
HEMISPHERE GPS INC.

NOTICE OF ANNUAL GENERAL MEETING

and

INFORMATION CIRCULAR – PROXY STATEMENT

WITH RESPECT TO THE

**ANNUAL GENERAL MEETING OF
SHAREHOLDERS**

TO BE HELD MAY 14, 2009

HEMISPHERE GPS INC.
NOTICE OF
ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that an Annual General Meeting (the "**Meeting**") of the shareholders of Hemisphere GPS Inc. (the "**Corporation**" or "**Hemisphere GPS**") will be held at the *Calgary Telus Convention Centre, Telus Rm. 101-102, 136 Eighth Avenue SE, Calgary, Alberta on Thursday, May 14, 2009 at 2:30 p.m.* (Calgary time) for the following purposes:

1. To receive and consider the financial statements of the Corporation, together with the report of the auditors thereon, for the year ended December 31, 2008;
2. To fix the number of Directors to be elected at the Meeting at seven (7);
3. To elect seven (7) Directors for the ensuing year;
4. To appoint auditors for the ensuing year and to authorize the Board to fix their remuneration; and
5. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular - Proxy Statement accompanying and forming part of this Notice.

The Directors of the Corporation have fixed a record date for the purpose of determining the shareholders entitled to receive notice of and vote at the Meeting. Each person who is a holder of common shares of record at the close of business on March 25, 2009 (the "**Record Date**") will be entitled to notice of, and to attend and vote at, the Meeting except, to the extent that such a shareholder transfers the ownership of any of his/her shares after the Record Date and the transferee of those shares establishes that he/she owns such shares and demands, not later than ten days (10) before the Meeting, that his/her name be included in the list of shareholders entitled to vote at the Meeting, such transferee will be entitled to vote such shares at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders of the Corporation who are unable to attend the Meeting in person are requested to date and sign the enclosed Instrument of Proxy and to mail it to or deposit it with the Corporation, c/o Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. In order to be valid and acted upon at the Meeting, instruments of proxy must be returned to the aforesaid address not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment thereof.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized. **The persons named in the enclosed Instrument of Proxy are officers and Directors of the Corporation. Each shareholder has the right to appoint a person or persons, who need not be shareholders of the Corporation, other than the persons designated in the Form of Proxy furnished by the Corporation, to attend and act on such shareholder's behalf at the Meeting. To exercise such right, the names of management's nominees may be crossed out and the name(s) of the shareholder's nominee(s) legibly printed in the blank space provided, or another appropriate instrument of proxy may be submitted.**

DATED at Calgary, Alberta, this 27th day of March, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Michael Lang*"
Chairman of the Board

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GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular.

"**Board**" or "**Board of Directors**" means the board of directors of Hemisphere GPS as presently constituted;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday when banks are generally open for the transaction of banking business;

"**Common Shares**" means the common shares of Hemisphere GPS, as presently constituted;

"**Corporation**" or "**Hemisphere GPS**" means Hemisphere GPS Inc., a corporation incorporated pursuant to the laws of the Province of Alberta;

"**Director**" means a director of the Corporation;

"**Guidelines**" means the guidelines published by the Canadian Securities Administrators in National Policy 58-201 *Corporate Governance Guidelines* relating to corporate governance matters;

"**Information Circular**" means this information circular – proxy statement dated March 27, 2009 in respect of the Meeting;

"**Meeting**" means the annual general meeting of the shareholders of Hemisphere GPS to be held on May 14, 2009;

"**Record Date**" means the record date for the Meeting, being March 25, 2009;

"**Share Option Plan**" means the share option plan of the Corporation, as amended; and

"**TSX**" means the Toronto Stock Exchange.

HEMISPHERE GPS INC.**INFORMATION CIRCULAR - PROXY STATEMENT
dated March 27, 2009****Annual General Meeting of Shareholders
to be held on May 14, 2009****PART I - INTRODUCTION**

This Information Circular - Proxy Statement is furnished in connection with the solicitation of proxies by the management of Hemisphere GPS Inc. (the "Corporation" or "Hemisphere GPS") for use at the Annual General Meeting of Shareholders of the Corporation (the "Meeting") to be held at the *Calgary Telus Convention Centre, Telus Rm. 101-102, 136 Eighth Avenue SE, Calgary, Alberta on Thursday, May 14, 2009 at 2:30 p.m.* (Calgary time) and at any adjournment thereof, and on every ballot that may take place in consequence thereof, for the purposes set forth in the Notice of Annual General Meeting of Shareholders.

Unless otherwise stated, the information contained in this Information Circular is given as at March 27, 2009.

No person has been authorized by Hemisphere GPS to give any information or make any representations in connection with the transactions herein described other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by Hemisphere GPS.

PART II - GENERAL PROXY INFORMATION**Solicitation of Proxies**

The Board of Directors has fixed the record date for the Meeting at the close of business on March 25, 2009 (the "**Record Date**"). Only holders of Common Shares of record as at that date are entitled to notice of the Meeting. Shareholders of record will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

At the close of business on March 26, 2009 there were 55,561,676 Common Shares issued and outstanding. Two persons present in person and holding or representing not less than five (5%) percent of the Common Shares entitled to vote thereat will constitute a quorum at the Meeting.

Appointment of Proxies

Instruments of proxy must be mailed so as to reach or be deposited with the Corporation, c/o **Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1**, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment thereof.

Instruments of proxy must be in writing and must be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as executors, administrators, trustees, etc. should so indicate and give their full title as such.

The persons named in the enclosed Instrument of Proxy are officers and Directors of the Corporation. Each shareholder has the right to appoint a person or persons, who need not be shareholders of the Corporation, other than the persons designated in the Form of Proxy furnished by the Corporation, to attend and act on such shareholder's behalf at the Meeting. To exercise such right, the names of management's nominees may be crossed out and the name(s) of the shareholder's nominee(s) legibly printed in the blank space provided, or another appropriate instrument of proxy may be submitted.

Revocability of Proxy

An instrument of proxy may be revoked at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by depositing an instrument in writing executed by the shareholder or by its attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at the registered office of the Corporation, 4110 - 9th Street SE, Calgary, Alberta, T2G 3C4, at any time up to and including the last business day before the day of the Meeting, or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked.

Persons Making the Solicitation

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Instrument of Proxy, the Notice of Annual General Meeting of Shareholders and this Information Circular - Proxy Statement will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, telephone or other means of communication by Directors, officers and employees of the Corporation, none of whom will be specifically remunerated therefor.

Exercise of Discretion

The shares represented by the Instrument of Proxy furnished by the Corporation, where the shareholder specifies a choice with respect to any matter to be acted upon, will be voted or withheld from voting on any ballot in accordance with the specification so made. **In the absence of such specification, such shares will be voted in favour of the matters described in the Notice of Annual General Meeting of Shareholders. The persons appointed under the Instrument of Proxy furnished by the Corporation are conferred discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of the printing of this Information Circular - Proxy Statement, the management of the Corporation knows of no such amendment, variation or other matter.**

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many public shareholders of Hemisphere GPS, as a substantial number of the public shareholders of Hemisphere GPS do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of Hemisphere GPS as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of Hemisphere GPS. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The Directors and officers of Hemisphere GPS do not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of the Meeting. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). If you receive a voting instruction form from Broadridge or another intermediary it cannot be used as a proxy to vote shares directly at the meeting as the proxy must be returned (or otherwise reported as provided in the voting instruction form) as described in the voting instruction form well in advance of the meeting in order to have the shares voted.

There are two kinds of Beneficial Shareholders – those who object to their name being made known to the issuers of securities which they own and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non-Objecting Beneficial Owners).

This year, the Corporation has decided to take advantage of the applicable provisions of National Instrument 54-101 – "*Communication with Beneficial Owners of Securities of Reporting Issuers*" ("**NI 54-101**") that permits it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our Transfer Agent, Computershare Trust Company of Canada (or Computershare Investor Services Inc. as the case might be) (collectively, "**Computershare**"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

PART III - MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of the Financial Statements and Auditors' Report

At the Meeting, shareholders will receive and consider the financial statements of the Corporation for the year ended December 31, 2008 and the Auditors' Report thereon, but no vote by the shareholders with respect thereto is required or proposed to be taken.

Fix the Number of Directors to be Elected at the Meeting and Election of Directors

The Articles of the Corporation specify that the Board of Directors shall consist of a minimum of three and a maximum of eleven Directors. At the Meeting, shareholders will be asked to elect seven (7) Directors to hold office until the next annual general meeting of the Corporation or until their successors are elected or appointed.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of Directors to be elected at the Meeting at seven (7) members and in favour of the election as Directors of the seven (7) nominees hereinafter set forth:

Barry D. Batcheller	Paul G. Cataford
Richard W. Heiniger	Steven L. Koles
Michael J. Lang	John M. Tye III
Howard W. Yenke	

The names, province and country of residence of the persons nominated for election as Directors, the number of Common Shares beneficially owned or controlled or directed, directly or indirectly, the offices held by each in the Corporation, the period served as Director and the principal occupation of each are as follows:

Name, Province and Country of Residence and Position with the Corporation	Principal Occupation During the Last Five Years	Director Since	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly
Michael J. Lang ⁽¹⁾ Alberta, Canada Non-Executive Chairman and Director	Chairman of StoneBridge Merchant Capital Corp. (a private investment company).	1996	516,005 ⁽⁴⁾ (0.93%)
Howard W. Yenke ⁽²⁾ Massachusetts, USA Director and Chairman of the Compensation Committee	Retired Executive.	1996	25,000 ⁽⁵⁾ (0.04%)
Paul G. Cataford ⁽¹⁾ Alberta, Canada Director and Chairman of the Audit Committee	Corporate Director. Prior thereto, President and CEO of University Technologies International Inc. (a private technology commercialization company owned by the University of Calgary) until March 2009. Prior to joining University Technologies International Inc. in April of 2004, Mr. Cataford was the Managing Partner of HorizonOne Asset Management.	2004	3,000 ⁽⁶⁾ (0.01%)
Richard W. Heiniger Missouri, USA Director and Vice Chairman	CEO of RHS, Inc. (a private manufacturer of farm equipment). Also, formerly President of Hemisphere GPS LLC (formerly Satloc LLC) from April 2005 to May 2006.	2005	5,251,528 ⁽⁷⁾ (9.45%)
John M. Tye III ⁽¹⁾⁽³⁾ Texas, USA Director and Chairman of the Corporate Governance Committee	Chairman of Bigham Brothers Inc. (a private manufacturer of farm equipment).	2006	50,800 ⁽⁸⁾ (0.09%)
Barry D. Batcheller ⁽²⁾ North Dakota, USA Director	President and CEO of Appareo Systems (a private manufacturer of augmented reality systems) since 2005. Prior thereto Director of Technology Growth with John Deere & Company since 2002. Prior thereto, President and CEO of Phoenix International Corporation.	2006	Nil ⁽⁹⁾ (0%)
Steven L. Koles Alberta, Canada President, Chief Executive Officer and a Director	President and CEO of Hemisphere GPS since September 8, 2006. Prior thereto General Manager at AOL Canada from 2003 to 2006.	2007	63,519 ⁽¹⁰⁾ (0.11%)

Notes:

- (1) Member of the Corporation's Audit Committee.
- (2) Member of the Corporation's Compensation Committee
- (3) Member of the Corporation's Corporate Governance Committee
- (4) Excludes share options to purchase an aggregate of 345,000 Common Shares at prices ranging from \$1.67 to \$3.11 per Common Share.
- (5) Excludes share options to purchase an aggregate of 105,000 Common Shares at prices ranging from \$1.67 to \$3.11 per Common Share.

- (6) Excludes share options to purchase an aggregate of 120,000 Common Shares at prices ranging from \$1.31 to \$3.11 per Common Share.
- (7) These shares are registered to RHS, Inc., a company fully controlled by Mr. Heiniger. The total number of shares excludes share options to purchase an aggregate of 45,000 Common Shares at prices ranging from \$1.31 to \$3.11 per Common Share.
- (8) Excludes share options to purchase an aggregate of 120,000 Common Shares at prices ranging from \$1.31 to \$3.11 per Common Share.
- (9) Excludes share options to purchase an aggregate of 120,000 Common Shares at prices ranging from \$1.31 to \$3.11 per Common Share.
- (10) Excludes share options to purchase an aggregate of 650,000 Common Shares at prices ranging from \$1.31 to \$3.11 per Common Share.

The information as to principal occupation and as to shares beneficially owned or controlled or directed, directly or indirectly, is based upon information provided by the nominees as of March 27, 2009. Each of the above nominees are currently Directors of the Corporation and were elected at the last annual general meeting of shareholders.

Paul L. Camwell who has served on the Board of Directors since 1998 has advised the Board of Directors of his intention to resign for personal reasons effective as of the date of the annual general meeting. Mr. Camwell's position as Chairman of the Corporate Governance Committee will be assumed by Mr. Tye and Mr. Camwell's position on the Audit Committee will be assumed by Mr. Lang.

Other than as disclosed below, no proposed Director is as at the date hereof, or has been, within 10 years of the date hereof, a director, chief financial officer or chief executive officer of any company, including the Corporation, that:

- (a) while the proposed Director was acting in such capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that occurred while the proposed Director was acting in such capacity which resulted, after the proposed Director ceased to be a director, chief financial officer or chief executive officer, in the company being the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days,
- (c) while the proposed Director was acting in that capacity or within a year of that person ceasing to act in that capacity became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director.

Steven L. Koles was previously an officer of GT Group Telecom Inc. In March 2002, Mr. Koles resigned from his position with that company. GT Group Telecom Inc. filed for CCAA protection prior to the end of 2002. GT Group Telecom Inc. later merged with 360 Networks Inc.

In addition, no proposed Director of the Corporation has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

Appointment of Auditors

The persons named in the Instrument of Proxy furnished by the Corporation intend, unless otherwise directed, to vote in favour of an ordinary resolution to reappoint the firm of KPMG, LLP, Chartered Accountants, to serve as auditors of the Corporation to hold office until the next annual general meeting of shareholders and to authorize the Board to fix their remuneration. KPMG, LLP, Chartered Accountants, were originally appointed as auditors of the Corporation on January 1, 1996.

The Audit Committee reviews the annual audit fees and considers the issue of auditor independence in the context of all services provided to the Corporation.

Certain information regarding Hemisphere GPS' audit committee, including the fees paid to Hemisphere GPS' auditors in the last fiscal year, that is required to be disclosed in accordance with National Instrument 52-110 of the Canadian Securities Administrators, is contained in Hemisphere GPS' annual information form for the year ended December 31, 2008, an electronic copy of which is available on the internet on Hemisphere GPS' SEDAR profile at www.sedar.com.

PART IV - INFORMATION CONCERNING THE CORPORATION

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of first preferred shares issuable in series and an unlimited number of second preferred shares, issuable in series. As at March 26, 2008, there were 55,561,676 Common Shares issued and outstanding and no first or second preferred shares issued and outstanding. Two persons present in person and holding or representing not less than five (5%) percent of the Common Shares entitled to vote thereat will constitute a quorum at the Meeting.

The holders of Common Shares are entitled to receive notice of all shareholders meetings (other than meetings of a class or series of shares of the Corporation other than the Common Shares) and to one (1) vote thereat for each share held. The holders of the Common Shares are entitled to receive any dividends declared by the Board of Directors on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of the Corporation ranking in priority to the Common Shares, and in respect of return of capital, the holders of Common Shares are entitled to share pro rata together with the holders of any other classes of shares ranking equally with the Common Shares in such assets of the Corporation as are available for distribution.

To the knowledge of the Directors or senior officers of the Corporation, no person beneficially owns or controls or directs, directly or indirectly, voting securities carrying more than ten (10%) percent of the voting rights attached to any class of voting securities of the Corporation as at the date hereof.

NORMAL COURSE ISSUER BID

On September 10, 2008 we announced a Normal Course Issuer Bid to purchase for cancellation, from time to time, up to 2,822,204 of our issued and outstanding Common Shares (being no greater than 5% of the issued and outstanding Common Shares at September 10, 2008) on the open market through the facilities of the TSX. Since September 10, 2008, we have purchased and cancelled 945,200 Common Shares at an average price of Cdn \$2.07 per Common Share.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

The ultimate goal of our compensation program for the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and the three most highly compensated executive officers (or the three most highly compensated individuals acting in a similar capacity), other than the CEO and CFO, at the end of the year ended December 31, 2008 whose total compensation was more than \$150,000 (each a "Named Executive Officer" or "NEO" and collectively, the "Named Executive Officers" or "NEOs"), and for all Hemisphere GPS employees, is to foster profitable growth and to create long-term value for shareholders. We believe that the ability, performance, commitment and retention of our executives are essential leadership factors that drive shareholder value. We have designed and implemented a pay-for-performance compensation program that rewards corporate and individual performance and the creation of shareholder value. We believe that the program motivates strong performance, aligns the interests of our NEOs and employees with those of our shareholders, and supports our attraction and retention goals.

Our Compensation Committee is composed of two independent, non-employee Directors and is responsible to discharge the Board of Directors' responsibilities with respect to compensation for our Named Executive Officers, as well as general oversight of our global compensation program. The Compensation Committee has formal terms of reference and has the authority to retain outside advisors as it determines appropriate to assist it in the performance of its functions.

The purpose of this compensation discussion and analysis is to summarize our compensation objectives, the elements of our compensation program, our compensation decision-making process, and the factors that we considered in making decisions about executive compensation for the fiscal year 2008.

Compensation Objectives

Performance

Key elements of the compensation program are designed to reward strong corporate and individual performance including:

- Base salaries are determined on a competitive basis depending on the executive's experience, scope of responsibilities, demonstrated leadership abilities, and effectiveness;
- Incentive plan payments are based upon performance against pre-determined corporate and individual performance objectives. Corporate performance is measured by profitability relative to the budgeted net income for the year. For business unit leaders, corporate performance is also measured based on the performance of the business unit. Individual performance objectives relate to specific operational targets and personal development objectives; and
- Equity incentive compensation is comprised of share options and the partial matching of purchases of our Common Shares by the NEOs under our employee share purchase program. The ultimate value of equity incentive compensation is dependent on the performance of our share price after the date of the grant. Both equity incentive compensation programs are subject to vesting schedules that require continued service with us. See further discussion below under the heading "Attraction and Retention".

Alignment of Management Objectives with that of Shareholders

We seek to align the interests of the NEOs, and other executives and key employees, with those of our shareholders. Key elements of compensation that align the interests of our NEOs and other executives with shareholders include:

- Our incentive plan, described below, which compensates executives for the achievement of key corporate and individual goals that we believe correlate with improving shareholder value; and
- Equity incentive compensation in the form of share options and stock ownership, under which the ultimate value of the compensation is based on stock price appreciation subsequent to the date of particular grant.

Attraction and Retention

Hemisphere GPS has implemented a compensation program that we believe is competitive in order to attract and retain high quality executives and other employees.

Base salaries are established at competitive levels as determined by competitive benchmarking. In addition, our benefits and other elements of our overall compensation program are designed with the objective to be comparatively appealing.

Executives (and certain key employees) receive share options and all employees are eligible for stock grants under the employee share purchase plan. Share options are granted with a four-year, month-by-month vesting schedule. Company-matched purchases of stock under the employee share purchase plan vest one year after the executive's purchase of stock. Both of these programs support our retention objective by requiring the employee to remain employed by the Corporation to realize the additional potential compensation.

To a lesser extent, the annual incentive plan supports the retention objective as it is designed to pay out only if the NEO or employee remains with us until the time of payout, which is generally about 2 months after the end of the fiscal year.

Compensation Elements

The compensation of the NEO's consists of the following primary elements:

- Base salary
- Fringe benefits
- Incentive plan
- Equity incentives
- Retirement savings assistance

Base Salary

Base salaries are designed to be competitive in order to attract and retain high calibre talent. The base salary for our NEOs is determined based upon an evaluation of the scope of their responsibilities, performance, experience and education and upon competitive benchmarking for similar positions. Company-wide base salary levels are reviewed annually by the Compensation Committee who approve ranges for base salary adjustments based upon consideration of corporate performance, cost of living changes, industry and market-performance data, and competitive compensation information received from compensation consulting firms, including Radford and Culpepper and Associates. The adjustment to base salaries of NEOs will take into account these approved ranges, the performance of the NEO and changes in the NEOs responsibilities that may have taken place.

The base salaries of the NEOs for fiscal 2008 are discussed below and are summarized in the Summary Compensation Table on page 18.

Fringe benefits

We provide our NEOs, and all employees, with fringe benefits that we believe are appealing to employees to enhance attraction and retention. The primary fringe benefits provided include:

- Medical and dental insurance coverage;
- Life insurance of \$50,000, plus \$10,000 for spouse and \$5,000 for each child;
- Short term and long-term disability insurance (premiums paid by NEOs/employees);
- Employee assistance plan;
- Continuing education assistance;
- Fitness/wellness membership reimbursements of \$300 per year; and
- Paid vacations and holidays.

NEOs who reside in Canada are responsible to pay 30% of the cost of medical and dental insurance coverage costs and those who reside in the United States are responsible to pay for the incremental costs of their selected medical and dental insurance plan in excess of the base plan cost for the individual.

Incentive Plan

The incentive plan is the element of compensation that rewards executives and employees (excluding commissioned salespeople) based upon the achievement of corporate financial profitability goals and based upon individual performance relative to objectives.

The incentive plan payout for each eligible NEO (and all eligible employees) is determined based upon the following formula:

$$\text{Incentive Payment} = \text{Corporate Performance Factor} \times \text{Individual Performance Factor} \times \text{Target Incentive Rate}$$

Corporate Performance Factor

For 2008, the incentive plan is payable based upon the level of actual profitability achieved within a range determined relative to the budgeted level of profit. For this purpose, profitability is measured as generally accepted accounting principle ("GAAP") net income before incentive payments expense ("**NIBIP**"). The range was set as follows:

- *Lower boundary* – at the lower boundary of the range, the Corporate Performance Factor is zero and incentive payments begin to accrue as NIBIP increases from that point;
- *Budget* – at budgeted NIBIP, the Corporate Performance Factor is equal to 0.75;
- *Target* – at target NIBIP, which is a defined level in excess of budgeted NIBIP, the Corporate Performance Factor is equal to 1.0; and
- Above target, incentives continue to accrue on a pro-rata basis.

The Compensation Committee reserves the right to adjust profitability to normalize it for unusual items that impact profits but which are out of the control of management.

For business unit leaders, the Corporate Performance Factor is determined on a weighted average basis, with 40% determined based upon consolidated NIBIP and 60% determined based on direct business unit performance with one-third weighting from each of business unit revenues, margins and profitability.

Individual Performance Factor

Together with their direct manager, each of the NEOs (and all eligible employees) set individual objectives, cascaded from our strategic objectives, through our Performance Management Process ("**PMP**"). The CEO establishes our strategic objectives, and his individual objectives, with the Board of Directors coordinated by the

Compensation Committee. At year end, the individual performance of each of the NEOs (and all eligible employees) is rated based upon performance relative to their individual objectives, and Individual Performance Factors are established using the following:

- Exceeded objectives 1.5
- Fully met objectives 1.0
- Partially met objectives 0.5
- Did not meet objectives 0.0

Target Incentive Rate

A Target Incentive Rate has been established for various employee levels in the Corporation based upon competitive benchmarking analysis. The NEO target incentive rates are as follows:

- President and Chief Executive Officer 67%
- Senior Vice Presidents and Vice Presidents 30%
- All other eligible employees 5% – 20%

We have structured the incentive plan in this manner as we believe that profitable growth, together with strong performance of our employees relative to individual objectives, will correlate with improving shareholder value.

Incentive plan payments are paid annually in February once the audit of our financial results is complete.

Corporate performance targets and individual objectives are determined near the start of each fiscal year based upon our board-approved strategic plan and budget for that year. The Compensation Committee receives and considers the input of Management in regard to setting the corporate performance targets and determining whether changes in the structure of the incentive plan are required.

From time to time, the Compensation Committee has also awarded discretionary cash bonuses based upon its assessment of an executive's performance and contributions, and may do so in the future. No such discretionary bonuses were awarded to the NEOs for fiscal 2008.

The incentive compensation awarded to the NEOs in fiscal 2008 is discussed below and is summarized in the Summary Compensation Table on page 18.

Equity Incentive Compensation

The Compensation Committee has been authorized by the Board of Directors to administer our equity incentive compensation programs, which are comprised of the Share Option Plan and the Employee Share Purchase Plan.

Share Option Plan

Annual share option awards are made to the NEOs, and to other executives and key employees. Share option grants may also occur on other dates such as the start dates for new hires, the date of employee promotions, or the date of an acquisition, as approved by the Compensation Committee. Share options are awarded to reward demonstrated performance and leadership, to motivate future performance, to align the interests of the NEOs, and other executives and employees with those of our shareholders, and to support the retention of the executives and key employees through the term of the awards.

The Share Option Plan permits the granting of share options to purchase Common Shares to our officers, Directors, key employees and key consultants. The Share Option Plan has a rolling maximum/evergreen limit for the issuance of share options up to, but not in excess of 10% of outstanding Common Shares. At December 31, 2008, there were 55,788,376 Common Shares outstanding, providing a share option limit of 5,578,838 share options of

which 4,256,347 share options were outstanding representing 7.6% of the outstanding number of Common Shares. As of March 26, 2009, there were share options to purchase 4,253,847 Common Shares outstanding under the Share Option Plan (or approximately 7.7% of the Common Shares outstanding (55,561,676) as at such date). Under the Share Option Plan, the number of share options granted to insiders cannot exceed 10% of the Corporation's outstanding Common Shares and the number of share options granted to any one person cannot exceed 5% of outstanding Common Shares.

Share options granted have a four year vesting period and expire after five years. Share options are granted in accordance with a policy approved by the Board of Directors and provide for pricing at the closing price of our Common Shares on the day that is a specified number of days following the specific date identified in the Share Option Plan with respect to such share options. The share option agreements include provisions for the acceleration of vesting upon the permanent disability or death of the option holder and upon a change in control. In addition, they provide that options expire thirty days after the last day of employment or engagement with the Corporation.

Share options only generate value for NEOs (and other executives/employees) to the extent the price of our Common Shares on the date of exercise exceed the exercise price, and thus only provide additional compensation if the share price grows over the term of the award. For this reason we believe that share options are a motivational tool encouraging the NEOs (and other executives/employees) to undertake actions to grow shareholder value.

Employee Share Purchase Program

In April 2008, we implemented an Employee Share Purchase Program to encourage NEOs, executives and employees to purchase and hold our Common Shares. Under this program, we will match 50% of purchases of Common Shares by employees under the program to a maximum of 2% of the employees' salary. The matching shares are purchased by us at the time of employee purchases and are placed in trust. These purchases vest with the employee one year after the executive/employees purchase date.

The objectives of the Employee Share Purchase Program are:

- to encourage share ownership, which aligns executive/employee interests with those of our shareholders;
- to help retain high quality executives/employees through the vesting feature; and
- to provide additional compensation as an element of a competitive compensation package.

Grants under the Share Option Plan and the Employee Share Purchase Program are discussed below and are shown in the Summary Compensation Table on page 18.

Retirement Savings Assistance

In order to encourage retirement savings, we have implemented programs to assist employees with retirement savings. In Canada, this program is accomplished through an RRSP-matching plan, in the United States this program is accomplished through a 401K plan and in Australia, this is accomplished through superannuation contributions. We believe that this element of the compensation program contributes to make our overall program more competitive in the marketplace and supports the attraction and retention of high quality executives and employees.

Under the programs, in Canada and the United States, we will fully match savings made by employees up to 4% of base salary and incentive plan payments. In Australia, the legislated superannuation contributions are 9% of base salary and incentive plan payments.

Compensation Determination Process

In developing our compensation program, Management and the Compensation Committee have considered a variety of inputs in attempting to achieve competitive compensation packages that provide an appropriate balance between shorter-term cash compensation and longer-term equity compensation, and to properly reflect the performance and level of responsibility of the NEOs and other executive officers. In establishing the compensation for the NEOs, certain factors that have been considered include, but are not limited to, the following:

- the NEO's current total compensation;
- the NEO's individual performance;
- the qualifications of the NEO and potential for development and performance in the future;
- the strategic and operational responsibilities for which the NEO has responsibility;
- compensation levels of comparable positions at companies in our broad public technology industry category for companies of similar size;
- cost of living changes, industry and market-performance data, and competitive compensation information received from consulting firms, including Radford Consulting and Culpepper and Associates; and
- compensation of each of the NEOs relative to that of our other executive officers.

Base Salary

In 2006, we engaged the Hay Group, a global consulting firm, to assist us with an evaluation of our organizational structure, a detailed evaluation of all positions in the Corporation, and the creation of a detailed job banding structure that provides for appropriate placement and potential career progressions for employees. Every position in the Corporation was placed within the defined job bands based on Hay Groups' job evaluation methodology, which according to the Hay Group is used by over half of the Fortune 50 companies. Competitive salary ranges were then established for each job band based upon data received from technology-specific compensation consulting groups Radford Consulting (Canada) and Culpepper and Associates (United States). Where available and appropriate, we also consider salary survey information for specific job categories, such as information from professional engineering or accounting associations. As a guiding principle, salary ranges for each of the job bands are set from the 10th percentile to the 75th percentile based on salary survey data gathered. Similarly, target incentive rates for each job band were established based on compensation survey information received from these sources.

Each of the NEOs' positions were evaluated as part of the Hay Group project and the NEOs were placed in the appropriate job band. For 2008, all of the NEOs are within the salary range that has been established for the appropriate job band. The specific placement of NEOs within the range established for the job band are dependent on the evaluation of the factors described previously in the introductory paragraph under "Compensation Determination Process" above.

In addition to the Hay Group process described above, for the CEO, the Compensation Committee considered the base salary and incentive compensation paid to Chief Executive Officers of the following small-cap technology companies listed on the TSX (unless otherwise indicated) in determining the 2008 base salary, target incentive rate and share option grants for our CEO:

AirIQ Inc.	Ag Growth Income Fund	Ascalade Communications Inc.
Axia Netmedia Corporation	Carmanah Technologies Corp.	Computer Modelling Group
Digital Dispatch Systems Inc.	Divestco Inc.	Extreme CCTV Inc.
Gemcom Software International	Intermap Technologies Corp.	Matrikon Corporation
Novatel Inc. (NASDAQ)	Sirit Inc.	Sierra Wireless Inc.
Wireless Matrix Corporation		

This survey group was selected with the objective of including small-cap companies engaged in technology-related activities in Canada.

Incentive Plan

For 2008, as described earlier, there are two elements that determine the amount of Incentive Plan payments to NEOs – corporate performance and individual performance.

Corporate performance targets were established based on profitability before incentive payments.

Individual performance objectives were established for the CEO with consultation and approval by the Compensation Committee. Although the specific details of the performance objectives are considered by us to be confidential, the primary elements of these objectives were as follows:

- Achieve budgeted financial metrics with respect to revenues, gross margins and earnings;
- Successfully complete all key acquisition and integration elements of BEELINE before the first quarter earnings announcement;
- Achieve specific progress relating to the 2008 strategic level objectives:
- Increase share in existing verticals and defend current penetration;
- Expand business to new vertical markets and applications;
- Streamline operations to achieve sustained profitability;
- Achieve cost reduction targets through outsourcing and supply chain efficiencies;
- Deliver product and technology roadmaps on time with increased discipline in the new product introduction process;
- Improve performance and engagement levels across the Corporation including winning spirit, increased accountability, communication and trust;
- Successfully market the Corporation to the investment community and generate positive shareholder value; and
- Continue to generate positive employee morale, as measured by a benchmark survey.

Share Options

Management and the Compensation Committee view share option awards as a critical element of the compensation program for the NEOs, other executives and key employees. For 2007 and 2008, we have applied a formula to determine annual share option grants for NEOs and other executives, with the exception of the CEO. Under this formula, each NEO or other executive receives an annual grant of share options with the number of share options equal to approximately 20 – 25% of their annual base salary. The actual percentage awarded to a particular NEO or officer is subject to adjustment depending upon consideration of a number of factors, including the performance of the NEO or other executive for the particular year. Previous grants of option-based awards are not generally considered when evaluating the new grants.

Share option grants for the CEO during 2008, but related to the 2007 year, were determined by the Compensation Committee based upon evaluation of his performance for 2007 and with consideration of the amount of share option grants made by the comparative companies that were summarized in the previous section.

The share option grant for the CEO for the 2008 year was determined based upon evaluation of his 2008 performance and based upon an internally prepared compensation survey prepared in the fall of 2008. This updated survey included the following companies:

Canadian-Listed Companies:

Absolute Software Corp.	Ag Growth Income Fund	Axia Netmedia Corporation
Cervus LP	Computer Modelling Group	Divestco Inc.
Extreme CCTV Inc.	Gennum Corporation	Intermap Technologies Corp.
Matrikon Corporation	Sirit Inc.	Sierra Wireless Inc.
Webtech Wireless Inc.	Wi-Lan Inc.	Wireless Matrix Corporation

United States-Listed Companies:

Digi International Inc.	Digimarc Corporation	Maxwell Technologies Inc.
Openwave Systems Inc.	Opnet Technologies, Inc.	Raven Industries, Inc.
Silicon Storage Technology, Inc.	SiRF Technology Holdings, Inc.	Trimble Navigation
Universal Display Corporation		

This survey group was selected with the objective of including small-cap companies engaged in technology-related activities in Canada and the United States. Companies were sought which are engaged in similar markets - such as GPS development and manufacturing or who sold agriculture-related products – as well as other technology-related companies to provide a larger sample size.

The Canadian-listed group of companies had market capitalizations ranging from Cdn\$40 million to Cdn\$400 million calculated as of date of the regulatory filing from which the compensation data was sourced. The United States-listed group of companies had market capitalizations ranging from US\$69 million to US\$3.2 billion calculated as of date of the regulatory filing from which the compensation data was sourced.

While the Compensation Committee reviewed compensation data from United States-listed companies for 2008, greater priority was placed on the compensation information provided by Canadian-listed public companies for purposes of benchmarking the base salary, target incentive rate and share options grants.

Based upon the information that was gathered in the 2007 and 2008 surveys, the Compensation Committee awarded share options to the CEO such that the total number of share options held, as a percentage of our total outstanding Common Shares, was within the range relative to the average of share options granted to Chief Executive Officers by the survey companies. At the end of 2008, the CEO held 650,000 share options representing 1.17% of outstanding Common Shares.

For 2007, in accordance with the share option granting policy established by the Board of Directors, the annual share option grants relating to 2007 were awarded on the 15th trading day following the end of the fourth quarter blackout period. As a result, the share option awards related to 2007 performance were granted to NEOs, and other executives, on April 2, 2008.

For 2008, the Compensation Committee recommended that the share option award should be made during the year to which the share option grant relates, rather than being subject to the extended delay that results from the inability to grant share options during the fourth quarter blackout period. As a result, the share option granting policy was amended by the Board of Directors to provide that annual share option grants for NEOs and other executives will be approved by the Board of Directors at the final board meeting of the fiscal years and such share options will be formally granted and priced on the 10th trading day following the board approval meeting, or following the end of any other blackout period that may be in effect at that time. As a result of this revision, the 2008 share option award was granted to NEOs, and other executives, on December 24, 2008.

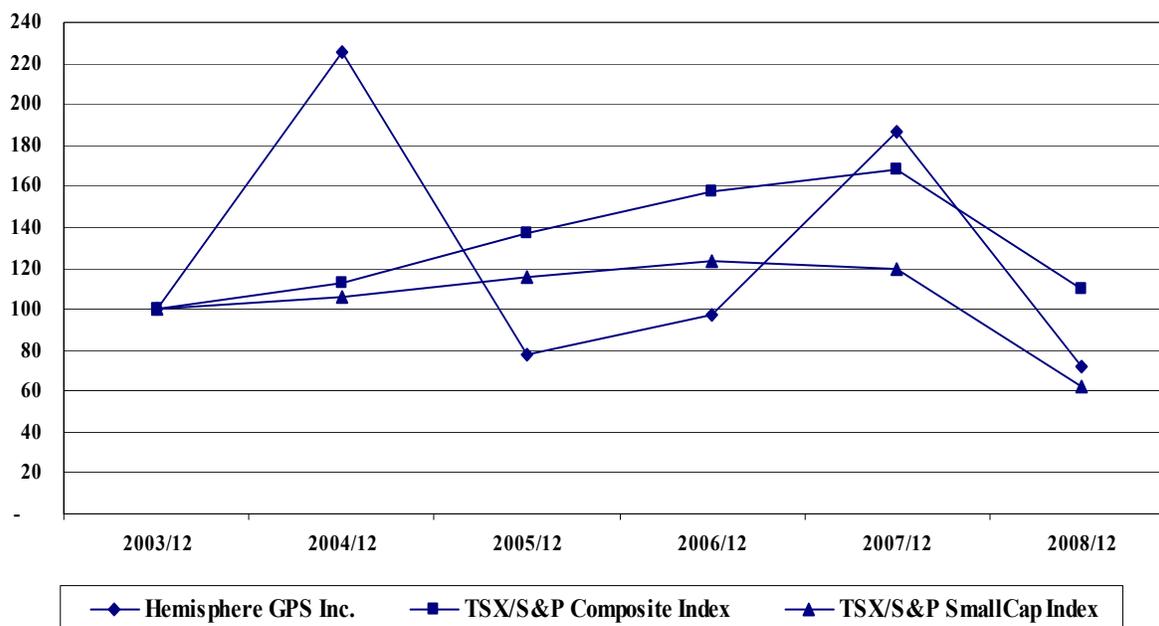
The change in the timing of annual share option grants resulted in the grants for both 2007 and 2008 taking place in 2008. Therefore, the value of the option-based compensation for NEOs in 2008 is higher than it is normally expected to be.

The number of share options granted to the NEOs in 2008 were as follows:

	Re Fiscal 2007		Re Fiscal 2008	
	Number	Exercise Price	Number	Exercise Price
Steven L. Koles	350,000	\$3.11	100,000	\$1.31
Cameron B. Olson	60,000	\$3.11	60,000	\$1.31
S. Dean Ryerson	40,000	\$3.11	40,000	\$1.31
Mohamed A. Abousalem	45,000	\$3.11	50,000	\$1.31
Michael L. Whitehead	46,000	\$3.11	40,000	\$1.31

Performance Graph

The following graph illustrates our five year cumulative shareholder return, as measured by the closing price of our Common Shares at the end of each financial year, assuming an initial investment of \$100 on December 31, 2003, compared to the S&P/TSX Composite Index and the S&P/TSX Canadian SmallCap Index, assuming the reinvestment of dividends where applicable.



	2003/12	2004/12	2005/12	2006/12	2007/12	2008/12
Hemisphere GPS Inc.	100	226	77	97	187	72
S&P/TSX Composite Index ⁽¹⁾	100	112	137	157	168	109
S&P/TSX SmallCap Index ⁽¹⁾	100	106	115	123	119	62

Note:

(1) Total Return Index.

As described in previous sections, the compensation for NEOs is influenced by a variety of factors including corporate and individual performance as well as the share price performance.

The focus of the base salary and non-equity incentive elements of compensation is to motivate and reward corporate and individual performance for objectives designed to increase our share price in the mid to long term. The primary factor driving payments under our Incentive Plan in 2008 was profitability, which on a GAAP basis improved from a loss of \$0.9 million in 2007 to \$6.1 million in 2008. The Incentive Plan rewarded NEOs for achievement of this improvement based on the formula described earlier, as well as for performance relative to individual objectives.

In spite of improvement in our financial performance, our share price was negatively impacted by the turbulence in the global economic markets, along with the Canadian and global equity markets in general. NEO compensation, and potential compensation, available through the equity incentive elements, has been negatively impacted by the impact of these events.

It is challenging to compare the trend in executive compensation to the performance graph given executive turnover during this period of time and the change in the method of reporting total executive compensation implemented in 2008. The following discussion primarily focuses on salary and non-equity incentive compensation, which are reported consistently with prior years.

- The significant decline in share price performance in December 2005 was followed by significant changes in our executive team and resulted in the hiring of the current CEO, Steven Koles, in September 2006.
- The trend in executive compensation, reflected primarily through salary and non-equity incentive payments, generally followed the trend of share price performance from 2005 to 2007. During this time, our revenues and profitability also followed a similar increasing trend.
- In 2008, revenues and profitability showed significant growth – resulting in a larger proportionate increase in executive compensation compared to prior years – however, global economic negative events impacted our share price, together with global equity markets. This resulted in a disconnect in the trend of executive compensation relative to the share price performance.

It is our objective to focus executive compensation on factors that build long term growth in the value of Hemisphere GPS such as revenue generation, profitability and initiatives that enhance our ability to grow profitably. While we believe that these factors should cause our share price to grow in the long term, they will not necessarily result in a consistent trend in annual non-equity executive compensation versus our share price – as that trend has a much shorter term focus.

Summary Compensation Table

The following table sets forth for the year ended December 31, 2008 information concerning the compensation paid to the Named Executive Officers. Amounts reported in this Information Circular are in United States dollars as this is the reporting currency used in our consolidated financial statements. Steven Koles, Cameron Olson and Mohamed Abousalem are remunerated in Canadian dollars. Unless otherwise stated, each element of Canadian dollar compensation described in this document is converted to US dollars using the average noon day foreign exchange rate for 2008, as reported by the Bank of Canada, which was \$1.0660.

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Share-based awards ⁽²⁾ (\$)	Option-based awards ⁽³⁾⁽⁴⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽⁷⁾ (\$)	Total compensation (\$)
					Annual incentive plans ⁽⁵⁾⁽⁶⁾	Long-term incentive plans			
Steven L Koles President & Chief Executive Officer	2008	272,045	3,627	695,910 (604,062 relates to 2007)	130,588	-	-	18,164	1,120,334
Cameron B. Olson Senior Vice-President and Chief Financial Officer	2008	218,225	2,910	158,662 (103,553 relates to 2007)	47,137	-	-	19,124	446,057
S. Dean Ryerson Senior Vice President and Chief of Agriculture	2008	209,074	-	126,486 (89,746 relates to 2007)	34,447	-	-	12,000	382,006
Mohamed Abousalem Vice-President Marketing and Business Development	2008	174,015	870	123,589 (77,665 relates to 2007)	56,381	-	-	16,651	371,506
Michael Whitehead Chief Scientist	2008	188,409	2,536	116,130 (79,391 relates to 2007)	38,177	-	-	16,825	362,077

Notes:

- (1) As of January 1, 2009, salaries for the NEOs were increased to the following amounts: Steven L. Koles Cdn\$298,500; Cameron Olson Cdn\$237,280; S. Dean Ryerson US\$210,222; Mohamed Abousalem Cdn\$190,601; and Michael Whitehead US\$201,666.
- (2) Share-based awards represent Corporation matching of half of NEO purchases of Hemisphere GPS Common Shares under the Employee Share Purchase Plan. The value is based on the amount paid by the Corporation to purchase the shares on behalf of the NEO on the grant date, which is the date of the NEO purchases of the Common Shares, although such awards do not vest for one year following the NEO purchase of the Common Shares.
- (3) Share options granted to NEOs are valued based on the grant date fair value of the applicable share option grant. Fair value is determined in a manner consistent with that used in preparing the Corporation's consolidated financial statements. This approach uses the Black-Scholes option pricing model with the following weighted average assumptions: zero dividend yield; weighted average volatility of 124.3%; risk-free rate of 1.5% - 3.25%; and expected lives of 3.29 years.
- (4) As further explained on page 15, option-based awards in 2008 include both share options granted related to the 2007 fiscal year, which were granted in April 2008, and the share options granted related to the 2008 fiscal year, which were granted in December 2008.
- (5) These values represent the amounts earned by the NEOs under the Incentive Plan for fiscal year 2008 and were paid in February 2009.
- (6) In February 2008, the NEOs received Incentive Plan payments for fiscal year 2007 which are not included in this table as they were earned in the prior year. These payments were as follows: Steven L. Koles \$60,661; Cameron Olson \$27,204; S. Dean Ryerson \$12,009; Mohamed Abousalem \$17,719; and Michael Whitehead \$19,333.
- (7) Other compensation includes, where applicable, car allowances, retirement savings assistance, fitness membership reimbursements and Alberta Health Care premiums paid on behalf of the NEO in 2008.

Incentive Plan Awards

Details relating to the equity and non-equity incentive plans is included in the Compensation Discussion and Analysis section of this Information Circular.

Outstanding Share-Based Awards and Option-based Awards

The following table sets forth for each Named Executive Officer all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2008.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (Cdn\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (#)	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)
Steven L. Koles	100,000	1.75	Sept 5, 2011	-	1,410	1,612
	100,000	2.20	Mar 8, 2012	-		
	350,000	3.11	Apr 1, 2013	-		
	100,000	1.31	Dec 23, 2013	7,349		
Cameron B. Olson	60,000	2.65	June 21, 2009	-	1,131	1,293
	110,000	1.70	May 14, 2011	-		
	10,000	3.11	Apr 1, 2013	-		
	60,000	1.31	Dec 23, 2013	4,410		
S. Dean Ryerson	100,000	3.78	Apr 10, 2010	-	-	-
	24,792	2.20	Mar 8, 2012	-		
	52,000	3.11	Apr 1, 2013	-		
	40,000	1.31	Dec 23, 2013	2,940		
Mohamed A. Abousalem	27,000	2.80	May 31, 2012	-	215	246
	43,125	3.11	Apr 1, 2013	-		
	50,000	1.31	Dec 23, 2013	3,675		
Michael L. Whitehead	20,000	2.65	Jun 21, 2009	-	1,021	1,167
	50,000	1.70	Oct 2, 2010	-		
	50,000	1.65	Oct 2, 2011	-		
	46,000	3.11	Apr 1, 2013	-		
	40,000	1.31	Dec 23, 2013	2,940		

Notes:

- (1) Calculated based on the difference between the closing price of the Corporation's Common Shares on December 31, 2008 (Cdn\$1.40) and the exercise price of the options. The value is converted to US dollars at the December 31, 2008 Bank of Canada noon day rate of \$1.2246. This value is calculated based on all vested and unvested options.
- (2) These represent Corporation matching of 50% of NEO purchases of Hemisphere GPS Common Shares under the Employee Share Purchase Plan which have not vested at December 31, 2008. These awards vest one year after the NEO purchases of the Common Shares to which such Corporation-matching applies. The value is calculated based on the closing share price of the Corporation's Common Shares on December 31, 2008 (Cdn\$1.40). The value is converted to US dollars at the December 31, 2008 Bank of Canada noon day rate of \$1.2246.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of option-based awards and share-based awards which vested during the year ended December 31, 2008 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2008.

Name	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested during the year⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Steven L. Koles	108,629	-	130,588
Cameron B. Olson	5,394	-	47,137
S. Dean Ryerson	14,491	-	34,447
Mohamed A. Abousalem	9,921	-	56,381
Michael L. Whitehead	43,316	-	38,177

Notes:

- (1) Calculated based on the difference between the closing price of the Corporation's Common Shares on the vesting date and the exercise price of the options on the vesting date. As the Corporation's share price is quoted in Canadian dollars, the value is calculated in Canadian dollars and converted to US dollars based on the average noon day foreign exchange rate for 2008, as reported by the Bank of Canada, which was \$1.0660.
- (2) The Corporation implemented the Employee Share Purchase Plan on April 1, 2008. As a result, no Corporation-matching contributions vested for the NEOs during 2008.

Pension Plan Benefits

We do not have a pension plan for our NEOs or other employees.

Termination and Change of Control Arrangements

Termination

We have entered into executive employment agreements with each of Mr. Koles, Mr. Olson, Mr. Ryerson and Dr. Abousalem. The agreements provide, *inter alia*, that if their employment is terminated for any reason, other than for just cause, they shall be entitled to certain termination payments ("**Termination Payments**"). Mr. Koles' agreement provides for a Termination Payment equal to the one year's salary plus 15% in lieu of benefits. Mr. Olson's agreement provides for a Termination Payment equal to the product of twelve, plus one for each completed year of service, times the monthly salary, plus 15% in lieu of benefits, to a maximum of two years salary and benefits. Mr. Ryerson's agreement provides for a Termination payment equal to the product of twelve months, plus one month for each completed year of service, times the monthly salary, to a maximum of two years salary. Dr. Abousalem's agreement provides for a Termination Payment equal to the one year's salary plus 15% in lieu of benefits.

Following termination, vested share options held by the NEOs on the termination date can be exercised for 10 or 30 days, depending on the date that such share options were granted. Following termination, the NEO loses the right to any unvested shares purchased by Hemisphere GPS on behalf of the NEO in the Employee Share Purchase Plan, however, if termination is made by us without just cause, then the unvested shares will vest immediately.

No payments to the NEOs in respect of termination have been made, accrued or became payable during 2008.

Change in Control

Mr. Koles' and Dr. Abousalem's agreements provide that they will not voluntarily leave our employ during efforts to effect a change of control, or for six months after a change of control, unless the Board of Directors has provided written approval. In the event of a change of control situation, their agreements provide that if there is a constructive dismissal event (as such event is defined by common law, or if they are given a reduced title or

responsibilities during a defined period following the change of control, or certain other changes), then they may terminate the agreement within two months of such event and receive compensation equal to one times the current annual base salary plus 15% in lieu of benefits. Furthermore, if there is a constructive dismissal event following a change of control, and they do not elect to terminate the agreement as a result of such constructive dismissal event, then they will be entitled to receive a payment equal to one times the current annual base salary on the day that is two months after the constructive dismissal event.

Mr. Olson and Mr. Ryerson's agreements provide that they will not voluntarily leave the employment of Hemisphere GPS during efforts to effect a change of control, or for six months after a change of control, except with the written approval of the Board of Directors.

For all NEOs, share options that are not vested will immediately vest and become exercisable upon a change of control event.

The following table contains the estimated incremental payments, payables and benefits that would arise assuming a termination date of December 31, 2008.

Name	Event	Cash Payments ⁽¹⁾⁽²⁾ (\$)	Value of Equity and Share-based awards ⁽³⁾ (\$)	Total (\$)
Steven L. Koles	Termination with cause	-	-	-
	Termination without cause	272,334	-	272,334
	Change of Control with:			
	Constructive dismissal – with termination ⁽⁴⁾	272,334	7,349	279,683
Constructive dismissal – no termination ⁽⁵⁾	236,812	7,349	244,161	
Cameron B. Olson	Termination with cause	-	-	-
	Termination without cause	364,094	-	364,094
	Change of Control with:			
	Constructive dismissal – with termination ⁽⁴⁾	-	4,410	4,410
Constructive dismissal – no termination ⁽⁵⁾	-	4,410	4,410	
S. Dean Ryerson	Termination with cause	-	-	-
	Termination without cause	257,626	-	257,626
	Change of Control with:			
	Constructive dismissal – with termination ⁽⁴⁾	-	2,940	2,940
Constructive dismissal – no termination ⁽⁵⁾	-	2,940	2,940	
Mohamed A. Abousalem	Termination with cause	-	-	-
	Termination without cause	174,200	-	174,200
	Change of Control with:			
	Constructive dismissal – with termination ⁽⁴⁾	174,200	3,675	177,875
Constructive dismissal – no termination ⁽⁵⁾	151,478	3,675	155,153	
Michael L. Whitehead	Termination with cause	-	-	-
	Termination without cause	-	-	-
	Change of Control with:			
	Constructive dismissal – with termination ⁽⁴⁾	-	2,940	2,940
Constructive dismissal – no termination ⁽⁵⁾	-	2,940	2,940	

Notes:

- (1) This table includes only the incremental amounts payable on termination and change of control that are payable by contract with the NEOs.
- (2) Amounts for NEOs compensated in Canadian dollars are converted to US dollars using the Bank of Canada noon day rate on December 31, 2008 which was \$1.2246.
- (3) The value of share options that vest upon change of control are calculated as the difference between the closing price of the Corporation's Common Shares on December 31, 2008 (Cdn\$1.40) and the exercise price of the options. The value is converted to US dollars at the December 31, 2008 Bank of Canada noon day rate of \$1.2246. This value is calculated based on all vested and unvested options.
- (4) This scenario assumes that a constructive dismissal event occurs following a change of control and the NEO elects to terminate their agreement within two months of such event.
- (5) This scenario assumes that a constructive dismissal event occurs following a change of control and the NEO elects to terminate their agreement within two months of such event.

Director Compensation

Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2008, information concerning the compensation paid to our Directors other than Directors who are also Named Executive Officers.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Michael J. Lang	66,604	-	39,666	-	-	-	106,270
Barry D. Batcheller	21,576	-	39,666	-	-	-	61,242
Paul L. Camwell	29,081	-	39,666	-	-	-	68,746
Paul G. Cataford	31,426	-	39,666	-	-	-	71,091
Richard W. Heiniger	40,629	-	39,666	-	-	-	80,294
John M. Tye III	24,390	-	39,666	-	-	-	64,056
Howard W. Yenke	26,266	-	39,666	-	-	-	65,932

Notes:

- (1) Share options granted to Directors are valued based on the grant date fair value of the applicable share option grant. Fair value is determined in a manner consistent with that used in preparing the Corporation's consolidated financial statements. This approach uses the Black-Scholes option pricing model with the following weighted average assumptions: zero dividend yield; weighted average volatility of 124.3%; risk-free rate of 1.5% - 3.25%; and expected lives of 3.29 years.
- (2) As further explained on page 15, option-based awards in 2008 include both share options granted related to the 2007 fiscal year, which were granted in April 2008, and the share options granted related to the 2008 fiscal year, which were granted in December 2008.

Directors who are also executive officers of Hemisphere GPS do not receive compensation for acting in their capacities as Directors. Directors who are not executive officers receive compensation for serving in their capacity as such as determined by the Compensation Committee.

The key elements of the compensation of Directors in 2008 are as follows:

- Directors fees - Cdn\$15,000 per year for each Director; however, Richard Heiniger receives Directors fees of US\$15,000 per year;
- Chairman retainers are paid as follows:
 - Chairman of the Board – Cdn\$50,000 per year ;
 - Vice-Chairman – US\$20,000 per year;
 - Audit Committee Chairman – Cdn\$9,500 per year;
 - Compensation Committee Chairman – Cdn\$5,000 per year; and
 - Corporate Governance Committee Chairman – Cdn\$5,000 per year.
- Meeting fees – Cdn\$1,000 for each board or committee meeting; and
- All Directors are reimbursed for out-of-pocket expenses incurred in connection with the performance of their duties.

In establishing the Directors' compensation for 2008, the Compensation Committee reviewed an internally developed survey of the following small-cap technology companies listed on the TSX (unless otherwise indicated):

AirIQ Inc.
Axia Netmedia Corporation
Digital Dispatch Systems Inc.
Gemcom Software International
Novatel Inc. (NASDAQ)
Wireless Matrix Corporation

Ag Growth Income Fund
Carmanah Technologies Corp.
Divestco Inc.
Intermap Technologies Corp.
Sirit Inc.

Ascalade Communications Inc.
Computer Modelling Group
Extreme CCTV Inc.
Matrikon Corporation
Sierra Wireless Inc.

Directors' Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth for each of our Directors other than Directors who are also Named Executive Officers, all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2008.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Michael J. Lang	50,000	2.65	Jun 21, 2009	-	N/A	N/A
	250,000	1.70	May 14, 2011	-		
	15,000	1.67	Dec 12, 2012	-		
	15,000	3.11	Apr 1, 2013	-		
	15,000	1.31	Dec 23, 2013	1,102		
Barry D. Batcheller	75,000	1.70	May 14, 2011	-	N/A	N/A
	15,000	1.67	Dec 12, 2012	-		
	15,000	3.11	Apr 1, 2013	-		
	15,000	1.31	Dec 23, 2013	1,102		
Paul L. Camwell	10,000	2.70	Jun 14, 2009	-	N/A	N/A
	50,000	1.70	May 14, 2011	-		
	15,000	1.67	Dec 12, 2012	-		
	15,000	3.11	Apr 1, 2013	-		
	15,000	1.31	Dec 23, 2013	1,102		
Paul G. Cataford	50,000	2.70	Jul 31, 2009	-	N/A	N/A
	25,000	1.70	May 14, 2011	-		
	15,000	1.67	Dec 12, 2012	-		
	15,000	3.11	Apr 1, 2013	-		
	15,000	1.31	Dec 23, 2013	1,102		
Richard W. Heiniger	15,000	1.67	Dec 12, 2012	-	N/A	N/A
	15,000	3.11	Apr 1, 2013	-		
	15,000	1.31	Dec 23, 2013	1,102		
John M. Tye III	75,000	1.70	May 14, 2011	-	N/A	N/A
	15,000	1.67	Dec 12, 2012	-		
	15,000	3.11	Apr 1, 2013	-		
	15,000	1.31	Dec 23, 2013	1,102		
Howard W. Yenke	10,000	2.70	Jun 14, 2009	-	N/A	N/A
	50,000	1.70	May 14, 2011	-		
	15,000	1.67	Dec 12, 2012	-		
	15,000	3.11	Apr 1, 2013	-		
	15,000	1.31	Dec 23, 2013	1,102		

Note:

- (1) Calculated based on the difference between the closing price of the Corporation's Common Shares on December 31, 2008 (Cdn\$1.40) and the exercise price of the options. The value is converted to US dollars at the December 31, 2008 Bank of Canada noon day rate of \$1.2246. This value is calculated based on on all vested and unvested options.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of our Directors other than Directors who are also Named Executive Officers, the value of option-based awards and share-based awards which vested during the year ended December 31, 2008 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2008.

Name	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested during the year⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael J. Lang	9,041	-	-
Barry D. Batcheller	65,766	-	-
Paul L. Camwell	46,857	-	-
Paul G. Cataford	27,949	-	-
Richard W. Heiniger	13,157	-	-
John M. Tye III	65,766	-	-
Howard W. Yenke	46,857	-	-

Note:

- (1) Calculated based on the difference between the closing price of the Corporation's Common Shares on the vesting date and the exercise price of the options on the vesting date. As the Corporation's share price is quoted in Canadian dollars, the value is calculated in Canadian dollars and converted to US dollars based on the average noon day foreign exchange rate for 2008, as reported by the Bank of Canada, which was \$1.0660.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under our equity compensation plans as at December 31, 2008.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾ (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))⁽¹⁾ (c)
Equity compensation plans approved by securityholders	4,256,347	\$1.84	1,322,491
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,256,347	\$1.84	1,322,491

Note:

- (1) The Share Option Plan has a rolling maximum/evergreen limit for the issuance of share options up to, but not in excess of 10% of outstanding Common Shares. At December 31, 2008, there were 55,788,376 Common Shares outstanding, providing a share option limit of 5,578,838 share options of which 4,256,347 share options are outstanding representing 7.6% of the outstanding number of Common Shares.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

There was no indebtedness owing to us or any of our subsidiaries from executive officers, Directors, employees or former executive officers, Directors or employees of the Corporation or any of our subsidiaries during the year ended December 31, 2008 or at March 30, 2008.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON AT THE MEETING

Management are not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise of any Director or executive officer who has held office as such since the beginning of our last financial year, any proposed Director, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, other than the election of Directors or except as disclosed elsewhere in this Information Circular.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any proposed Director of the Corporation, or any Informed Person (as defined in National Instrument 51-102) of the Corporation or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual Meeting of Shareholders. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Financial information is provided in our comparative financial statements and management discussion and analysis for our most recently completed financial year. We will provide, without charge to a security holder, a copy of Hemisphere GPS' latest annual information form and any documents incorporated therein by reference, the 2008 annual report to shareholders containing comparative financial statements for 2008 together with the auditors' report thereon and management's discussion and analysis, interim financial statements for subsequent periods, and this Information Circular upon request to the Chief Financial Officer, 4110 – 9th Street SE, Calgary, Alberta, T2G 3C4. If you wish, this information may also be accessed on Hemisphere GPS' website (www.hemispheregps.com) or on SEDAR at www.sedar.com.

CORPORATE GOVERNANCE

Corporate governance disclosures and policies required by National Instrument 58-101 are attached to this Information Circular as "Schedule A."

SCHEDULE A

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance disclosures are required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("National Instrument 58-101") to be included in this Management Proxy Circular.

- **Board of Directors**

Disclose the identity of directors who are independent.

Paul L. Camwell, Paul G. Cataford, Michael J. Lang, Howard W. Yenke, Barry D Batcheller and John Tye III are independent within the meaning of National Instrument 58-101. These Directors are not a part of the Hemisphere GPS management and do not have any direct or indirect material relationship with the Corporation which could or could reasonably be expected to interfere with the exercise of the Directors' independent judgement.

Disclose the identity of directors who are not independent, and describe the basis for that determination.

Steven Koles is not independent as he is the President and Chief Executive Officer of Hemisphere GPS.

Richard Heiniger is not independent as he was President of Hemisphere GPS LLC, a wholly-owned subsidiary of Hemisphere GPS from April 2005 to May 2006.

Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board of Directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.

A majority of the Directors are independent. There are eight Directors in total, six of whom are independent.

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

<u>Name of Director</u>	<u>Name of Other Reporting Issuers</u>
Michael Lang	N/A
Barry Batcheller	N/A
Paul Camwell	N/A
Paul Cataford	A member of the board of Sierra Wireless Inc.
Richard Heiniger	N/A
Steven Koles	A member of the board, and chairman of the compensation committee, of Route1 Inc.
John Tye III	N/A
Howard Yenke	N/A

Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.

The Compensation Committee, the Audit Committee and the Corporate Governance Committee are all composed entirely of independent Directors. These committees hold regular meetings without the attendance of non-independent Directors.

The Board has a standing or regular agenda item in all Board meetings where the Directors meet alone, apart from the management of the Corporation. The Board has determined that it is not necessary to hold meetings at which Richard Heiniger (a non-independent Director) is not present given that his past employment with the Corporation, which ended in May 2006, would not reasonably be expected to interfere with the exercise of his independent judgment. After May 2009, Mr. Heiniger will be considered to be an independent Director under National Instrument 58-101.

Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.

The chair of the Board, Michael Lang, ("**Chairman**") is an independent Director within the meaning of NI 58-101. The Board has established a position description for the Chairman, that provides the following role and responsibilities:

- The Chairman shall, when present, preside at all meetings of the Board and, unless otherwise determined by the Directors, at all meetings of shareholders.
- The Chairman shall endeavour to provide overall leadership to the Board without limiting the principle of collective responsibility and the ability of the Board to function as a unit.
- To the extent that it is reasonably practicable, the Chairman will provide advice, counsel and mentorship to the CEO, committee chairs, and fellow Directors.
- The Chairman shall be responsible to ensure that Board meetings function satisfactorily and that the tasks of the Board are handled in the most reasonable fashion under the circumstances. In this connection, it is recommended that the Chairman attempt to ensure that the individual Director's particular knowledge and competence are used in the best possible manner for the Board for the benefit of the Corporation. The Chairman shall endeavour to encourage full participation and discussion by individual Directors, stimulate debate, facilitate consensus and ensure that clarity regarding decisions is reached and duly recorded.
- The Chairman shall endeavour to ensure that the Board's deliberations take place when all of the Directors are present and, to the extent that is reasonably practicable, to ensure that all essential decisions are made when all of the Directors are present.
- The Chairman shall encourage Board members to ask questions and express viewpoints during meetings.
- The Chairman shall deal effectively with dissent and work constructively towards arriving at decisions and achieving consensus.
- The Chairman shall endeavour to ensure that the independent members of the Board meet in separate, regularly scheduled, non-management closed sessions with internal personnel or outside advisors, as needed or appropriate.
- The Chairman shall endeavour to establish a line of communication with the Chief Executive Officer of the Corporation to ensure that Board meetings can be scheduled to deal with important business that arises outside of the regular quarterly meetings.

- The Chairman shall endeavour to fulfill his or her Board leadership responsibilities in a manner that will ensure that the Board is able to function independently of management. The Chairman shall consider, and provide for meetings of all of the independent Directors without management being present. The Chairman shall endeavour to ensure reasonable procedures are in place to allow for Directors to engage outside advisors at the expense of the Corporation in appropriate circumstances, subject to the approval of the Corporate Governance Committee.
- The Chairman shall endeavour to ensure that the Board meets at least four times annually and as many additional times as necessary to carry out its duties effectively and shall endeavour to ensure that the shareholders meet at least once annually and as many additional times as required by law.
- With respect to meetings of Directors or shareholders, it is the duty of the Chairman to enforce the Rules of Order. These duties include:
 - ensuring that the meeting is duly constituted;
 - ensure the meeting provides for reasonable accommodation;
 - confirming the admissibility of all persons at the meeting;
 - preserving order and the control of the meeting;
 - in respect of shareholders' meetings, appointing scrutineers if requested and instruct them in their duties;
 - rule on the validity of proxies;
 - to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting;
- The Chairman shall liaise with the Corporate Secretary of the Corporation to ensure that a proper notice and agenda has been disseminated, and that appropriate accommodations have been made for all Board and shareholder meetings and shall also liaise with the committee chairs, other Directors, the Chief Executive Officer and outside advisors, as appropriate, to establish the agenda for each Board meeting.
- The Chairman shall also endeavour to:
 - ensure that the boundaries between the Board and management responsibilities are clearly understood and respected and that relationships between the Board and management are conducted in a professional and constructive manner;
 - facilitate effective communication between Directors and Management, both inside and outside of Board meetings;
 - actively participate and oversee the administration of the annual evaluation of performance and effectiveness of the Board, Board committees, all individual Directors, committees chairs (other than the Board chair or any committee upon which the Board sits as the chair) and CEO;
 - when appropriate, assist Directors in their transition from the Board, and to support the orientation of new Directors and the continuing education of current Directors; and
 - to ensure that an annual performance evaluation of the Board chair (and any committee upon which the Board sits as the chair) is conducted, soliciting input from all Directors and appropriate members of management and to carry out any other appropriate duties and responsibilities as may be assigned by the Board from time to time.

Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

Michael Lang – 100%

Barry Batcheller - 100%

Paul Camwell – 100%

Paul Cataford – 83%

Rick Heiniger – 100%

Steven Koles – 100%

John Tye III - 100%

Howard Yenke – 100%

- **Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.**

The Mandate of the Board is attached to this Information Circular as Schedule B.

- **Position Descriptions**

Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board has developed a position description for the Board chairman. The Board has also developed specific Terms of Reference for each of its standing committees ("**Terms of Reference**"). The Terms of Reference describe the functions and responsibilities of the committees and by inference their chairs' roles. The Terms of Reference for the Audit Committee, Compensation Committee and Corporate Governance Committee are attached to this Information Circular as Schedule C, Schedule D and Schedule E, respectively.

Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.

The Board and the CEO have developed a written position description for the CEO.

- **Orientation and Continuing Education**

Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.

The Corporate Governance Committee, by its terms of reference (as attached as Schedule E to this Information Circular) is responsible to develop an orientation and education program for new recruits to the Board. The committee assesses new Directors' knowledge of the Corporation's business (products, industries, technologies, competition, etc.), identifies areas where more information is necessary, and provides that information through reference materials, meetings with staff, and through other means. In

addition, the Corporate Governance Committee provides new Directors with copies of the Board's mandate, the standing committees' Terms of Reference, and other documentation.

Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

Board members pursue continuing education opportunities as considered appropriate by the particular Board member. In order to ensure that the Board remains knowledgeable about relevant technologies and industries, Board members receive regular technical or other relevant presentations as part of Board meetings and otherwise as considered necessary, and tour Hemisphere GPS' facilities.

- **Ethical Business Conduct**

Disclose whether or not the board has adopted a written code for the directors, officers and employees.

The Board has adopted a written Code of Conduct ("**Code**") for all Directors, officers and employees.

If the board has adopted a written code:

(i) Disclose how a person or company may obtain a copy of the code

The Code is posted on Hemisphere GPS' internal and external Internet websites, and has been filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

(ii) Describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code

All Hemisphere GPS Directors, officers and employees annually sign a form saying they are in compliance with the Code. The Code includes specific procedures for anyone wanting to report a perceived violation of the Code. In addition, the Corporation has a "Financial Concerns Submission Policy" that outlines those procedures and that is available to all employees and Directors. These procedures include access to an anonymous "whistle-blower hotline and website" (overseen by a third-party organization) that relays Code concerns directly to the Audit Committee. The Audit Committee has a standing or regular item on its meeting agendas to ensure that any submissions to the "whistle-blower hotline and website" are addressed promptly and thoroughly.

(iii) Provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

There were no material change reports filed pertaining to any departures from the Code.

Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Board members and executive officers are required to declare the nature and extent of any material interest in any transactions or agreements and may not vote in relation to any such matter. In certain cases an independent committee may be formed to deliberate on such matters in the absence of the interested party.

Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

Due to the fact that Hemisphere GPS has a Code, an effective procedure for monitoring and enforcing the Code, a Board Mandate, a Board chairman position description, and committee Terms of Reference, the Board sees no need at this time for additional steps.

- **Nomination of Directors**

Describe the process by which the board identifies new candidates for board nomination.

The Board's Corporate Governance Committee is responsible to develop and maintain a list of potential candidates for Board membership when necessary, and to review, interview, and recommend nominees to the full Board. Other Board members and management may also provide recommendations for nominees. Nominees must possess general business management experience, together with specific experience in areas of strategic interest to Hemisphere GPS. Nominees must also be willing and able to devote the required time and energy to Board responsibilities, and to support the Corporation's mission and strategic objectives.

Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The Board has a Corporate Governance Committee, which is responsible for nominating Directors, which is comprised of two independent Directors.

If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Board's Corporate Governance Committee, when the need for Board nominations arises, compiles and reviews a list of potential Board members and makes recommendations to the Board.

- **Compensation**

Describe the process by which the board determines the compensation for the issuer's directors and officers.

The Compensation Committee is responsible to review Directors' and officers' compensation, and where appropriate to make recommendations to change the compensation. To make its recommendations, the Compensation Committee takes into account, among other factors, the nature and amount of compensation paid to Directors and officers of comparable publicly traded Canadian companies and the circumstances of the Corporation. The details of such comparisons are more fully described in the Executive Compensation section of this Information Circular.

Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Board has a Compensation Committee, which is comprised entirely of independent Directors.

If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Compensation Committee is charged with the responsibility to oversee the approach of the Corporation to matters concerning Director, executive and employee compensation and, from time to time, to make recommendations to the Board of Directors with respect to such matters.

See the Compensation Committee's Terms of Reference in the attached Schedule D.

If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

During 2006, the Corporation engaged a third party consulting firm to assist in the development of a comprehensive compensation program that will ensure that the Corporation remains externally competitive. The program applies to all employees of the Corporation, including officers, but does not apply to Directors. The consultant provided no other services to the Corporation during the year.

The Corporation subscribes to services that compile compensation data for regions in which the Corporation operates. This data is reviewed to assist in assessing the appropriate compensation levels of the Corporation.

- **Other Board Committees**

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board has a Corporate Governance Committee. The Committee's functions and responsibilities are outlined in the Terms of Reference attached as Schedule E to this Information Circular.

- **Assessments**

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Corporate Governance Committee is responsible by its Terms of Reference for periodically assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual Directors. The Committee conducts an annual review by circulating questionnaires to each Director. In the questionnaires, the Directors assess their own performance and that of their colleagues. The resulting information is returned to the Board Chairman for review.

SCHEDULE B

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the "Board") of the Corporation is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. In general terms, the Board will:

- A. in consultation with the chief executive officer of the Corporation (the "CEO"), define the principal objective(s) of the Corporation;
- B. supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objective(s) as defined by the Board;
- C. discharge the duties imposed on the Board by applicable laws; and
- D. for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board, through discussion with the CEO and other management, will perform the following duties:

Strategic Direction, Operating, Capital and Financial Plans

- a. require the CEO to present annually to the Board a strategic business plan for the Corporation's business, which must:
 - (i) be designed to achieve the Corporation's principal objectives,
 - (ii) identify the principal strategic and operational opportunities and risks of the Corporation's business, and
 - (iii) be approved by the Board as a pre-condition to the implementation of such plan;
- b. review the principal risks of the Corporation's business and the steps the Corporation is undertaking to manage these risks;
- c. approve the annual operating and capital plans;
- d. approve issuances of additional common shares or other securities to the public;
- e. monitor the Corporation's progress towards its goals as established in the strategic, operating and capital plans, and to revise and alter its direction through management in light of changing circumstances;

Management and Organization

- f. appoint the CEO and determine the terms of the CEO's employment with the Corporation;
- g. in consultation with the CEO, develop a position description for the CEO;
- h. evaluate the performance and integrity of the CEO periodically;
- i. in consultation with the CEO, establish the limits of management's authority and responsibility in conducting the Corporation's business;

- j. in consultation with the CEO, appoint all officers of the Corporation and approve the terms of each officer's employment with the Corporation;
- k. receive periodically from the CEO the CEO's evaluation of the performance of each senior officer who reports to the CEO;
- l. develop a system under which succession to senior management positions will occur in a timely manner;
- m. approve any proposed significant change in the management organization structure of the Corporation;
- n. approve all retirement plans, if any, for officers and employees of the Corporation;
- o. in consultation with the CEO, establish a communications policy for the Corporation;
- p. generally provide advice and guidance to management;

Finances and Controls

- q. discuss with management the Corporation's systems to manage the risks of the Corporation's business and whether such systems are appropriate in the circumstances;
- r. consider the appropriateness of the Corporation's capital structure;
- s. review with management the procedures and controls in place to ensure that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis and whether such systems are appropriate in the circumstances;
- t. in consultation with the CEO, promote a culture of integrity for the Corporation and establish the ethical standards to be observed by all officers and employees of the Corporation and a process to monitor compliance with those standards;
- u. review with management the processes and systems designed to ensure compliance with applicable laws by the Corporation and its officers and employees and whether such systems are appropriate in the circumstances;
- v. review with management the steps taken by the Corporation to maintain the integrity of internal control and information systems, including maintenance of all required records and documentation;
- w. review and approve material contracts to be entered into by the Corporation;
- x. recommend to the shareholders of the Corporation a firm of chartered accountants to be appointed as the Corporation's auditors;
- y. take all necessary actions to gain reasonable assurance that all financial information made public by the Corporation (including the Corporation's annual and quarterly financial statements) is accurate and complete and represents fairly the Corporation's financial position and performance;

Governance

- z. in consultation with the Chairman of the Board, develop a position description for the Chairman of the Board;
- aa. facilitate the continuity, effectiveness and independence of the Board by, amongst other things,
 - (i) selecting nominees for election to the Board,

- (ii) appointing a Chairman of the Board who is not a member of management;
- (iii) appointing from amongst the directors an audit committee and such other committees of the Board as the Board deems appropriate,
- (iv) defining the terms of reference of each committee of the Board,
- (v) implementing processes to assess the effectiveness of the Chairman of the Board, the Board as a whole, each committee of the Board and each director,
- (vi) establishing a system to enable any director to engage an outside adviser at the expense of the Corporation;

bb. review periodically the adequacy and form of the compensation of directors;

Delegation

cc. the Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board;

Meetings

dd. the Board shall meet at least four times per year and/or as deemed appropriate by the Board Chair and, unless impracticable, all board members are expected to attend all board meetings and review all board materials in advance of all meetings;

ee. minutes of each meeting shall be prepared;

ff. the Chief Executive Officer or his designate(s) may be present at all meetings of the Board;

gg. Vice-Presidents and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board;

hh. directors will formally declare any conflicts of interest to the Board, including the nature and extent of any material interest in any transactions or agreements, and except in respect of matters exempted pursuant to subsection 120(6) of the Business Corporations Act (Alberta), will refrain from voting in relation to such matters;

ii. if requested by any director, the members of the Board who are not members of the Corporation's management, will meet separately from directors who are members of management, to discuss any matters raised by the director requesting the separate meeting;

jj. if requested by any director, the members of the Board who do not have a material interest in a transaction or agreement, will meet separately from directors who have such a material interest, to discuss any matters raised by the director requesting the separate meeting;

Report/Authority

kk. following each meeting, the secretary of such meeting will promptly report to the Board by way of providing draft copies of the minutes of the meetings.

SCHEDULE C

AUDIT COMMITTEE TERMS OF REFERENCE

1. **Establishment of Audit Committee:** The board of directors (the "Board") hereby establish a committee to be called the Audit Committee (the "Committee").
2. **Membership:** The Committee shall be composed of three members or such greater number as the Board may from time to time determine, all of whom shall be "independent", as such term is defined in Multilateral Instrument 52-110, "Audit Committees" ("MI 52-110"). Members shall be appointed periodically from among the "independent" members of the Board. All members of the Committee shall be financially literate, being defined under MI 52-110 and herein as having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Corporation's financial statements.
3. **Mandate:** The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities.

Audit Committee Purpose

Through discussion with management and the external auditors of the Corporation, the Audit Committee will be responsible to:

- Monitor the management of the principal risks that could impact the financial reporting of the Company;
- Monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- Oversee and monitor the independence and performance of the Company's external auditors;
- Provide an avenue of communication among the external auditors, management and the Board of Directors, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- Encourage adherence to, and continuous improvement of, the Company's policies, procedures, and practices at all levels;
- Monitor compliance with legal and regulatory requirements; and
- Ensure that effective procedures are in place for the anonymous submission, receipt, retention and treatment of complaints and concerns regarding accounting, internal control and auditing matters.

Audit Committee Duties and Responsibilities

Primarily through review and discussion with management and the external auditors, the Audit Committee is responsible to:

Review Procedures

- (a) Review periodically the Committee's Terms of Reference;
- (b) Review the Company's annual audited financial statements and related documents, including the press release and MD&A, prior to filing or distribution. Review should include discussion with

management and external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments;

- (c) Following completion of the annual audit, review separately with each of management and the independent auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (d) Review any significant disagreements among management and the independent auditors in connection with the preparation of the financial statements;
- (e) Periodically, in consultation with management and external auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures;
- (f) Review risk management policies and procedures of the Company (i.e., litigation and insurance);
- (g) Periodically review and assess the adequacy of the procedures that are in place for the review of the Company's public disclosure of financial information extracted from or derived from the Company's financial statements;
- (h) Review significant findings prepared by the external auditors together with management's responses;
- (i) Review the principal risks affecting financial reporting;
- (j) Review with financial management and the external auditors, and approve, the company's quarterly financial results and related documents, including the quarterly press releases and MD&A, prior to the public release. By approval of these Terms of Reference for the Audit Committee, the Board delegates the authority to approve these documents on behalf of the Board;
- (k) Discuss any significant changes to the Company's accounting principles prior to their adoption. The Chair of the Committee may represent the entire Audit Committee for purposes of this review;

External Auditors

- (l) The external auditors are ultimately accountable to the Audit Committee and the Board of Directors, as representatives of the shareholders. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board of Directors the appointment of the external auditors or approve any discharge of auditors when circumstances warrant;
- (m) Approve the fees and other significant compensation to be paid to the external auditors;
- (n) On an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Company that could impair the auditors' independence;
- (o) Review the external auditors' audit plan - discuss and approve audit scope, staffing, locations, reliance upon management, and general audit approach;
- (p) Prior to releasing the year-end financial results, discuss the results of the audit with the external auditors. Discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;

- (q) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting;
- (r) Approve all non-audit services to be provided to the Corporation by the external auditors' firm, prior to such services being performed, except that by approval of these terms of reference, the Audit Committee hereby approves the following non-audit services to be provided by the external auditors:
 - (i) Tax services connected with the preparation of the Corporation's tax returns, or the tax returns of any of its subsidiaries; and
 - (ii) Due diligence and tax services connected with any mergers, acquisitions or dispositions being considered by the Corporation;
- (s) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present or former auditors;
- (t) When there is to be a change in external auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;

Legal Compliance

- (u) On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies; and

Other Audit Committee Responsibilities

- (v) Periodically assess the effectiveness of the committee against its terms of reference and report the results of the assessment to the Board.

4. Administrative Matters: The following general provisions shall have application to the Committee:

- (a) The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties;
- (b) Two members of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. Meetings may occur via telephone or teleconference;
- (c) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its independent members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains;
- (d) The Committee shall meet at least four times per year and/or as deemed appropriate by the Chair;
- (e) If deemed necessary by the Chair, agendas shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings;

- (f) Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chief Executive Officer by the Board Chair;
- (g) The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee;
- (h) The time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all respects at such meetings shall be determined by the Committee, unless otherwise determined by the by-laws of the Corporation or by resolution of the Board;
- (i) Unless otherwise designated by the Board, the members of the Committee shall elect a Chairman from among the members and the Chairman shall preside at all meetings of the Committee. The Chairman of the Committee shall have a second and deciding vote in the event of a tie. In the absence of the Chairman, the members of the Committee shall appoint one of their members to act as Chairman;
- (j) Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.

SCHEDULE D**COMPENSATION COMMITTEE TERMS OF REFERENCE**

1. **Establishment of Compensation Committee:** The board of directors (the "Board") hereby establish a committee to be called the Compensation Committee (the "Committee").
2. **Membership:** The Committee shall be composed of two members or such greater number as the Board may from time to time determine, of whom the majority shall be "independent" directors as defined in Multilateral Instrument 52-110 "Audit Committees". Members shall be appointed periodically from among the members of the Board.
3. **Mandate:** The Committee shall, in addition to any other duties and responsibilities specifically delegated to it by the Board, generally assume responsibility for overseeing the approach of the Corporation to matters concerning director, executive and employee compensation and, from time to time, shall review and make recommendations to the Board as to such matters. Specifically, the Committee will have the authority and responsibility for:
 - (a) reviewing on a periodic basis the compensation of the Board, considering whether such compensation is appropriate in the circumstances giving consideration to the market for companies of similar size and nature, and to the circumstances of the Corporation, and recommending to the Board changes in director compensation based upon such review;
 - (b) reviewing on a periodic basis the compensation of the Senior Executives of the Corporation, considering whether such compensation is appropriate in the circumstances giving consideration to the market for companies of similar size and nature, and to the circumstances of the Corporation, and recommending to the Board changes in executive compensation based upon such review;
 - (c) reviewing, on a periodic basis the compensation program of the Corporation, considering whether such compensation is appropriate in the circumstances giving consideration to the market for companies of similar size and nature, and to the circumstances of the Corporation, and approving changes to the compensation program. For this purpose, the compensation program of the Corporation will include salaries, benefit programs, stock-based compensation programs, incentive compensation programs, and all other items impacting the compensation of all employees of the Corporation;
 - (d) make recommendations to the board of directors regarding appointments of corporate officers and senior management;
 - (e) monitoring the human resources practices of the Corporation, including the development and implementation of policies, performance management and other processes impacting employee recruitment and retention;
 - (f) reviewing corporate goals and objectives relevant to Chief Executive Officer compensation and together with the independent directors determine and approve the Chief Executive Officer's compensation based on evaluation from the Chairman of the Board;
 - (g) making recommendations to the board of directors with respect to compensation of executive officers other than the Chief Executive Officer and incentive compensation and equity based plans that are subject to board approval;

- (h) reviewing annually and recommending for approval to the board of directors the executive compensation disclosure and "Report of the Compensation Committee" disclosure of the Corporation in its information circular; and
- (i) reviewing periodically the Committee's Terms of Reference.

4. **Administrative Matters:** The following general provisions shall have application to the Committee:

- (a) the Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation;
- (b) two members of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. Meetings may occur via telephone or teleconference;
- (c) any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains;
- (d) the Committee shall meet at least two times per year and/or as deemed appropriate by the Chair;
- (e) if deemed necessary by the Chairman, agendas shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings;
- (f) any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chief Executive Officer by the Board Chair;
- (g) the Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee;
- (h) the time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all respects at such meetings shall be determined by the Committee, unless otherwise determined by the by-laws of the Corporation or by resolution of the Board;
- (i) unless otherwise designated by the Board, the members of the Committee shall elect a Chairman from among the members and the Chairman shall preside at all meetings of the Committee. The Chairman of the Committee shall have a second and deciding vote in the event of a tie. In the absence of the Chairman, the members of the Committee shall appoint one of their members to act as Chairman. Notwithstanding the foregoing, in all circumstances the Chairman must be an independent director, unrelated to the Corporation; and
- (j) minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.

SCHEDULE E**CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE**

1. **Establishment of Corporate Governance Committee:** The board of directors (the "Board") hereby establish a committee to be called the Corporate Governance Committee (the "Committee").
2. **Membership:** The Committee shall be composed of two members or such greater number as the Board may from time to time determine, of whom the majority shall be outside directors and unrelated to the Corporation. Members shall be appointed periodically from among the members of the Board.
3. **Mandate:** The Committee shall, in addition to any other duties and responsibilities specifically delegated to it by the Board, generally assume responsibility for developing the approach of the Corporation to matters concerning corporate governance and, from time to time, shall review and make recommendations to the Board as to such matters. Specifically, the Committee will have the authority and responsibility for:
 - (a) periodically review the mandates of the Board and the terms of reference of its committees and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
 - (b) preparing and recommending to the Board periodically a statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by the Toronto Stock Exchange or any other regulatory authority;
 - (c) to make recommendations to the Board as to which directors should be classified as "independent" directors or "non-independent" directors pursuant to any such report or circular;
 - (d) reviewing on a periodic basis the composition of the Board and considering whether an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs;
 - (e) assessing, periodically, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including considering the appropriate size of the Board;
 - (f) developing a list of potential candidates for Board membership when required and where appropriate, interviewing potential candidates for board membership;
 - (g) to develop for approval by the Board, when necessary, an orientation and education program for new recruits to the Board;
 - (h) to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
 - (i) to develop and recommend to the Board for approval and periodically review structures and procedures designed such that the Board can function independently of management;
 - (j) review periodically the Committee's Terms of Reference; and
 - (k) to review and consider the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director.

4. **Administrative Matters:** The following general provisions shall have application to the Committee:
- (a) the Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation;
 - (b) two members of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. Meetings may occur via telephone or teleconference;
 - (c) any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains;
 - (d) members should have or obtain sufficient knowledge of the Corporation's corporate governance requirements to assist in providing advice and counsel on ongoing compliance and improvements to the Corporation's corporate governance activities;
 - (e) the Committee shall meet at least two times per year and/or as deemed appropriate by the Chair;
 - (f) if deemed necessary by the Chairman, agendas, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings;
 - (g) any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chief Executive Officer by the Board Chair;
 - (h) the Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee;
 - (i) the time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all respects at such meetings shall be determined by the Committee, unless otherwise determined by the by-laws of the Corporation or by resolution of the Board;
 - (j) unless otherwise designated by the Board, the members of the Committee shall elect a Chairman from among the members and the Chairman shall preside at all meetings of the Committee. The Chairman of the Committee shall have a second and deciding vote in the event of a tie. In the absence of the Chairman, the members of the Committee shall appoint one of their members to act as Chairman. Notwithstanding the foregoing, in all circumstances the Chairman must be an outside director, unrelated to the Corporation; and
 - (k) minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.