

BOARD MANDATE

The primary responsibility of the Board is to foster the long-term success of the Corporation.

While the Board is responsible for the “management of the business and affairs of the Corporation”, this is done by proxy through the President and Chief Executive Officer, who is charged with the day to day management of the Corporation.

In performing its function, the Board also considers the legitimate interest which shareholders and other stakeholders have in the Corporation by supervising the conduct of its business. The Board, through the President and Chief Executive Officer, will set standards of conduct for the Corporation and ensure the safety of its operations.

The Board has delineated the roles and responsibilities of the Board and the President and Chief Executive Officer. The President and Chief Executive Officer’s employment agreement further defines his specific role and responsibilities. While the Board is responsible for the management of the business and affairs of the Corporation, this is accomplished in part by delegation to the President and Chief Executive Officer who is charged with the day-to-day management of the Corporation. The President and Chief Executive Officer reports directly to the Board and has responsibility for the leadership and management of the Corporation within the parameters adopted by the Board.

The following table provides a description of how the Board has delineated various roles and responsibilities between it and the Corporation’s President and Chief Executive Officer. The Board Mandate was reviewed by the Governance Committee in place in 2011 and revisions were recommended to the Board and approved.

ROLES & RESPONSIBILITIES OF THE BOARD AND PRESIDENT & CEO

RESPONSIBILITY	BOARD	PRESIDENT AND CHIEF EXECUTIVE OFFICER
Written medium and long range strategic plan	Participate and Approve	Develop and Execute
Overall integration of business units	Review	Define and Execute
Ensure the timely preparation and review of:		
Annual operating budgets and plans	Approve	Develop
Annual capital budgets and plans	Approve	Develop
Annual financial statements	Approve	Prepare
Quarterly financial statements	Approve	Prepare
Management, take-over and directors' circulars	Approve	Prepare
Operate within all applicable laws and regulations and file all required Public Company documents	Review	Define and Execute
Appoint auditors	Recommend	Review
Adequate internal controls and management information systems	Review and Approve	Develop and Implement
Compliance with Business Code of Conduct	Review	Monitor
Issuance and acquisition of corporation securities	Approve	Develop
Adopt, amend or repeal articles	Approve	Develop
Communication plan:	Approve	Develop
Investor Relations	Approve	Develop
Significant or material developments	Approve	Develop
Governance Practices	Prepare and Develop	
Ensure principal risks are identified and effectively managed	Review and Approve	Define
Ensure a strong, capable management team is in place:	Define and Engage	
President and Chief Executive Officer, role and responsibilities and compensation		
Senior management, role and responsibilities and compensation	Approve	Define and Engage
Succession and training plan	Approve	Define and Engage
Safety of employees	Review	Define and Execute
Business acquisitions	Approve	Develop and Execute
Business dispositions	Approve	Develop and Execute
Exercise statutory duties and obligations under the law:		
Employment	Approve	Define
Environmental	Approve	Define
Statutory Remittances	Approve	Define
Board of Directors:		
Size	Define	
Compensation	Define	
Board vacancy	Appoint	
Chairs, committees and mandates	Define and Appoint	
Education and orientation	Define and Implement	
Corporate Governance	Define and Adopt	
Expectations and Responsibilities of Board members	Define and Adopt	

Strategic Planning and Principal Risks

The Board reviews and approves an annual plan (operating and capital budgets) of the Corporation prepared by management. The annual plan sets out the material corporate and financial objectives, plans and actions of the Corporation and sets out and takes into account the opportunities and risks of the Corporation's businesses. The Board is kept current on the Corporation's progress towards achieving these objectives through detailed monthly financial statements and the President's Report to the Board which is delivered in advance of each scheduled Board meeting. It is the responsibility of the President and CEO of the Corporation to initiate the strategic planning process and it is the responsibility of the Board to support the strategic planning activities of the President and CEO. The Board reviews and approves any major policy initiatives and strategic decisions. The Board has also implemented a strategic planning process which includes a formal Board session.

Policy Review, Financial Reporting and Disclosure

The Board oversees the integrity and effectiveness of the Corporation's Disclosure and Confidentiality, Disclosure Controls and Procedures, Insider Trading Policies and the Corporation's Business Code of Conduct and, in conjunction with the Disclosure Committee, undertakes a review of such policies annually and revises them as appropriate with input from management. The Board also monitors and oversees all aspects of the Corporation's financial reporting and disclosure. Finally, the Board requires all news releases and reports to shareholders containing financial information regarding the Corporation to be reviewed by the Audit Committee prior to their public release.

Internal Controls and Management Information Systems

The Audit Committee is responsible for overseeing the adequacy and effectiveness of the Corporation's internal controls and management information systems. Any deficiencies or concerns are reported to the full Board.

Management Evaluation and Succession Planning

The HRC&G reviews and assesses the performance of the President and Chief Executive Officer and, with the President and Chief Executive Officer, the performance of executive officers who report to the President and Chief Executive Officer and establishes and recommends for approval to the Board the compensation packages of the President and Chief Executive Officer and other executive officers of the Corporation. The HRC&G Committee is charged with committee oversight of the succession plan for the President and Chief Executive Officer and other executive officers and periodically report to the Board on such succession plan.

Expectations and Responsibilities of Board Members

Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of shareholders. They must be in good standing with respect to financial matters and all applicable laws, regulations and statutes. Directors must have mature judgment and demonstrated ability to provide leadership and relevant expertise, industry knowledge, or marketing acumen. Directors should possess knowledge of securities regulations, disclosure requirements and other corporate governance principles as appropriate for a TSX listed public company. Directors must be able to devote sufficient time to effectively fulfill their responsibilities and duties and must be willing to limit their other activities to ensure this ability. Consistent with the importance of Board responsibilities, each director is expected to be familiar with the Corporation's business and public disclosures, to review in advance of Board meetings all related materials distributed to the Board and to attend and participate in meetings of the Board and meetings of any committee of which such director is a member.

Board Approval

The Board reviews and approves various corporate documents and transactions including the annual plan (budget); the annual financial statements and associated public disclosure materials; all capital expenditures; all mergers, business acquisitions and dispositions; all material borrowing and banking arrangements; equity financings of the Corporation; the purchase and redemption of securities; any changes to the by-laws or articles of the Corporation; the recruitment, and if necessary, the termination of the President and Chief Executive Officer; all major strategic and policy decisions; and any other matter specified by the Board as requiring its approval.

Shareholder Communication with the Board

Shareholders may communicate directly with non-management directors through the Vice President & Chief Financial Officer, by writing to:

Ms. Lindsay McGill
Vice President & Chief Financial Officer
McCoy Global, Inc.
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