

**ARCTIC GLACIER INCOME FUND**  
(the “Fund”)

**COMPENSATION COMMITTEE**  
**CHARTER**

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1. **General**

The Board of Directors of the Fund (the “Board”) has established a Compensation Committee (the “Committee”) to take steps on its behalf as are necessary regarding: (a) appointing and compensating executive officers and approving succession plans for executive officers, excluding the Chief Executive Officer, (b) approving and reporting to the Board respecting the Fund's human resources policies for executive officers, and (c) overseeing the administration of the Fund's compensation and benefits plans.

2. **Members**

The Board will in each year appoint a minimum of three (3) Trustees as members of the Committee. All members of the Committee will be non-management Trustees. In addition, the Committee will have an appropriate representation of independent Trustees as required by law, and all recognition orders and exemption orders issued in respect of the Fund by applicable securities regulatory authorities.

The Chief Executive Officer (“CEO”) of the Fund and, to the extent the Chair of the Board is not otherwise a member of the Committee, the Chair, and all other Trustees who are not members of the Committee may be invited to attend all meetings of the Committee in an ex-officio capacity but will not vote. The CEO will not attend in-camera sessions.

3. **Duties**

The Committee will have the following duties:

(a) **Executive Officers**

- Review and recommend to the Board the appointment of all the direct executive reports of the CEO, regardless of their base salary.

Together with the CEO, this group shall hereinafter be referred to as the “Senior Management Team” or “SMT”);

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- Review and approve the appointment of all the executive officers of Arctic Glacier Inc., who are not otherwise executive officers of the Fund (the “Other Executive Officers”);
  - Review and recommend to the Board, the hiring of individuals with an annual base salary of \$125,000.00 U.S. or CDN. (depending upon residence of proposed individual employee) or higher;
  - Review, approve and report to the Board annually on management’s succession plans for members of SMT, other than the CEO, including specific development plans and career planning for potential successors;
  - Review and recommend to the Board for approval the general compensation philosophy and guidelines for SMT members (including the CEO), and the Other Executive Officers. This includes incentive plan design and other remuneration;
  - Approve and report to the Board on adjustments to compensation for each member of SMT except the CEO, including salary, incentives, benefits and other perquisites;
  - Approve and report to the Board on any material changes to the perquisite plan for SMT members; and
  - Report on executive compensation as required in public disclosure documents.
- (b) CEO**
- Consider the Governance Committee's report respecting the CEO's performance, and review and recommend to the Board the CEO's compensation, including salary, incentives, benefits and other perquisites.
- (c) Corporate Human Resources**
- Make recommendations to the Board regarding establishment of compensation and recruitment policies and practices for the Fund's SMT and the Other Executive Officers, including recommendations regarding levels of salary, incentives, benefits and other perquisites provided to executives of the Fund and its subsidiaries.
- (d) Compensation and Benefits Plans**

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**Pension and Retirement Plan Responsibilities**

- Review and recommend to the Board the establishment of and any material changes to a supplementary executive pension plan;
- Review and recommend to the Board the establishment of and any material changes to any registered pension plans, including a supplementary pension plan;
- Meet annually with the Audit Committee to jointly review and assess management's reports on pension plan oversight as set out in the Charter of the Audit Committee; and
- Review management controls and processes with respect to the administration of all pension and supplementary pension plans and compliance with applicable legislation.

**Employee Incentive and Unit Plan Responsibilities**

- Review and recommend to the Board for approval the establishment or amendment of any employee incentive or unit plan.

The plans noted below have been approved and established by the Board, and the Committee will have general responsibility for the administration, amendment (other than amendments which are material or which require regulatory or unitholder approval), and making of grants under the plans, and, without limiting the foregoing, will have the following responsibilities with respect thereto:

**Unit Option Plan:**

- Report to the Board on all matters relating to the Unit Option Plan (the "Option Plan");
- Interpret and administer the Option Plan as provided in the Option Plan;
- Grant options to eligible persons;
- Determine the exercise price, vesting terms, limitations, restrictions, and conditions upon option grants;
- Establish, amend and rescind any rules and regulations relating to the Option Plan;
- Make determinations deemed necessary or desirable for the administration of the Option Plan; and
- Correct any deficiency, inconsistency or omission in the Option Plan.

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4. **Chair**

The Board will in each year appoint the Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and will, in any event, advise all other members of any decisions made or powers exercised.

5. **Meetings**

The Committee will meet at the request of its Chair, but in any event it will meet at least four times annually to consider matters referred to it by the Board. Notices calling meetings will be sent to all Committee members, to the CEO of the Fund, to the Executive Vice-President and Chief Financial Officer of the Fund, to the Chair of the Board and to all other Trustees.

6. **Quorum**

A majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing will constitute a quorum.

7. **Removal and Vacancy**

A member may resign from the Committee, and may also be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to be a Trustee. The Board will fill vacancies in the Committee by appointment from among the Trustees of the Fund in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all its powers.

8. **Experts and Advisors**

Any member may, subject to the prior approval of the Corporate Governance Committee, engage an outside advisor, at the expense of the Fund, to provide advice with respect to a corporate decision or action. This will include consultants engaged to advise on compensation issues, and such consultants will report directly to the Committee.

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9. **Secretary and Minutes**

The Corporate Secretary of the Fund, or such other person as may be appointed by the Chair of the Committee, will act as Secretary of the Committee. The minutes of the Committee will be in writing and duly entered into the books of the Fund. The minutes of the Committee will be circulated to all members of the Board, altered as may be determined necessary by the Chair to remove any sensitive personnel information not otherwise material to the Board.