
ARCTIC GLACIER INCOME FUND

BUYING AND SELLING SECURITIES – INSIDER TRADING

PURPOSE / SUMMARY

This procedure explains the prohibitions, based on applicable securities law, against “insider trading.”

Scope:

Applies to: All Arctic Glacier Income Fund (“Fund”) and Arctic Glacier Inc. (“Arctic”) and subsidiary directors, trustees, officers, executives, employees, contract labor, consultants, and others acting for the Fund or Arctic (collectively referred to as, “employees”).

Maintained By:

Corporate Secretary

Authorities Reference(s):

Fund/Arctic Policy re: “Conflict of Interest”

Approved By:

P. Hyndman, Chairman, Corporate Governance Committee

1. Definitions:

A. “Material” information is information that a reasonable investor would very likely consider important in deciding to purchase or sell a security and that could affect the price of the security. Specifically, but without limiting the generality of the foregoing, information that could be material about the Fund or Arctic includes:

- a) The launch of a new product / or brand.

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- b) A change in the regular distribution rate.
- c) Actual change in earnings.
- d) Upcoming announcement of earnings or losses.
- e) A pending or prospective reorganization, merger, acquisition, or tender offer.
- f) The sale of significant assets or a significant subsidiary.
- g) The gain or loss of a substantial customer or supplier.

Both positive and negative information can be material. The probability that an event will occur or not affects whether it is material. Any questions concerning the materiality of particular information should be resolved in favour of materiality, and trading should be avoided.

B. “Non-public” information is information that is not available to the general public.

C. “Trading” is the purchase or sale of units, stocks, bonds, debentures, options, or other marketable securities. Questions as to what transactions are covered by these terms can be addressed to your stockbroker or the corporate secretary for the Fund.

2. Requirements

A. No employee may trade in units, stock or other marketable securities of a firm at any time when the employee, as a result of Fund or Arctic employment, has “material non-public” information about that firm. This restriction on “insider trading” is not limited to trading in Fund/Arctic securities. It includes trading in the securities of other firms, particularly those that are current or prospective customers or suppliers of the Fund or Arctic and those with which the Fund or Arctic may currently be negotiating.

B. In addition, employees may not communicate material non-public information learned or developed through the Fund or Arctic employment to other persons (“tipping”) who may misuse the information, and may not recommend that anyone purchase or sell any securities on the basis of such information. So long as material information is non-public, members of the employee’s immediate

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family and others who have received the information from the employee are not permitted to trade in the securities.

C. After material non-public information learned or developed through the Fund or Arctic employment has been publicly disclosed through a press release or other official announcement, employees should not trade in the securities until 48 hours following the announcement to allow the market to absorb the information.

3. Responsibilities

A. Every employee who had previous knowledge of such information is responsible for ensuring that he or she does not violate federal, state or provincial securities laws or Fund/Arctic policy covering securities trading. Under applicable federal securities laws, insider trading and tipping can result in substantial civil and criminal penalties, including fines, as well as imprisonment. The Fund or Arctic, as the employer, could also be liable for fines as a consequence of an employee's insider trading or tipping.

B. The corporate secretary of the Fund is responsible for providing guidance regarding this procedure.

4. Additional Restrictions and Requirements

A. Trading in "puts" and "calls" (publicly traded options to sell or buy stock) and engaging in short sales are often perceived as involving insider trading. Therefore, the Fund and Arctic strongly discourages employees from such trading with respect to Fund/Arctic securities.

B. In addition, to avoid even the appearance of impropriety in transactions in Fund securities, Fund Trustees, Arctic Directors, executive officers and certain other designated employees must comply with the following restrictions:

a) They must refrain entirely from trading in puts and calls in, and engaging in short sale of, Fund securities.

b) They are urged to trade in Fund securities only during the period beginning on the second business day following the date of release of quarterly or annual statement of sales and earnings and ending on the twelfth business day following such date.

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The corporate secretary upon direction of the Board of Directors or the Board of Trustees will designate and notify those employees who are subject to these additional restrictions.

C. From time to time, the Board of Directors or the Board of Trustees may also direct that no trading in Fund Securities will be permitted until further notice or for specific periods of time (“Blackout Period”). Should an insider desire to trade Fund’s securities during a Blackout Period approval must first be sought and obtained from the Chairman of the Corporate Governance Committee.

If, upon requesting approval, an insider is advised that Fund securities may be traded, the insider may buy or sell the securities within 2 business days thereafter. If for any reason the trade is not completed within the 2 business days, clearance must be obtained again before the securities may be traded.

D. Questions concerning any aspect of this procedure should be directed to the corporate secretary before any trading is initiated. For information regarding employee acquisition or holding of an investment interest with or in a supplier, customer, or competitor of Arctic, see Fund/Arctic Policy re: “Conflict of Interest”.

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QUESTIONS AND ANSWERS

Arctic Glacier Income Fund (“Fund”) and Arctic Glacier Inc. (“Arctic”) employees, directors and trustees are prohibited from engaging in “insider trading”. Prohibitions are based on applicable securities laws and deal with the possession and use of “material” information, defined as information that an investor would consider important in deciding to purchase or sell a security and information that could affect the price of the security.

Employees, directors and trustees who have “material nonpublic” information about the Fund, Arctic or other companies as a result of their Fund or Arctic connections are prohibited from trading in those securities as well as from communicating such information to family or friends. “Material” information is information that a reasonable investor would consider important in deciding to purchase or sell a security and information that could affect the price of the security. “Nonpublic” information is information that is not available to the general public.

Questions to Ask Yourself

Are my decisions about whether and when to buy Fund units or stock from other companies influenced by the facts I’ve learned as part of my role as an Arctic employee?

Do I ensure that my discussions with relatives and friends avoid topics that are not yet public and avoid topics that they could use to get an unfair advantage in the stock market or other areas of public financial trading?

Frequently Asked Questions about Insider Trading

I’m aware that a large acquisition has been negotiated by Arctic but has not yet been announced. May I purchase Fund units knowing that information?

No. This is a violation of Fund and Arctic policy and a potential violation of securities laws. You may purchase Fund units only after such information is known to the public.

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My organization reviewed a pitch by one of our vendors about a new product they plan to introduce soon on the market. We decided that the product would not be useful for Arctic, but I think the new device could be a real breakthrough and useful for other industries. I am willing to take a risk on this and invest in the vendor. May I buy stock in the vendor's company?

You may not buy this stock until information about the new product is known to the public. The fact that the new product is not significant to Arctic is not the relevant test. If the new product may have an impact on the earnings of the vendor, then the pending introduction of the product is material to that company and you cannot trade on the information until after it is known to the public.

I've become aware of financial information on one of the company's customers that indicates the customer is in better financial condition than most people realize. I want to purchase the customer's stock. May I do so?

You may not purchase this stock until the financial information is known to the public. Information of this sort may have been provided to the company in trust by the customer to help the company determine how to best meet the customer's needs. Using this information for personal purposes or disclosing it to others is a violation of Fund and Arctic policy and is illegal.

The company offered me a unit option allowing me to buy Fund units. Am I limited by the insider trading policy as to when I can exercise the option?

The exercise of Fund unit options (i.e.: acquiring the units yourself, for the purpose of holding them) is not subject to the insider trading laws. However, selling units received from exercise of the option (such as selling through a broker assisted same-day buy-and-sell exercise) is subject to the laws and the procedure prohibiting insider trading.