

INDIGO BOOKS & MUSIC INC.

(the "Corporation")

POSITION DESCRIPTION FOR CHIEF EXECUTIVE OFFICER AND CHAIR OF THE BOARD

CHIEF EXECUTIVE OFFICER

1. Core Function

The Chief Executive Officer ("CEO") reports to the Board of Directors (the "Board") of the Corporation and is responsible for directing, managing and planning the business and affairs of the Corporation to achieve above average profitability and return on capital while ensuring the long-term growth and development of the business.

The CEO shall also report on a timely basis any significant negative event affecting the business of the Corporation to the Board.

2. Details of Function

The CEO shall have regard for the following guidelines in connection with the performance of her duties:

Leadership

- Provide leadership and vision to manage the Corporation in the best interests of the Corporation and its shareholders.
- Provide leadership in setting the vision, principles, values, strategic plans and business plans of the Corporation, in conjunction with the Board.
- Establish and reinforce a culture that is consistent with the business and the Corporation's values.

Planning

- Develop a vision and goals for long-term profitable growth of the Corporation.
- Develop strategies through which growth and goals can be attained.
- Develop operating plans, which are consistent with corporate goals and objectives.

Execution

- Implement approved strategies through appropriate delegation and organization.

- Execute operating plans through delegation, organization and resource allocation.
- Monitor business and financial performance and implement appropriate responses to changing circumstances.

Human Resources Development

- Recruit and manage a team of direct reports capable of meeting the corporate objectives.
- Develop personal management and executive skills as well as those of the whole organization through appropriate assignments, training, delegation of responsibility and authority, etc.
- Develop and optimize the corporate organization to best meet corporate challenges and performance requirements.
- Develop succession and management development plans for immediate subordinates, as well as other levels of management and roles key to the performance/stability of the business.
- Recommend the appointment and termination of Officers of the Corporation to the Board.
- Ensure that all employees are fairly and appropriately rewarded for their contribution to the Corporation.

Communication

- Communicate clearly to appropriate persons within the company the Corporation's goals, strategies to effect such goals and performance expectations.
- Develop and maintain effective communication channels with other stakeholders including shareholders, suppliers, customers, governments and the general public.
- Comply in a timely manner with communications requirements in regulatory and statutory provisions.
- Prepare materials for Board meetings and ensure delivery to directors at an appropriate time in advance of meetings.

Awareness

- Develop and maintain an appreciation of business trends affecting the Corporation and the macro business environment in order to react appropriately to changes.

Reporting

- Report to the Board in a timely manner on all material aspects of the Corporation's condition and business.
- Report to other bodies, external and internal, as may be appropriate or required from time to time.

Risk Management

- Ensure that proper systems are in place to identify, assess and manage risks involved in the course of business.
- Ensure that the Corporation has effective disclosure controls and procedures and internal controls in place.
- Provide required regulatory certifications regarding the Corporation and its activities.
- Ensure appropriate corporate policies and procedures are developed, maintained and disclosed.

CHAIR OF THE BOARD

1. Core Function

Appointed by the Board of Directors, the Chair is responsible to and with them to ensure that the Board of Directors fulfills its mandate.

2. Special Functions

- In conjunction with the directors as appropriate, prepare meeting agendas and review background briefing information.
- Chair Board meetings in a manner which makes effective use of time while ensuring adequate discussion of agenda items.
- Chair all shareholders' meetings.
- Assist the Board and its committees to carry out their functions and responsibilities.
- Utilize Board expertise for the goals of the Corporation.
- Ensure that all Board members have the appropriate information and access to resources in order to fulfill their duties.

- Identify the education and development needs of the Board members.
- Ensure that adequate, timely and appropriate communication takes place between the Corporation and its stakeholders.
- Represent the Board of Directors where appropriate or impractical for the Board as whole to act collectively.
- Participate in assessing the Board's effectiveness.
- Promote effective relations and open communication between Board members and management.