address as such party may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered upon: personal delivery; three (3) days after deposit in the mail by certified or registered mail (return receipt requested); one (1) business day after deposit with any return receipt express courier (prepaid); or one (1) business day after transmission by confirmed facsimile, rapidfax or telecopier.

7.5 Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company.

7.6 Nonexclusivity of the Plan. Neither the adoption of this Plan by the Board nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

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Appendix B - 2011 Treasury Based Restricted Share Unit Plan

SIERRA WIRELESS, INC.

2011 TREASURY BASED RESTRICTED SHARE UNIT PLAN

1. PURPOSE

- 1.1 This Restricted Share Unit Plan has been established by the Company to provide long-term incentives for the success of the Company, to support the objectives of employee share ownership, to foster a responsible balance between short term and long term results, and to build and maintain a strong spirit of performance and entrepreneurship.

2. PLAN DEFINITIONS AND INTERPRETATIONS

- 2.1 In this Plan, the following terms have the following meanings:

- (a) “**Accelerated Payment Date**” has the meaning ascribed thereto in Section 7;
- (b) “**Account**” has the meaning ascribed thereto in section 5.1;
- (c) “**Applicable Law**” means any applicable provision of law, domestic or foreign, including, without limitation, the *Securities Act* (British Columbia), the U.S. *Securities Act of 1933*, as amended, and the U.S. *Securities Exchange Act of 1934*, as amended, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and Stock Exchange Rules;
- (d) “**Applicable Withholding Taxes**” has the meaning ascribed thereto in Section 15.5;
- (e) “**Award**” means an award of Share Units granted to a Participant under the Plan;
- (f) “**Award Value**” means the target dollar amount for an Award as contemplated by section 3.1 hereof.
- (g) “**Beneficiary**” means any person designated by a Participant by written instrument filed with the Company to receive any amount, securities or property payable under the Plan in the event of the Participant’s death or, failing any such effective designation, the Participant’s legal representative;
- (h) “**Black-Out Extension Term**” means ten (10) business days from the date that any Black-Out Period ends;
- (i) “**Black-Out Period**” means a period of time (i) during which, pursuant to policies relating to insider trading adopted by the Board, certain designated persons may not trade in any securities of the Company; or (ii) when there exists undisclosed material information in respect of the Company;
- (j) “**Board**” means the board of directors of the Company and, to the extent that any or all of the powers of the Board are delegated to the Committee in accordance with section 13.1 hereof, includes the Committee;

- (k) “**Business Day**” means any day other than a Saturday, a Sunday or a statutory holiday observed in the Province of British Columbia;
- (l) “**Committee**” means a committee appointed by the Board, or, if no committee is appointed, the Board, as such committee may be constituted from time to time and may be designated to, *inter alia*, interpret, administer and implement the Plan;
- (m) “**Company**” means Sierra Wireless, Inc. and its respective successors and assigns;
- (n) “**Corporate Transaction**” means a sale of all or substantially all of the Company’s assets or shares, or a merger, consolidation or other capital reorganization of the Company with or into another corporation;
- (o) “**Designated Affiliated Entity**” means a person (including a trust or a partnership) or company in which the Company has a significant investment and which the Company designates as such for the purposes of this Plan;
- (p) “**Disability**” means the illness or mental or physical disability or total or partial incapacity of an individual, as certified by a duly qualified medical practitioner, such that:
 - (i) solely due to such illness, mental or physical disability or incapacity, the individual is unable to perform his duties or unable to competently perform his duties as an employee of the Company, a Subsidiary or Designated Affiliated Entity either for any consecutive 4 month period or for any period of 6 months (whether or not consecutive) in any consecutive 12 month period; or
 - (ii) a court of competent jurisdiction has declared such individual to be mentally incompetent or incapable of managing his or her affairs;
- (q) “**Effective Date**” means the 17th day of May, 2011, when this Plan was approved by the shareholders of the Company;
- (r) “**Exercise Date**” means the day upon which the Company receives notice from the Participant of exercise of all or a portion of the Vested Share Units held by such Participant or, failing such notice, the day immediately prior to the Expiry Date;
- (s) “**Expiry Date**” means the date determined by the Committee (not to exceed five (5) years from the Grant Date), subject to extension in accordance with section 7.9, in connection with each Award made pursuant to the Plan which is the last Business Day on which Shares may be issued pursuant to Awards granted hereunder;
- (t) “**Fair Market Value**” means, on any particular date, the closing sales price of the Shares (or if such price is not reported then the mean of the bid and ask prices) on the Toronto Stock Exchange (in respect of Canadian Participants) and on the Nasdaq Global Market (in respect of all other Participants) or, if the Shares are not traded on such date, then on the immediately preceding trading date. In the event that the Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Shares as determined by the Board in its sole discretion, acting reasonably and in good faith;

- (u) “**Fiscal Year**” means a fiscal year of the Company;
- (v) “**Grant Agreement**” means an agreement between the Company and a Participant under which an Award is granted, together with such amendments, deletions or changes thereto as are permitted under the Plan;
- (w) “**Grant Date**” means the date as of which an Award shall take effect, provided that the Grant Date shall not be a date prior to the date the Committee approves an Award;
- (x) “**including**” means including without limitation;
- (y) “**Insider**” shall have the meaning given to that term in the TSX rules relating to security-based compensation arrangements;
- (z) “**Issue Date**” means, with respect to any Award, the date upon which Shares covered thereunder shall be issued to the Participant of such Award;
- (aa) “**Outside Director**” means every director of the Company who is not a full-time employee or independent contractor of the Company;
- (bb) “**Participant**” means any person who is:
 - (i) a full-time employee or independent contractor of the Company and its majority-owned subsidiaries (“**subsidiaries**”), or a part-time employee or independent contractor of the Company and its subsidiaries working not less than 20 hours per week; or
 - (ii) a consultant to the Company or a subsidiary in respect of whom the Company is permitted to grant Options; or
 - (iii) an Outside Director of the Company or a subsidiary;
- (cc) “**Plan**” means this 2011 Treasury Based Restricted Share Unit Plan, as amended and restated from time to time;
- (dd) “**Security Based Compensation Arrangement**” has the meaning ascribed thereto in the provisions of the TSX rules relating to security based compensation arrangements;
- (ee) “**Shares**” means the common shares of the Company, and includes any shares of the Company into which such shares may be converted, reclassified, subdivided, consolidated, exchanged or otherwise changed, whether pursuant to a reorganization, amalgamation, merger, arrangement or other form of reorganization and “**Share**” means one such common share of the Company;
- (ff) “**Share Unit**” means a right, granted in accordance with section 3.1 hereof;
- (gg) “**Stock Exchange Rules**” means the applicable rules of any stock exchange or quotation system upon which shares of the Company are listed or quoted, as applicable;

- (hh) “**Subsidiary**” means a subsidiary, as defined in the *Canada Business Corporations Act*;
- (ii) “**Termination**” or “**Terminated**” means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide continuous services as an employee to the Company, a Subsidiary or a Designate Affiliated Entity. An employee will not be deemed to have ceased to provide continuous services as an employee in the case of:
 - (i) sick leave; or
 - (ii) any other leave of absence approved by the Committee, provided that such leave is for a period of not more than 90 days unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to formal policy adopted from time to time by the Company, a Subsidiary or a Designated Affiliated Entity and issued and promulgated to employees in writing.

The Committee will have sole discretion to determine whether a Participant has ceased to provide continuous services as an employee and the effective date on which the Participant ceased to provide services (the “**Termination Date**”);

- (jj) “**TSX**” means the Toronto Stock Exchange.
 - (kk) “**Vested Share Units**” means Share Units which have vested in accordance with the terms of this Plan and/or the terms of the applicable Grant Agreement; and
 - (ll) “**Vesting Date**” means the date on which Share Units become Vested Share Units pursuant to the provisions of this Plan and the terms of the applicable Grant Agreement.
- 2.2 In the Plan, references to the masculine include the feminine; and references to the singular shall include the plural and vice versa, as the context shall require.
- 2.3 The Plan shall be governed and interpreted in accordance with the laws of the Province of British Columbia and any actions, proceedings or claims in any way pertaining to the Plan shall be commenced in the courts of the Province of British Columbia.
- 2.4 If any provision of the Plan or part hereof is determined to be void or unenforceable all or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.
- 2.5 Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained. A reference to a section or schedule shall, except where expressly stated otherwise, mean a section or schedule of the Plan, as applicable.
- 2.6 The Company may establish schedules to the Plan for the benefit of Participants outside Canada, based on the Plan but modified to take account of local tax, exchange control or securities in countries other than Canada.

3. AWARDS AND TERMS IN GENERAL

- 3.1 Subject to the terms of the Plan, the Board may, from time to time, grant one or more Awards of Share Units to Participants on such terms and conditions consistent with the Plan as the Board shall determine. In determining the Participants to whom Awards may be granted and the individual Award Value therefore, the Board may take into account such factors as it shall determine, in its sole and absolute discretion. In determining the number of Share Units covered by each Award, the Board shall ensure that, to the greatest extent possible, its methodology is applied on a consistent basis.
- 3.2 Each Vested Share Unit will give the Participant the right to receive one Share, or a portion or multiple thereof as determined by any performance based multiplier specified in the Grant Agreement, or cash in lieu in accordance with Article 7. Share Units will become Vested Share Units pursuant to the provisions of this Plan and in accordance with the terms of the Grant Agreement relating to such Share Units which, for greater certainty, may provide that Share Units may become Vested Share Units based on a multiplier which shall not exceed 200%, as contemplated in Section 3.4 below.
- 3.3 Unless otherwise determined by the Company and as specifically set out in the Grant Agreement, and subject to the terms of this Plan, including section 7, and the Grant Agreement, Share Units granted to a Participant hereunder shall become Vested Share Units as follows: one-third (1/3) of the Share Units shall become Vested Share Units on the first anniversary of the Grant Date for such Share Units; one-third (1/3) of the Share Units shall become Vested Share Units on the second anniversary of the Grant Date for such Share Units; and one-third (1/3) of the Share Units shall become Vested Share Units on the third anniversary of the Grant Date for such Share Units. The vesting provisions in any Grant Agreement will be determined by the Board in its sole discretion. The Board in its sole discretion may, by resolution, permit all unvested Share Units to vest immediately and be paid out in accordance with Article 7.
- 3.4 Subject to the terms of the Plan and Applicable Law, the Company may determine other terms or conditions of any Share Units, including
- (a) any additional conditions with respect to the vesting of Share Units, in whole or in part, to become Vested Share Units (subject, for greater certainty, to the multiplier cap of 200% set out below) or the payment of cash or the provision of Shares under the Plan;
 - (b) restrictions on the resale of Shares including escrow arrangements; and
 - (c) any other terms and conditions the Company may in its discretion determine;
- which shall be set out in the Grant Agreement. The conditions may relate to all or a portion of the Share Units in an Award and may be graduated such that different percentages (which may be greater or lesser than 100% subject to such percentage being no greater than 200%) of the Share Units in an Award will become vested depending on the extent of satisfaction of one or more such conditions, including any conditions relating to performance. The Company may, in its discretion, subsequent to the Grant Date, waive any such term or condition or determine that it has been satisfied.
- 3.5 No certificates shall be issued with respect to Share Units.

4. GRANT AGREEMENT

- 4.1 Each Award will be evidenced by a Grant Agreement, in such form or forms as the Board shall approve from time to time, containing such terms and conditions consistent with the Plan as the Board may determine and such other terms and conditions not inconsistent herewith as the Company may, in its sole discretion, deem appropriate.

5. AWARDS AND ACCOUNTS

- 5.1 An account (“**Account**”), shall be maintained by the Company for each Participant and will be credited with such Awards of Share Units as are received by a Participant from time to time pursuant to sections 3.1 and 5.2. Share Units that fail to vest with a Participant pursuant to sections 7.2 or 7.3, or Article 9, or that are paid out to the Participant or his Beneficiary, shall be cancelled and shall cease to be recorded in the Participant’s Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are paid out, as the case may be.
- 5.2 The Company shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan and the discharge of its duties, which records shall, absent manifest error, be considered conclusively determinative of all information contained therein.
- 5.3 A Participant shall not be entitled to receive any dividends or dividend equivalents in the event that the Company declares dividends that would have been paid to the Participant if the Share Units in his or her Share Unit Account on the relevant record date for dividends on the Shares had been Shares.

6. RESTRICTIONS ON ISSUANCE

- 6.1 Subject to adjustment in accordance with Sections 10 and 11, the aggregate number of Shares issuable pursuant to outstanding Awards under the Plan from time to time shall not exceed ~~3.746~~18.9% of the number of issued and outstanding Shares from time to time.
- 6.2 In addition to the foregoing:
- (a) the maximum number of Shares issuable pursuant to the Plan, together with any Shares issuable pursuant to any other Security Based Compensation Arrangement, from time to time, shall not exceed ~~8.189~~18.9% of the number of issued and outstanding Shares from time to time;
 - (b) the number of Shares issued to any one person pursuant to the Plan shall not exceed 5% of the total number of outstanding Shares on non-diluted basis;
 - (c) the maximum number of Shares issuable to Insiders pursuant to the Plan, together with any Shares issuable pursuant to any other Security Based Compensation Arrangement, at any time, shall not exceed 10% of the total number of outstanding Shares on a non-diluted basis;
 - (d) the maximum number of Shares issued to Insiders pursuant to the Plan, together with any Shares issued pursuant to any other Security Based Compensation Arrangement,

within any one year period, shall not exceed 10% of the total number of outstanding Shares on a non-diluted basis;

- (d) the number of Shares issued pursuant to the Plan, together with any Shares issued pursuant to any other Security Based Compensation Arrangement, to any one Insider and such Insiders' associates, within a one-year period, shall not exceed 5% of the outstanding Shares on a non-diluted basis; and
- (e) the number of Shares issued to Outside Directors under the Plan, together with any Shares issued pursuant to any other Security Based Compensation Arrangement, shall not exceed 1% of the total number of outstanding Shares on a non-diluted basis and the Award Value of all Awards (together with the award value of all other rights granted under any other Security Based Compensation Arrangement) to Outside Directors shall not exceed \$150,000 per year per Outside Director.

7. SETTLEMENT OF SHARE UNITS

7.1 Upon receipt of a notice from the Participant of exercise of all or a portion of the Vested Share Units held by such Participants, or failing such notice immediately prior to the Expiry Date (such date being the Issue Date), the Company shall settle the Vested Share Units specified in such notice, by either:

- (a) issuing Shares to the Participant or the Participant's Beneficiary, as the case may be, in accordance with Section 7.2; or
- (b) paying cash to the Participant or the Participant's Beneficiary, as the case may be, in accordance with Section 7.3.

Where the Board does not specify any payment method for the Vested Share Units credited to a Participant's Account, the form of payment shall be in Shares as provided in Section 7.2.

7.2 Where the Company issues Shares from treasury, the number of Shares that are issuable to the Participant on the Issue Date shall be issued from treasury by the Company as fully paid and non-assessable shares in consideration of past services valued by the Board at no less than the Fair Market Value of the number of Shares covered by the Award at the Grant Date.

For greater certainty and without limiting the generality of the foregoing, the number of Shares issued to a Participant will be equal to the number of Vested Share Units specified in the notice, less the number of Shares that results by dividing the Applicable Withholding Taxes by the Fair Market Value as at the Issue Date.

Fractional Shares shall not be issued and where a Participant would be entitled to receive a fractional Share in respect of any Vested Share Unit, the Company will pay to such Participant, in lieu of such fractional Share, cash equal to the Fair Market Value on the Issue Date, as applicable, of the fractional Vested Share Unit, net of Applicable Withholding Taxes.

7.3 Where the Board elects to settle the Vested Share Units in cash, the payment will be equal to the product that results by multiplying (a) the number of Vested Share Units specified in the notice, and (b) the Fair Market Value on the Issue Date, less an amount equal to the Applicable Withholding Taxes.

- 7.4 Unless otherwise agreed to by the Participant and the Board, the Company will settle the Vested Share Units by the payment in cash, Shares, or a combination thereof, as elected by the Committee and calculated in accordance with Sections 7.2 and 7.3, to the Participant within 30 days of the applicable Issue Date.
- 7.5 In the event of the death of a Participant, the Company, as applicable, shall make a payment in cash, issue Shares or use a combination of such payment methods, as elected by the Board and calculated in accordance with Sections 7.2 and 7.3, within 30 days of the Participant's death.
- 7.6 Upon payment pursuant to this Article 7, the entitlement of a Participant to receive any and all amounts in respect of the Vested Share Units to which such payment relates shall be fully discharged and satisfied and all such Vested Share Units shall thereupon be cancelled and terminated.
- 7.7 No interest shall accrue to, or be credited to, the Participant or his Beneficiary on any amount payable under the Plan.
- 7.8 The Company shall not be obliged to issue any Shares if such issuance would violate any Applicable Law. The Company, in its sole discretion, may postpone the issuance or delivery of Shares under any Award as the Board may consider appropriate, and may require any Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Shares in compliance with Applicable Law. The Company shall not be required to qualify for resale pursuant to a prospectus or similar document any Shares awarded under the Plan.
- 7.9 In the event the Expiry Date would otherwise occur during a Black-Out Period, the Expiry Date shall be extended to the last day of the Black-Out Extension Period.

8. **TERMINATION OF EMPLOYMENT RELATIONSHIP**

- 8.1 Unless otherwise determined by the Board in its sole discretion or unless otherwise expressly set forth in a Grant Agreement pertaining to a particular Award or any written employment agreement governing a Participant's role with the Company, if a Participant is Terminated by reason of Disability or death prior to a Vesting Date or Vesting Dates, then vesting of all outstanding Award of Share Units not yet vested shall be accelerated such that all such Share Units shall become Vested Share Units.
- 8.2 Unless otherwise determined by the Board in its sole discretion or unless otherwise expressly set forth in a Grant Agreement pertaining to a particular Award or any written employment agreement governing a Participant's role with the Company, if a Participant is Terminated for any reason other than Disability or death, then any outstanding Award of Share Units that have not become Vested Share Units prior to the Participant's Termination shall immediately be cancelled and forfeited and all rights and interests in respect of such Share Units of the Participant (and the executors, administrators, beneficiaries or other permitted transferee of the Participant) shall thereupon terminate, in all cases, for no consideration.

9. **FORFEITED SHARE UNITS**

- 9.1 No cash or other compensation shall at any time be paid in respect of any Share Units which have been forfeited or terminated under this Plan or on account of damages relating to any Share Units which have been forfeited or terminated under this Plan.
- 9.2 Notwithstanding any other provision of the Plan or a Grant Agreement, Share Units granted hereunder shall terminate, if not exercised or previously terminated and forfeited in accordance with the Plan, and be of no further force and effect after the Expiry Date.

10 **CORPORATE TRANSACTION**

- 10.1 In the event of a Corporate Transaction or proposed Corporate Transaction, the Company, at its option, may, subject to Stock Exchange Rules, do either of the following:
- (a) the Company may redeem and cancel Share Units upon giving to any Participant to whom such Share Units have been granted at least 10 days' written notice of its intention to do so, and the Company shall make a payment in respect of such Share Units in accordance with Article 7, without regard to the vesting provisions attached to the Share Units contained in the Plan and without regard to the tax consequences of such action to any Participant; or
 - (b) the Company, or any corporation or entity which is or would be the successor to the Company or which may issue securities in exchange for Shares upon the Corporate Transaction becoming effective, may, upon notice to the Participant, substitute for Shares under this Plan securities into which the Shares are changed or are convertible or exchangeable, or securities of such other corporation or entity on a basis proportionate to the number of Share Units in the Participant's account or some other appropriate basis, or some other property.
- 10.2 The Company may specify in any notice under section 10.1, that, if for any reason, the Corporate Transaction is not completed, the Company may revoke such notice. The Company may exercise such right by further notice in writing to the Participant and the Share Unit shall thereafter continue to be allocated to the Participant in accordance with its terms.
- 10.3 Subsections (a) and (b) of section 10.1 are intended to be permissive and may be utilized independently or successively or in combination or otherwise, and nothing therein contained shall be construed as limiting or affecting the ability of the Company to deal with Share Units in the event of a Corporate Transaction in any other manner.
- 10.4 In the event of the proposed dissolution or liquidation of the Company, to the extent that a Share Unit has not previously become a Vested Share Unit, it will terminate immediately prior to the consummation of such proposed action and, except as provided below in this section 10.4, no payment shall be made with respect thereto. The Company may, in the exercise of its sole discretion in such instances, declare that any Share Unit shall become a Vested Share Unit and be subject to a payment as of a date fixed by the Committee.

11. **CHANGES IN SHARE CAPITAL**

- 11.1 If the number of outstanding Shares of the Company shall be increased or decreased as a result of a stock split, consolidation, reclassification or recapitalization and not as a result of

the issuance of Shares for additional consideration or by way of a stock dividend in the ordinary course, the Company may make appropriate adjustments to the number of Share Units outstanding under the Plan provided that the Fair Market Value of outstanding Awards of Share Units after such an adjustment shall not exceed the Fair Market Value immediately prior thereto. Any determinations by the Company as to the adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under the Plan.

12. **AMENDMENT OR TERMINATION OF PLAN**

12.1 The Board shall have the power to, without shareholder approval, at any time and from time to time, either prospectively or retrospectively, amend, suspend, or terminate the Plan, any provisions thereof or any Share Unit granted under the Plan, as the Board, in its sole discretion, deems appropriate including, without limiting the generality of the foregoing:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan,
- (b) to correct any ambiguity, defective provision, error or omission in the provisions of the Plan,
- (c) to change the vesting provisions of Share Units including, without limitation, any acceleration of vesting provisions; or
- (d) to change the termination provisions of Share Units or the Plan which does not entail an extension beyond the original Expiry Date of the Share Units;

provided, however that:

- (e) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Shares are listed;
- (f) no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of a Participant with respect to any then outstanding Share Unit, as determined by the Board of Directors acting in good faith, without his or her consent in writing;
- (g) the Board shall obtain shareholder approval of the following amendments:
 - (i) to increase the maximum number of Shares issuable on the exercise of Awards under Section 6.1 (other than pursuant to Section 10 or Section 11);
 - (ii) to increase the number of Shares issuable to Insiders above the restrictions in Section 6.2;
 - (iii) to extend the Expiry Date of any outstanding Awards;
 - (iv) to extend the maximum permitted Expiry Date under the Plan beyond five (5) years;
 - (v) to cancel and re-issue any Awards;

- (vi) to permit Share Units granted under the Plan to be transferable or assignable other than for normal estate settlement purposes;
- (vii) to change the definition of Participants to permit the introduction or re-introduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on Outside Director participation; and
- (viii) to amend this Section 12.1(g).

12.2 If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board of Directors and in force on the date of termination will continue in effect as long as any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board of Directors shall remain able to make such amendments to the Plan or the Share Units as they would have been entitled to make if the Plan were still in effect.

13. ADMINISTRATION

13.1 The Board shall have the authority to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan subject to and not inconsistent with the express provisions of this Plan including, without limitation, the authority to:

- (a) determine the Participants and approve the terms and conditions of Awards granted to Participants including, without limitation, the Award Value, the Grant Date and any charges to the vesting schedule in section 3.3;
- (b) interpret the Plan and Grant Agreements;
- (c) prescribe, modify and rescind procedures, rules and policies relating to the Plan;
- (d) correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent it considers necessary or advisable for the implementation and administration of the Plan;
- (e) exercise all rights reserved to the Company under the Plan;
- (f) determine the terms and conditions of Grant Agreements to be used in connection with the Awards of Share Units; and
- (g) make all other determinations and take all other actions as it considers necessary or advisable for the implementation and administration of the Plan.

The Board's determinations and actions under this Plan are final, conclusive and binding on the Company and the Participants.

To the extent permitted by Applicable Law, the Board may from time to time delegate to the Committee all or any of the powers of the Board. Any decision made or action taken by the Board or by the Committee arising out of or in connection with the administration or

interpretation of this Plan in this context is final, binding and conclusive on the Company and the Participants.

- 13.2 The Company shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan and the discharge of its duties. Subject to Applicable Law, at such times as the Company shall determine, the Company or its stock plan service provider shall furnish the Participant with a statement setting forth the details of his or her Share Units including the Grant Date and the Vested and unvested Share Units held by each Participant. Such statement shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary is given to the Company within 30 days after such statement is given to the Participant. Any payment, notice, statement, certificate or other instrument required or permitted to be given under the Plan shall be given by: (i) delivering it personally to the recipient; or (ii) mailing it postage paid (provided that the postal service is then in operation); or (iii) delivering it to the address which is maintained for the Participant in the Company's personnel records or the Company (attention, Vice President Finance), as applicable. Such payment, notice, statement, certificate or other instrument shall be deemed to have been given or delivered on the date on which it was delivered, if mailed (provided that the postal service is then in operation), shall be deemed to have been given or delivered on the second business day following the date on which it was mailed and if by facsimile or similar means of electronic transmission, on the next business day following transmission.

14. **BENEFICIARIES AND CLAIMS FOR BENEFITS**

- 14.1 Subject to the requirements of Applicable Law, a Participant may designate in writing a Beneficiary to receive any benefits that are payable under the Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form and executed and filed in such manner as the Company may from time to time determine.

15. **GENERAL**

- 15.1 The transfer of an employee from the Company to a Subsidiary or a Designated Affiliated Entity, from a Subsidiary or a Designated Affiliated Entity to the Company, or from one Subsidiary or Designated Affiliated Entity to another Subsidiary or Designated Affiliated Entity, shall not be considered a termination of employment for the purposes of the Plan, nor shall it be considered a termination of employment if a Participant is placed on such other leave of absence which is considered by the Company as continuing intact the employment relationship; in such a case, the employment relationship shall be continued until the later of the date when the leave equals ninety days or the date when a Participant's right to reemployment shall no longer be guaranteed either by law or by contract, except that in the event active employment is not renewed at the end of the leave of absence, the employment relationship shall be deemed to have ceased at the beginning of the leave of absence.
- 15.2 The determination by the Company of any question which may arise as to the interpretation or implementation of the Plan or any of the Share Units granted hereunder shall be final and binding on all Participants and other persons claiming or deriving rights through any of them.
- 15.3 The Plan shall enure to the benefit of and be binding upon the Company, its successors and assigns. The interest of any Participant under the Plan or in any Share Unit shall not be

transferable or alienable by him or her either by pledge, assignment or in any other manner, except to a spouse, children or grandchildren or a personal holding company or family trust controlled by a Participant, the shareholders or beneficiaries of which, as the case may be, are any combination of the Participant, the Participant's spouse, the Participant's children or the Participant's grandchildren, and after his or her lifetime shall enure to the benefit of and be binding upon the Participant's Beneficiary.

- 15.4 The Award of Share Units and the Company's obligation to settle Vested Share Units hereunder is subject to compliance with Applicable Law. As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Law and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Law.
- 15.5 The Company, a Subsidiary or a Designated Affiliated Entity may withhold from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary so as to ensure that the Company, the Subsidiary or the Designated Affiliated Entity will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant. The Company, a Subsidiary and a Designated Affiliated Entity shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by selling or requiring the Participant to sell Shares which would otherwise be provided to the Participant hereunder. The Company may require a Participant, as a condition to the settlement of a Vested Share Unit, to pay or reimburse the Company, a Subsidiary or a Designated Affiliated Entity for any such withholding or other required deduction of amounts related to the settlement of Vested Share Units.
- 15.6 A Participant shall not have the right or be entitled to exercise any voting rights, receive any dividends or have or be entitled to any other rights as a shareholder in respect of any Share Units.
- 15.7 Neither designation of an employee as a Participant nor the Award of any Share Units to any Participant entitles any Participant to any further Award, of any Share Units under the Plan. Neither the Plan nor any action taken thereunder shall interfere with the right of any person that employs a Participant to terminate the Participant's employment at any time. Neither any period of notice, if any, nor any payment in lieu thereof, upon termination of employment, wrongful or otherwise, shall be considered as extending the period of employment for the purposes of the Plan.

SIERRA WIRELESS, INC.

2011 TREASURY BASED RESTRICTED SHARE UNIT PLAN

ADDENDUM FOR U.S. PARTICIPANTS

This Addendum modifies the Sierra Wireless, Inc. 2011 Treasury Based Restricted Share Unit Plan (the “Plan”) with respect to Awards issued to individuals who are residents of the United States or otherwise subject to the U.S. Internal Revenue Code of 1986, as amended (the “Code”), for purposes of the tax treatment of Awards (referred to as “U.S. Participants”). Capitalized terms in this Addendum that are not otherwise defined will have the meaning provided in the Plan.

1. Modification to Corporate Transaction Definition. For U.S. Participants, the definition of Corporate Transaction shall have the same meaning as a change in control event as defined by Treas. Reg. Section 1.409A-3(i)(5), rather than that definition in Section 2.1(n) of the Plan.

2. Modification to Awards and Terms in General. Contrary to the last sentence of Section 3.3 of the Plan, the Board may not, in its sole discretion, and by resolution, accelerate the vesting of Share Units held by U.S. Participants. For U.S. Participants Share Units will vest in accordance with the schedule provided in Section 3.3 of the Plan, or in accordance with an alternative schedule provided in the Grant Agreement, with the potential of accelerated vesting upon a Participant’s death or Disability, in accordance with Section 8.1, or upon a Corporate Transaction, unless specifically provided otherwise in the Grant Agreement.

3. Modification to Settlement of Share Units. Section 7.1 of the Plan is modified such that a U.S. Participant may not choose when to exercise any part of his Vested Share Units, but rather the settlement of Awards will occur automatically in conjunction with the Vesting Date, or the Participant’s death or Disability, in accordance with Section 7.4 and 7.5. Section 7.4 of the Plan is also modified to eliminate any right of a U.S. Participant and/or the Board (with respect to a U.S. Participant) to accelerate or defer the timing of the settlement of Vested Share Units to a date other than a date within 30 days following the Issue Date. For these purposes the Issue Date will be the same as the Vesting Date.

4. Modification to Corporate Transaction Provisions. Notwithstanding the language of Section 10.1 of the Plan, any Award of Share Units that has not previously vested will accelerate and become vested in connection with a Corporate Transaction that occurs before the Participant has experienced a Termination, unless specifically provided otherwise in the Grant Agreement. Similarly, in the event of a proposed dissolution or liquidation of the Company, as described in Section 10.4, a Share Unit that has not previously become a Vested Share Unit will terminate immediately, and will not be accelerated as to vesting, unless otherwise provided in the Grant Agreement.

5. Modification to Amendment or Termination of Plan. Section 12.1(c) is modified to eliminate the Board’s discretionary authority, with respect to U.S. Participants, to unilaterally accelerate the vesting events associated with Awards. In addition, the Plan, as it applies to U.S. Participants, is intended to qualify as a “short-term deferral,” as defined in the Treasury Regulations issued under Code Section 409A. The Company will interpret the Plan to reach that result, and retains the right to modify the Plan or any Grant Agreement, as necessary, to retain the characterization as a short-term deferral arrangement under Code Section 409A.

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Appendix C - Amended and Restated By-Law No. 1

**AMENDED AND RESTATED BY-LAW NO. 1
OF
SIERRA WIRELESS, INC.**

AMENDED AND RESTATED BY-LAW NO. 1

A by-law relating generally to the
transaction of the business and
affairs of

SIERRA WIRELESS, INC.

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BE IT ENACTED as a by-law of the Corporation as follows:

ARTICLE 1 INTERPRETATION

1.1 History. By-Law No. 1 approved by the board May 31, 1993 and confirmed by the shareholder of the Corporation on May 31, 1993, was amended by Amended and Restated By-Law No. 1 approved by the board April 22, 1999 and confirmed by the shareholders of the Corporation on April 23, 1999, was further amended by Amended and Restated By-Law No. 1 approved by the board March 20, 2003 and confirmed by the shareholders of the Corporation on April 28, 2003 and was further amended by Amended and Restated By-Law No. 1 approved by the board April 14, 2014 and confirmed by the shareholders of the Corporation on May 22, 2014 (collectively, the “**2014 By-Law**”). The board, by its signature hereto, amends and restates the 2014 By-Law, with effect as of the date set forth in Article 13.

1.2 Definitions. In the by-laws of the Corporation, unless the context otherwise requires:

“Act” means the *Canada Business Corporations Act*, or any statute that may be substituted therefor, as from time to time amended;

“appoint” includes “elect” and vice versa;

“articles” means the articles attached to the certificate of **SIERRA WIRELESS, INC.** as from time to time amended or restated;

“board” means the board of directors of the Corporation;

“by-laws” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“cheque” includes a draft;

“Corporation” means the corporation **SIERRA WIRELESS, INC.** under the Act by the said certificate to which the articles are attached, and named “**SIERRA WIRELESS, INC.**”;

“meeting of shareholders” includes an annual meeting of shareholders and a special meeting of shareholders; and “special meeting of shareholders” includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders; and

“recorded address” has the meaning set forth in section 12.8.

Save as aforesaid, words and expressions defined in the Act, including “resident Canadian” have the same meanings when used herein. Words importing the singular number include the plural and vice versa; and words importing a person include an individual, partnership, association, body corporate, trustee, executor, administrator and legal representative.

ARTICLE 2 BUSINESS OF THE CORPORATION

2.1 Registered Office. The registered office of the Corporation shall be at the place within Canada from time to time specified in the articles and at such location therein initially as is specified in the notice thereof filed with the articles and thereafter as the board may from time to time determine.

2.2 Corporate Seal. Until changed by the board, the corporate seal of the Corporation shall be in the form impressed hereon.

2.3 Financial Year. Until changed by the board, the financial year of the Corporation shall end on the last day of December in each year.

2.4 Execution of Instruments. Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by two persons, one of whom holds the office of chairman of the board, managing director, president, vice president or director and the other of whom holds one of the said offices or the office of secretary, treasurer, assistant secretary or assistant treasurer or any other office created by by-law or by the board. In addition, the board or the said two persons may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

2.5 Banking Arrangements. The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe.

2.6 Voting Rights in Other Bodies Corporate. The signing officers of the Corporation under section 2.4 may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.7 Divisions. The board may cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation types of business or operations, geographical territories, product lines or goods or services, as may be considered appropriate in each case. In connection with any such division the board or, subject to any direction by the board, the chief executive officer may authorize from time to time, upon such basis as may be considered appropriate in each case:

- (a) Subdivision and Consolidation - the further division of the business and operations of any such division into sub-units and the consolidation of the business and operations of any such divisions and sub-units;
- (b) Name - the designation of any such division or sub-unit by, and the carrying on of the business and operations of any such division or sub-unit under, a name other than the name of the Corporation; provided that the Corporation shall set out its name in legible characters in all places required by-law; and

- (c) Officers - the appointment of officers for any such division or sub-unit, the determination of their powers and duties, and the removal of any of such officers so appointed, provided that any such officers shall not, as such, be officers of the Corporation.

ARTICLE 3 BORROWING AND SECURITY

3.1 Borrowing Power. Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) to the extent permitted by the Act, give directly or indirectly financial assistance to any person by means of a loan, guarantee or otherwise on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.2 Delegation. Unless the articles of the Corporation otherwise provide, the board may from time to time delegate to a director, a committee of the board, or an officer of the Corporation any or all of the powers conferred on the board by section 3.1 to such extent and in such manner as the board may determine at the time of such delegation.

ARTICLE 4 DIRECTORS

4.1 Number of Directors. Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the articles.

4.2 Qualification. No person shall be qualified for election as a director if he is less than 18 years of age, if he is of unsound mind and has been so found by a court in Canada or elsewhere, is not an individual, or has the status of a bankrupt. A director need not be a shareholder. Subject to the Act, at least 25 percent of the directors shall be resident Canadians, or if the number of directors is fewer than four, at least one director shall be a resident Canadian. As long as required by the Act, at least 2 directors shall not be officers or employees of the Corporation or its affiliates.

4.3 Election and Term. The election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for

re-election. The number of directors to be elected at any such meeting shall be the number of directors then in office unless the directors otherwise determine. Where the shareholders adopt an amendment to the articles to increase the number or maximum number of directors, the shareholders may, at the meeting at which they adopt the amendment, elect the additional number of directors authorized by the amendment. The election shall be by resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.4 Removal of Directors. Subject to the Act, the shareholders may by resolution passed at a meeting of shareholders specially called for such purpose remove any director from office and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the board.

4.5 Vacation of Office. A director ceases to hold office when he dies; he is removed from office by the shareholders; he ceases to be qualified for election as a director; or his written resignation is sent or delivered to the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later.

4.6 Vacancies. Subject to the Act, a quorum of the board may appoint a qualified individual to fill a vacancy in the board.

4.7 Action by the Board. The board shall manage the business and affairs of the Corporation. The powers of the board may be exercised at a meeting (subject to sections 4.8 and 4.9) at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office.

4.8 Canadian Directors Present at Meetings. The board shall not transact business at a meeting, other than filling a vacancy in the board, unless at least 25 percent of the directors present are resident Canadians, or if the Corporation has fewer than four directors, at least one of the directors present is a resident Canadian, except where:

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) at least 25 percent of the directors present would have been resident Canadians had that director been present at the meeting.

4.9 Meeting by Telephone. If all the directors of the Corporation consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the board or of a committee of the board by means of such conference telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board.

4.10 Place of Meetings. Meetings of the board may be held at any place in or outside Canada.

4.11 Calling of Meetings. Meetings of the board shall be held from time to time at such time and at such place as the board, the chairman of the board, the managing director, the president or any two directors may determine.

4.12 Notice of Meeting. Notice of the time and place of each meeting of the board shall be given in the manner provided in Article 12 to each director not less than 48 hours before the time when

the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including, if required by the Act, any proposal to:

- (a) submit to the shareholders any question or matter requiring approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor;
- (c) issue securities;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay a commission for the sale of shares;
- (g) approve a management proxy circular;
- (h) approve a take-over bid circular or directors' circular;
- (i) approve any annual financial statements; or
- (j) adopt, amend or repeal by-laws.

4.13 First Meeting of New Board. Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

4.14 Adjourned Meeting. Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.15 Regular Meetings. The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.16 Chairman. The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, managing director or president. If no such officer is present, the directors present shall choose one of their number to be chairman.

4.17 Quorum. Subject to section 4.8, a majority of directors shall constitute a quorum for the transaction of business at any meeting of the board.

4.18 Votes to Govern. At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

4.19 Conflict of Interest. A director who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or proposed contract shall be referred to the board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not

require approval by the board or shareholders. Such a director shall not vote on any resolution to approve the same except as provided by the Act.

4.20 Remuneration and Expenses. The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

ARTICLE 5 COMMITTEES

5.1 Committees of the Board. The board may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

5.2 Transaction of Business. The powers of a committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.3 Audit Committee. The board shall elect annually from among its number an audit committee to be composed of not fewer than 3 directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers and duties provided in the Act.

5.4 Advisory Bodies. The board may from time to time appoint such advisory bodies as it may deem advisable.

5.5 Procedure. Unless otherwise determined by the board, each committee and advisory body shall have power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

ARTICLE 6 OFFICERS

6.1 Appointment. The board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to sections 6.2 and 6.3, an officer may but need not be a director.

6.2 Chairman of the Board. The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to him any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president; and he shall have such other powers and duties as the board may specify.

6.3 Managing Director. The board may from time to time also appoint a managing director who shall be a resident Canadian and a director. If appointed, he shall be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation; and he shall have such other powers and duties as the board may specify. During the

absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

6.4 President. The president shall be the chief operating officer and, subject to the authority of the board, shall have general supervision of the business of the Corporation; and he shall have such other powers and duties as the board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and duties of that office.

6.5 Secretary. The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of the board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, records and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as otherwise may be specified.

6.6 Treasurer. The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as otherwise may be specified.

6.7 Powers and Duties of Officers. The powers and duties of all officers shall be such as the terms of their engagement call for or as the board or (except for those whose powers and duties are to be specified only by the board) the chief executive officer may specify. The board and (except as aforesaid) the chief executive officer may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

6.8 Term of Office. The board, in its discretion, may remove any officer of the Corporation. Otherwise each officer appointed by the board shall hold office until a successor is appointed or until his earlier resignation.

6.9 Agents and Attorneys. The Corporation, by or under the authority of the board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to subdelegate) of management, administration or otherwise as may be thought fit.

6.10 Conflict of Interest. An officer shall disclose his interest in any material contract or proposed material contract with the Corporation in accordance with section 4.19.

ARTICLE 7 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.1 Limitation of Liability. Every director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director, officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the

insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

7.2 Indemnity. Subject to the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Corporation's request as a directors or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Corporation shall also indemnify such person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

7.3 Advance of Costs. The Corporation shall advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in section 7.2. The individual shall repay the moneys if the individual does not fulfil the conditions of section 7.2.

ARTICLE 8 SHARES

8.1 Allotment of Shares. Subject to the Act and articles, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

8.2 Commissions. The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.3 Registration of Transfers. Subject to the Act, no transfer of a share shall be registered in a securities register except upon presentation of the certificate representing such share with an endorsement which complies with the Act made thereon or delivered therewith duly executed by an appropriate person as provided by the Act, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time prescribe, and upon payment of all applicable taxes and any reasonable fees prescribed by the board.

8.4 Non-recognition of Trusts. Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

8.5 Share Certificates. Every holder of one or more shares of the Corporation shall be entitled, at his option, to a share certificate, or to a non-transferable written certificate of

acknowledgement of his right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Such certificates shall be in such form as the board may from time to time approve. Any such certificate shall be signed in accordance with section 2.4 and need not be under the corporate seal. Notwithstanding the foregoing, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers under section 2.4 or, in the case of a certificate which is not valid unless countersigned by or on behalf of a transfer agent and/or registrar and in the case of a certificate which does not require a manual signature under the Act, the signatures of both signing officers under section 2.4 may be printed or mechanically reproduced in facsimile thereon. Every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.6 Replacement of Share Certificates. The board or any officer or agent designated by the board may in its or his discretion direct the issue of a new share or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

8.7 Joint Shareholders. If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

8.8 Deceased Shareholders. In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by-law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

8.9 Transfer Agents and Registrars. The board may from time to time appoint one or more agents to maintain, in respect of each class of shares of the Corporation issued by it, a central securities register and one or more branch securities registers. Such a person may be designated as transfer agent or registrar according to his functions and one person may be designated both registrar and transfer agent. The board may at any time terminate such appointment.

ARTICLE 9 DIVIDENDS AND RIGHTS

9.1 Dividends. Subject to the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation. Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

9.2 Dividend Cheques. A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made

payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

9.3 Record Date for Dividends and Rights. The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than 7 days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

ARTICLE 10

ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

10.1 Nomination of Directors.

(a) Subject only to the Act and the articles of the Corporation, only persons who are nominated in accordance with the provisions of this section 10.1 shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at either any annual meeting of the shareholders of the Corporation or any special meeting of the shareholders of the Corporation but only if one of the purposes for which such meeting was called was the election of directors. Such nominations may be made in the following manner:

- (i) by or at the direction of the board, including pursuant to a notice of meeting; or
- (ii) by or at the direction or request of one or more shareholders of the Corporation pursuant to a proposal made in accordance with the provisions of the Act, or a requisition for a shareholders' meeting made in accordance with the provisions of the Act; or
- (iii) by any person (a "**Nominating Shareholder**") who: (1) at the close of business on the date of the giving of the notice provided below in this section 10.1 and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares in the capital of the Corporation carrying the right to vote at such meeting or who beneficially owns shares in the capital of the Corporation that are entitled to be voted at such meeting; and (2) complies with the notice procedures set forth below in this section 10.1.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph (c) below) and in proper written form (in accordance with paragraph (d) below) to the corporate secretary of the Corporation at the principal executive offices of the Corporation.

(c) To be timely, a Nominating Shareholder's notice to the corporate secretary of the Corporation must be made:

- (i) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of such annual meeting of shareholders; provided, however, that if such annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first Public Announcement (the "**Notice Date**") of the date of such annual meeting of shareholders was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) date following the Notice Date; and
- (ii) in the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first Public Announcement of the date of such special meeting of shareholders was made.

Upon any adjournment or postponement of a meeting or the announcement of any such adjournment or postponement, a new time period for the giving of a Nominating Shareholder's notice, as described in this section 10.1(c), will commence.

(d) To be in proper written form, a Nominating Shareholder's notice to the corporate secretary of the Corporation must set forth:

- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (1) the name, ~~age, business address, province or state and residential address~~ country of residence of such person; (2) the principal occupation, business or employment of such person; ~~(3) the class or series both at present and number of shares in the capital five years preceding the notice; (3) the number of securities of each class of voting securities of the Corporation which are owned or any of its subsidiaries beneficially or of record owned, or controlled or directed, directly or indirectly, by such the person or which are under the control or direction of such person,~~ as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; ~~(4) such person's written consent to being named in the notice as a nominee and to serving as a director of the Corporation, if elected; and (5) any other information relating to such person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for the election of directors pursuant to the Act and Applicable Securities Laws; and~~
- (ii) as to the Nominating Shareholder(s) giving the notice: ~~(1) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such person or any joint actors, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (2) full particulars regarding any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder(s) has a right to vote any shares of the Corporation, and (3) any other information relating to such Nominating Shareholder(s) that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and any other applicable laws.~~

The Corporation may require any proposed nominee to furnish such other information as may ~~reasonably~~ be required by the ~~Corporation Act and Applicable Securities Laws~~ to determine the eligibility of such proposed nominee to serve as an “independent” director ~~or that could be material to a reasonable shareholder’s understanding of such “independence”, or the lack thereof, of such proposed nominee.~~

(e) No person shall be eligible for election as a director unless nominated in accordance with the provisions of this section 10.1 provided, however, that nothing in this section 10.1 shall be deemed to preclude discussion by a shareholder of the Corporation (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act. The chairman of a meeting of shareholders shall have the power and duty to determine whether a nomination has been made in accordance with the procedures set forth in the foregoing provisions of this section 10.1 at such meeting of shareholders and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(f) Notwithstanding any other provision of this section 10.1, notice given to the corporate secretary of the Corporation may only be given by personal delivery, fax transmission or by e-mail (at such e-mail address as stipulated from time to time by the corporate secretary of the Corporation for the purpose of any such notice), and shall be deemed to have been given and made only at the time it is so served by personal delivery, fax (provided that receipt of confirmation of such fax has been received) or e-mail to the corporate secretary of the Corporation at the address of the principal executive offices of the Corporation; provided, however, that if any such delivery or electronic communication is made on a day which is not a business day in the City of Vancouver, British Columbia, Canada or later than 5:00 p.m. (Vancouver time) on a day which is a business day in the City of Vancouver, British Columbia, Canada, then such delivery or electronic communication shall be deemed to have been made on the next subsequent day that is a business day in the City of Vancouver, British Columbia, Canada.

(g) For purposes of this section 10.1:

(i) “Applicable Securities Laws” mean the *Securities Act* (British Columbia) and the equivalent securities legislation of each of the other provinces and territories of Canada which are applicable to and govern the Corporation, as such statutes are amended from time to time, and the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each of provinces and territories of Canada which are applicable to and govern the Corporation; and

(ii) “Public Announcement” means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

(h) Notwithstanding the foregoing provisions of this section 10.1. the board may, in its sole discretion, waive any requirement in this section 10.1.

ARTICLE 11 MEETINGS OF SHAREHOLDERS

11.1 Annual Meetings. The annual meeting of shareholders shall be held at such time in each year and, subject to section 11.3, at such place as the board, the chairman of the board, the managing director or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors,

appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

11.2 Special Meetings. The board, the chairman of the board, the managing director or the president shall have power to call a special meeting of shareholders at any time.

11.3 Place of Meetings. Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situated or, if the board shall so determine, at some other place in Canada. A meeting held pursuant to section 11.17 shall be deemed to be held at the place where the registered office of the Corporation is located.

11.4 Notice of Meetings. Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Article 12 not less than 21 nor more than ~~50~~60 days before the date of the meeting to each director, to the auditor, and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting.

11.5 List of Shareholders Entitled to Notice. For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to section 11.6, the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given or, where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared.

11.6 Record Date for Notice. The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than ~~50~~60 days and not less than 21 days, as a record date for the determination of the shareholders entitled to notice of the meeting, and notice of any such record date shall be given not less than 7 days before such record date, by newspaper advertisement in the manner provided in the Act and by written notice to each stock exchange in Canada on which the shares of the Corporation are listed for trading. If no such record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, shall be the day on which the meeting is held.

11.7 Meetings Without Notice. A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or duly represented or if those not present or represented waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held; so long as such shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact.

11.8 Chairman, Secretary and Scrutineers. The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the

meeting: managing director, president, chairman of the board, or a vice-president who is a shareholder. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

11.9 Persons Entitled to be Present. The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

11.10 Participation in Meetings by Electronic Means. Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

11.11 ~~11.10~~ Quorum. Subject to the Act in respect of a majority shareholder, a quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat, or a duly appointed proxyholder or representative for a shareholder so entitled and who hold or represent by proxy in the aggregate not less than 25% of the shares entitled to be voted at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented by proxy may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any meeting of shareholders, the shareholders present or represented by proxy may adjourn the meeting to a fixed time and place but may not transact any other business.

11.12 ~~11.11~~ Right to Vote. Every person named in the list referred to in section 11.5 shall be entitled to vote the shares shown thereon opposite such person's name at the meeting to which such list relates, except to the extent that (a) where the Corporation has fixed a record date in respect of such meeting, such person has transferred any of his shares after such record date or, where the Corporation has not fixed a record date in respect of such meeting, such person has transferred any shares after the date on which such list is prepared, and (b) the transferee, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, has demanded not later than 10 days before the meeting that his name be included in such list. In any such excepted case the transferee shall be entitled to vote the transferred shares at such meeting.

11.13 ~~11.12~~ Proxyholders and Representatives. Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, to attend and act as the shareholder's representative at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney and shall conform with the requirements of the Act. Alternatively, every such shareholder which is a body corporate or association may authorize by resolution of its directors or governing body an individual to represent it at a meeting of shareholders and such individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of such resolution, or in such other manner as may be satisfactory to the secretary of the Corporation or the chairman of the meeting. Any such proxyholder or representative need not be a shareholder.

11.14 ~~11.13~~ Time for Deposit of Proxies. The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours, excluding Saturdays and holidays, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or if, no such time having been specified in such notice, it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

11.15 ~~11.14~~ Joint Shareholders. If two or more persons hold shares jointly, any one of them present in person or duly represented at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.

11.16 ~~11.15~~ Votes to Govern Voting. At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by-law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

~~11.16~~ ~~———~~ ~~Show of Hands.~~ Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided, and upon a show of hands every person who is present and entitled to vote shall have one vote, subject to any provision of the Act restricting the ability of a proxyholder or alternate proxyholder to vote by way of show of hands where such person has conflicting instructions from more than one shareholder. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question. Any vote by shareholders may be held, subject to and in accordance with the Act, partly or entirely by means of a telephonic, electronic or other communication facility, if the Corporation makes available such a communication facility. Any person participating in a meeting of shareholders under section 11.10 or section 11.17 and entitled to vote at that meeting may vote, subject to and in accordance with the Act, by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

11.17 Meeting held by Electronic Means. If the Directors or the shareholders of the Corporation call a meeting of shareholders pursuant to the Act, those Directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

11.18 ~~11.17~~ Ballots. On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chairman may require a ballot or any person who is present and entitled to vote on such question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which such person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

11.19 ~~11.18~~ Adjournment. The chairman at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

11.20 ~~11.19~~ Action in Writing by Shareholders. A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditor in accordance with the Act.

11.21 ~~11.20~~ Only One Shareholder. Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented constitutes a meeting.

ARTICLE 12 NOTICES

12.1 Method of Giving Notices. Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

12.2 Notice to Joint Shareholders. If two or more persons are registered as joint holders of any share, any notice may be addressed to all such joint holders, but notice addressed to one of such persons shall be sufficient notice to all of them.

12.3 Computation of Time. In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be included.

12.4 Undelivered Notices. If any notice given to a shareholder pursuant to section 12.1 is returned on three consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address.

12.5 Omissions and Errors. The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

12.6 Persons Entitled by Death or Operation of Law. Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

12.7 Waiver of Notice. Any shareholder, proxyholder or other person entitled to attend a meeting of shareholders, director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under the Act, the regulations thereunder, the articles, the by-laws or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or a committee of the board which may be given in any manner.

12.8 Interpretation. In the by-laws, "recorded address" means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the board, his latest address as recorded in the records of the Corporation.

**ARTICLE 13
EFFECTIVE DATE**

13.1 Effective Date. This Amended and Restated By-Law No. 1 shall come into force with effect as of and from such date as the Corporation becomes a distributing corporation under the Act.

MADE by the board as of the ~~13~~²⁰th day of April, ~~2016~~²⁰²⁰.

“David McLennan”

Secretary

CONFIRMED by the shareholders in accordance with the Act as of the ~~19~~th day of ~~May~~^{_____}, ~~2016~~²⁰²⁰.

“David McLennan”

Secretary

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