

SIERRA WIRELESS INC  
Form 6-K  
March 29, 2006

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

---

## FORM 6-K

Report of Foreign issuer

Pursuant to Rule 13a-16 or 15d-16 of the  
Securities Exchange Act of 1934

---

For the Month of March 2005

---

(Commission File. No 0-30718).

---

## SIERRA WIRELESS, INC., A CANADA CORPORATION

(Translation of registrant's name in English)

13811 Wireless Way

Richmond, British Columbia, Canada V6V 3A4

(Address of principal executive offices and zip code)

Edgar Filing: SIERRA WIRELESS INC - Form 6-K

Registrant's Telephone Number, including area code: **604-231-1100**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F  40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes:  No:

---

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Sierra Wireless, Inc.

By: */s/ David G. McLennan*  
David G. McLennan, Chief Financial Officer and  
Secretary

Date: March 27, 2006

**SIERRA WIRELESS, INC.**

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the Meeting) of shareholders of Sierra Wireless, Inc. (the Corporation) will be held at the Corporation's head office at 13811 Wireless Way, Richmond, British Columbia, on Tuesday, April 25, 2006 at 10:00 a.m. (Vancouver time) for the following purposes:

1. To receive the report of the directors;
2. To receive the consolidated financial statements for the year ended December 31, 2005 and the auditors' report thereon;
3. To appoint KPMG LLP, Chartered Accountants, as auditors of the Corporation and to authorize the directors to fix the auditors' remuneration;
4. To elect directors for the ensuing year;
5. To consider and, if deemed advisable, pass an ordinary resolution authorizing and approving the continuation and the amendment and restatement of the Corporation's Shareholder Rights Plan; and
6. To transact such other business as may be properly brought before the Meeting.

Further details of the above matters are set out in the attached Information Circular.

**DATED** at Richmond, British Columbia, this 27 day of March, 2006.

By Order of the Board of Directors

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

**IMPORTANT**

Only holders of common shares of the Corporation of record at the close of business on March 17, 2006 are entitled to notice of the Meeting and only those holders of common shares of the Corporation of record at the close of business on March 17, 2006 are entitled to vote at the Meeting. Shareholders who are unable to attend the Meeting in person are requested to complete, sign, date and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Information Circular accompanying this Notice.

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computer Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, no later than 4:00 p.m. (Vancouver time) two (2) days (excluding Saturdays, Sundays, and statutory holidays) preceding the Meeting or any adjournment of the Meeting.

**SIERRA WIRELESS, INC.**

13811 Wireless Way

Richmond, British Columbia Canada V6V 3A4

**INFORMATION CIRCULAR**

As at March 27, 2006

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

This Information Circular is furnished in connection with the solicitation of proxies by the management (the **Management**) of Sierra Wireless, Inc. (the **Corporation**) for use at the annual meeting (the **Meeting**) of shareholders of the Corporation (and any adjournment thereof) to be held on Tuesday, April 25, 2006 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors and regular employees of the Corporation. All costs of solicitation will be borne by the Corporation.

**Appointment of Proxyholder**

The individuals named in the accompanying form of proxy are the Chief Executive Officer (or **CEO**) and Chief Financial Officer of the Corporation. **A shareholder may appoint some other person (who need not be a shareholder) 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 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 of the Corporation whose shares 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).

**Registered Shareholders**

A registered shareholder can vote common shares of the Corporation (**Common Shares**) owned by it at the Meeting either in person at the Meeting or by proxy. A registered shareholder who wishes to vote in person at the Meeting should not complete or return the form of proxy included with this Information Circular. Those registered shareholders choosing to attend the Meeting will have their votes taken and counted at

## Edgar Filing: SIERRA WIRELESS INC - Form 6-K

the Meeting. A registered shareholder who does not wish to attend the Meeting or does not wish to vote in person should properly complete and deliver the enclosed form of proxy, and the Common Shares represented by the shareholder's proxy will be voted or withheld from voting in accordance with the instructions indicated on the form of proxy, or any ballot that may be called at the Meeting or any adjournment thereof.

A registered shareholder may submit his or her proxy by mail or by facsimile in accordance with the instructions below.

---

*Voting by Mail.* A registered shareholder may vote by mail by completing, dating and signing the enclosed form of proxy and returning it using the envelope provided or otherwise to the attention of the Corporation's transfer agent at the Proxy Department of Computer Investor Services Inc., 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, Canada, M5J 2Y1.

*Voting by Facsimile.* A registered shareholder may vote by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to Computer Investor Services Inc. at (416) 263-9524.

**To be effective, a proxy must be received by Computershare no later than 4:00 p.m. (Vancouver time) two (2) days (excluding Saturdays, Sundays, and statutory holidays) preceding the Meeting or any adjournment of the Meeting.**

### **Non-Registered Shareholders**

The Corporation has distributed copies of this Information Circular to intermediaries for distribution to non-registered shareholders. Unless the non-registered shareholder has waived his 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 the 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 proxyholder 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, following the corresponding instructions provided by the intermediary. **In either case, the non-registered shareholder should carefully follow the instructions provided by the intermediary.**



**Revocation of Proxy**

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 4:00 p.m. (Vancouver time) two (2) days (excluding Saturdays, Sundays, and statutory holidays) preceding the Meeting, or if adjourned, any reconvening thereof, or to the Chairman 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 Computer Investor Services Inc. as aforesaid at any time up to 4:00 p.m. (Vancouver time) two (2) 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 under the heading "Appointment of Proxyholder" 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 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 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, 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 judgement 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 senior officer, 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, in any matter to be acted upon at the Meeting, 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.

**Voting Securities and Principal Holders Thereof**

The Corporation is authorized to issue an unlimited number of common shares in the capital of the Corporation of which, as of the date of this Information Circular, 25,502,170 Common Shares are issued

and outstanding as fully paid and non-assessable shares. The holders of Common Shares are entitled to one (1) 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 March 17, 2006 (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.

## MATTERS TO BE ACTED UPON AT THE MEETING

### Appointment of Auditors

At the meeting, holders of Common Shares will be requested to vote on the re-appointment of KPMG LLP, Chartered Accountants, as auditors of the Corporation until the close of the next annual meeting of shareholders and authorize the Audit Committee to determine their remuneration. KPMG LLP have been the auditors of the Corporation since the fiscal year ended December 31, 1997. For the fiscal year ended December 31, 2005 the Corporation paid KPMG LLP fees for audit services of U.S.\$297,000. In addition, KPMG LLP was paid U.S.\$212,000 by the Corporation for tax services and U.S.\$23,000 for audit-related services.

### Election of Directors

The term of office of each of the present directors expires at the Meeting. The Board of Directors presently consists of nine (9) directors and it is intended to elect eight (8) directors for the ensuing year. In October 2005, the Board of Directors was increased from eight to nine directors with the appointment of the Corporation's new CEO, Jason Cohenour. At the request of the Board of Directors, the former CEO, David Sutcliffe, continues to serve the Corporation in a non-management capacity as a member of the Board. Due to other business commitments, one director, Nadir Mohamed, has chosen not to stand for re-election at the Meeting. At the current time, the Corporation is not nominating a replacement and, accordingly, the directors have determined that the number of proposed nominees for the Meeting will be eight (8) directors. Each director elected will hold office until the next annual meeting of the Corporation or until his or her successor is 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*.

The persons named below will be presented for election at the Meeting as Management's nominees for the Board of Directors, and the proxyholders named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate presenting for election any person other than these nominees but, if for any reason Management does present another nominee for election, the proxyholders named in the accompanying form of proxy reserve the right to vote for such other nominee in their discretion unless the shareholder has specified otherwise in the form of proxy.

The following table sets out the names of the nominees for election as directors, the province or state and country in which each is ordinarily resident, all offices of the Corporation now held by each of them, their present principal occupations, their principal occupation within the five preceding years and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercises control or direction, as at the date hereof.



Edgar Filing: SIERRA WIRELESS INC - Form 6-K

Name, Position and Residence	Principal Occupation or Employment	Director Since	No. of Common Shares
<b>Jason W. Cohenour</b> President, CEO and Director Washington, U.S.A.	President and Chief Executive Officer of the Corporation since October 2005. Chief Operating Officer of the Corporation from August 2004 to October 2005, Senior Vice President, Worldwide Sales of the Corporation from 2000 to August 2004	October 2005	38,801(1)
<b>Gregory D. Aasen</b> Director British Columbia, Canada	Chief Strategy Officer of PMC-Sierra, Inc. from September 2005 to present; Vice-President and General Manager, Communication Products Division of PMC-Sierra, Inc. from 2004 to September 2005.; Chief Operating Officer of PMC-Sierra, Inc. from 1997 to 2004 and Chief Technology Officer of PMC-Sierra, Inc. from 2003 to 2004	December 1997	20,000(2)
<b>Paul G. Cataford*</b> Director Alberta, Canada	President and Chief Executive Officer of University Technologies International Inc. from 2004 to present; Managing Partner of HorizonOne Asset Management from December 2002 to 2004; Consultant from March 2002 to December 2002; Executive Managing Director of BMO Nesbitt Burns Equity Partners Inc. from 2001 to 2002; Managing Director and President BCE Capital Inc. from 1997 to 2001	July 1998	3,988(3)
<b>Peter Ciceri</b> Chairman and Director British Columbia, Canada	Corporate Director and principal of Peter Ciceri & Associates Executive Coaching and Business Counselling Services from 2001 to present; President of Rogers Telecom, Inc. from 2000 to 2001	February 2000	9,500(4)
<b>Charles E. Levine</b> Director California, U.S.A.	Independent Outside Director of @Road, Inc., Somera Communications, Inc., Viisage Technology, Inc. and Lexar Media; Inc., President and Chief Operating Officer of Sprint PCS from 2000 to 2002	May 2003	9,500(5)
<b>S. Jane Rowe*</b> Director Ontario, Canada	President and Chief Executive Officer of Roynat Capital from 2004 to present; Senior Vice President, Global Risk Management Division of Scotiabank from 2002 to 2004; Managing Director and Co-Head of Scotia Merchant Capital Corporation from 1997 to 2002	March 1998	50,156(6)

Edgar Filing: SIERRA WIRELESS INC - Form 6-K

Name, Position and Residence	Principal Occupation or Employment	Director Since	No. of Common Shares
<b>David B. Sutcliffe</b> Director British Columbia, Canada	Corporate director. Chief Executive Officer of the Corporation from May 1995 through October 2005.	June 1995	187,337(7)
<b>Kent Thexton</b> Director British Columbia, Canada	President and Chief Executive Officer of SEVEN Networks, Inc. from June 2005 to present; Co-Chief Executive Officer of SEVEN Networks from April 2004 to June 2005; Chief Data and Marketing Officer of O2 and President of O2 Online from 2001 to 2004; President of Genie from 2000 to 2001	March 2005	Nil(8)

Notes:

\* Member of the Audit Committee. Nahir Mohamed, who has decided not to stand for re-election at the Meeting, is also currently a member of the Audit Committee.

Member of the Human Resources Committee.

Member of the Governance and Nominating Committee.

(1) Excludes options to purchase 8,333 Common Shares at a price of Cdn.\$3.33 and an aggregate of 339,050 Common Shares at prices ranging from US \$2.23 per Common Share to US \$25.64 per Common Share.

(2) Excludes options to purchase an aggregate of 35,000 Common Shares at prices ranging from Cdn.\$3.50 per Common Share to Cdn.\$34.11 per Common Share.

(3) Excludes options to purchase an aggregate of 37,812 Common Shares at prices ranging from Cdn.\$3.50 per Common Share to Cdn.\$34.11 per Common Share.

(4) Excludes options to purchase an aggregate of 50,250 Common Shares at prices ranging from Cdn.\$3.50 per Common Share to Cdn.\$61.75 per Common Share.

(5) Excludes options to purchase an aggregate of 36,000 Common Shares at prices ranging from US \$3.90 per Common Share to US \$25.64 per Common Share.

(6) Excludes options to purchase an aggregate of 35,000 Common Shares at prices ranging from Cdn.\$3.50 per Common Share to Cdn. \$34.11 per Common Share.

(7) Excludes options to purchase an aggregate of 158,708 Common Shares at prices ranging from Cdn.\$3.50 per Common Share to Cdn.\$34.11 per Common Share.

(8) Excludes options to purchase an aggregate of 26,000 Common Shares at prices ranging from Cdn. \$9.99 per Common Share to \$14.64 per Common Share.





## **Approval of the Continuation and Amendment and Restatement of the Shareholder Rights Plan**

### *Background*

The Corporation and Montreal Trust Company of Canada (now Computer Investor Services Inc., as successor to Montreal Trust Company of Canada) (the *Rights Agent*) originally entered into an agreement dated April 27, 2000 to implement a shareholder rights plan, which was approved and confirmed by the shareholders of the Corporation at the annual and special meeting of shareholders of the Corporation held on April 27, 2000. The shareholder rights plan was ratified on April 28, 2003 (the *Existing Plan*) following receipt of shareholder approval at the Corporation's 2003 annual and special meeting of shareholders.

Under the terms of the Existing Plan, the Existing Plan will expire in accordance with its terms upon the termination of the Corporation's annual meeting of shareholders of the Corporation in 2006. The Corporation has reviewed its Existing Plan for conformity with current practices of Canadian issuers with respect to shareholder rights plan design. Based on its review, the Corporation has determined that, since April 2003, when the Existing Plan was ratified, there have been few changes in those practices. As a result, on March 20, 2006, the Board of Directors resolved to continue the Existing Plan, with certain minor amendments, by approving an amended and restated shareholder rights plan (the *Amended Plan*) proposed to be dated April 25, 2006, subject to regulatory approval and approval by the Independent Shareholders (as defined in the Existing Plan) at the Meeting. The main change was to revise the definition of Exercise Price from Cdn.\$1,000 to three times the Market Price, as is the current practice. Other than that, the Amended Plan is identical to the Existing Plan in all material respects.

An Independent Shareholder is generally any shareholder other than an *Acquiring Person* (as defined in the Existing Plan) and its associates and affiliates. As of the date of this Information Circular, the Corporation is not aware of any shareholder who would not be considered an Independent Shareholder, and therefore it is anticipated that all shareholders will be eligible to vote their Common Shares on the resolution set forth below.

A summary of the key features of the Amended Plan is attached as Appendix A to this Information Circular. Complete copies of the Existing Plan and the proposed final form of the Amended Plan are available on request from the Corporate Secretary of the Corporation at the address noted on the first page of this Information Circular.

### *Objectives of the Shareholder Rights Plan*

The Corporation is a widely-held corporation with no controlling shareholder. When it first proposed the Existing Plan to the shareholders of the Corporation at the Corporation's 2000 annual and special meeting of shareholders, the Board of Directors considered various strategies, including approval of a shareholder rights plan, to ensure that, in the context of a bid for control of the Corporation through an acquisition of the Corporation's Common Shares, shareholders would be positioned to receive full and fair value for their shares. Of particular concern to the Board of Directors was the widely held view that Canadian securities legislation provided too short of a response time to a corporation that is the subject of an unsolicited bid for control. An inadequate response time has been identified as an impediment to ensuring that shareholders are offered full and fair value for their shares. Also of concern to the Board of Directors was the possibility that, under securities laws, the Corporation's shareholders could be treated unequally in the context of a bid for control. Neither the Existing Plan nor the Amended Plan was put forth in response to or in anticipation of any pending or threatened take over bid, nor to deter takeover bids for control of the Corporation generally. As of the date of this Information Circular, the Board of Directors is not aware of any third party considering or preparing any proposal to acquire control of the



Corporation. Rather, the primary objectives of the Amended Plan, as with the Existing Plan, are to give adequate time for shareholders to properly assess a takeover bid without undue pressure, for the Board of Directors to consider value-enhancing alternatives and to allow competing bids to emerge. Also, the Amended Plan, as with the Existing Plan, was designed to provide shareholders of the Corporation with equal treatment in a bid for control of the Corporation. It was not, and is not, the intention of the Board of Directors to secure the continuance in office of the existing members of the Board of Directors or to avoid an acquisition of control of the Corporation in a transaction that is fair and in the best interest of shareholders. The rights of shareholders under existing laws to seek a change in the Management of the Corporation or to influence or promote action of Management in a particular manner is not affected by the Amended Plan.

In reviewing the Amended Plan, the Board of Directors considered the following concerns inherent in the existing legislative framework governing takeover bids in Canada:

(a) *Time.* Current legislation permits a takeover bid to expire in 35 days. The Board of Directors is of the view that this is not sufficient time to permit shareholders to consider a takeover bid and to make a reasoned and unhurried decision. The Amended Plan provides a mechanism whereby the minimum expiry period for a takeover bid must be 45 days after the date of the bid and the bid must remain open for a further period of 10 Business Days after the Offeror publicly announces that the shares deposited or tendered and not withdrawn constitute more than 50% of the Voting Shares outstanding held by Independent Shareholders (generally, shareholders other than the Offeror or Acquiring Person, their Associates and Affiliates and Persons acting jointly or in concert with the Offeror or Acquiring Person). The Amended Plan is intended to provide shareholders with adequate time to properly evaluate the offer and to provide the Board of Directors with sufficient time to explore and develop alternatives for maximizing shareholder value. Those alternatives could include, if deemed appropriate by the Board of Directors, the identification of other potential bidders, the conducting of an orderly auction or the development of a corporate restructuring alternative which could enhance shareholder value.

(b) *Pressure to Tender.* A shareholder may feel compelled to tender to a bid which the shareholder considers to be inadequate out of concern that failing to tender may result in the shareholder being left with illiquid or minority discounted shares in the Corporation. This is particularly so in the case of a partial bid for less than all shares of a class, where the bidder wishes to obtain a control position but does not wish to acquire all of the Voting Shares. The Amended Plan provides a shareholder approval mechanism in the Permitted Bid provision which is intended to ensure that a shareholder can separate the tender decision from the approval or disapproval of a particular takeover bid. By requiring that a bid remain open for acceptance for a further 10 Business Days following public announcement that more than 50% of the Voting Shares held by Independent Shareholders have been deposited, a shareholder's decision to accept a bid is separated from the decision to tender, lessening the undue pressure to tender typically encountered by a shareholder of a corporation that is the subject of a takeover bid.

(c) *Unequal Treatment.* While existing securities legislation has substantially addressed many concerns of unequal treatment, there remains the possibility that control of a corporation may be acquired pursuant to a private agreement in which a small group of shareholders dispose of shares at a premium to market price which premium is not shared with other shareholders. In addition, a person may slowly accumulate shares through stock exchange acquisitions which may result, over time, in an acquisition of control



without payment of fair value for control or a fair sharing of a control premium among all shareholders. The Amended Plan addresses these concerns by applying to all acquisitions of greater than 20% of the Voting Shares, to better ensure that shareholders receive equal treatment.

*General Impact of the Amended Plan*

It is not the intention of the Board of Directors, in continuing the Corporation's shareholder rights plan, to secure the continuance of existing directors or management in office, nor to avoid a bid for control of the Corporation in a transaction that is fair and in the best interests of shareholders of the Corporation. For example, through the Permitted Bid mechanism, described in more detail in Appendix A, shareholders may tender to a bid which meets the Permitted Bid criteria without triggering the Amended Plan, regardless of the acceptability of the bid to the Board of Directors. Furthermore, even in the context of a bid that does not meet the Permitted Bid criteria, the Board of Directors will continue to be bound to consider fully and fairly any bid for the Corporation's common shares in any exercise of its discretion to waive application of the Amended Plan or redeem the Rights. In all such circumstances, the Board of Directors must act honestly and in good faith with a view to the best interests of the Corporation and its shareholders.

The Amended Plan does not preclude any shareholder from utilizing the proxy mechanism of the *Canada Business Corporations Act* to promote a change in the management or direction of the Corporation, and has no effect on the rights of holders of outstanding voting shares of the Corporation to requisition a meeting of shareholders, in accordance with the provisions of applicable corporate and securities legislation, or to enter into agreements with respect to voting their common shares. The definitions of *Acquiring Person* and *Beneficial Ownership* have been developed to minimize concerns that the Amended Plan may be inadvertently triggered or triggered as a result of an overly-broad aggregating of holdings of institutional shareholders and their clients.

The Amended Plan will not interfere with the day-to-day operations of the Corporation. The issuance of the Rights does not in any way alter the financial condition of the Corporation, impede its business plans or alter its financial statements. In addition, the Amended Plan is initially not dilutive and is not expected to have any effect on the trading of common shares. However, if a Flip-In Event occurs and the Rights separate from the common shares, as described in the summary contained in Appendix A, reported earnings per share and reported cash flow per share on a fully-diluted or non-diluted basis may be affected. In addition, holders of Rights not exercising their Rights after a Flip-In Event may suffer substantial dilution.

In summary, the Board of Directors believes that the dominant effect of the Amended Plan will be to enhance shareholder value and ensure equal treatment of all shareholders in the context of an acquisition of control.

*Approval by Shareholders*

Shareholder approval of the Amended Plan is not required by law but is required by the terms of the Existing Plan and applicable stock exchange rules. The text of the resolution of the shareholders of the Corporation to approve the continued existence of the shareholder rights plan is set forth below:

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



1. The shareholder rights plan agreement of the Corporation be continued and the Amended and Restated Shareholder Rights Plan Agreement to be made as of April 25, 2006 between the Corporation and Computer Investor Services Inc. which amends and restates the Shareholder Rights Plan Agreement dated April 27, 2000 made between the Corporation and Montreal Trust Company of Canada (now Computer Investor Services Inc. as successor to Montreal Trust Company of Canada) (the Existing Plan ) and continues the rights issued under the Existing Plan, be and is hereby ratified, confirmed and approved; and

2. Any director or senior officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and execute 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 in favour of the above 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.**

*Recommendation of the Board of Directors*

The Board of Directors has determined that it is in the best interests of the Corporation and the holders of its Common Shares to have a shareholder rights plan in the form of the Amended Plan. The Board of Directors unanimously recommends that the shareholders vote in favour of the reconfirmation and approval of the Amended Plan.

The Corporation has been advised that the directors and senior officers of the Corporation intend to vote all Common Shares held by them in favour of the reconfirmation and approval of the Amended Plan.

*Canadian Federal Income Tax Consequences*

Under the provisions of the *Income Tax Act* (Canada) (the Tax Act ), the issue of the Rights, described in more detail in Appendix A, can give rise to a taxable benefit which must be included in the income of shareholders. However, no amount must be included in the income of shareholders if the Rights do not have a monetary value at the date of issue. The Corporation considers that the Rights, when issued, will have negligible monetary value, there being only a remote possibility that the Rights will ever be exercised.

Assuming that the Rights have no value, shareholders will not be required to include any amount in income or be subject to withholding tax under the Tax Act as a result of the issuance of the Rights. The Rights will be considered to have been acquired at no cost.

The holders of Rights may have an income inclusion or be subject to tax under the Tax Act if the Rights are exercised or otherwise disposed of.

**This statement is of a general nature only and is not intended to constitute nor should it be construed to constitute legal or tax advice to any particular shareholder. Shareholders are advised to consult their own tax advisors regarding the consequences of acquiring, holding, exercising or otherwise disposing of their Rights, taking into account their own particular circumstances and any applicable tax laws.**



*United States Federal Income Tax Consequences*

As the Corporation considers that the possibility of the Rights issued under the shareholder rights plan becoming exercisable is both remote and speculative, under a current U.S. Internal Revenue Service ruling, the adoption of the Amended Plan will not constitute a distribution of stock or property by the Corporation to its shareholders, an exchange of property or stock, or any other event giving rise to the realization of gross income by any shareholder. **The holder of Rights may have taxable income if the Rights become exercisable or are exercised or sold. In the event the Rights should become exercisable, shareholders should consult their own tax advisor concerning the consequences of acquiring, holding, exercising or disposing of their Rights.**

*Eligibility for Investment in Canada*

The Rights are qualified investments under the Tax Act for registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit savings plans provided that the Common Shares continue to be qualified investments for such plans.

The issuance of the Rights will not affect the eligibility of the common shares as investments for investors governed by certain Canadian federal and provincial legislation governing insurance companies, trust companies, loan companies and pension plans.

## CORPORATE GOVERNANCE DISCLOSURE

### Introduction

National Instrument 58-101 requires each issuer to include the corporate governance disclosure required by Form 58-101F1 in each Information Circular furnished with the solicitation of proxies by management. Our disclosure, in compliance with Form 58-101F1, is as follows:

#### 1. Board of Directors (the Board )

The Board oversees the Corporation's business and affairs and the conduct of business by senior management and acts in accordance with the *Canada Business Corporations Act*, the Restated Articles of Incorporation and By-laws of the Corporation, all other applicable statutory and legal requirements, the policies of the Corporation, the written mandate of the Board and written mandates of the Board committees and the Corporation's Code of Business Conduct and Ethics.

The Board presently consists of nine (9) directors. Due to other business commitments, one of the Corporation's current directors, Nadir Mohamed, has chosen not to stand for re-election at the Meeting. At the current time, the Corporation is not nominating a replacement and, accordingly, the directors have determined that the number of proposed nominees for the Meeting will be eight (8) directors. A brief biography of each of the eight (8) nominee directors can be found on pages 5 and 6 of this Information Circular. Of our nine (9) current directors, seven (7) directors, or 78%, being a majority of the Board, are independent directors within the meaning of Multilateral Instrument 52-110: Gregory D.

## Edgar Filing: SIERRA WIRELESS INC - Form 6-K

Aasen, Paul G. Cataford, Peter Ciceri, Charles E. Levine, Nadir Mohamed, S. Jane Rowe and Kent Thexton. Assuming that our eight (8) nominee directors, and no other persons, will be elected to the Board at the Meeting, of our eight (8) directors, six (6) directors, or 75%, being a majority of the Board, will be independent directors. None of these directors has a direct or indirect material relationship with the Corporation.

Messrs. Cohenour and Sutcliffe are the two (2) directors of the Corporation who are not independent directors. Mr. Cohenour is the Corporation's President and Chief Executive Officer. Mr. Sutcliffe retired

## Edgar Filing: SIERRA WIRELESS INC - Form 6-K

as the Corporation's President and Chief Executive Officer in October 2005 and will not be considered an independent director for a period of three years following his retirement.

Members of our board are directors of the following other reporting issuers:

<b>Paul Cataford</b>	CSI Wireless Inc. TSX (Audit Committee) SemBioSys Genetics Inc. TSX (Audit Committee)
<b>Jason Cohenour</b>	Epic Data International Inc. TSX (Audit, HR Committee)
<b>Chuck Levine</b>	Somera Communications, Inc. NASDAQ (HR Committee) @Road, Inc. NASDAQ (Governance & Nominating, Audit Committees) Lexar Media, Inc. NASDAQ (Compensation, Audit Committees) Viisage Technology, Inc. NASDAQ (Governance & Nominating, Audit Committees)
<b>Nadir Mohamed</b>	Cinram International Inc. TSX (Compensation and Audit Committee) Rogers Communications Inc. TSX, NYSE (Pension Committee)
<b>David Sutcliffe</b>	Ballard Power Systems Inc. TSX, NASDAQ (Management, Development, Nominating and Compensation, Audit Committees)

It is the practice of the Board for the non-management board members to meet without management at many of the regularly scheduled Board meetings. For the year ending December 31, 2005, six (6) of the ten (10) Board meetings included a meeting of only the non-management directors as part of the agenda. During these sessions, the non-management directors discussed the business matters of the Corporation including, among other things, business plans, budgets, expenditures, financial performance, opportunities and business execution and implementation by management. As Chair of the Board, as well as the Governance and Nominating Committee, Mr. Ciceri typically communicates with management regarding the discussions of the non-management directors where appropriate.

In April 2005, Mr. Sutcliffe, the Corporation's Chair of the Board and CEO stepped down from the position of Chair of the Board; however, he remained as President and CEO of the Corporation. At that time, Mr. Ciceri, the lead independent director, was appointed Chair of the Board. Mr. Ciceri is an independent director and is neither chair of the board nor lead independent director of any other organization. The Chair of the Board is responsible for the overall leadership and management of the Board. The Chair of the Board is a non-executive position and is at all times independent of management. As set out in 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

leading by example and setting a high standard of integrity

For the year ending December 31, 2005 the Corporation held ten (10) Board meetings. The attendance at Board and committee meetings by the directors is summarized below.

<b>Director</b>	<b>Attendance at Board Meeting</b>	<b>Attendance at Committee Meetings</b>
Greg Aasen	10 of 10	HR & CEO Search Committees: 27 of 27
Paul Cataford	10 of 10	Audit Committee: 4 of 4 GNC Committee: 10 of 10
Peter Ciceri	10 of 10	GNC Committee: 10 of 10 HR & CEO Search Committees: 15 of 15
Jason Cohenour (1)	1 of 1	N/A
Charles Levine	10 of 10	HR & CEO Search Committees: 27 of 27
Nadir Mohamed	9 of 10	Audit Committee: 4 of 4
Jane Rowe	10 of 10	Audit Committee: 4 of 4
David Sutcliffe (2)	10 of 10	CEO Search Committee: 4 of 5
Kent Thexton (3)	9 of 9	N/A

---

(1) Jason Cohenour joined the Board on October 28, 2005

(2) David Sutcliffe joined the CEO Search Committee on August 31, 2005

(3) Kent Thexton joined the Board on March 11, 2005

## 2. Board Mandate

The roles and responsibilities of Board are set out in the Mandate of the Board of Directors, as follows:

The Board explicitly assumes responsibility for the stewardship of the Corporation and, as part of the overall stewardship responsibility, assumes responsibility for the following matters:

Edgar Filing: SIERRA WIRELESS INC - Form 6-K

- (a) selecting the CEO for the Corporation, setting the parameters within which the CEO operates, coaching the CEO, setting the CEO compensation and taking remedial action where warranted;
  
- (b) monitoring and assessing the performance of the CEO and ensuring that succession planning is in place;
  
- (c) approving choices of the CEO for the executive management team, ensuring that appropriate training of the executive management team occurs, monitoring the performance of the executive management, and ensuring that succession planning is in place for critical executive management positions;
  
- (d) to the extent feasible, taking reasonable steps to satisfy itself: (i) as to the integrity of the CEO and executive

management; and (ii) that the CEO and executive management create a culture of integrity throughout the Corporation;

(e) adopting a strategic planning process for the Corporation and approving, on at least an annual basis, a strategic plan that takes into account an identification of business opportunities and business risks;

(f) identifying principal risks of the Corporation's business and ensuring that the Corporation has in place appropriate systems for risk assessment and risk management;

(g) ensuring that the Corporation has in place appropriate systems for internal controls and management information systems, monitoring performance against agreed benchmarks and assuring the integrity of financial reports;

(h) adopting a communications policy for the Corporation;

(i) developing the Corporation's approach to corporate governance including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation; and

(j) providing assurance to shareholders and stakeholders concerning the integrity of the Corporation's reported financial performance.

The board shall establish measures to receive feedback from shareholders and stakeholders. The designated Corporation contacts will be the CEO, the CFO and, where appropriate, the Chair of the board.

The board accepts full responsibility for its own growth and development, education and training, conduct and discipline of individual members and for regular performance reviews and relevant actions.

The board shall be convened under the Chair's direction not less frequently than five times per year. Individual board members are expected to attend all meetings in their entirety, to prepare as directed by the published agenda, and to serve on committees as appropriate/requested.

The Governance and Nominating Committee is responsible for monitoring compliance with the Board Mandate. The Board Mandate is reviewed and updated (where appropriate) on an annual basis.

## Edgar Filing: SIERRA WIRELESS INC - Form 6-K

The aforementioned Mandate of the Board and the full text of following committee Mandates are posted on Investors section of the Corporation's website at <http://www.sierrawireless.com>:

Mandate Governance and Nominating Committee ( GNC )

Mandate Audit Committee

Mandate Human Resources Committee ( HR )



### 3. **Position Descriptions**

The Board has adopted and approved written Position Descriptions for the Chair of the Board and the Chair of each committee of the Board as follows:

Position Description Chair, Governance and Nominating Committee;

Position Description Chair, Audit Committee;

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 above three committees are attached as Appendix B to this Information Circular.

In addition, the Board and the CEO have developed, and the Board has 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.

In addition, the Board is responsible for:

Selecting the CEO of the Company, setting the parameters within which the CEO operate, coaching the CEO, setting the CEO's compensation and taking remedial action where warranted;

Developing and approving the corporate goals and objectives that the CEO is responsible for achieving;

Monitoring and assessing the performance of the CEO; and

Ensuring that succession planning is in place.

#### **4. Orientation and Continuing Education of Directors**

The Governance and Nominating Committee provides leadership for the Board's director orientation and education programs, soliciting input from the Board and ensures that each new director fully understands

the role of the Board, the Board committees and his or her responsibilities and liabilities associated with being a director of the Corporation and a member of a committee. As required, this is accomplished by an orientation program that includes meetings with the Board Chair, Committee Chairs, and with members of management and, where necessary, with industry subject matter experts to better understand the nature and operation of the Corporation's business and its products and its corporate governance.

Each Board member is expected to ensure that his or her knowledge and understanding of the Corporation's business remains current. Management makes regular presentations to the Board on the key areas of the Corporation's business. Directors are invited to tour the Corporation's facilities and meet with executive and operational management throughout the term of each director's tenure.

Directors are encouraged to take professional development courses to enhance their skills as directors, at the Corporation's expense. Several of the Corporation's directors have completed or are enrolled in the Institute of Corporate Directors (ICD) Education Program and one director has completed the Stanford Corporate Governance Course.

## **5. Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") which sets out the standards of business practice and principles of behaviour that support our commitment to promote integrity and deter wrongdoing. The Code applies to every director, officer, employee and independent contractor of the Corporation and its subsidiaries. The Code states the Corporation's commitment to conducting business in accordance with the highest standards of business conduct and ethics and is designed to work in conjunction with the Corporation's Whistleblower Policy, Insider Trading Policy, Disclosure Policy, and Employee Policy and Procedure Manual. In addition, each director, officer, employer and independent contractor of the Corporation executes our Conflict of Interest Agreement and Confidentiality Agreement at the time of first hire or engagement.

The Code is reviewed annually by the Governance and Nominating Committee and updates, as required, are approved by the Board.

The full text of the Code is filed on SEDAR at [www.sedar.com](http://www.sedar.com) and is posted on the Corporation's website at <http://www.sierrawireless.com/corporate/investors.aspx>. Under the Code, all suspected or potential violations of the Code must be reported (openly or anonymously) to an executive officer of the Corporation. In addition, as outlined below and pursuant to the Whistleblower Policy, suspected or potential violations of the Code of an accounting or financial nature may also be reported (openly or anonymously) to the Chair of the Audit Committee. Violations of the Code will not be tolerated; the Code describes the sanctions for any violation.

Compliance with the Code is monitored by management. Issues are dealt with on a case by case basis by senior management. In the event of any Whistleblower activity, this is monitored by the Audit Committee and is reviewed quarterly as per the Committee's mandate.

For the financial year ended December 31, 2005, no waivers from the Code were requested by any director or executive officer; accordingly no material change reports were filed in this regard.

## Edgar Filing: SIERRA WIRELESS INC - Form 6-K

As required by the Code and the *Canada Business Corporations Act* ( 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. Under 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.

As a reporting issuer, the integrity of our financial information is one of our paramount concerns. The Corporation's Whistleblower Policy sets out the procedures to address any complaints by employees or independent contractors 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.

The Board believes that, through its structure, policies and actions, it holds itself to a very high standard, which sets a strong tone at the top example promoting ethical business conduct

## **6. Nomination of Directors**

The Governance and Nominating Committee regularly reviews the skills and experience of the Board to ensure a suite of talents that most fully supports the goals of the Corporation to build shareholder value. The Board recruits new directors on an as-needed basis and it is the responsibility of the Governance and Nominating Committee to identify, evaluate and recommend nominees to the Board. In identifying new candidates for nomination to the Board, the Governance and Nominating Committee, with the assistance of the Board members, defines the particular attributes required of each new director, after considering the strategic plans of the Corporation and the competencies and skills of the existing directors. In general terms this 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, corporate governance experience and the ability to make an appropriate time commitment. Once the particular qualifications are determined, the Governance and Nominating Committee may engage a recruitment agency to assist in the identification of potential candidates.

The Governance and Nominating Committee has increased its membership from two (2) directors to three (3) directors. The addition of a third director reflected the desire of the Board to apply additional resources in the area of corporate governance as well as to avail itself of the knowledge and experience of an additional director. Of the three members, Messrs. Ciceri and Cataford are independent directors as defined by the Multilateral Instrument 52-110. The third and newest member, Mr. Sutcliffe is not an independent director. It is the collective view of the Board that Mr. Sutcliffe's experience and knowledge in the area of corporate governance makes him a valuable contributor to the Committee. It was also deemed unnecessary from an efficiency perspective to split the Governance and Nominating Committee in two so that a stand alone Nominating Committee could be comprised of entirely independent directors. The Board believes the current structure, with the majority of directors being independent, is appropriate in this instance and that the nomination process will continue to be an objective process.

The responsibilities, powers and operation of the Governance and Nominating Committee are set out in the Mandate of the Governance and Nominating Committee and include ensuring complete disclosure of the Corporation's system of corporate governance and general disclosure of the operation of the system on an annual basis, or as otherwise required, monitoring applicable corporate governance requirements and ensure compliance and required disclosure by the Corporation, proposing to the Board director nominees who meet the Board's pre-determined qualifications, ensuring there are appropriate orientation and ongoing education and training programs in place for directors, proposing to the Board the members of each committee of the Board and the Chair of each committee, ensuring that the Board and all committees of the Board have documented mandates and that the mandates are reviewed and reassessed at least annually and carrying out a process to assess the effectiveness of the Board and the committees of the Board, relative to their respective mandates, and the contribution of individual directors.



## 7. Compensation and the Human Resources Committee

The Human Resources Committee is comprised of three directors, Messrs. Levine (Chair of the Human Resources Committee), Aasen and Thexton, all of whom are independent directors as defined by Multilateral Instrument 52-110.

The Human Resources Committee determines the compensation of all officers and directors of the Corporation. This is reviewed annually. Target compensation is determined by comparing total compensation to that of a peer group of companies on a position-by-position basis (the benchmark). Benchmark data is collected from peer group proxy information, and where applicable this data is augmented by recognized compensation survey data. The variable component of compensation for officers is dependent on achieving certain goals which are set by the Committee.

The responsibilities, powers and operation of the Human Resources Committee are set out in the Mandate of the Human Resources Committee and include developing compensation policies and practices for all employees of the Corporation, reviewing and recommending to the Board the compensation of the CEO, all directors and the other executive officers, reviewing and recommending to the Board the annual performance objectives and corporate goals for the CEO, ensuring the development, implementation and administration of Company-wide benefits and all equity based compensation plans, reviewing and recommending policies relating to the recruitment, training development and evaluation of employees, creating the CEO job description, reviewing succession planning for senior executives and the evaluation of the senior executives, based on the CEO's assessment.

During 2005, the HR Committee engaged Longnecker & Associates (L&A) to review the Corporation's compensation practices for directors and officers. The engagement for directors was completed in July 2005 and the engagement for officers was completed in January 2006. For both engagements, L&A was instructed to conduct an independent, third party compensation review and provide analyses, conclusions and recommendations. L&A's approach in conducting these engagements was to: (1) review the Corporation's total direct compensation; (2) assess the competitiveness of compensation as compared to the peer group and where appropriate published survey data, and (3) provide conclusions and recommendations.

Towers Perrin was engaged during 2005 by management to provide information on alternative long term incentive vehicles, such as performance share units. At present the Corporation's long term incentive is comprised solely of stock options.

## 8. Other Board Committees

In April 2005, David Sutcliffe the Corporation's President and CEO announced his intention to retire. The Board formed a special committee to conduct a CEO search. This committee was comprised of Mr. Levine (who acted as chair), Mr. Aasen, Mr. Ciceri and Mr. Sutcliffe (who joined the committee on August 31, 2005). The majority of these individuals are independent directors. The Committee engaged Spencer Stuart, an executive search firm to assist with the search. The Committee was wound up upon the completion of the search in October 2005.

Disclosure concerning the Board of Directors' Audit Committee is set out in the Corporation's Annual Information Form for the financial year ended December 31, 2005 (the AIF) under the heading AUDIT COMMITTEE. The AIF is available on SEDAR at [www.sedar.com](http://www.sedar.com)





## 9. Assessments

The Governance and Nominating Committee evaluates the effectiveness and contribution of the Board of Directors, committees of the Board, individual directors, the Chair of the Board and Chairs of the committees. The directors of the Corporation complete, on an annual basis, a board assessment questionnaire in which they provide feedback on the quality of corporate governance by the Board and management of the Corporation. The questionnaire covers a variety of issues including the composition of the Board of Directors, the effectiveness of the Board and its committees and the quality of the Board's relationship with management of the Corporation. The questionnaire also canvasses opinions with respect to Board composition and number of Board members to ensure that the Board reflects the appropriate breadth of expertise. In addition, on an annual basis, each director completes a self-assessment questionnaire. The Governance and Nominating Committee presents a summary of the findings of both questionnaires to the Board of Directors and recommends any changes to enhance the performance of the Board of Directors.

### STATEMENT OF EXECUTIVE COMPENSATION

#### Summary Compensation Table

The following table provides a summary of the compensation earned during each of the last three financial years by the Chief Executive Officer, the Chief Financial Officer and the Corporation's three most highly compensated executive officers other than the Chief Executive Officer and the Chief Financial Officer earning a combined salary and bonus in excess of Cdn. \$150,000 (all such officers are hereafter collectively called the "Named Executive Officers").

SUMMARY COMPENSATION TABLE (1)

Name and Principal Position	Fiscal Year	Annual Compensation			Long Term Compensation Awards			All Other Compensation(5) (\$)
		Salary (\$)	Bonus(2) (\$)	Other Annual Compensation(3) (\$)	Securities Under Options Granted(4) (#)	Restricted Shares (\$)	Payouts Long Term Incentive Plan Payments (\$)	
Jason W. Cohenour (6) President and Chief Executive Officer	2005	292,615	13,750	55,337	125,000			6,300
	2004	247,554	245,377	18,000	106,050			
	2003	212,615	60,366	9,000				
David G. McLennan (7) Chief Financial Officer	2005	233,898	6,579		25,000			6,813
	2004	174,122	74,292	79,295	62,500			
James B. Kirkpatrick (8) Chief Technical Officer	2005	235,620	8,516		40,000			6,300
	2004	226,126	167,392					
	2003	99,946	8,279		75,000			
Trent H. Punnett (9) Senior Vice-President, Marketing and Corporate	2005	158,801	3,871		25,000			

Edgar Filing: SIERRA WIRELESS INC - Form 6-K

Development					
David B. Sutcliffe	2005	285,460		10,000	10,921
Former Chief Executive Officer (10)	2004	333,962	292,926	50,000	
	2003	273,846	66,526		

---

Notes:

- (1) All dollar amounts in the Summary Compensation Table and footnotes are reflected in United States dollars, unless otherwise indicated. The following rates of exchange, being the averages for the respective fiscal year, were used to convert Canadian dollar amounts to United States dollar amounts for the fiscal years indicated: 2005 1.211; 2004 1.306; 2003 - 1.401.
- (2) Bonuses are generally granted pursuant to the management performance incentive plan to reward management team performance and are based on management objectives and factors including actual revenues and profits versus budgeted revenues and profits. Bonuses may also be granted to reward outstanding performance. In 2005 and 2004, compensation is reported on the basis of compensation earned rather than paid. The bonuses related to 2003 that were paid during 2004, but not earned during 2004 are \$106,898 for Mr. Cohenour, nil for Mr. McLennan, \$42,785 for Mr. Kirkpatrick and \$133,115 for Mr. Sutcliffe.
- (3) Other annual compensation includes vacation payouts and the value of perquisites and other personal benefits relate to moving compensation, car allowances and/or personal tax return preparation fees.
- (4) All options were granted under the Corporation's Amended and Restated 1997 Stock Option Plan (the "Stock Option Plan").
- (5) All other compensation represents payments to individual officer's 401(k) or registered retirement savings plans.
- (6) Mr. Cohenour became President and Chief Executive Officer effective October 28, 2005. He was previously the Chief Operating Officer of the Corporation from August 2004 and, prior to that, the Senior Vice President, Worldwide Sales dating back to 2002. In 2005 Mr. Cohenour's other annual compensation includes \$35,759 for vacation payout and \$18,000 for car allowance.
- (7) Mr. McLennan joined the Corporation in March 2004. Mr. McLennan's other annual compensation in 2004 includes \$78,907 for relocation expenses.
- (8) Mr. Kirkpatrick was previously the Senior Vice-President, Engineering of the Corporation from August 2003, when he joined the Corporation, until September 2004.
- (9) Mr. Punnett was previously the Vice-President, Marketing from January 17, 2005, when he joined the Corporation, until February 2006.
- (10) Mr. Sutcliffe retired as Chief Executive Officer effective October 27, 2005 but remained on the Board of Directors and is standing for re-election at the Meeting.

#### **Indebtedness of Directors and Senior Officers**

As of the date hereof, there is no material 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.

#### **Interest of Informed Persons in Material Transactions**

Other than as disclosed in this Information Circular, no informed person (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 or proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

#### **Executive Officer Agreements**

The Corporation has entered into executive employment agreements with each of the Named Executive Officers under which each such 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 of the executive employment agreements, each 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

Edgar Filing: SIERRA WIRELESS INC - Form 6-K

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

management bonus and stock option programs of the Corporation and the dental, medical and other benefit plans as may be offered by the Corporation to senior officers from time to time.

In the event of the termination of the Named Executive Officer'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 18 months, in the case of Mr. Cohenour, and 12 months, in the case of Mr. McLennan, Mr. Kirkpatrick and Mr. Punnett, 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 working notice. In lieu of working notice the Corporation may elect to provide severance pay or may elect any combination of working notice and severance pay.

In addition, the executive employment agreements for the Named Executive Officers provide that if the Named Executive Officer's employment is terminated within 12 months following a change of control, other than for just cause, disability or death (or is terminated by the Named Executive Officer for "good reason"), the Corporation will provide such executive an amount equal to 24 months compensation, in the case of Mr. Cohenour, and 18 months compensation in the case of Mr. McLennan, Mr. Kirkpatrick and Mr. Punnett and all unvested shares held by such executive shall be deemed to vest and will be exercisable for 90 days following the date of termination.

#### **Other Compensation Matters**

During the most recently completed financial year, the only long-term incentive awards made to Named Executive Officers of the Corporation were stock option grants. During the most recently completed financial year, the Corporation implemented a program of contributions to individual employee's retirement savings plans. This program is available to all employees and is subject to specified annual contribution limits. Contributions made by the Corporation on behalf of Named Executive Officers are included the Summary Compensation Table under the column "All Other Compensation". There were no other pension plan benefits in place for any of the Named Executive Officers.

#### **Stock Options**

Under the Stock Option Plan, the Human Resources Committee is authorized, in its discretion, to grant options to purchase Common Shares to members of the Board of Directors, senior officers and employees of the Corporation and its subsidiaries.

The Stock Option Plan provides that options to acquire Common Shares may, at the discretion of the Human Resources Committee, provide at the time of the grant that the option may not be exercised except in accordance with such limitations based on the passage of time after the option is granted, the satisfaction of performance criteria relating generally to the Corporation or particularly to the optionee, or the satisfaction or fulfillment of any other conditions (or any combination of the foregoing). Options granted under the Stock Option Plan are non-transferable and subject to early termination in the event of the optionee ceasing to be an officer or employee or in the event of death. The Human Resources Committee may, at its discretion, permit early exercise of options.

#### **Options to Purchase Securities**

## Edgar Filing: SIERRA WIRELESS INC - Form 6-K

There were options to purchase an aggregate of 225,000 Common Shares of the Corporation granted during the fiscal year ended December 31, 2005 to the Named Executive Officers as described in the table below.

Edgar Filing: SIERRA WIRELESS INC - Form 6-K

Name	Common Shares under Options Granted (#)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price Per Common Share	Market Value of Common Shares Underlying Options on the Date of Grant (\$/Common Share)	Expiration Date
Jason W. Cohenour	50,000	8.69	U.S. \$8.84	U.S. \$8.84	February 25, 2010
	75,000	13.03	U.S. \$11.25	U.S. \$11.25	October 28, 2010
David G. McLennan	25,000	4.34	Cdn.\$10.96	Cdn.\$10.96	February 25, 2010
James B. Kirkpatrick	40,000	6.95	U.S. \$8.84	U.S. \$8.84	February 25, 2010
Trent H. Punnett	25,000	4.34	Cdn.\$11.48	Cdn.\$11.48	January 31, 2010
David B. Sutcliffe	10,000	1.74	Cdn.\$10.96	Cdn.\$10.96	February 25, 2010

**Option Exercises and Notional Year-End Option Values**

Options to purchase an aggregate of 42,188 Common Shares were exercised by Named Executive Officers during the fiscal year ended December 31, 2005 as described in the table below. In addition, the notional value of unexercised but exercisable/unexercisable options at year-end is set out in the table below. The value of unexercised in-the-money options is based on a price of Cdn.\$12.87, the closing price of the Common Shares of the Corporation on The Toronto Stock Exchange on December 31, 2005. In addition, certain Named Executive Officers are paid in Canadian dollars and the options granted to such officers are priced in Canadian dollars and converted to U.S. dollars for the purposes of the table below. On December 31, 2005, the exchange rate was U.S.\$1.00 = Cdn.\$1.1656.

	Common Shares Acquired on Exercise (#)	Aggregate Value Realized (US\$)	Number of Common Shares Underlying Unexercised Options at Fiscal Year-End		Value of Unexercised In-the-Money Options at Fiscal Year-End	
			Exercisable (#)	Unexercisable (#)	Exercisable (US)	Unexercisable (US)
David G. McLennan			24,740	62,760		40,966
Jason W. Cohenour			116,502	155,881	256,006	142,203
James B. Kirkpatrick	42,188	184,683	1,562	71,250	3,704	162,171
Trent H. Punnett				25,000		29,813
David B. Sutcliffe			103,083	45,625	133,974	75,005

**Composition of the Human Resources Committee**

The Human Resources Committee of the Board of Directors is currently composed of three members of the Board of Directors. The current members of the Human Resources Committee are Gregory D. Aasen, Charles E. Levine (Chair) and Kent Thexton, all of whom are independent directors within the meaning of Multilateral Instrument 52-110. No member of the Human Resources Committee is or was during the most recently completed financial year, an officer or employee of the Corporation or any of its subsidiaries, nor was formerly an officer of the Corporation or any of its subsidiaries, nor had or has any relationship that requires disclosure under Indebtedness of Directors and Executive Officers or Interest of Insiders in Material Transactions .

**Report on Executive Compensation**

Edgar Filing: SIERRA WIRELESS INC - Form 6-K

The Human Resources Committee (the Committee ) has prepared the following report on compensation for the Chief Executive Officer and other executive officers.



The Committee is responsible for maintaining the integrity of all compensation programs and reviewing, and in certain cases recommending modifications to, the Corporation's executive base and annual incentive compensation programs. The incentive plans will typically be awarded in the form of cash and stock option grants and are based on competitive practices of comparable companies, and serve to align the interests of the executives with those of the Corporation's shareholders. From time to time, the Committee undertakes a comprehensive review of compensation plans for the Corporation's senior executives. Professional consultants are engaged to assist the Committee. See 7. Compensation and the Human Resources Committee in the Corporate Governance Disclosure portion of this Information Circular for activities involving compensation consultants in 2005. These consultants conduct compensation surveys to develop comparable compensation groups and advise the Committee about the structuring of compensation arrangements. The Committee incorporates the consultants' recommendations in the compensation determinations.

The Committee also establishes levels of compensation for the Chief Executive Officer. The Chief Executive Officer recommends compensation levels for other executive officers, which are then reviewed and approved by the Committee. The Committee also approves or recommends to the Board of Directors the granting of discretionary stock option and cash bonus awards to certain executives, senior Management, and other key employees.

It is the policy of the Corporation to compensate its executive and senior Management employees for performance using three forms of remuneration: base salary, incentive cash awards and stock option grants. Base salary will be determined largely by reference to market conditions, while annual incentive cash and stock option awards will provide the opportunity for cash compensation and enhanced share value for an identified group of employees based upon exceptional individual and team performance, and the overall success of the Corporation in any given year. Each annual incentive program provides cash bonus and option grant targets based upon the specific position's level of responsibility and the position's influence on the immediate and sustained growth of the Corporation, with final awards determined by a mix of individual, team and corporate performance.

#### *Chief Executive Officer's Compensation*

During fiscal 2005 the Corporation had two Chief Executive Officers—David B. Sutcliffe until his retirement on October 27, 2005 and Jason W. Cohenour thereafter. The base salary of the chief executive officers was determined by the Committee after considering various factors, including information that was available with respect to a comparable group of Canadian and U.S. public companies that manufacture communications equipment (the Comparator Group), received from the Corporation's compensation consultants. The bonus awarded to the chief executive officers in 2005 recognized the financial performance of the Corporation and the achievement of corporate initiatives during that fiscal period. The bonus amounts for fiscal 2005, as reflected in the Summary Compensation Table, reflect a sharp decrease from fiscal 2004 in reflection of the downturn in financial results in fiscal 2005 as compared to the prior year. In determining this award, the Committee referred to goals and objectives established annually for the Chief Executive Officer. The Chief Executive Officer's total compensation is targeted at the median of the Comparator Group, adjusted to reflect experience and performance. Approximately 66% of the bonus award is based on quantitative financial performance of the Corporation, 17% on the achievement of strategic corporate initiatives approved by the Board and 17% on a subjective analysis of the Chief Executive Officer's personal contribution as determined by the Board.

Presented by the Human Resources Committee:

Gregory D. Aasen

Charles E. Levine



**Compensation of Directors**

As at December 31, 2005, remuneration for directors of the Corporation who were not officers of the Corporation is as follows:

Annual Retainer (1)	U.S.\$25,000
<b>Additional Compensation:</b>	
Chairman's Retainer (1)	U.S.\$25,000
Committee Member	U.S.\$6,000
Committee Chair	U.S.\$6,000
Board or committee meeting in person	U.S.\$1,500
Board or committee conference call	U.S.\$500

Note:

(1) Effective July 1, 2005 the Annual Retainer and Chairman's Retainer were both increased to U.S.\$25,000 from U.S.\$10,000 and U.S.\$11,000, respectively.

Directors are limited to one meeting participation fee payable per calendar day. In aggregate, directors earned fees of U.S.\$359,773 for the financial year ended December 31, 2005. 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.

All non-management directors are eligible to participate in the Stock Option Plan. On February 5, 2005, Gregory D. Aasen, Paul G. Cataford, Peter Ciceri, Charles E. Levine, Nadir Mohamed and S. Jane Rowe, all being independent directors of the Corporation at the time, were each granted options to purchase 10,000 common shares of the Corporation at an exercise price of Cdn. \$10.96 (U.S. \$8.84). Upon his appointment to the Board of Directors on March 11, 2005, Kent Thexton was granted options to purchase 16,000 common shares of the Corporation at an exercise price of Cdn. \$9.99. Executive officers of the Corporation are not permitted to receive any compensation, including stock options, to which they might be otherwise entitled only by virtue of being directors of the Corporation.

**Share Performance Graph**

The following graph compares the Corporation's cumulative shareholder return on a Cdn.\$100 investment in its Common Shares (made May 17, 1999) to the cumulative return of a comparable investment on S&P/TSX Composite Index.

	May 1999	Dec 1999	Dec 2000	Dec 2001	Dec 2002	Dec 2003	Dec 2004	Dec 2005
Sierra Wireless, Inc.	100.00	442.18	489.80	204.08	46.62	135.41	143.45	86.96
S&P/TSX Composite Index	100.00	122.98	130.57	112.37	96.68	120.16	135.15	164.76

Assuming an investment of Cdn. \$100 and the reinvestment of dividends

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes, as at December 31, 2005, the securities authorized for issuance under the Corporations' s Stock Option Pplan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)) (c)
Equity compensation plans approved by securityholders (1)	1,799,433	Cdn.\$18.48	748,212
Equity compensation plans not approved by securityholders			
Total	1,799,433	Cdn.\$18.48	748,212

Note:

(1) These securities represent common shares issuable upon the exercise of stock options granted under the Stock Option Plan. Under the Stock Option Plan, the maximum number of shares available for issue under the plan is a rolling number equal to 10% of the number of issued and outstanding common shares from time to time, provided that from April 2005 no more than 1,600,000 common shares will be added to the number of common shares currently available for issue under the Stock Option Plan without the Corporation first obtaining

shareholder approval. Since the Stock Option Plan was amended in April 2005 through to December 31, 2005, 126,791 common shares have been added to the number of common shares currently available for issue under the plan.

#### **DIRECTORS AND OFFICERS LIABILITY INSURANCE**

The Corporation maintains directors and officers liability insurance in the aggregate amount of U.S. \$25 million, subject to a deductible in respect of corporate reimbursement of U.S. \$1.0 million for each loss related to securities or entity related claims or U.S. \$250,000 for non-securities related claims.

In the year ended December 31, 2005, the aggregate amount charged against earnings by the Corporation for the premium paid in respect of such insurance was approximately U.S.\$1.2 million. 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](http://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, 2005, together with the auditor's report on these statements, will be placed before shareholders at the Meeting. These financial statements form part of the accompanying annual report.

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 auditor.

#### **GENERAL**

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 shares represented by the proxy as the Board of Directors may recommend or as the Proxyholders, acting in their sole discretion, may determine.

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

Dated at Richmond, British Columbia this 27 day of March, 2006.

On Behalf of the Board of Directors

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

**APPENDIX A**

**Summary of Amended and Restated Shareholder Rights Plan**

The following is a summary of the features of the Amended Plan. The summary is qualified in its entirety by the full text of the Amended Plan, the proposed final form of which is available on request from the Secretary of the Corporation at the address noted on the first page of this Information Circular.

*Terms of the Rights Plan*

All capitalized terms used in this summary without definition have the meanings attributed to them in the Amended Plan unless otherwise indicated. Except where specifically mentioned in the following summary, there are no substantive differences between the Amended Plan and the Existing Plan.

(a) *Issuance of Rights.* One Right was issued by the Corporation in respect of each common share outstanding at the close of business on April 27, 2000, the date of implementation of the Existing Plan, and one Right was issued in respect of each common share of the Corporation issued thereafter, prior to the earlier of the Separation Time and the Expiration Time. Under the Amended Plan, the Rights are simply reconfirmed and the Corporation reconfirms its authorization to continue the issuance of one new Right for each common share issued. Each Right entitles the registered holder thereof to purchase from the Corporation one common share at an exercise price equal to three times the Market Price per common share prior to the Separation Time or, from and after the Separation Time, at an exercise price equal to three times the Market Price per Common Share as at the Separation Time, in each case subject to adjustment and certain anti-dilution provisions (the Exercise Price ). The Amended Plan changes the definition of Exercise Price that was in the Existing Plan from Cdn.\$1,000 to three times the Market Price, subject to anti-dilution adjustments.

The Rights are not exercisable until the Separation Time. If a Flip-In Event occurs, each Right will entitle the registered holder to receive, upon payment of the Exercise Price, common shares of the Corporation having an aggregate market price equal to twice the Exercise Price.

The Corporation is not required to issue or deliver Rights, or securities upon the exercise of Rights, outside Canada or the United States where such issuance or delivery would be unlawful without registration of the relevant Persons or securities. If the Amended Plan would require compliance with securities laws or comparable legislation of a jurisdiction outside Canada and the United States, the Board of Directors may establish procedures for the issuance to a Canadian resident fiduciary of such securities, to hold such Rights or other securities in trust for the Persons beneficially entitled to them, to sell such securities, and to remit the proceeds to such Persons.

(b) *Trading of Rights.* Until the Separation Time (or the earlier termination or expiration of the Rights), the Rights will be evidenced by the certificates representing the common shares of the Corporation and will be transferable only together with the associated common shares. From and after the Separation Time, separate certificates evidencing the Rights ( Rights Certificates ) will be mailed to holders of record of common shares (other than an Acquiring Person) as of the Separation Time. Rights Certificates will also be issued in respect of common shares issued prior to the Expiration Time, to each holder (other than an Acquiring Person) converting, after the Separation Time, securities ( Convertible Securities ) convertible into or exchangeable for common shares. The Rights will trade separately from the common shares after the



Separation Time.

---

(c) *Separation Time.* The Separation Time is the Close of Business on the tenth Business Day after the earlier of (i) the Stock Acquisition Date, which is generally the first date of public announcement of facts indicating that a Person has become an Acquiring Person; and (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, and the Amended Plan requires such bid to continue to satisfy the requirements of a Permitted Bid or Competing Permitted Bid). In either case, the Separation Time can be such later date as may from time to time be determined by the Board of Directors. If a Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, it shall be deemed never to have been made.

(d) *Acquiring Person.* In general, an Acquiring Person is a Person who is the Beneficial Owner of 20% or more of the Corporation's outstanding Voting Shares. Excluded from the definition of Acquiring Person are the Corporation and its Subsidiaries, and any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of one or more or any combination of an acquisition or redemption by the Corporation of Voting Shares, a Permitted Bid Acquisition, an Exempt Acquisition, a Convertible Security Acquisition and a Pro Rata Acquisition. The definitions of Permitted Bid Acquisition, Exempt Acquisition, Convertible Security Acquisition and Pro Rata Acquisition are set out in the Amended Plan. However, in general:

(i) a Permitted Bid Acquisition means an acquisition of Voting Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;

(ii) an Exempt Acquisition means an Exempt Acquisition means an acquisition of Voting Shares (1) in respect of which the Board of Directors has waived the application of the Amended Plan, (2) which was made prior to the original date of the Existing Plan (being April 27, 2000), (3) which was made pursuant to a distribution reinvestment plan of the Corporation, (4) which was made pursuant to the receipt or exercise of rights issued by the Corporation to all the holders of Voting Shares (other than holders resident in a jurisdiction where such distribution is restricted or impracticable as a result of applicable law) to subscribe for or purchase Voting Shares or Convertible Securities (provided that the Person does not thereby acquire a greater percentage of the Voting Shares or Convertible Securities so offered than the percentage owned immediately prior to such acquisition), (5) which was made pursuant to a distribution to the public by the Corporation of Voting Shares or Convertible Securities made pursuant to a prospectus (provided that the Person does not thereby acquire a greater percentage of the Voting Shares or Convertible Securities so offered than the percentage owned immediately prior to such acquisition), (6) which was made pursuant to a distribution by the Corporation of Voting Shares or Convertible Securities by way of a private placement by the Corporation, a securities exchange take-over bid circular (which is a new provision in the Amended Plan) or upon the exercise by an individual employee of Voting Shares options or rights granted under a Voting Share option or rights incentive plan of the Corporation or rights to purchase securities granted under a Voting Share purchase plan of the Corporation, or (7) pursuant to an amalgamation, merger, business combination or other similar transaction (statutory or otherwise, but for greater certainty not including a Take-over Bid) requiring shareholder approval (which is a new provision in the Amended Plan);

(iii) a **Convertible Security Acquisition** means an acquisition of Voting Shares upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Pro Rata Acquisition; and

(iv) a **Pro Rata Acquisition** means an acquisition of Voting Shares or Convertible Securities as a result of a stock dividend, a stock split or other similar event, acquired on the same pro rata basis as all other holders of Voting Shares.

Also excluded from the definition of **Acquiring Person** are underwriters or members of a banking or selling group acting in connection with a distribution of securities by way of prospectus or private placement, and a Person in its capacity as an Investment Manager, Trust Company, Plan Trustee, Statutory Body, Crown agent or agency or, as a new provision added to the Amended Plan, a Mutual Fund or its Manager, all as defined below (provided that any of the foregoing persons is not making or proposing to make a Take-over Bid).

To the best of the knowledge of the directors and senior officers of the Corporation, as of the date hereof, no person is the Beneficial Owner of 20% or more of the outstanding Voting Shares.

(e) **Grandfathered Persons.** Shareholders of the Corporation who are the Beneficial Owner of 20% or more of the outstanding common shares of the Corporation at the Effective Date are Grandfathered Persons. Grandfathered Persons are also excluded from the definition of **Acquiring Person**. However, if a Grandfathered Person becomes the Beneficial Owner of an additional 1% of the outstanding common shares of the Corporation other than through the share acquisitions or redemptions of shares by the Corporation, Permitted Bid Acquisitions, Exempt Acquisitions, Convertible Security Acquisitions or Pro Rata Acquisitions, then the Grandfathered Person will become an **Acquiring Person** on the date of such acquisition.

(f) **Beneficial Ownership.** In general, a Person is deemed to Beneficially Own common shares actually held by others in circumstances where those holdings are or should be grouped together for purposes of the Amended Plan. Included are holdings by the Person's Affiliates (generally, a person that controls, is controlled by, or under common control with another person) and Associates (generally, relatives sharing the same residence). Also included are securities which the Person or any of the Person's Affiliates or Associates has the right to acquire within 60 days (other than (1) customary agreements with and between underwriters and/or banking group and/or selling group members with respect to a public offering of securities; or (2) pursuant to a pledge of securities).

A Person is also deemed to **Beneficially Own** any securities that are Beneficially Owned (as described above) by any other Person with which the Person is acting jointly or in concert (a **Joint Actor**). A Person is a **Joint Actor** with any Person who is a party to an agreement, arrangement or understanding with the first Person or an Associate or Affiliate thereof for the purpose of acquiring or offering to acquire common shares.

#### *Institutional Shareholder Exemptions from Beneficial Ownership*

The definition of **Beneficial Ownership** contains several exclusions whereby a Person is not considered to **Beneficially Own** a security. There are exemptions from the deemed **Beneficial Ownership** provisions for institutional Shareholders acting in the ordinary course of business. These exemptions apply to (i) an investment manager (**Investment Manager**) which holds securities in the ordinary course of business in the performance of its duties for the account of any other Person (a **Client**); (ii) a licensed trust company (**Trust Company**) acting as a trustee or



administrator or in a similar capacity in relation to the estates of deceased or incompetent persons (each an Estate Account ) or in relation to other accounts (each an Other Account ) and which holds such security in the ordinary course of its duties for such accounts; (iii) the administrator or the trustee (a Plan Trustee ) of one or more pension funds or plans (a Plan ) registered under applicable law; (iv) a Person who is a Plan or is a Person established by statute (the Statutory Body ), and its ordinary business or activity includes the management of investment funds for employee benefit plans, pension plans, insurance plans, or various public bodies, (v) a Crown agent or agency; or a Person (a Manager ) who is the manager or trustee of a mutual fund (a Mutual Fund ) that is registered or qualified to issue its securities to investors under the securities laws of any province of Canada or the laws of the United States of America, or such Person is a Mutual Fund (subsection (vi) being a new addition to the Amended Plan). The foregoing exemptions only apply so long as the Investment Manager, Trust Company, Plan Trustee, Plan, Statutory Body, Crown agent or agency or Manager or Mutual Fund is not then making or has not then announced an intention to make a Take-over Bid, other than an Offer to Acquire Voting Shares or other securities pursuant to a distribution by the Corporation or by means of ordinary market transactions.

A Person will not be deemed to Beneficially Own a security because (i) the Person is a Client of the same Investment Manager, an Estate Account or an Other Account of the same Trust Company, or Plan with the same Plan Trustee as another Person or Plan on whose account the Investment Manager, Trust Company or Plan Trustee, as the case may be, holds such security; or (ii) the Person is a Client of an Investment Manager, Estate Account, Other Account or Plan, and the security is owned at law or in equity by the Investment Manager, Trust Company or Plan Trustee, as the case may be.

*Exemption for Permitted Lock-up Agreement*

A Person will not be deemed to Beneficially Own any security where the holder of such security has agreed to deposit or tender such security pursuant to a Permitted Lock-up Agreement to a Take-over Bid made by such Person or such Person's Affiliates or Associates or a Joint Actor, or such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or such Person's Affiliates, Associates or Joint Actors until the earliest time at which any such tendered security is accepted unconditionally for payment or is take up or paid for.

A Permitted Lock-up Agreement is essentially an agreement between a Person and one or more holders of Voting Shares (the terms of which are publicly disclosed and available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement) pursuant to which each Locked-up Person agrees to deposit or tender Voting Shares to the Lock-up Bid and which further provides that such agreement permits the Locked-up Person to withdraw its Voting Shares in order to deposit or tender the Voting Shares to another Take-over Bid or support another transaction: (i) at a price or value that exceeds the price under the Lock-Up Bid; or (ii) that contains an offering price that exceeds the offering price in the Lock-up Bid by as much as or more than a Specified Amount and does not provide for a Specified Amount greater than 7% of the offering price in the Lock-up Bid. The provision in the Existing Plan that provided that, in addition to the circumstances in clauses (i) and (ii) above, a Locked-up Person could also withdraw its Voting Shares to support another bid or transaction for consideration of a number of Voting Shares at least 7% greater than the number of Voting Shares under the Lock-Up Bid at a price or value that is not less than the price or value offered in the Lock-Up Bid has been deleted in the Amended Plan as it duplicates the concept in clause (i).

A permitted Lock-up Agreement may contain a right of first refusal or require a period of delay to give the Person who made the Lock-up Bid an opportunity to match a higher price in another Take-Over Bid or other similar limitation on a Locked-up Person's right to withdraw Voting Shares so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares during the period of the other Take-Over Bid or transaction. Finally, under a Permitted Lock-up Agreement no break up fees, top up fees, penalties, expenses or other amounts that exceed in aggregate the greater of (i) 2.5% of the price or value of the consideration payable under the Lock-up Bid; and (ii) 50% of the amount by which the price or value of the consideration received by a Locked-up Person under another Take-Over Bid or transaction exceeds what such Locked-up Person would have received under the Lock-up Bid can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Voting Shares to the Lock-up Bid or withdraws Voting Shares previously tendered thereto in order to deposit such Voting Shares to another Take-Over Bid or support another transaction.

(g) *Flip-In Event.* A Flip-In Event occurs when any Person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-In Event which has not been waived by the Board of Directors occurs (see Redemption, Waiver and Termination), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person, an Affiliate or Associate of an Acquiring Person or a Joint Actor (or a transferee of such a Person), which Rights will become null and void) shall constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms of the Amended Plan, that number of common shares having an aggregate Market Price on the date of the Flip-In Event equal to twice the Exercise Price, for the Exercise Price (such Right being subject to anti-dilution adjustments). For example, if at the time of the Flip-In Event the Market Price of the common shares is \$200 and, accordingly, the Exercise Price is \$600, the holder of each Right would be entitled to purchase common shares having an aggregate Market Price of \$1,200 (that is, 6 common shares) for \$600 (that is, a 50% discount from the Market Price).

(h) *Permitted Bid and Competing Permitted Bid.* A Permitted Bid is a Take-over Bid made by way of a Take-over Bid circular and which complies with the following additional provisions:

(i) the Take-over Bid is made to all holders of record of Voting Shares as registered on the books of the Corporation, other than the Offeror;

(ii) the Take-over Bid contains irrevocable and unqualified conditions that:

(a) no Voting Share shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date which is not less than 45 days following the date of the Take-over Bid and the provisions for the take-up and payment for Voting Shares tendered or deposited thereunder shall be subject to such irrevocable and unqualified condition;

(b) unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to the Take-over Bid at any time prior to the close of business on the date of first take-up or payment for Voting Shares and all Voting Shares deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the close of business on such dates;

(c) more than 50% of the outstanding Voting Shares held by Independent Shareholders must be deposited to the

Take-over Bid and not withdrawn at the close of business on the date of first take-up or payment for Voting Shares;  
and

(d) in the event that more than 50% of the then outstanding Voting Shares held by Independent Shareholders have been deposited to the Take-over Bid and not withdrawn as at the date of first take-up or payment for Voting Shares under the Take-over Bid, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than 10 Business Days from the date of such public announcement

A Competing Permitted Bid is a Take-over Bid that is made after a Permitted Bid has been made but prior to its expiry, satisfies all the requirements of a Permitted Bid as described above, except that a Competing Permitted Bid is not required to remain open for 45 days so long as it is open until the later of (i) the earliest date on which common shares may be taken-up or paid for under any earlier Permitted Bid or Competing Permitted Bid that is in existence and (ii) 35 days (or such other minimum period of days as may be prescribed by applicable law in British Columbia) after the date of the Take-over Bid constituting the Competing Permitted Bid.

(i) *Redemption, Waiver and Termination.*

(i) Redemption of Rights on Approval of Holders of Voting Shares and Rights.

The Board of Directors acting in good faith may, after having obtained the prior approval of the holders of Voting Shares or Rights, at any time prior to the occurrence of a Flip-In Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right, appropriately adjusted for anti-dilution as provided in the Amended Plan (the Redemption Price ).

(ii) Waiver of Inadvertent Acquisition.

The Board of Directors acting in good faith may waive the application of the Amended Plan in respect of the occurrence of any Flip-In Event if (i) the Board of Directors has determined that a Person became an Acquiring Person under the Amended Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and (ii) the Acquiring Person has reduced its Beneficial Ownership of Voting Shares such that at the time of waiver the Person is no longer an Acquiring Person.

(iii) Deemed Redemption.

In the event that a Person who has made a Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived or has deemed to have waived the application of the Amended Plan consummates the acquisition of the Voting Shares, the Board of Directors shall be deemed to have elected to redeem the Rights for the Redemption Price.

(iv) Discretionary Waiver with Mandatory Waiver of Concurrent Bids.



The Board of Directors acting in good faith may, prior to the occurrence of the relevant Flip-In Event as to which the Amended Plan has not been waived under this clause, upon prior written notice to the Rights Agent, waive the application of the Amended Plan to a Flip-In Event that may occur by reason of a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Voting Shares. However, if the Board of Directors waives the application of the Amended Plan, the Board of Directors shall be deemed to have waived the application of the Amended Plan in respect of any other Flip-

In Event occurring by reason of such a Take-over Bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.

(v) Discretionary Waiver Respecting Acquisition not by Take-over Bid Circular.

The Board of Directors acting in good faith may, with the prior consent of the holders of Voting Shares, determine, at any time prior to the occurrence of a Flip-In Event as to which the application of the Amended Plan has not been waived, if such Flip-In Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to holders of Voting Shares and otherwise than by inadvertence when such inadvertent Acquiring Person has then reduced its holdings to below 20%, to waive the application of the Amended Plan to such Flip-In Event. However, if the Board of Directors waives the application of the Amended Plan, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of Shareholders called to approve such a waiver.

(vi) Redemption of Rights on Withdrawal or Termination of Bid.

Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-In Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price.

If the Board of Directors is deemed to have elected or elects to redeem the Rights as described above, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights is to receive the Redemption Price. Within 10 Business Days of any such election or deemed election to redeem the Rights, the Corporation will notify the holders of the Voting Shares or, after the Separation Time, the holders of the Rights.

(j) *Anti Dilution Adjustments.* The Exercise Price of a Right, the number and kind of shares subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including:

(i) if there is a dividend payable in Voting Shares or Convertible Securities (other than pursuant to any optional stock dividend program or dividend reinvestment plan or a dividend payable in Voting Shares in lieu of a regular periodic cash dividend) on the common shares, or a subdivision or consolidation of the common shares, or an issuance of common shares or Convertible Securities in respect of, in lieu of or in exchange for common shares; or

(ii) if the Corporation fixes a record date for the distribution to all holders of common shares of certain rights or warrants to acquire common shares or Convertible Securities, or for the making of a distribution to all holders of common shares of evidences of indebtedness or assets (other than regular periodic cash dividends or stock dividends payable in common shares) or rights or warrants.

## Edgar Filing: SIERRA WIRELESS INC - Form 6-K

With respect to adjustments occurring as a result of a distribution of rights or warrants, for internal consistency in the Amended Plan and to avoid triggering the anti-dilution provisions in relatively insignificant circumstances and where the Corporation has complied with the requirements of applicable stock exchanges, an adjustment will only occur if such rights or

warrants have an exercise price that is less than 90% of the Market Price per common share on the record date for such distribution.

(k) *Supplements and Amendments.* The Corporation may make amendments to correct any clerical or typographical error or which are necessary to maintain the validity of the Amended Plan as a result of any change in any applicable legislation, rules or regulation. Any changes made to maintain the validity of the Amended Plan may be made subject to subsequent confirmation by the holders of the common shares or after the Separation Time, the holders of the Rights.

Subject to the above exceptions, after the Meeting, any amendment, variation or deletion of or from the Amended Plan and the Rights, is subject to the prior approval of the holders of common shares, or, after the Separation Time, the holders of the Rights.

The Board of Directors reserves the right to alter any terms of or not to proceed with the Amended Plan at any time prior to the Meeting in the event that the Board of Directors determines that it would be in the best interests of the Corporation and its shareholders to do so, in light of subsequent developments.

(l) *Expiration.* If the Amended Plan is ratified, confirmed and approved at the Meeting, it will become effective immediately following such approval and remain in force until the earlier of the Termination Time (the time at which the right to exercise Rights shall terminate pursuant to the Amended Plan) and the termination of the annual meeting of the shareholders in the year 2009 unless at or prior to such meeting the Independent Shareholders ratify the continued existence of the Amended Plan in which case the Amended Plan would remain in effect until the termination of the annual meeting of shareholders of the Corporation in the year 2012.

**APPENDIX B**

**Position Descriptions**

**Chair of the Board**

**Position Description**

**1. Summary**

The Chair is responsible for the overall leadership and management of the board of directors. The Chair is a non-executive position and is at all times independent of management. The Chair is elected and has his/her performance evaluated by the Board of Directors.

**2. Key Responsibilities**

Provide leadership to enhance board effectiveness

Manage the activities of the board and ensure coordination among committees of the board

Ensure that the respective roles of the board and management are well delineated

Act as a liaison between the board and management

Ensure that the board has the information it needs for it to be effective

Ensure that the board monitors the achievement of the aims, strategy and policies of the company

Represent the company, on particular matters identified by the board or management, with stakeholders

Lead by example and set a high standard of integrity

**3. Time Commitment**

The Chair is expected to spend between 40 and 60 days per year on his/her duties. This would include an estimated 1 day of preparation, 1 day of participation and 1 day of follow-up for each of the 6 regularly scheduled board meetings, totaling 18 days, a further 1 to 2 days per month

liaising with management and directors, totaling 18 days per year, and up to 20 days per year on additional matters as circumstances warrant.

**4. Compensation**

Compensation for the Chair is to be established by the Board on recommendation from the Human Resources Committee.

**Audit Committee Chair  
Position Description**

In addition to any responsibilities and specific duties set out in the mandate of the Audit Committee, the Chair of the Audit Committee of Sierra Wireless Inc. has the responsibility and specific duties described below:

1. Appointment

1.1 The Chair will be a duly elected member of the Board of Directors (the Board ) and be appointed as the Committee Chair, each year, by the Board on recommendation of the Audit Committee. The Chair will be independent (as defined by applicable law, regulations, guidelines and policies) and will have the competencies and skills determined by the Governance and Nominating Committee (GNC) and the Board.

**2. Responsibility**



2.1 The Chair provides independent, effective leadership to the Committee and leads the Committee in fulfilling the duties set out in its Mandate.

**3. Specific Duties**

The Chair will:

3.1 Leadership

- (i) Provide overall leadership to enhance the effectiveness of the Committee.
- (ii) Take all reasonable steps to ensure that the responsibility and duties of the Committee, as outlined in its Mandate, are well understood by the Committee members and executed as effectively as possible.

3.2 Ethics

- (i) Foster ethical and responsible decision-making by the Committee and its individual members.

3.3 Committee Governance

- (i) Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling the terms of its Mandate.
- (ii) With the GNC, oversee the structure, composition, membership and activities delegated to the Committee.
- (iii) With the GNC, ensure that the Committee is composed entirely of independent directors and that the members have the financial qualifications required by applicable law, regulations, guidelines and policies.

3.4 Committee Meetings

- (i) Ensure that the Committee meets at least four times annually and as many additional times as necessary to carry out its duties effectively.
- (ii) With the Committee members, members of management and outside advisors, as appropriate, establish the agenda for each Committee meeting.

## Edgar Filing: SIERRA WIRELESS INC - Form 6-K

- (iii) Chair all meetings of the Committee, including closed sessions and in camera sessions.
- (iv) If the Chair is not present at a meeting, the Committee members present will choose a Committee member to chair the meeting.
- (v) Ensure sufficient time during Committee meetings to fully discuss agenda items.
- (vi) Encourage Committee members to ask questions and express viewpoints during meetings.
- (vii) Deal effectively with dissent and work constructively towards arriving at decisions and achieving consensus.
- (viii) Ensure that the Committee meets in separate, regularly scheduled, non-management, closed sessions with the independent auditors.
- (ix) Ensure that the Committee meets in separate, regularly scheduled, non-management, in camera sessions.
- (x) Ensure that the Committee meets in separate, non-management, closed sessions with internal personnel or outside advisors, as needed or appropriate.

### 3.5 Committee Reporting

- (i) Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
- (ii) Ensure that Committee materials are available to any director on request.

### 3.6 Committee / Management Relationships

- (i) Take all reasonable steps to ensure that Committee members receive written information and are exposed to presentations from management to fulfill the Committee Mandate.
- (ii) Facilitate effective communication between Committee members and management, both inside and outside of Committee meetings.
- (iii) Have an effective working relationship with members of management.

### 3.7 Evaluations

- (i) Ensure that a performance evaluation of the Committee is conducted annually, soliciting input from all Committee members, other directors and appropriate members of management.

3.8 Advisors / Resources

- (i) Ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently.
- (ii) Coordinate with the Committee to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.

3.9 Other

- (i) Carry out any other appropriate duties and responsibilities assigned by the Board or delegated by the Committee.
- (ii) To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this Position Description is delegated to the Secretary, who will report any amendments to the GNC at its next meeting.

(iii) Once or more annually, as the GNC decides, this Position Description will be fully evaluated and updates recommended to the Board for consideration.

\*\*\* \*\*

**Governance and Nominating Committee  
Chair Position Description**

In addition to any responsibilities and specific duties set out in the mandate of the Governance and Nominating Committee, the Chair of the Governance and Nominating Committee has the responsibility and specific duties described below.

**1.** Appointment

1.1 The Chair will be a duly elected member of the Board of Directors (the Board ) and be appointed as the GNC Committee Chair, each year, by the Board on recommendation of the Governance and Nominating Committee. The Chair will be independent (as defined by applicable law, regulations, guidelines and policies) and will have the competencies and skills determined by the Committee and the Board.

2. Responsibility



2.1 The Chair provides independent, effective leadership to the Committee and leads the Committee in fulfilling the duties set out in its Mandate.

**3.** Specific Duties

The Chair will:

3.1 Leadership

- (i) Provide overall leadership to enhance the effectiveness of the Committee.
- (ii) Take all reasonable steps to ensure that the responsibility and duties of the Committee, as outlined in its Mandate, are well understood by the Committee members and executed as effectively as possible.

3.2 Ethics

- (i) Foster ethical and responsible decision-making by the Committee and its individual members.

3.3 Committee Governance

- (i) Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling the terms of its Mandate.
- (ii) Oversee the structure, composition, membership and activities delegated to the Committee.
- (iii) Ensure that the Committee is composed of a majority of independent directors.

3.4 Committee Meetings

- (i) Ensure that the Committee meets at least four times annually and as many additional times as needed to carry out its duties effectively.
- (ii) With Committee members, members of Management and outside advisors, as appropriate, establish the agenda for each Committee meeting.
- (iii) Chair all meetings of the Committee, including closed sessions and in camera sessions.
- (iv) If the Chair is not present at a meeting, the Committee members present will choose a Committee member to chair the meeting.
- (v) Ensure sufficient time during Committee meetings to fully discuss agenda items.
- (vi) Encourage Committee members to ask questions and express viewpoints during meetings.
- (vii) Deal effectively with dissent and work constructively towards arriving at decisions and achieving consensus.
- (viii) Ensure that the Committee meets in separate, regularly scheduled, non-management, in camera sessions.
- (ix) Ensure that the Committee meets in separate, non-management, closed sessions with internal personnel or outside advisors, as needed and appropriate.

3.5 Committee Reporting

- (i) Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
- (ii) Ensure that Committee materials are available to any director on request.

3.6 Committee / Management Relationships

- (i) Take all reasonable steps to ensure that Committee members receive written information and presentations from management to fulfill the Committee Mandate.

3.7 Mandate

- (i) Facilitate effective communication between Committee members and management, both inside and outside of Committee meetings.
- (ii) Have an effective working relationship with members of management.

## Edgar Filing: SIERRA WIRELESS INC - Form 6-K

- (iii) Lead the annual Board, Committee and director effectiveness and performance evaluations, other than that of the Committee Chair.
- (iv) Ensure that a performance evaluation of the Committee and the Committee Chair is conducted, soliciting input from all Committee members, other directors and appropriate members of management.

### 3.8 Orientation / Education

- (i) Provide leadership for the Board's director orientation and education programs, soliciting input from the Board.

3.9 Advisors / Resources

- (i) Ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently.
- (ii) Coordinate with the Committee to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.

3.10 Other

- (i) Carry out any other appropriate duties and responsibilities assigned by the Board or delegated by the Committee.
- (ii) To honor the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this Position Description is delegated to the Secretary, who will report any amendments to the Committee at its next meeting.
- (iii) Once or more annually, as the Committee decides, this Position Description will be fully evaluated and updates recommended to the Board for consideration.

\*\*\* \*\*

**Human Resources Committee Chair**

**Position Description**

In addition to any responsibilities and specific duties set out in the mandate of the Human Resources Committee, the Chair of the Human Resources Committee has the responsibility and specific duties described below.

**1.** Appointment

1.1 The Chair will be a duly elected member of the Board of Directors (the **Board** ) and be appointed as the Committee Chair, each year, by the Board on recommendation of the Human Resources Committee. The Chair will be independent (as defined by applicable law, regulations, guidelines and policies) and will have the competencies and skills as determined by the Corporate Governance and Nominating Committee (GNC) and the Board.



2. Responsibility

2.1 The Chair provides independent, effective leadership to the Committee and leads the Committee in fulfilling the duties set out in its Mandate.

**3.** Specific Duties

The Chair will:

3.1 Leadership

- (i) Provide overall leadership to enhance the effectiveness of the Committee.

- (ii) Take all reasonable steps to ensure that the responsibility and duties of the Committee as outlined in its Mandate, are well understood by the Committee members and executed as effectively as possible.

### 3.2 Ethics

- (i) Foster ethical and responsible decision-making by the Committee and its individual members.

### 3.3 Committee Governance

- (i) Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling the terms of its Mandate.
- (ii) With the GNC, oversee the structure, composition, membership and activities delegated to the Committee.
- (iii) With the GNC, ensure that the Committee is composed entirely of independent directors.

### 3.4 Committee Meetings

- (i) Ensure that the Committee meets at least four times annually and as many additional times as necessary to carry out its duties effectively.
- (ii) With other Committee members, members of management and outside advisors, as appropriate, establish the agenda for each Committee meeting.
- (iii) Chair all meetings of the Committee, including closed sessions and in camera sessions. If the Chair is not present at a meeting, the Committee members present will choose a Committee member to chair the meeting.
- (iv) Ensure sufficient time during Committee meetings to fully discuss agenda items.
- (v) Encourage Committee members to ask questions and express viewpoints during meetings.
- (vi) Deal effectively with dissent and work constructively towards arriving at decisions and achieving consensus.
- (vii) Ensure that the Committee meets in separate, non-management, closed sessions with internal personnel or outside advisors, as needed or appropriate.
- (viii) Ensure that the Committee meets in separate, regularly scheduled, non-management, in camera sessions.

3.5 Committee Reporting

- (i) Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
- (ii) Ensure that Committee materials are available to any director on request.

3.6 Committee / Management Relationships

- (i) Take all reasonable steps to ensure that Committee members receive written information and are exposed to presentations from management to fulfill the Committee Mandate.
- (ii) Facilitate effective communication between Committee members and management, both inside and outside of Committee meetings.

(iii) Have an effective working relationship with members of management including, but not limited to, the Chief Executive Officer and senior officer responsible for Human Resources.

3.7 Evaluations

(i) Ensure that a performance evaluation of the Committee is conducted, soliciting input from all Committee members, other directors and appropriate members of management.

3.8 Advisors / Resources

(i) Ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently.

(ii) Coordinate with the Committee to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.

3.9 Other

(i) Carry out any other appropriate duties and responsibilities assigned by the Board or delegated by the Committee.

(ii) To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this Position Description is delegated to the Secretary, who will report any amendments to the GNC at its next meeting.

(iii) Once or more annually, as the GNC Committee decides, this Position Description will be fully evaluated and updates recommended to the Board for consideration.