
ARCTIC GLACIER INCOME FUND

CORPORATE GOVERNANCE

Board Policy Manual

Trustee Criteria and Search Process

1. Search Process

Selection of Trustee Nominees – except where the Fund is legally required to contract, by-law or otherwise to provide third parties with the right to nominate trustees, the Corporate Governance Committee shall be responsible for recommending to the Board the nominees for election as trustees at any meeting of unitholders and the persons to be elected by the Board to fill any vacancies on the Board. In making such recommendations, the Committee shall consider candidates proposed by unitholders. The Committee shall review and evaluate information available to it regarding candidates proposed by unitholders and shall apply the same criteria, and shall follow substantially the same process in considering them, as it does in considering other candidates.

- 1.1 When a vacancy occurs on the Board, the Corporate Governance Committee will identify candidates for consideration as potential trustees and select the names of the most suitable candidates. Such selection will be made after considering the skill sets and required attributes as prioritized by the Corporate Governance Committee from time to time. The Corporate Governance Committee may use the services of outside consultants in searching for or doing background checks on candidates.
- 1.2 The Corporate Governance Committee will consider maintaining a list of potential trustees who have appropriate levels of senior business experience. Board members, many of whom serve on other corporate boards, are encouraged to submit names.
- 1.3 The Chair and the CEO, together with any other trustees the Corporate Governance Committee deems appropriate, will interview the candidates. Following receipt of the reports of the Chair and the CEO as to such interviews, the Corporate Governance Committee will then make such recommendations as it deems appropriate to the Board.

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2. *Trustee Criteria*

The set of criteria is applied to an individual candidate is based upon the current composition of the Board where certain skill sets may be more desirable at that time (i.e.: financial expertise):

- Reputation for integrity, honesty and high ethical standards;
- Demonstrated business acumen, experience and ability to exercise sound judgments in matters that relate to our current and long-term objectives and willingness and ability to contribute positively to our decision-making process;
- Commitment to understanding our business and our industry;
- Adequate time to attend and participate in meetings of the board of trustees and its committees;
- Ability to understand the sometimes conflicting interests of the various constituencies of our company, which include unitholders, employees, customers, governmental units, creditors and the general public and to act in the interest of all unitholders; and
- Such other attributes, including independence, that satisfy requirements imposed by applicable Securities Laws.

Criteria for Selecting Trustees – The Board’s criteria for selecting trustees are as set forth in the Fund’s Corporate Governance Guidelines. The Corporate Governance Committee shall use such criteria and the principles set forth in such Guidelines to guide this trustee selection process. The Committee shall be responsible for reviewing with the Board, on an annual basis, the requisite skills and criteria for new Board members as well as the composition of the Board as a whole. The Committee may adopt, and periodically review and revise as it deems appropriate, procedures regarding trustee candidates proposed by unitholders.

Search Firms – The Corporate Governance Committee shall have the sole authority to retain and terminate any search firm to be used to identify trustee nominees, including sole authority to approve the search firm’s fees and other retention terms. The Committee is empowered, without further action by the Board, to cause the Fund to pay the compensation of any search firm engaged by the Committee.

Selection of Committee Members – The Corporate Governance Committee shall be responsible for recommending to the Board the trustees to be appointed to each committee of the Board.

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Corporate Governance

Corporate Governance Guidelines – The Corporate Governance Committee shall develop and recommend to the Board a set of Corporate Governance Guidelines applicable to the Fund. The Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of such Corporate Governance Guidelines and recommend any proposed changes to the Board for approval.

In addition to meeting the above requirements and the requirements of the Fund's Declaration of Trust, and any applicable securities laws, the trustees of the Fund must comply with or meet the following:

- 2.1 No former employee or professional who has provided services to the Fund may be nominated as a trustee of the Fund unless at least three years have passed since the employee ceased employment or the professional ceased to provide services to the Fund.
- 2.2 If a trustee's ability to contribute to the Board should change due to a significant change in his or her circumstances (e.g.: in employment, residency or citizenship status, geographic location or health) he or she will be expected to offer to resign and the Board, at its discretion, on the recommendation of Corporate Governance Committee may accept the resignation.

In addition to the above, the process outlined below illustrates the steps the Corporate Governance Committee should follow in establishing the criteria a new trustee must meet.

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