

1. LEAD INDEPENDENT DIRECTOR

General

1.1 Purpose

This position description describes the appointment, role and responsibilities of the lead independent director (the "Lead") of the board of directors (the "Board") of TAAL Distributed Information Technologies Inc. (the "Company").

1.2 Governing Statute, Articles and By-Laws

This position description is subject to the provisions of the *British Columbia Business Corporations Act* and the Company's articles and by-laws, as amended from time to time (the "Constituting Documents").

1.3 Charter

This position description should be read together with the written charter of the Board (the "Charter"), as such Charter may be amended from time to time.

Office of the Lead

1.4 Appointment

- (a) A Lead shall be appointed by the members of the Board who are independent directors if the Chair of the Board is non-independent, with advice or guidance from the Nominating and Corporate Governance Committee (if any).
- (b) The office of Lead is to be vacated if:
 - (i) the Chair of the Board is independent; or
 - (ii) there is a resolution of the Board removing the Lead from office.
 - (iii) The Lead is no longer an independent director; or
 - (iv) The Lead resigns from the Board.

1.5 Term

The Lead shall be appointed for a one-year term which ends automatically at the Annual General Meeting of the Company.

1.6 Qualifications

The Lead will be an independent director (as defined by all applicable securities laws).

1.7 Remuneration

The Lead shall receive such remuneration as the Board may determine from time to time, subject to recommendations of the Compensation Committee (if any).

Responsibilities of the Lead

1.8 Liaison between the Directors and Management

The Lead may seek information from management, promoting open and constructive discussions between independent directors and management, while also ensuring that the Board acts and functions independently from management in fulfilling its fiduciary obligations.

1.9 Special Projects

The Lead may engage outside independent legal advice for the independent directors of the Board, and may engage other experts as necessary to provide advice and guidance to the independent directors of the Board.

1.10 Information Flow

- (a) The Lead shall promote the proper flow of information to the directors to keep the directors fully apprised of all matters which are material to directors, at all times. The Lead shall report the concerns of independent directors to the Chair.
- (b) promote discussion and allow for the efficient and effective review and discussion of the issues submitted to the independent directors.
- (c) Act as mediator or negotiator for issues that arise between members of the Board or between the Chair and any director of the Board.

1.11 Meetings of the Directors

In connection with meetings of the directors, the Lead shall be responsible for:

- (a) scheduling meetings of the independent directors;
- (b) presiding over *in camera* meetings of the independent directors;
- (c) Acting as chair for meetings of the Board when the Board Chair is not in attendance, subject to the Articles of the Company.
- (d) assume the responsibilities of the Board Chair during meetings of the Board when directors who are not independent declare a conflict or otherwise excuse themselves from the debate on an agenda item at a Board meeting and do not participate in a vote.

1.13 Other Responsibilities

The Lead will lead the annual performance evaluation of the Chair of the Board.

The Lead will be responsible for managing the international search process for candidates to be proposed to the Board for the Chair of the Board as needed to provide for orderly succession.

The Lead shall perform such other functions:

- (e) as may be ancillary to the duties and responsibilities described above; and
- (f) as may be delegated to the Lead by the Nominating and Corporate Governance Committee of the Board of directors from time to time.