



March 19, 2001

Statement of Compliance with Electronic Serial Number (ESN) regulations

The Electronic Serial Number (ESN) of the SkyGuard 500 model SG501 is set in the factory and a unique value is given to each device. The memory device storing the ESN is permanently soldered to the main circuit board. An encrypted version of the ESN is also stored in a different location in memory. Upon power up, the phone's microprocessor regenerates an encrypted version for the ESN locally using a proprietary algorithm and key known only to Sierra Wireless and compares it to the encrypted version in memory. If these values do not match, the phone is completely disabled and cannot be used in any way.

The ESN can be set only by configuration and maintenance personnel, and otherwise cannot be altered, transferred, removed, or otherwise manipulated. Any attempt to alter the ESN number or tamper with the firmware will render the phone inoperative.