



Date: August 21, 2000

To: Customers of Challenge[®] Network Servers and Silicon Graphics[®] Onyx[®] Graphics Workstations

Re: Potential Hazard Regarding Off-Line Switching (OLS) Power Supply

SGI has just completed a product safety assessment of the Off-Line Switching Power Supply manufactured by Cherokee International L.L.C., and referred to herein as the "OLS Power Supply." The OLS Power Supply comes in two (2) versions of the same size and shape, but with different power ratings, and is used in ALL models and configurations of the following SGI systems:

Power Challenge [™] rackmount servers	Challenge [®] XL rackmount servers
Power Challenge [™] deskside servers	Challenge [®] L deskside servers
Power Onyx [™] rackmount graphics workstations	Onyx [®] rackmount graphics workstations
Power Onyx [™] deskside graphics workstations	Onyx [®] deskside graphics workstations

ALL graphics configurations of the Onyx and Power Onyx systems including the Onyx i-Station and Reality Station[™] systems use the OLS Power Supply.

We have been investigating field failures of our systems and have reached the conclusion from our investigation and the information developed to date that there is at least a potential for a significant risk hazard, in both versions of the OLS Power Supply, including the potential risk of smoke and fire.

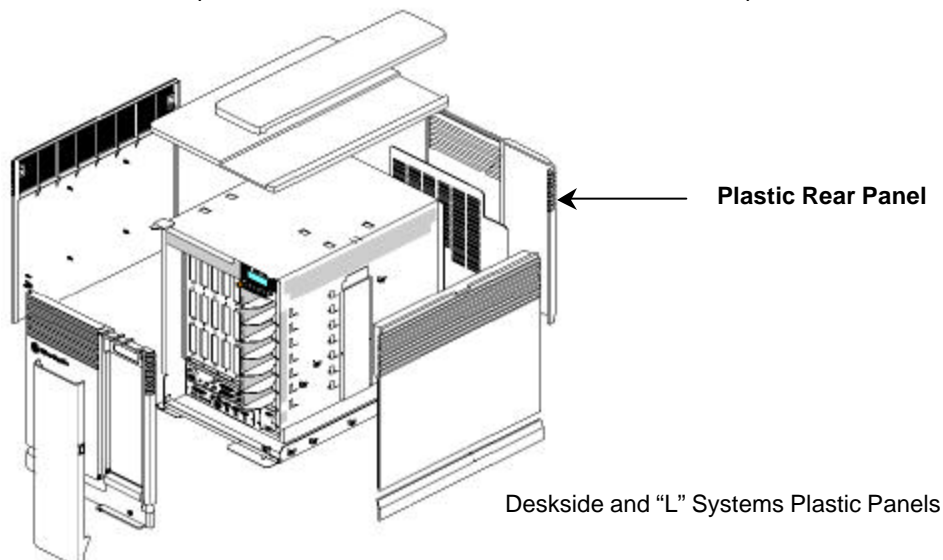
SGI
1600 Amphitheatre Pkwy.
Mountain View
CA 94043-1351

Our investigation has revealed that, over time (i.e., two to seven years) the inductors in these two Power Supplies may attain high temperatures because of high electrical losses in the magnetic cores. This in turn may cause the electrical insulation material in the magnetic cores to smoke, and, on occasion, to flame. This can result in a potential safety hazard due to the smoke and the remote possibility that flames may escape to the outside of the computer. The smoke generated from this problem might also constitute a health hazard. And, it is possible that during a failure mode, a potential shock hazard may be present.

In order to rectify this problem, SGI has instituted a replacement program of the OLS Power Supplies. Under this program the OLS Power Supplies will be replaced with a single version of a newly manufactured OLS Power Supply, which will have improved magnetic core materials and which in turn will prevent this core failure problem.

In order to reduce the potential risk to persons and property, we recommend that the following 6 (six) steps be taken immediately:

1. Your maintenance and technical personnel should verify that all systems are properly grounded;
2. For the Deskside and "L" systems, remove the plastic Rear Panel. All other plastic panels on the top and sides and the plastic doors on the front of the unit are to be left in place;



3. For all systems, please ensure that they are free and clear of any combustible materials within a one-foot radius;
4. For Rackmount and "XL" systems, remove any papers or other combustibles stored within the rack;
5. All inlet vents and screens and filters must be checked and cleaned of dust or any other debris that might have accumulated since installation;
6. The system should be monitored and if one observes overheating or a smell of smoke, this indicates that there may be a failure in progress and the system should be shut down immediately. Do NOT remove the OLS Power Supply for replacement prior to 30 minutes after the system has been shut down in order to allow the Power Supply to cool.

Replacements of the OLS Power Supply are expected to begin in November 2000 and continue into 2001. Your nearest SGI Branch/Office will contact you to make arrangements for an SGI support engineer to come to your site to complete the necessary replacement(s) when the newly manufactured OLS Power Supply is available for your system(s). You may expect a downtime of 15-30 minutes for each system requiring a Power Supply replacement. Information regarding the estimated Power Supply replacement date for your system(s) will be available through your SGI Branch/Office in November. For more information and contact details for any additional questions, please visit the Challenge[®]/Silicon Graphics[®] Onyx[®] OLS Power Supply FCO web site for your Geography. U.S. and Canadian customers may also dial 1-800-800-4SGI. To access the web site, select the "Challenge[®]/Silicon Graphics[®] Onyx[®] OLS Power Supply Field Change Order" link at any of the following SGI web sites:

Americas: <http://www.sgi.com>
<http://www.sgi.com/support>
<http://support.sgi.com>

Europe,
Middle East & Africa: <http://support-europe.sgi.com>

Japan: <http://www.sgi.co.jp>
<http://www.sgi.co.jp/services>

Asia-Pacific: <http://www.sgi.com/global/asiapac>

As you can understand, your cooperation in assisting SGI rectify this problem is important. In this regard, we would appreciate your immediate return of the information requested in the form below. Please mail the form or email the information requested in the form to the nearest SGI Branch/Office. A complete listing of SGI Branch/Office contact information is available at the Challenge/Onyx OLS Power Supply FCO web site.

Finally, please be assured that we at SGI consider the safety and reliability of our products to be our highest concern and therefore we are treating this matter with all seriousness.

Sincerely,

Jorge Helmer
Senior Vice President and General Manager
SGI Global Customer Services

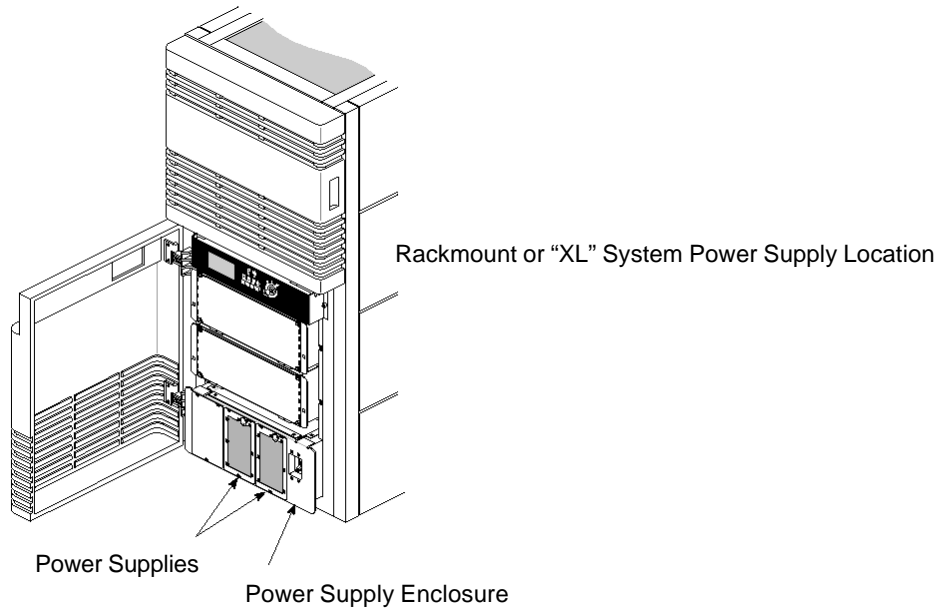
SGI Branch/Office Mailing and Email Addresses:

A complete listing of SGI Branch/Office contact information is available at the Challenge/Onyx OLS Power Supply FCO web site.

System Information

Please provide the information requested in the following form. If there are multiple Locations in your Organization or Institution where SGI systems requiring the Power Supply replacement are in service, complete a separate copy of the form for each Location. When indicating the "# of Power Supplies" note that all Deskside and "L" configurations have only 1 Power Supply and Rackmount and "XL" configurations have 2 or 3. You may determine the number of Power Supplies in Rackmount or "XL" configurations by viewing the Power Supply enclosure located at the bottom front of the system behind the lower front plastic door. The diagram below illustrates a Rackmount or "XL" system with 2 Power Supplies.

Please see Contact and Systems Information form on the next page.



Name of Organization or Institution:
 Location of System(s) (City, State and/or Country):

Contact Person:
 Telephone Number:

Serial #	System Description (from list in letter above)	# of Power Supplies (1,2 or 3)	In Service (Y/N)	Sold (Y/N)

Sold to info (company, contact person, phone):