



## BOARD OF DIRECTORS CHARTER

### Purpose

The Board of Directors of Hemisphere Energy Corporation ("Hemisphere") is responsible for Hemisphere's success and well-being, while setting its direction and overseeing management.

### Composition

The Board of Directors consists of no less than three directors, a majority of whom shall be "independent", as defined under National Instrument 52-110 *Audit Committees*, and are annually elected by Hemisphere's shareholders at the annual general meeting. Between annual general meetings, the directors may appoint one or more additional directors but not more than one-third the amount of current directors.

### Remuneration of Directors

As determined by the Board of Directors, directors are entitled to remuneration which may be in addition to any salary or other remuneration paid to any officer or employee of Hemisphere who is also a director.

Hemisphere will reimburse directors for reasonable expenses incurred in relation to its business.

If a director performs professional or other services for Hemisphere that the Board of Directors considers to be beyond the ordinary duties of a director, he or she may be remunerated as the Board of Directors determine.

### Mandate

In the course of fulfilling its fiduciary duties and responsibilities, the activities of the Board of Directors include:

- Ensuring corporate compliance with all applicable laws and regulations, Hemisphere's articles, by-laws, policies and charters.
- Meeting quarterly and at the request of the Chairman or the President and Chief Executive Officer.
- Annually appointing members and respective chairman of each committee.
- Annually reviewing, amending (if required) and approving Hemisphere's charters, and corporate policies.
- Regularly setting, reviewing, approving and monitoring the progress and efficiency of strategic, business and capital plans.

- Reviewing and approving any material transactions outside the scope of Hemisphere’s annual budget.
- Ensuring that appropriate corporate measurements, controls and information systems are developed and in place with regard to Hemisphere’s activities and performance.
- Regularly reviewing Hemisphere’s business activities and the implementation of appropriate systems to manage associated risks, communications with investors and the financial community, and the integrity of Hemisphere’s internal control and management information systems.
- Overseeing Hemisphere’s compliance with its disclosure obligations and reviewing material disclosure documents prior to distribution.
- Reviewing and approving cash compensation and stock option grants to officers and directors, as recommended by the Compensation/Nominating Committee.
- Monitoring the practices of management to ensure appropriate and timely communication of material information concerning Hemisphere to its shareholders.
- Monitoring Hemisphere’s health, safety and environmental policies and programs.
- Developing and implementing of programs for management development and succession.

### **Independent Advisors**

The Board of Directors may engage legal, accounting or other professionals for assistance and advice.

### **Annual Review**

The Compensation/Nominating and Corporate Governance Committee annually reviews the Board of Directors Charter and recommends any amendments to the Board of Directors for approval.