



December 13, 2011

Producer Contact: Carolyn Oliver - Marsh Toronto
Producer: MARSH CANADA LIMITED
Producer Address: ONE LOMBARD PLACE #1420
WINNIPEG, MB R3B0X3

This is exhibit "NN" referred to
in the affidavit of
Keith McMahon

sworn before me this 21st day of
February 20 12


A NOTARY PUBLIC
IN AND FOR THE PROVINCE OF MANITOBA

RE: Confirmation of Binding for

Account Number: 414454
Account: ARCTIC GLACIER INCOME FUND
Account Address: 625 HENRY AVENUE
WINNIPEG, MB R3A0V1

Dear Carolyn :

On behalf of Chubb Insurance Company of Canada, we are pleased to bind coverage on the following terms:

- This Executive Elite Directors and Officers Liability Insurance Policy will be issued by Chubb Insurance Company of Canada on Form CE 14-02-12445 (Ed. 04/2008)

- Policy Number: 8211-1607
- Limits Of Liability Each Claim: \$10,000,000 (inclusive of defense expenses)
- Limits Of Liability Each Policy Period: \$10,000,000 (inclusive of defense expenses)
- Total Underlying Limits of Liability: \$25,000,000
- Primary Underlying Carrier: Arch Insurance Company
Limit of Liability: \$10,000,000
- Excess Underlying Carrier(s): Lloyd's Syndicate AFB 2623 / 623
Limit of Liability: \$15,000,000

- Policy Period: From December 31, 2011 To December 31, 2012

- Premium: \$66,250.00 Due 60 days from the end of the month in which the premium is EFFECTIVE.

- Commission: 15.00%

- Billing Type: Agency Bill

- Extended Reporting Period:

Additional Period: 1 year / 3 year

Additional Premium: at 150% / 200% of Annualized Premium for Expiring Policy Period

DISCOVERY PERIOD FOLLOWING A FILING UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT

- 1) 1 Year @ 200% of Annual Premium

February 14, 2012

2) 3 Years @ 250% of Annual Premium

- Endorsements: The titles and headings are for convenience only. Please refer to the policy and endorsements for a description of coverage.

CE 14-02-15881(11/08 ed.)	Rating Downgrade Cancellation Endorsement
CE 14-02-15949(4/09 ed.)	Specific Matters Exclusion – Dobbie/Benson, as expiring
CE 14-02-15950(4/09 ed.)	Reliance on competitors application Arch Application dated November 30, 2011
CE 14-02-16283(1/11 ed.)	Multiple Coverage Enhancements including the deletion of the O vs IP Exclusion

Important

Term of Binder:

From: 12:01 a.m. on December 31, 2011
To: 12:01 a.m. on March 1, 2012

This Binder shall terminate automatically upon the expiration shown above, or upon the issuance of the policy, whichever occurs first. A short rate premium charge will be made for this Binder unless the Policy is issued by the Company and accepted by the entity referred to above.

The foregoing Binder for coverage is subject to modification or withdrawal by the Company if, before the proposed inception date, any new, corrected or updated information becomes known which relates to any proposed Insured's claims history or risk exposure or which could otherwise change the underwriting evaluation of any proposed Insured and the Company, in its sole discretion, determines that the terms of this Binder are no longer appropriate.

This binder does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from offering or providing insurance. To the extent any such prohibitions apply, this binder is void ab initio.

We appreciate the opportunity to be of service to you, and we look forward to receiving payment of the premium by the due date. Once coverage becomes effective, cancellation for non payment will be on a pro-rata basis.

If you have any questions, please call me.

Sincerely,



Dan Lewis, CFA
Senior Underwriting Officer
Direct Phone Number: (403)231-6456
Fax Number: (403)269-2907
Email Address: dlewis@chubb.com


Insurance (Canada)[®]

77 King Street West
Suite 3600, P.O. Box 308
Toronto-Dominion Centre
Toronto, Ontario M5K 1K2

APPLICATION FOR DIRECTORS AND OFFICERS LIABILITY INSURANCE

NOTICE: IF THIS APPLICATION IS FOR PRIMARY INSURANCE, EXCEPT AS OTHERWISE PROVIDED IN THE POLICY, THE POLICY SHALL ONLY APPLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER IN ACCORD WITH THE PROVISIONS OF THE POLICY. THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED AND MAY BE TOTALLY EXHAUSTED BY AMOUNTS INCURRED AS DEFENCE COSTS. PLEASE READ THIS APPLICATION AND THE POLICY CAREFULLY.

NOTICE: IF THIS APPLICATION IS FOR EXCESS INSURANCE, SUBJECT TO THE PROVISIONS OF THE UNDERLYING INSURANCE, THIS POLICY MAY ONLY APPLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND THE LIMITS OF LIABILITY AVAILABLE TO PAY JUDGMENT OR SETTLEMENT AMOUNTS MAY BE REDUCED AND TOTALLY EXHAUSTED BY PAYMENT OF DEFENCE COSTS. PLEASE READ THE APPLICATION AND THE POLICY CAREFULLY.

Instructions for Completing This Application

Please read carefully. Fully answer all questions and submit all requested information. Terms appearing in **bold** in this Application are defined in the Policy and have the same meaning in this Application as in the Policy. This **Application** consists of the information contained herein, all materials submitted herewith and any other information or materials included within the definition of **Application** in the Policy. All such materials shall be held in confidence.

GENERAL INFORMATION

1. The Applicant Company, which is to be the entity named in Item 1. of the Declarations (the "Applicant"):

Arctic Glacier Income Fund

Principal Address: 625 Henry Avenue

City: Winnipeg Province: Manitoba Postal Code: R3A 0V1

2. Officer designated to receive correspondence and notices from the **Insurer** or the **Excess Insurer**:

Keith W. McMahon President and CEO/Director
(Name of Officer) (Title)

3. Please provide the following information with respect to the Applicant:

a. Nature of Business: manufacturer and distributor of packaged ice products

b. Date of Incorporation: 2002

- c. Date Established: 2002
- d. Province of Incorporation: Alberta
- e. Stock Symbol and Exchange (if applicable): TSX: AG.UN
- f. Website address (if applicable): www.arcticglacier.com
- g. SIC Code: 2097
- h. GICS Code: _____

STOCK OWNERSHIP

1. Total number of Applicant's common shares outstanding: 350,318,387 units
2. Total number of Applicant's common shareholders: widely held
3. Are any securities of Applicant or any **Subsidiary** publicly traded: Yes No
- a. If Yes, specify the exchange on which they are listed: TSX
- b. If Yes, specify the percentage of shares are traded in the United States Unknown
4. Give names and percentage ownership of any shareholders who hold, directly, beneficially, or as an affiliated group, 5% or more of Applicant's common shares outstanding:

<u>Coliseum Capital Management LLC</u>	<u>45,512,803</u>	<u>12.99%</u>
<u>Fort Hoosac Management LLC dba Arbitr Partners QP, LP</u>	<u>43,122,518</u>	<u>12.31%</u>

ANNOUNCED CHANGES

1. Has the Applicant or any **Subsidiary** publicly revealed in the past 24 months, or does it presently contemplate that within the next 12 months it will be involved in, any:
- a. acquisition, consolidation or merger with any other entity? Yes No
- b. tender offer, acquisition or disposition of any securities, assets or interest in any other corporation, partnership, or joint venture? Yes No
- c. sale, distribution or divestiture of any assets or securities other than in the ordinary course of business? Yes No **As publically disclosed regarding equitization of convertible debentures on July 31, 2011. Also see attached Schedule A.**
- d. bankruptcy proceeding or legal or financial reorganization or arrangement (including a filing under the Companies Creditor AA) with creditors under federal or provincial law? Yes No **As publically disclosed. Also see attached Schedule A.**

If Yes to any question in (a) through (d) above:

- Please attach complete details.
- Has the Board of Directors approved such action(s)? Yes No
- Has such action(s) been submitted to the shareholders for approval? Yes No

2. Has the Applicant or any **Subsidiary** filed in the past 24 months, or contemplated filing within the next 12 months, any registration statement or similar document with any government authority for a public offering or private placement of securities? Yes No (If "Yes", please provide applicable prospectus or offering memorandum, if available, and if unable please provide complete details).
3. Is the Applicant or any **Subsidiary** presently considering any acquisition, merger, tender offer, or divestiture that will change the asset and/or revenue base of the Applicant or such **Subsidiary** by 15% or more? Yes No (If "Yes", please attach details).
4. Has the Applicant suspended its dividend payments in the past 24 months or is the Applicant, presently considering such a suspension? Yes No (If "Yes", please attach details).

CORPORATE GOVERNANCE

1. Has the President, Chief Executive Officer, Chief Financial Officer or any Executive Vice President of the Applicant left office within the last three years for any reason other than poor health, death or retirement at normal retirement age? Yes No (If "Yes", please attach details). **See attached Schedule A.**
2. Does the Applicant's Board of Directors at least annually conduct a formal self-evaluation? Yes No (If "Yes", please attach details).
3. Has the Applicant's Board of Directors adopted the following policies or programs:
 - code of ethics? Yes No
 - insider trading policy? Yes No
 - conflict of interest policy? Yes No
 - revenue recognition policy? Yes No
 - legal compliance program? Yes No **See attached Schedule A**

If "Yes", attach details regarding the Applicant's distribution and enforcement of each such policy or program. **See attached Schedule A.**

4. Does the Applicant's Board of Directors have a Governance Committee? Yes No (If "Yes", please attach details regarding the Committee's responsibilities and operations).
5. Has the Applicant's Board of Directors or the Applicant's Audit Committee discussed the following with its independent auditors within the last 24 months? **See attached Schedule A.**
 - Violation of the Applicant's revenue recognition policy? Yes No
 - Disagreements by the independent auditors regarding the Applicant's accounting issues? Yes No
 - Limitations on the scope of the audit, as imposed by management? Yes No
 - Illegal acts which have come to the attention of the auditors required to be reported to the OSC or SEC? Yes No
 - Any material weakness in internal controls of the Applicant? Yes No
 - Any override of the independent auditors by Applicant's management? Yes No.

If "Yes" to any of the above, attach details.

6. Has the Applicant's independent auditors recommended any past audit adjustments? If "Yes", attach details. **Any recommended adjustments have not been material.**

LOSS/CLAIMS HISTORY

1. Has any insurer cancelled or refused to renew any previous insurance, whether primary or excess, within the past 3 years? Yes No
2. Are there any pending **Claims** against any person or entity for whom this insurance is intended which may fall within the scope of coverage afforded by any policy presently or previously in effect which provides coverage similar to insurance under the proposed Policy? Yes No (If "Yes", please attach a summary description of each **Claim** and any loss payments by any insurers). **As known to insurer.**
- ~~3. Has any person or entity for whom this insurance is intended given notice under the provisions of any other previous or current similar primary or excess insurance policy of any facts or circumstances which may give rise to a **Claim**? Yes No (If "Yes", please attach complete details).~~

IT IS UNDERSTOOD AND AGREED THAT WITH RESPECT TO QUESTIONS 2 AND 3 ABOVE, IF SUCH **CLAIMS** OR NOTICE OF FACTS OR CIRCUMSTANCES EXIST, THEN THOSE **CLAIMS** AND ANY OTHER **CLAIMS** ARISING FROM SUCH **CLAIMS** OR NOTICED FACTS OR CIRCUMSTANCES ARE EXCLUDED FROM THE PROPOSED INSURANCE.

PRIOR KNOWLEDGE

~~Does any person or entity for whom this insurance is intended have any knowledge or information of any actual or alleged act, error, omission, fact or circumstance which may give rise to a **Claim**? Yes No (If "Yes", please attach complete details).~~

~~IT IS UNDERSTOOD AND AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY **CLAIM** ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED INSURANCE.~~

PAST ACTIVITIES

1. During the last 12 months, have the Applicant's outside auditors stated that there are any material weaknesses in the Applicant's system of internal controls? Yes No
2. During the last 3 years, has the Applicant:
- a. changed independent auditors? Yes No
 - b. restated its financial statements? Yes No
 - c. had any changes in the Board of Directors or Senior Management? Yes No **See attached Schedule A.**
3. Does any proposed **Insured** have knowledge of any matter which may cause the Applicant or any **Subsidiary** to restate its financial statements in the next 12 months? Yes No
4. During the last 3 years, has the Applicant or any **Subsidiary** or any other proposed **Insured(s)** been involved in, or are they currently involved in, or have they been threatened to be named in, any of the following:
- a. civil or criminal action, administrative proceeding, formal or informal inquiry, questioning, probing, investigation, inspection, examination, review, whether preliminary or otherwise, by any federal,

- state, or local or foreign administrative agency, including but not limited to the Securities Exchange Commission? Yes No
- b. anti-trust, copyright or patent litigation? Yes No
- c. other criminal actions? Yes No
- d. representative actions, class actions or derivative suits? Yes No
- e. other material litigation? Yes No
5. Within the last 3 years, did the Applicant or any **Subsidiary** engage in any transaction (other than routine transactions in the ordinary course of business) with a natural person who is related to a proposed **Insured Person** or any other organization which controls, is controlled by, is under common control with, or is otherwise affiliated with the Applicant or any **Subsidiary**, or any proposed **Insured Person**?
 Yes No (If "Yes", please attach details).
6. Is the Applicant or any **Subsidiary** currently or has it at any time over the last year been in material breach of any of its debt covenants, loan agreements, contractual obligations, or does it anticipate any such breach occurring in the next 12 months? Yes No (If "Yes", please attach details).

MATERIALS REQUESTED

As part of this **Application**, please submit the following documents:

1. Most recent audited and interim financial statements of the Applicant with any notes and schedules. **Available online at www.arcticglacier.com.**
2. Copies of the Applicant's by-laws and articles of incorporation relating to indemnification of proposed Insured Persons. **See attached Schedule A and materials referenced therein.**
3. Copies of individual contractual indemnities provided by the Applicant to any Insured Person(s). **See attached Schedule A and materials referenced therein.**
4. If applicable, the most recent annual report and SEC Form 10-K of the Applicant and any subsequent SEC filings by the Applicant (e.g., Forms 10-Q, 8-K or 13D). **Sec Form 10-K not applicable.**
5. If applicable, the prospectus for any securities offering planned or expected within the next year (if available). **N/A**
6. The Applicant's notice to shareholders and proxy statement for both the last and next scheduled annual meeting (if available). **See SEDAR – Management Information Circular**
7. Most recent auditors' letter to management on internal controls and management's response. **N/A**

The persons signing this **Application** declare that to the best of their knowledge the statements set forth herein and the information in the materials submitted herewith are true and correct and that reasonable efforts have been made to obtain sufficient information from all proposed **Insured(s)** to facilitate the proper and accurate completion of this **Application** for the proposed policy. Signing of this **Application** does not bind the undersigned to purchase the insurance, but it is agreed that this **Application** shall be the basis of the contract should a policy be issued.

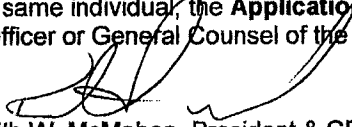
The undersigned agree that if after the date of this **Application** and prior to the effective date of any policy based on this **Application**, any occurrence, event or other circumstance should render any of the information contained in this **Application** or the information in the materials submitted herewith or incorporated herein inaccurate or incomplete, then the undersigned shall notify the **Insurer** or the **Excess Insurer** of such occurrence, event or circumstance and shall provide the **Insurer** or the **Excess Insurer** with information that would complete, update or correct such information. Any outstanding quotations may be modified or withdrawn at the sole discretion of the **Insurer** or the **Excess Insurer**.

This **Application** and any material submitted herewith shall be maintained on file by the **Insurer** or the **Excess Insurer**, shall be deemed attached as if physically attached to the proposed Policy and shall be considered as incorporated into and constituting a part of the proposed Policy.

The information requested in this **Application** is for underwriting purposes only and does not constitute notice to the **Insurer** or the **Excess Insurer** under any policy of a **Claim** or potential **Claim**. All such notices must be submitted to the **Insurer** or the **Excess Insurer** pursuant to the terms of the Policy, if and when issued.

NOTICE: ANY PERSON WHO KNOWINGLY OR WITH INTENT TO DEFRAUD OR TO FACILITATE A FRAUD AGAINST ANY INSURANCE COMPANY OR OTHER PERSON SUBMITS AN APPLICATION OR FILES A CLAIM FOR INSURANCE CONTAINING FALSE, DECEPTIVE OR MISLEADING INFORMATION, MAY BE GUILTY OF INSURANCE FRAUD.

This **Application** must be signed by the Chairman of the Board and the President of the Applicant. If the Chairman of the Board and President are the same individual, the **Application** must also be signed by the Chief Financial Officer, Chief Operating Officer or General Counsel of the Applicant.

Date: November 30, 2011 Signature: 
Title: Keith W. McMahon, President & CEO/Director

Date: _____ Signature: _____
Title: Hugh A. Adams, Corporate Secretary/Outside Legal Counsel

A POLICY CANNOT BE ISSUED UNLESS THE **APPLICATION** IS PROPERLY SIGNED AND DATED.

The undersigned agree that if after the date of this **Application** and prior to the effective date of any policy based on this **Application**, any occurrence, event or other circumstance should render any of the information contained in this **Application** or the information in the materials submitted herewith or incorporated herein inaccurate or incomplete, then the undersigned shall notify the **Insurer** or the **Excess Insurer** of such occurrence, event or circumstance and shall provide the **Insurer** or the **Excess Insurer** with information that would complete, update or correct such information. Any outstanding quotations may be modified or withdrawn at the sole discretion of the **Insurer** or the **Excess Insurer**.

This **Application** and any material submitted herewith shall be maintained on file by the **Insurer** or the **Excess Insurer**, shall be deemed attached as if physically attached to the proposed Policy and shall be considered as incorporated into and constituting a part of the proposed Policy.

The information requested in this **Application** is for underwriting purposes only and does not constitute notice to the **Insurer** or the **Excess Insurer** under any policy of a **Claim** or potential **Claim**. All such notices must be submitted to the **Insurer** or the **Excess Insurer** pursuant to the terms of the Policy, if and when issued.

NOTICE: ANY PERSON WHO KNOWINGLY OR WITH INTENT TO DEFRAUD OR TO FACILITATE A FRAUD AGAINST ANY INSURANCE COMPANY OR OTHER PERSON SUBMITS AN APPLICATION OR FILES A CLAIM FOR INSURANCE CONTAINING FALSE, DECEPTIVE OR MISLEADING INFORMATION, MAY BE GUILTY OF INSURANCE FRAUD.

This **Application** must be signed by the Chairman of the Board and the President of the Applicant. If the Chairman of the Board and President are the same individual, the **Application** must also be signed by the Chief Financial Officer, Chief Operating Officer or General Counsel of the Applicant.

Date: _____

Signature: 

Title: Keith W. McMahon, President & CEO/Director

Date: November 30, 2011

Signature: _____

Title: Hugh A. Adams, Corporate Secretary/Outside Legal Counsel

A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED.

Schedule A
Arch Insurance (Canada)
Directors and Officers Liability Insurance Application
November 30, 2011

ANNOUNCED CHANGES

Question 1c:

Arctic is in on-going discussions with its lenders (the 1st lien lenders being TD, Scotia and Roynat; the 2nd lien lenders being CPPIB and Westface Capital). The current talks indicate a new process in cooperation with Arctic's 2nd lien lenders for a consensual marketing process which Arctic expects will lead to a transaction likely in the 1st quarter of 2012 and very likely in the 2nd quarter of 2012. It has not been determined whether this potential course of action will involve a CCAA application.

Question 1d:

Arctic is in on-going discussions with its lenders (the 1st lien lenders being TD, Scotia and Roynat; the 2nd lien lenders being CPPIB and Westface Capital). The current talks indicate a new process in cooperation with Arctic's 2nd lien lenders for a consensual marketing process which Arctic expects will lead to a transaction likely in the 1st quarter of 2012 and very likely in the 2nd quarter of 2012. It has not been determined whether this potential course of action will involve a CCAA application.

CORPORATE GOVERNANCE

Question 1:

The Executive Vice President, Operations left office March 30, 2009. Please see the section "Antitrust Investigations and Ongoing Litigation" on page 16 of our Q3 report on our website at www.arcticglacier.com.

Question 2: The Board has a formal self-evaluation process based upon a confidential survey completed by each member with results compiled for review and analysis by the Corporate Secretary. The process has not yet been initiated for the current year.

Question 3:

With respect to our distribution and enforcement of the policies and programs listed in this question. We advise the following:

Code of Ethics:

This policy is distributed to all new hires and re-hires in our Employee Code of Conduct booklet. In addition, as part of the annual Performance Appraisal process, the employees acknowledge that they have received a copy of Arctic Glacier's Employee Handbook and Code of Conduct, have read and understand the information outlined in the documents, have asked any questions they may have concerning its contents, will comply with all policies and procedures, and have disclosed to their supervisor any issues that he/she is to be aware of. The policy is enforced by ensuring that a signed copy has been placed in the employee's file.

Insider Trading Policy:

This policy is included in our Employee Code of Conduct booklet and it is distributed to all new hires and re-hires. A copy of the Insider Trading Policy is provided to all Employees who are considered to be insiders as defined by the policy.

Conflict of Interest Policy:

This policy is included in our Employee Code of Conduct booklet and it is distributed to all new hires and re-hires.

Revenue Recognition Program:

See page 42 of our last annual report for September 30, 2010 on our website at www.arcticglacier.com.

Legal Compliance Program:

The Corporate Governance Committee is responsible for its mandate, attached, to oversee compliance with policies associated with an efficient system of corporate governance. Policies regarding Insider Trading, Business Ethics and Timely Disclosure and Confidentiality have been adopted in this regard.

Question 4:

Attached is a copy of our Corporate Governance Committee Charter.

Question 5: For all questions in #5, we have discussed every single item as a standard business practice, but there have been no violations.

PAST ACTIVITIES

Question 2c - Changes in the Board of Directors or Senior Management:

1. Suspension of Executive Vice President, Operations – March 30, 2009
2. Resignation of Robert Nagy from Board of Trustees and Board of Directors – August 24, 2011
3. Appointment of Keith McMahon as Trustee of the Fund for one week – October 16, 2011
4. Coliseum Capital Management, LLC and Talamod Asset Management, LLC - option to add two Directors to the Fund and two directors to the Board of Trustees until June 30, 2012 – October 22, 2011

Question 4a, 4b, 4d:

Yes. Please see the spreadsheet attached labeled “Arctic Glacier Class Actions with Canadian Content – October 7, 2011”

Question 6:

As publicly disclosed. For reference see “Credit Facility” on page 12 of the Q3 report on our website at www.arcticglacier.com.

MATERIALS REQUESTED

Item 2. Please find attached copies of Articles of Incorporation and By-laws of the following:

Arctic Glacier Income Fund (Second Amended and Restated Declaration of Trust)
Arctic Glacier Inc.
Arctic Glacier California Inc.
Arctic Glacier Grayling Inc.
Arctic Glacier International Inc.
Arctic Glacier Lansing Inc.
Arctic Glacier Michigan Inc.
Arctic Glacier Minnesota Inc.
Arctic Glacier Nebraska Inc.
Arctic Glacier New York Inc.
Arctic Glacier Newburgh Inc.
Arctic Glacier Oregon Inc.
Arctic Glacier Party Time Inc.
Arctic Glacier Pennsylvania Inc.
Arctic Glacier Rochester Inc.
Arctic Glacier Services Inc.
Arctic Glacier Texas Inc.
Arctic Glacier Vernon Inc.
Arctic Glacier Wisconsin Inc.
Diamond Ice Cube Company Inc.
Diamond Newport Corporation
Glacier Ice Company, Inc.
Glacier Valley Ice Company, L.P.
Ice Perfection Systems Inc.
ICESurance Inc.
Jack Frost Ice Service, Inc.
Knowlton Enterprises, Inc.
Mountain Water Ice Company
R&K Trucking, Inc.
Winkler Lucas Ice and Fuel Company
Wonderland Ice, Inc.

Item 3. Please find attached Indemnification Agreements for each of the following individuals:

James Clark
Keith McMahon
Richard Johnson
Gary Filmon
Hugh Adams
Robert Nagy
David Swaine
Douglas Bailey


Insurance (Canada)[®]
ARCH INSURANCE COMPANY (the "Insurer")
(Canada Branch)

77 King Street West
Suite 3600, P.O. Box 308
Toronto-Dominion Centre
Toronto, Ontario M5K 1K2

DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY. EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THIS POLICY IS LIMITED TO LIABILITY FOR WRONGFUL ACTS FOR WHICH CLAIMS ARE FIRST MADE AND REPORTED WHILE THE POLICY IS IN FORCE EXCEPT CLAIMS FIRST MADE WITHIN THE FINAL THIRTY (30) DAYS OF THE POLICY PERIOD IN WHICH CASE THIS POLICY IS LIMITED TO LIABILITY FOR THOSE CLAIMS WHICH ARE REPORTED TO THE INSURER NO LATER THAN THIRTY (30) DAYS AFTER THE TERMINATION OF THE POLICY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSS, INCLUDING JUDGMENT OR SETTLEMENT AMOUNTS, IS REDUCED BY AMOUNTS INCURRED FOR DEFENSE COSTS. ALL LOSS, INCLUDING JUDGMENTS, SETTLEMENTS AND DEFENSE COSTS, ARE SUBJECT TO THE APPLICABLE RETENTION AMOUNT.

THE POLICY DOES NOT PROVIDE FOR ANY DUTY OR OBLIGATION ON THE PART OF THE INSURER TO DEFEND THE INSURED PERSONS OR THE CORPORATION.

DECLARATIONS

Terms appearing in **bold** in these Declarations are defined in the Policy.

Policy No.: DOP0041809-01

Item 1. **Named Corporation:** Arctic Glacier Income Fund
Principal Address: 625 Henry Avenue
Winnipeg, Manitoba
R3A 0V1

Item 2. **Policy Period:**

From: December 31, 2011 at 12:01 a.m. (local time at the address stated in Item 1.)
To: December 31, 2012 at 12:01 a.m. (local time at the address stated in Item 1.)

Item 3. **Limit of Liability:** \$10,000,000
aggregate for all Coverages combined (including **Defense Costs**)

Item 4. Retention: for **Loss** arising from each **Claim** and all **Claims** alleging the same **Wrongful Act** or **Interrelated Wrongful Acts**:

(a) **Claims** Other than **Securities Claims**:

Coverage A	NONE	
Coverage B		\$50,000

(b) **Securities Claims**:

Coverage A	NONE	
Coverages B and/or C		\$150,000

Item 5. Predetermined Allocation Percentage for **Securities Claims**: 100%

Item 6. Pending and Prior **Claim** Date: March 23, 2002

Item 7. Policy Premium: \$81,600
 Premium Attributable to Terrorism Risk Insurance: \$0
 (Included in Policy Premium
 (In Addition to Policy Premium

Item 8. Discovery Period: (a) Additional Premium 1) 150% of Annual Premium
 2) 200% of Annual Premium
 (b) Additional Period 1) One year
 2) Three years

Item 9. Endorsements (effective at inception): See attached Schedule of Forms & Endorsements

Item 10. Notices to **Insurer**:

Notice Of Claim(s) or Potential Claim(s)

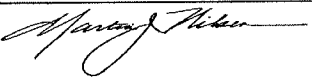


To Be Sent To:

Arch Insurance Group (Canada)
 Executive Assurance Claims
 77 King Street West
 Suite 3600, P.O. Box 308
 Toronto-Dominion Centre
 Toronto, Ontario M5K 1K2
 Facsimile: 416.309.8150

All Other Notices To Be Sent To:

Arch Insurance Group (Canada)
 Executive Assurance Underwriting
 77 King Street West
 Suite 3600, P.O. Box 308
 Toronto-Dominion Centre
 Toronto, Ontario M5K 1K2
 Facsimile: 416.309.8150

The **Insurer** has caused this Policy to be signed and attested to by its authorized officers, but it shall not be valid unless also signed by the Chief Agent of the **Insurer**.

		
Secretary	President	Chief Agent

SCHEDULE OF FORMS AND ENDORSEMENTS

NAMED INSURED: Arctic Glacier Income Fund
POLICY NUMBER: DOP0041809-01

TERM: 12/31/2011 to 12/31/2012

<u>ENDT. NO.</u>	<u>FORM NO.</u>	<u>TITLE</u>
	00 DOP0176 56 11 09	DIRECTORS, OFFICERS AND CORPORATION LIABILITY INSURANCE POLICY
1	00 DOP0201 56 10 10	DIRECTORS, OFFICERS AND CORPORATION LIABILITY INSURANCE POLICY ARCH CANADA ESSENTIAL ENHANCEMENT ENDORSEMENT SM
2	00 DOP0198 56 06 10	INVESTIGATION COSTS COVERAGE
3	00 ME0741 00 07 10	AMEND NOTICE - 90 DAYS
4	00 DOP0024 56 08 11	NO SUBROGATION AGAINST INSUREDS
5	00 DOP0005 00 10 09	CLAIM REPORTING BY NOTICE MANAGER
6	00 DOP0043 00 02 10	RATING DOWNGRADE CANCELLATION
7	00 DOP0006 00 10 09	NON-ENTITY EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT
8	00 DOP0195 56 06 10	PREDETERMINED DEFENCE COST ALLOCATION
9	00 DOP0206 56 01 11	TRUST CONVERSION ENDORSEMENT
10	00 DOP0208 56 01 11	AMENDED BIPD EXCLUSION - NON-INDEMNIFIABLE LOSS
11	00 DOP0209 56 01 11	NOTICE OF NON-RENEWAL
12	00 ME0400 00 03 10	ADVANCEMENT OF DEFENSE COSTS ON A CURRENT BASIS
13	00 DOP0207 56 01 11	EMPLOYED LAWYERS E&O COVERAGE ENHANCEMENT
14	00 ML0207 56 12 08	WAIVER OF CHANGE OF CONTROL - SPECIFIC TRANSACTION
15	00 ML0207 56 12 08	AMENDED DISCOVERY PERIOD - ARCTIC GLACIER

DIRECTORS, OFFICERS AND CORPORATION LIABILITY INSURANCE POLICY

In consideration of the payment of the premium set forth in Item 7 of the Declarations of this Policy, which are attached to and are a part of this Policy, and in reliance upon the statements in the **Application**, which is deemed attached to and is a part of this Policy, and subject to the Limit of Liability set forth in Item 3 of the Declarations of this Policy, and subject to all of the terms and conditions of this Policy, the Insurer designated in the Declarations (hereinafter called "the Insurer") agrees with the **Insureds**, as follows:

SECTION I

COVERAGE.

COVERAGE A: DIRECTORS AND OFFICERS INSURANCE

The Insurer shall pay **Loss** on behalf of the **Insured Persons** for which the **Insured Persons** are not indemnified and which the **Insured Persons** become legally obligated to pay as a result of a **Claim** first made during the **Policy Period** or Discovery Period, if applicable, against the **Insured Persons** for a **Wrongful Act** which takes place during or prior to the **Policy Period**.

COVERAGE B: CORPORATE LIABILITY ARISING FROM INDEMNIFIABLE LOSS

The Insurer shall pay **Loss** on behalf of the **Corporation** for which the **Corporation** has, to the extent permitted or required by law, indemnified the **Insured Persons**, and which the **Insured Persons** become legally obligated to pay as a result of a **Claim** first made during the **Policy Period** or Discovery Period, if applicable, against the **Insured Persons** for a **Wrongful Act** which takes place during or prior to the **Policy Period**.

COVERAGE C: CORPORATE LIABILITY ARISING FROM SECURITIES CLAIMS

The Insurer shall pay **Loss** on behalf of the **Corporation** which the **Corporation** becomes legally obligated to pay as a result of a **Securities Claim** first made during the **Policy Period** or Discovery Period, if applicable, against the **Corporation** for a **Wrongful Act** which takes place during or prior to the **Policy Period**.

As a condition precedent to any coverage under Coverages A, B and/or C, the **Insureds** shall report **Claims** (including **Securities Claims**) to the Insurer in accordance with Section IX. The Insurer shall, in accordance with Section X, advance covered **Defence Costs** as a result of such **Claim** prior to its final disposition.

SECTION II

DEFINITIONS.

Whether used in the singular or plural, the following terms shall have the meanings specified below:

(a) "**Application**" means:

- (1) each and every signed application, any attachments to such applications, other materials submitted therewith or incorporated therein and any other documents submitted in connection with the underwriting of this Policy or the underwriting of any other directors and officers and/or corporation (or equivalent) liability policy issued by the Insurer, or any of its affiliates, of which this Policy is a renewal, replacement or which it succeeds in time; and
- (2) any public documents filed within the twelve (12) months preceding the inception date of this Policy by the **Corporation** with the System for Electronic Document Analysis and Retrieval (SEDAR), the Ontario Securities Commission, the United States Securities and Exchange Commission ("SEC"), or any similar federal, provincial, state, local, or foreign regulatory

agency, including, but not limited to, the **Corporation's** Annual Report(s), 10Ks, 10Qs, 8Ks and proxy statements.

(b) **"Claim"** means:

- (1) a written demand against an **Insured** for monetary, non-monetary or injunctive relief, commenced by the **Insured's** receipt of such demand;
- (2) a civil or arbitration proceeding against an **Insured** for monetary, non-monetary or injunctive relief which is commenced by:
 - (i) service of a Statement of Claim, complaint or similar pleading;
 - (ii) receipt or filing of a notice of charges; or
 - (iii) receipt of a Notice of Request to Arbitrate or similar document;
- (3) a criminal proceeding against an **Insured Person** commenced by the return of an indictment, the laying of an information or similar document;
- (4) an **Extradition Proceeding** commenced against an **Insured Person** by receipt by such **Insured Person** of a written request from a sovereign state to extradite that individual; or
- (5) a formal civil administrative, regulatory, adjudicatory or investigative proceeding against an **Insured Person**, which is commenced by the service of a complaint or similar document upon such **Insured Person**, receipt or filing of a notice of charges against such **Insured Person**, or receipt by such **Insured Person** of a written notice from the investigating authority identifying such **Insured Person** as an individual against whom a formal proceeding may be commenced.

The term **"Claim"** shall include a **Securities Claim**; provided, however, that with respect to Coverage C only, **Claim** or **Securities Claim** shall not mean an administrative or regulatory proceeding or an investigation against the **Corporation**.

- (c) **"Corporation"** means the **Named Corporation** and any **Subsidiary** thereof, including any such organization in its capacity as a debtor company under Canadian insolvency law or in an equivalent capacity under the law of any other country.
- (d) **"Defence Costs"** means reasonable and necessary fees, costs and expenses consented to by the Insurer (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the defence and appeal of a **Claim** against the **Insureds**, but shall not include salaries, wages, overhead or benefit expenses associated with **Insured Persons** or employees of the **Corporation**. Solely with respect to an **Extradition Proceeding**, **Defence Costs** shall also include reasonable and necessary fees, costs and expenses incurred through legal counsel and consented to by the Insurer resulting from any **Insured Person** lawfully:
 - (1) opposing, challenging, resisting, or defending against any **Extradition Proceeding**; or
 - (2) appealing any order, or other grant of extradition of such **Insured Person** resulting from an **Extradition Proceeding**.
- (e) **"Extradition Proceeding"** means a formal proceeding, including the execution of a warrant for the arrest or detention of an **Insured Person**, to extradite an **Insured Person** from the country in which he or she is presently residing to another country which is a sovereign state for the purposes of either prosecution by that state or imposing a sentence on, including the enforcement of a sentence already imposed on, an **Insured Person** by that state in respect of a criminal offence

actually or allegedly committed or attempted by an **Insured Person** even if that offence would not have constituted a criminal offence if it had been committed or attempted in Canada.

- (f) **"Financial Impairment"** means the status of the **Corporation** due to:
- (1) its becoming a debtor within the meaning of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and without limiting the generality of the foregoing, when any monitor, conservator, liquidator, receiver, trustee, or similar official has been appointed to control, supervise, or liquidate such **Corporation**;
 - (2) the proposal of a compromise or arrangement between the **Corporation** and its creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36; or
 - (3) such **Corporation** becoming a Debtor in Possession, as such term is defined in Chapter 11 of the United States Bankruptcy Code.
- (g) **"Insured Person(s)"** means:
- (1) all persons who were, now are, or shall be directors or officers of the **Corporation** including any governor, honorary chairman, advisory board member, committee member, general counsel, risk manager, member of the management board, natural person acting as a general partner or partnership manager, trustee, and all persons serving in a functionally equivalent role for the **Corporation**;
 - (2) in the event a **Subsidiary** operates outside Canada, any person who has held, now holds or shall hold those titles, positions or capacities in such foreign **Subsidiary** which are equivalent to a position listed in (1) above in an organization incorporated within Canada; and
 - (3) all persons who were, now are, or shall become employees of the **Corporation**, including any full-time, part-time, seasonal or temporary employee, other than persons described in (1) or (2) above:
 - (i) only with respect to a **Securities Claim**; or
 - (ii) when named as a co-defendant in a civil suit filed in a court of law with a director or an officer, duly elected or appointed in conformance with the written by-laws of the **Corporation**, so long as such suit is continuously maintained against said director or officer;
- provided that such employee shall not be considered an **Insured Person** for purposes of Exclusion (f) in Section IV.
- (h) **"Insured(s)"** means:
- (1) **Insured Persons**; and
 - (2) with respect to Coverages B and C only, the **Corporation**.
- (i) **"Interrelated Wrongful Acts"** means **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- (j) **"Loss"** means damages, judgments (including pre/post-judgment interest on a covered judgment), settlements and **Defence Costs**; however, **Loss** shall not include:
- (1) any civil or criminal fines or penalties imposed by law, except as provided in the next paragraph;

- (2) taxes, or the loss of tax benefits, except when and to the extent the **Loss** results from liability imposed upon **Insured Persons** under Section 227.1 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.) and amendments thereto, or any similar provisions of provincial or territorial law; or liability imposed upon **Insured Persons** under Section 323 of the *Excise Tax Act*, R.S.C. 1985, c. E-15 and amendments thereto, or any similar provisions of provincial or territorial law;
- (3) any amount that represents or is substantially equivalent to an increase in the consideration paid or proposed to be paid in connection with any purchase of any securities or assets, or any plaintiffs' counsel fees and expenses in any **Claim** seeking such increase in consideration;
- (4) any amount for which the **Insureds** are not financially liable or for which the claimants are without legal recourse to the **Insureds**;
- (5) costs incurred by the **Corporation** to comply with any injunctive or other non-monetary relief or an agreement to provide such relief; or
- (6) matters which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.

Loss shall specifically include (subject to this Policy's other terms, conditions and limitations, including, but not limited to, exclusions relating to profit or advantage, deliberate fraud or deliberate criminal acts):

- (1) punitive, exemplary and multiple damages, and
- (2) civil penalties assessed against **Insured Persons** pursuant to the *Corruption of Foreign Public Officials Act*, R.S.C. 1998, c. C-33, or Section 2(g)(2)(C) of the *Foreign Corrupt Practices Act*, 15 U.S.C. § 78dd-2(g)(2)(C).

Enforceability of this paragraph shall be governed by such applicable law that most favours coverage for such punitive, exemplary and multiple damages and penalties.

- (k) "**Named Corporation**" means the company designated in Item 1 of the Declarations.
- (l) "**Outside Entity**" means any;
 - (1) not-for-profit corporation, community chest, fund or foundation that is (i) not included in the definition of **Corporation**, and (ii) a charity as defined in section 149.1 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), or a corporation incorporated under Part II of the *Canada Corporations Act*, R.S.C. 1970, c. C-32, as amended, or under any similar provisions of any provincial or territorial statute, as amended, or (iii) exempt from federal income tax as an organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended;
 - (2) organization listed as an **Outside Entity** in a written endorsement issued by the Insurer.
- (m) "**Outside Position**" means the position of director, officer, manager, trustee or other equivalent executive position held by any **Insured Person** in an **Outside Entity** if service in such position is with the knowledge and consent of, at the direction or request of, or part of the duties regularly assigned to the **Insured Person** by the **Corporation**.
- (n) "**Policy Period**" means the period specified in Item 2 of the Declarations, subject to prior termination in accordance with Section XII.
- (o) "**Securities Claim**" means a **Claim** which in whole or in part is:

- (1) brought by any person or entity alleging, arising out of, based upon or attributable to the purchase or sale or offer or solicitation of an offer to purchase or sell any securities of the **Corporation**; or
- (2) brought by a security holder of the **Corporation** in his/her/its capacity as such.

Notwithstanding the foregoing, **Securities Claim** shall not include any **Claim** brought by any **Insured Person** or employee of the **Corporation** alleging, arising out of, based upon or attributable to any offer, promise, grant or issuance by the **Corporation** to such **Insured Person** or employee of stock, stock warrants, stock options or other securities of the **Corporation**, or any payment or instrument the amount or value of which is derived from the value of securities of the **Corporation**, or the loss of or failure to receive or obtain any such securities, payment or instrument.

(p) **"Subsidiary"** means:

- (1) a not-for-profit corporation that is (i) a charity as defined in section 149.1 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), or incorporated under Part II of the *Canada Corporations Act*, R.S.C. 1970, c. C-32, as amended or under any similar provisions of any provincial or territorial statute, as amended, or (ii) exempt from federal income tax as an organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and which is sponsored exclusively by the **Corporation**; and
- (2) a corporate organization with respect to which the **Named Corporation** on or prior to inception of this Policy owns, either directly or indirectly through one or more of its **Subsidiaries**, more than 50% of the outstanding securities representing the present right to vote for election of directors or equivalent positions.

(q) **"Wrongful Act"** means:

- (1) with respect to **Insured Persons**, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by the **Insured Persons** in their respective capacities as such or in an **Outside Position**, or any matter claimed against them solely by reason of their status as **Insured Persons** or by reason of their service in an **Outside Position**, and
- (2) solely with respect to a **Securities Claim** against the **Corporation**, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by the **Corporation**.

SECTION III

EXTENSIONS.

Subject otherwise to the terms hereof, this Policy shall cover **Loss** as a result of a **Claim** for a **Wrongful Act** of an **Insured Person** made against the estates, heirs, or legal representatives of such **Insured Person** if deceased, and the legal representatives of such **Insured Person** in the event of incompetency, insolvency or bankruptcy.

Subject otherwise to the terms hereof, this Policy shall cover **Loss** as a result of a **Claim** made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an **Insured Person** for a **Claim** arising solely out of his or her status as the spouse of such **Insured Person**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by an **Insured Person** and the spouse, or property transferred from an **Insured Person** to the spouse; provided, however, that this extension shall not afford coverage for a **Claim** for a **Wrongful Act** of the spouse, but shall apply only to a **Claim** arising out of a **Wrongful Act** of an **Insured Person**.

All terms of this Policy, including without limitation the Retention, applicable to **Loss** incurred by the **Insured Person** shall also apply to loss incurred by such **Insured Person's** estates, heirs, legal representatives or spouses.

SECTION IV

EXCLUSIONS.

The Insurer shall not be liable to make any payment for **Loss** as a result of a **Claim** made against an **Insured Person** or, with respect to Coverage C, the **Corporation**:

- (a) arising from, based upon, or attributable to the gaining of any personal profit, remuneration or advantage to which such **Insured** is not legally entitled as evidenced by:
 - (1) a judgment or other final adjudication in such **Claim** establishing that such personal profit, remuneration or advantage was gained by such **Insured**; or
 - (2) an agreement to repay or disgorge such personal profit, remuneration or advantage;
- (b) arising from, based upon, or attributable to any deliberately fraudulent or criminal act or omission or willful violation of law by an **Insured** if a judgment or other final adjudication in such **Claim** establishes that such act, omission or violation occurred;

For the purpose of determining the applicability of the foregoing Exclusions (a) and (b):

- (1) the facts pertaining to and knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**; and
- (2) only facts pertaining to and knowledge possessed by any past, present or future president, chief executive officer, chief operating officer, chief financial officer or general counsel (or equivalent position) of a **Corporation** shall be imputed to a **Corporation** for the purposes of COVERAGE C: CORPORATE LIABILITY ARISING FROM **SECURITIES CLAIMS**;
- (c) alleging, arising out of, based upon or attributable to:
 - (1) any **Wrongful Act** or any matter, fact, circumstance, situation, transaction, or event which has been the subject of any notice given under any prior policy of which this Policy is a direct or indirect renewal or replacement; or
 - (2) any **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in (1) above, constitute **Interrelated Wrongful Acts**;
- (d) alleging, arising out of, based upon or attributable to:
 - (1) any demand, suit, proceeding or formal investigation pending on or before the date stated in Item 6 of the Declarations; or
 - (2) any **Wrongful Act** alleged in such pending or prior demand, suit, proceeding or formal investigation, or any **Wrongful Act** whenever occurring, which together with any **Wrongful Act** alleged in such pending or prior demand, suit, proceeding or formal investigation, constitute **Interrelated Wrongful Acts**;
- (e) alleging, arising out of, based upon or attributable to any actual or alleged act or omission of any **Insured Person** in their capacity as a director, officer, governor, honorary chairman, advisory board member, committee member, general counsel, risk manager, member of the management board, natural person acting as a general partner or partnership manager, or trustee of any organization other than the **Corporation**, even if service in such capacity is with the knowledge and consent of, at the direction or request of, or part of the duties regularly assigned to the **Insured**

Person by the **Corporation**; provided, however, that this exclusion shall not apply with respect to any **Claim** for **Wrongful Acts** in an **Outside Position**;

- (f) which is brought or maintained by, or on behalf of, or in the right of (whether such right is transferred or assigned by operation of law or otherwise) the **Corporation** or any **Insured Person** in any capacity; provided, however, that this exclusion shall not apply to:
- (1) any **Claim** which is a derivative action brought or maintained on behalf of the **Corporation**, instigated and continued totally independent of, and totally without the solicitation, assistance, active participation, or intervention (other than the solicitation, assistance, active participation, or intervention for which Article 425.1 of the *Criminal Code*, R.S.C. 1985, c. C-46, United States Code Title 18 § 1514A (a), or any similar "whistleblower" protection provision of any applicable federal, provincial, local or foreign law, affords protection to such **Insured**) of any **Insured Person** or the **Corporation**;
 - (2) any **Claim** brought by an **Insured Person** in the form of a cross-claim or third party claim for contribution or indemnity which is part of, and results directly from, a **Claim** that is covered by this Policy;
 - (3) any **Claim** for wrongful termination, employment discrimination, sexual harassment or other employment-related **Wrongful Act**;
 - (4) any **Claim** brought by an **Insured Person** who has not served as an **Insured Person** for at least four (4) years prior to the date such **Claim** is first made and who brings and maintains such **Claim** without the active assistance or participation of, or solicitation by, the **Corporation** or any other **Insured Person** who is serving or has served as an **Insured Person** within such four (4) year period; or
 - (5) any **Claim** brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, receiver or similar official for the **Corporation**, or any assignee of such bankruptcy or insolvency trustee, examiner, receiver or similar official;
- (g) for bodily injury, sickness, disease or death of any person, or for damage to or destruction of any tangible property including loss of use thereof; provided, however, that this exclusion shall not apply to **Defence Costs** on account of any **Claim** which is a criminal proceeding against an **Insured Person** pursuant to Section 217.1 of the *Criminal Code*, R.S.C. 1985, c. C-46;
- (h) alleging, arising out of, based upon or attributable to:
- (1) any actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time; or
 - (2) any request, demand or order to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants;

including but not limited to a **Securities Claim** or a **Claim** otherwise alleging damage to the **Corporation** or its security holders.

This exclusion shall not apply to any **Claim** against an **Insured Person** under Coverage A for which the **Corporation** does not indemnify the **Insured Person** either because the **Corporation** is neither permitted nor required to grant such indemnification or because of the **Financial Impairment** of the **Corporation**.

"Pollutants" include, but are not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including without limitation smoke, vapour, soot, fumes, acids, alkalis, chemicals, mould, fungi, odours, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products, waste and any electric, magnetic or electromagnetic field of any

frequency. "Waste" includes, but is not limited to, material to be recycled, reconditioned, or reclaimed, and nuclear materials;

- (i) for violation(s) of any of the responsibilities, obligations or duties imposed upon fiduciaries by the *Pension Benefits Standards Act, 1985*, R.S.C. 1985, c. 32 (2nd supp.) or amendments thereto, or by the United States *Employee Retirement Income Security Act of 1974* or amendments thereto, or any similar provisions of provincial, territorial, state or foreign statutory or common law in connection with any pension, employee benefit or welfare plan or trust established or maintained for the purpose of providing benefits to the employees of the **Corporation**.

SECTION V

LIMIT OF LIABILITY - (FOR ALL **LOSS**, INCLUDING **DEFENCE COSTS**).

The Limit of Liability stated in Item 3 of the Declarations is the aggregate limit of the Insurer's liability for all **Loss** under all Coverages combined, as a result of all **Claims** first made against the **Insureds** during the **Policy Period** and the Discovery Period (if applicable) and reported in writing to the Insurer pursuant to Section IX. The Limit of Liability for the Discovery Period shall be part of, and not in addition to, the Limit of Liability for the **Policy Period**.

The Insurer shall not pay **Defence Costs** in addition to the Limit of Liability. **Defence Costs** are part of **Loss** and as such are subject to and reduce the Limit of Liability.

All **Claims** arising out of the same **Wrongful Act** and all **Interrelated Wrongful Acts** shall be deemed to be one **Claim** for purposes of this Policy, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made against an **Insured**, regardless of whether such date is before or during the **Policy Period**.

SECTION VI

RETENTION AND COINSURANCE.

The Insurer shall only be liable for the amount of **Loss** as a result of each **Claim** which is in excess of the applicable Retention amount stated in Item 4 of the Declarations, such Retention amount to be borne by the **Insureds** and remain uninsured.

With respect to **Loss** covered under Coverage B and/or C (excess of the applicable Retention), the **Corporation** shall bear uninsured at its own risk the applicable percent of such **Loss** specified as the Coinsurance Percent in Item 5 of the Declarations, and the Insurer's liability under this Policy shall apply only to the remaining percent of such **Loss**.

No Retention amount or Coinsurance Percent applies to Coverage A.

The Retention amount stated in Item 4(a) and the Coinsurance Percent stated in Item 5 of the Declarations apply to **Loss** as a result of any **Claim** other than a **Securities Claim**.

The Retention amount stated in Item 4(b) and the Coinsurance Percent stated in Item 5 of the Declarations apply to **Loss** as a result of a **Securities Claim**.

In the event more than one of the Retention amounts stated in Items 4(a) and 4(b) of the Declarations otherwise applies to a **Claim**, then, as to that **Claim**, the highest of such Retention amounts shall be deemed the maximum aggregate Retention amount applicable to **Loss** as a result of such **Claim**.

SECTION VII

INDEMNIFICATION.

- (a) If the **Corporation**:

- (1) is permitted or required by law to indemnify the **Insured Persons** for **Loss** or to advance **Defence Costs** on their behalf; and
- (2) fails or refuses, other than for reason of **Financial Impairment**, to indemnify the **Insured Persons** for such **Loss** or to advance such **Defence Costs**;

then any payment of such **Loss** or advancement of such **Defence Costs** by the Insurer shall be subject to the applicable Coverage B Retention amount stated in Item 4 of the Declarations and the applicable Coverage B Coinsurance Percent stated in Item 5 of the Declarations.

For purposes of this Policy, the **Corporation** shall be deemed to provide indemnification to the **Insured Persons** for **Loss** or advancement of **Defence Costs** to the fullest extent permitted or required by law, and hereby agrees to indemnify the **Insured Persons** for **Loss** and to advance **Defence Costs** to the fullest extent permitted or required by law, including the making in good faith of any required application for court approval.

- (b) While the **Corporation** is unable to indemnify the **Insured Persons** for **Loss** or to advance **Defence Costs** for reason of **Financial Impairment**, no Retention or Coinsurance Percent shall apply to such **Loss** or **Defence Costs**; provided that the **Insureds** shall take all action reasonably required to obtain court approval or other authorization for any such indemnification or advancement.

SECTION VIII

PAYMENT PRIORITY.

If the amount of any covered **Loss** which is otherwise due and owing by the Insurer under this Policy exceeds the then-remaining Limit of Liability of this Policy, the Insurer shall pay such **Loss** (subject to such Limit of Liability) in the following priority:

- (a) first, the Insurer shall pay any such **Loss** covered under Coverage A;
- (b) second, only if and to the extent the payment under Coverage A does not exhaust the Limit of Liability, the Insurer shall pay any remaining **Loss** otherwise covered under this Policy.

Subject to the foregoing paragraph, the Insurer shall, upon receipt of a written request from the chief executive officer of the **Named Corporation**, delay any payment of covered **Loss** otherwise due and owing under Coverage B and/or C until such time as the **Named Corporation** designates; provided that (i) the Insurer's liability with respect to any such delayed **Loss** payment shall not be increased, and shall not include any interest, on account of such delay, and (ii) the Insurer's liability for covered **Loss** otherwise due and owing under Coverage A shall not be delayed by any such request.

Any such delayed payment of **Loss** shall be available to the Insurer to pay **Loss** covered under Coverage A. Any payment of **Loss** under Coverage A out of funds withheld by the Insurer pursuant to this provision shall terminate the Insurer's liability to make a delayed payment of **Loss** under Coverages B and/or C by the amount of the payment under Coverage A.

SECTION IX

NOTICE.

All notices to the Insurer shall refer to the Policy Number and shall be given in writing and sent by mail, prepaid express courier or facsimile to the address listed in Item 10 of the Declarations and shall be effective upon receipt.

- (a) The **Corporation** or an **Insured Person** shall, as a condition precedent to the obligations of the Insurer under this Policy, give written notice to the Insurer at the address or facsimile number listed in Item 10 of the Declarations of a **Claim** made against an **Insured** as soon as practicable after the

Named Corporation's risk manager or general counsel (or equivalent position) first becomes aware of the **Claim**, but in all events no later than sixty (60) days after the end of the **Policy Period** or the Discovery Period (if applicable).

(b) If during the **Policy Period** the **Corporation** or an **Insured Person** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against an **Insured** and shall give written notice to the Insurer of the circumstances, the anticipated allegations of **Wrongful Act(s)** and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities involved, then a **Claim** which is subsequently made against such **Insured** and reported to the Insurer for a **Wrongful Act**:

- (1) which is the same as any **Wrongful Act** alleged or contained in such notice, or
- (2) which together with any **Wrongful Act** alleged or contained in such notice constitute **Interrelated Wrongful Acts**,

shall be considered made at the time such notice of circumstances was first given to the Insurer.

SECTION X

DEFENCE COSTS (INCLUDING THE ADVANCEMENT OF DEFENCE COSTS), SETTLEMENTS, JUDGMENTS AND ALLOCATION.

Except as hereinafter stated and subject to any applicable Coinsurance Percent, the Insurer shall advance, at the written request of the **Insureds**, covered **Defence Costs** excess of the applicable Retention prior to the final disposition of a **Claim**. Such advancements by the Insurer shall be repaid to the Insurer by the **Insured Persons** or the **Corporation** severally according to their respective interests in the event and to the extent that it is subsequently determined that the **Insured Persons** or the **Corporation** are not entitled under the terms and conditions of this Policy to payment of such **Defence Costs**.

The Insurer does not, however, under this Policy, assume any duty to defend. The **Insureds** shall defend and contest any **Claim** made against them. The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, make any settlement offer, stipulate to any judgment, or incur any **Defence Costs** without the prior written consent of the Insurer. Only those settlements, stipulated judgments and **Defence Costs** which have been consented to by the Insurer shall be recoverable as **Loss** under the terms of this Policy. The Insurer's consent shall not be unreasonably withheld.

The Insurer shall have the right to effectively associate with the **Insureds** in the defence of any **Claim** that involves or appears reasonably likely to involve the Insurer, including but not limited to negotiating a settlement. The **Insureds** shall give the Insurer full cooperation and such information as it may reasonably require. Upon the Insurer's request, the **Insureds** shall attend proceedings, hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits.

If in any **Claim** the **Insureds** who are afforded coverage for such **Claim** incur **Loss** jointly with others (including **Insureds**) who are not afforded coverage for such **Claim**, and/or incur an amount consisting of both **Loss** covered by this Policy and loss not covered by this Policy because such **Claim** includes both covered and uncovered matters, then such amount shall be allocated between covered **Loss** and uncovered loss based on the relative legal and financial exposures of the parties to such covered and uncovered matters, and in the event of a settlement, also based on the relative benefit to the parties from settlement of such covered and uncovered matters.

The **Corporation** is not insured in any respect under Coverage A. The **Corporation** is insured, subject to this Policy's terms and conditions, only under Coverages B and C.

In the event that the Insurer and the **Insureds** cannot agree as to the amount of **Defence Costs** to be advanced under the Policy, then the Insurer shall advance **Defence Costs** which the Insurer believes to be covered under this Policy until a different amount shall be agreed upon or determined pursuant to the provisions of this Policy and applicable law.

SECTION XI

DISCOVERY PERIOD.

Except as provided below in this Section XI, if the Insurer or the **Named Corporation** shall refuse to renew this Policy or if the **Named Corporation** cancels this Policy, the **Named Corporation** and the **Insured Person(s)** shall have the right, upon payment of the Discovery Period Premium stated in Item 8(a) of the Declarations, to a continuation of the coverage afforded by this Policy for the Additional Period stated in Item 8(b) of the Declarations following the effective date of such nonrenewal or cancellation (herein referred to as the "Discovery Period"), but only to the extent a **Claim** is first made against the **Insureds** during the Discovery Period for any **Wrongful Act** occurring prior to the end of the **Policy Period** and otherwise covered by this Policy. The rights contained in this paragraph shall terminate, however, unless written notice of such election together with the additional premium due is received by the Insurer within forty-five (45) days after the effective date of nonrenewal or cancellation.

The additional premium for the Discovery Period shall be fully earned at the inception of the Discovery Period. The Discovery Period is not cancellable.

SECTION XII

CANCELLATION.

This Policy may be cancelled by the **Named Corporation** by surrender thereof to the Insurer or any of its authorized representatives or by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective; provided, however, that this Policy may not be cancelled by the **Named Corporation** after the effective date of a Transaction described in Section XIII.

This Policy may be cancelled by the Insurer only for non-payment of premium by mailing to the **Named Corporation** at the address shown in the Declarations written notice stating when not less than 10 days thereafter such cancellation shall be effective.

This Policy may be cancelled by agreement of the Insurer and the **Named Corporation**.

The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**.

If the **Named Corporation** cancels this Policy, earned premium shall be the customary short rate amount of the annual premium, and if the Insurer cancels this Policy, earned premium shall be the pro rata amount of the annual premium; provided, however, that if at the time of cancellation the Limit of Liability has been exhausted, the entire premium shall be considered earned. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. Mailing of the Insurer's cheque or the cheque of its representative shall be sufficient tender of any refund of premium due to the **Named Corporation**.

SECTION XIII

CHANGES IN CONTROL.

(a) New Subsidiaries

If, during the **Policy Period**, a **Corporation**:

- (1) acquires securities in another organization or creates another organization, which as a result of such acquisition or creation becomes a **Subsidiary**, or
- (2) acquires another organization by merger into the **Corporation**,

then such organization and its subsidiaries and their respective **Insured Persons** shall be **Insureds** under this Policy, but only with respect to **Wrongful Acts** taking place after such acquisition, creation or merger. The Insurer shall not be liable under this Policy for any **Wrongful Act** of such **Insureds** taking place in whole or in part before such acquisition, creation or merger or any **Interrelated Wrongful Acts** thereto.

If either the fair value of the assets or the gross annual revenues of any newly acquired, created or merged organization exceeds 25% of the total assets or gross annual revenues, respectively, of the **Named Corporation** as reflected in its then most recent consolidated audited financial statements prior to such acquisition, creation or merger, the **Insureds** shall give the Insurer full details of the transaction in writing within 90 days of such acquisition, creation or merger and the Insurer shall be entitled to impose such additional terms, conditions and premiums the Insurer, in its absolute discretion, chooses. If the **Insureds** fail to give the Insurer such information in a timely fashion or the **Named Organization** fails to pay any additional premium required by the Insurer or fails to agree to any amendment of the provisions of this Policy required by the Insurer relating to such new **Subsidiary**, then coverage for such new **Subsidiary** and its **Insured Persons** shall terminate with respect to **Claims** first made more than 90 days after such organization became a **Subsidiary**.

(b) Change in Control of a **Corporation**

Immediately upon the occurrence of any of the following:

- (1) the **Corporation** shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert; or
- (2) any person or entity or group of persons and/or entities acting in concert shall acquire securities which result in ownership by such person(s) or group(s) of more than 50% of the outstanding securities representing the present right to vote for the election of directors or equivalent positions of the **Corporation**;

(either of the above events is herein referred to as the "Transaction")

this Policy shall continue in full force and effect as to **Wrongful Acts** occurring prior to the effective date of the Transaction, but there shall be no coverage afforded by any provision of this Policy for any actual or alleged **Wrongful Act** occurring after the effective date of the Transaction. This Policy may not be cancelled after the effective date of the Transaction and the entire premium for this Policy shall be deemed earned as of such date.

The **Corporation** shall give the Insurer written notice of the Transaction as soon as practicable, but not later than thirty (30) days after the effective date of the Transaction.

SECTION XIV

SUBROGATION.

In case of payment of **Loss** by the Insurer hereunder, the Insurer shall be subrogated to the amount of such payment to the **Insured's** right of recovery against any other person or organization for such **Loss**, and the **Insured** shall execute all papers required, and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Insurer effectively to bring suit in the name of the **Insured**.

Any recovery (after payment of expenses incurred to obtain the recovery) with respect to a **Loss** shall be used to reduce the **Loss**, and so much of such recovery shall be paid to the Insurer as will reduce the

Loss ultimately borne by the Insurer to what it would have been had the recovery preceded any payment of such **Loss** by the Insurer.

SECTION XV

OTHER INSURANCE AND INDEMNIFICATION.

Such insurance as is provided by this Policy shall apply only as excess over any other valid and collectible insurance, unless such other insurance is written only as specific excess insurance over the Limit of Liability provided by this Policy. This Policy shall also be specifically excess over any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this Policy may be obligated to pay **Loss**.

Without limiting the foregoing, such insurance as is provided by this Policy shall be specifically excess of any insurance and indemnification maintained by or available from an **Outside Entity** in which the **Insured Person** serves in an **Outside Position**. Payment by the Insurer or any affiliate of the Insurer under another policy as a result of a **Claim** for **Wrongful Acts** by an **Insured Person** in an **Outside Position** shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this Policy with respect to such **Claim**.

SECTION XVI

ARBITRATION.

Only if requested by the **Insured**, the Insurer shall submit any dispute, controversy or claim arising out of or relating to this Policy or the breach, termination or invalidity thereof to final and binding arbitration pursuant to such rules and procedures as the parties may agree. If the parties cannot so agree, the arbitration shall be administered by the ADR Institute of Canada in accordance with its then prevailing commercial arbitration rules. The arbitration panel shall consist of one arbitrator selected by the **Insured**, one arbitrator selected by the Insurer, and a third independent arbitrator selected by the first two arbitrators. In any such arbitration, each party will bear its own legal fees and expenses.

SECTION XVII

NOTICE AND AUTHORITY.

It is agreed that the **Named Corporation** shall act on behalf of its **Subsidiaries** and all **Insured Persons** with respect to giving and receiving notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this Policy, the receipt and acceptance of any endorsements issued to form a part of this Policy, and, subject to the provisions of Sections IX and XI with respect to the right of an **Insured Person** on his or her own behalf, giving notice of a **Claim**, or the exercising or declining to exercise any right to a Discovery Period.

SECTION XVIII

ASSIGNMENT.

No assignment of interest under this Policy shall be valid unless the written consent of the Insurer to such assignment is endorsed hereon.

SECTION XIX

ACTION AGAINST INSURER.

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, and the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Insurer.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of any insurance afforded by this Policy. No person or organization shall have any right under this Policy to join the Insurer as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the Insurer be impleaded by the **Insured** or his legal representative.

SECTION XX

BANKRUPTCY.

Bankruptcy or insolvency of the **Insured** or the **Insured's** estate shall not relieve the Insurer of any of its obligations hereunder.

SECTION XXI

REPRESENTATIONS.

By acceptance of this Policy the **Insureds** agree that the agreements and representations in the **Application** are their agreements and representations and that this Policy is issued in reliance upon the truth of such agreements and representations, which are deemed material to the acceptance of the risk or the hazard assumed by the Insurer under the Policy. No knowledge possessed by an **Insured Person** shall be imputed to any other **Insured Person**.

If the **Application** contains any statements or representations that are untrue, then:

- (a) solely with respect to Coverage A, this Policy shall not be rescinded by the Insurer in whole or in part for any reason;
- (b) this Policy shall be void as to the **Corporation** (i) under Coverage B if the indemnified **Insured Person** knew the facts that were not truthfully disclosed, and (ii) under Coverage C if the chief executive officer, president, chief operating officer, chief financial officer or in-house general counsel of any **Corporation** knew the facts that were not truthfully disclosed, whether or not such **Insured Person**, director or officer knew of such untruthful disclosure in the **Application**.

SECTION XXII

ENTIRE AGREEMENT.

This Policy, including the Declarations, **Application** and Endorsements, embodies all agreements existing between the **Named Corporation** and the Insurer or any of its agents relating to this insurance.

SECTION XXIII

CAPTIONS.

The headings or captions used in this Policy, including any Endorsements, are for the purposes of reference only and shall not otherwise affect the meaning of this Policy.

SECTION XXIV

CHANGES.

This Policy shall not be changed or modified except in a written endorsement issued by the Insurer to form a part of this Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
DIRECTORS, OFFICERS AND CORPORATION LIABILITY INSURANCE POLICY
ARCH CANADA ESSENTIAL ENHANCEMENT ENDORSEMENTSM

It is agreed that:

1. INQUIRY COVERAGE

A. **Claim** shall also include any **Inquiry** received by an **Insured Person** during the **Policy Period** or **Discovery Period**, if applicable, provided that an **Inquiry** shall only be deemed a **Claim** after written notice of such **Inquiry** is first given to the Insurer pursuant to Section IX Notice.

B. For any **Claim** that is an **Inquiry**, Section I Coverage A: Directors and Officers Insurance and Coverage B: Corporate Liability Arising From Indemnifiable Loss are deleted and replaced with the following respectively:

(A) The Insurer shall pay **Inquiry Costs** incurred by an **Insured Person** as a result of an **Inquiry** received by such **Insured Person**, to the extent such **Insured Person** is not indemnified by the **Corporation**.

(B) The Insurer shall pay **Inquiry Costs** incurred by an **Insured Person** as a result of an **Inquiry** received by such **Insured Person**, for which the **Corporation** has, to the extent permitted or required by law, indemnified such **Insured Person**.

C. The following definitions are added:

"Inquiry" means:

(1) a subpoena or similar document compelling witness testimony or document production by an **Insured Person** with respect to such **Insured Person's** capacity in the **Corporation** or a **Corporation's** business activities;

(2) a written request by an **Investigating Authority** for an **Insured Person** to appear for an interview or meeting with respect to such **Insured Person's** capacity in the **Corporation** or a **Corporation's** business activities; or

(3) a written request by a **Corporation** for an **Insured Person** to appear for an interview or meeting in connection with an investigation by an **Investigating Authority** or in relation to a **Shareholder Derivative Demand**, with respect to such **Insured Person's** capacity in the **Corporation** or a **Corporation's** business activities,

provided that **Inquiry** shall not mean a subpoena or similar document or written request as described in (1), (2) and (3) above relating to any routine or regularly scheduled oversight, compliance, audit, examination or inspection conducted by an **Investigating Authority**.

"Inquiry Costs" means reasonable and necessary fees, costs and expenses incurred solely by an **Insured Person** in connection with the preparation for or response to an **Inquiry**, but shall not include salaries, wages, overhead or benefit expenses associated with **Insured Persons** or employees of the **Corporation** or the costs of complying with any formal or informal discovery request or production request seeking documents, records or electronic information that are in the possession of the **Corporation** or any third party.

“Investigating Authority” means any federal, provincial, territorial, state, local or foreign law enforcement or governmental investigative authority (including, but not limited to, the Department of Justice Canada, the United States Department of Justice, any Canadian provincial or territorial Securities Commission, the U.S. Securities and Exchange Commission, and any attorney general) or the enforcement unit of any securities or commodities exchange or other self-regulatory body.

2. **SHAREHOLDER DERIVATIVE DEMAND INVESTIGATIVE COSTS COVERAGE**

A. Section II Definitions, (d) **“Defence Costs”** is amended to add:

Defence Costs shall also include **Investigative Costs**, provided that:

- (1) the Insurer’s aggregate liability for all **Investigative Costs** during the **Policy Period** or **Discovery Period**, if applicable, shall be \$250,000, which shall be part of, and not in addition to, the **Limit of Liability** set forth in Item 3 of the **Declarations**; and
- (2) no **Retention** shall apply to **Investigative Costs**.

B. Section II Definitions, (o) **“Securities Claim”** is amended to add:

Securities Claim shall also include a **Shareholder Derivative Demand**.

C. Section II Definitions is amended to add:

“Investigative Costs” means reasonable and necessary costs, charges, fees (including attorneys’ and experts’ fees) and expenses incurred by the **Corporation**, its board of directors or any committee thereof, prior to a **Claim**, solely with respect to the investigation or evaluation required to determine whether to bring a proceeding based upon the allegations made in a **Shareholder Derivative Demand**, but shall not include the wages, salaries, overhead, benefit expenses or fees of the directors, officers or employees of the **Corporation**.

“Shareholder Derivative Demand” means any written demand by or on behalf of one or more shareholders of the **Corporation** upon the board of directors of the **Corporation** to bring a proceeding in a court of law against any **Insured Persons** for a **Wrongful Act**.

3. **DEFINITION OF LOSS INCLUDING ONTARIO SECURITIES ACT SECTIONS 130 AND 130.1, UNITED STATES SECURITIES ACT SECTIONS 11, 12, AND 15, PUNITIVE DAMAGES, CFPOA AND FCPA PENALTIES, AND SOX 304/DODD-FRANK 954 COSTS**

A. Section II Definitions, (i) **“Loss”** is deleted and replaced by:

- (i) **“Loss”** means damages, settlements, judgments (including awards of legal fees and costs), pre/post-judgment interest on a covered judgment, and **Defence Costs**.

Loss shall specifically include any:

- (1) judgment or settlement amounts attributable to actual or alleged violations of Section 130 or 130.1 of the Ontario *Securities Act*, R.S.O.1990, c. S. 5, or Section 11, 12 or 15 of the United States Securities Act of 1933, or similar provisions of any federal, provincial, territorial, state, local, or foreign statute governing securities, provided that if **Insured Persons** and any **Corporation** are defendants in the **Claim** in which such judgment or settlement was achieved, the Insurer shall allocate 100% of the **Loss** represented by such judgment or settlement to **Insured Persons**;

- (2) punitive, exemplary and multiple damages;
- (3) civil or criminal penalties assessed against **Insured Persons** for violation of the *Corruption of Foreign Public Officials Act*, R.S. 1998, c. 34, or pursuant to Section (g)(2)(B) of the United States Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-2; and
- (4) **SOX 304/Dodd-Frank 954 Costs**.

Notwithstanding (6) below, the Insurer shall not assert that any of the specified additions to **Loss** listed above constitute uninsurable loss. The enforceability of this paragraph shall be governed by the laws of any applicable jurisdiction that does not prohibit coverage for such **Loss**.

Loss (other than **Defence Costs**) shall exclude any:

- (1) fines and penalties imposed by law, other than those described in (3) above;
- (2) taxes, or the loss of tax benefits, except when and to the extent the **Loss** results from liability imposed upon **Insured Persons** under Section 227.1 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.) and amendments thereto, or any similar provisions of provincial or territorial law; or liability imposed upon **Insured Persons** under Section 323 of the *Excise Tax Act*, R.S.C. 1985, c. E-15 and amendments thereto, or any similar provisions of provincial or territorial law;
- (3) amount for which the **Insureds** are not liable or for which the claimants are without legal recourse to the **Insureds**;
- (4) non-monetary relief;
- (5) amount representing, or substantially equivalent to, an increase in consideration paid or proposed to be paid in connection with any purchase of securities or assets of a **Corporation** or any plaintiffs' counsel fees in any **Claim** alleging inadequate or unfair consideration;
- (6) matters that are uninsurable under the law; and
- (7) costs incurred in cleaning up, removing, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring hazardous materials, pollutants or product defects.

B. Section II Definitions is amended to add:

"**SOX 304/Dodd-Frank 954 Costs**" shall mean reasonable and necessary fees, costs and expenses (including the premium or origination fee for a loan or bond) incurred by any **Insured Person** solely to facilitate the return of amounts required to be repaid by such **Insured Persons** pursuant to Section 304 (a) of the Sarbanes-Oxley Act of 2002 or which are referenced in Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. **SOX 304/Dodd-Frank 954 Costs** shall not include any amounts requested or required to be repaid by any **Insured Person** pursuant to Section 304 (a) or referenced in Section 954.

4. **CONDUCT EXCLUSIONS WITH FINAL ADJUDICATION AND DEFENCE COSTS CARVE BACK, AND SEVERABILITY OF EXCLUSIONS**

Section IV. Exclusions, (a) and (b), are deleted and replaced by:

- (a) arising out of, based upon or attributable to the gaining of any profit, remuneration or financial advantage to which such **Insured** was not legally entitled, if established by any final non-appealable adjudication adverse to such **Insured**, other than in a proceeding initiated by the Insurer; provided, however, that this exclusion shall not apply to (i) **Defence Costs**; or (ii) amounts attributable to actual or alleged violations of Section 130 or 130.1 of the Ontario *Securities Act*, R.S.O.1990, c. S. 5, or Section 11, 12 or 15 of the United States Securities Act of 1933, or similar provisions of any federal, provincial, territorial, state, local, or foreign statute governing securities;
- (b) arising out of, based upon or attributable to the committing of any criminal or deliberately fraudulent act by such **Insured**, if established by any final non-appealable adjudication adverse to such **Insured**, other than in a proceeding initiated by the Insurer; provided, however, that this exclusion shall not apply to **Defence Costs**;

For the purpose of determining the applicability of the foregoing Exclusions (a) and (b):

- (1) the **Wrongful Acts** of an **Insured Person** shall not be imputed to any other **Insured Person**; and
- (2) only the **Wrongful Acts** of the **Corporation's** chief executive officer or chief financial officer shall be imputed to the **Corporation** for the purposes of determining coverage under Coverage C: Corporate Liability Arising From **Securities Claims**.

For the purpose of determining the applicability of any of the other Exclusions in Section IV, no **Wrongful Act** of any **Insured** shall be imputed to any other **Insured**.

5. **REPLACE INSURED v. INSURED EXCLUSION WITH CORPORATION v. INSURED EXCLUSION**

Section IV. Exclusions, (f) is deleted and replaced by:

- (f) brought or maintained by or on behalf of the **Corporation** against:
 - (1) any **Subsidiary**; or
 - (2) any **Insured Person**; provided, however, that this exclusion shall not apply:
 - (i) to any **Defence Costs** incurred by an **Insured Person** covered under Coverage A;
 - (ii) to any **Claim** brought on behalf of, or in the name or the right of, the **Corporation** by one or more securities holders of the **Corporation**;
 - (iii) in the event of **Financial Impairment**, to any **Claim** brought by the **Corporation** as a Debtor-in Possession as that term is defined in the United States Bankruptcy Code, or brought by the **Corporation** in an equivalent capacity under Canadian or foreign insolvency legislation, or by a bankruptcy or insolvency trustee, examiner, receiver or similar official for the **Corporation**, or any assignee of such bankruptcy or insolvency trustee, examiner, receiver or similar official;
 - (iv) to any **Claim** brought outside the United States of America, Canada, Australia or any other common law jurisdiction;

- (v) to any **Claim** against an **Insured Person** after such person has ceased serving in such capacity; or
- (vi) to any **Claim** in the form of a cross-claim or third party claim for contribution or indemnity which is part of, and results directly from, a **Claim** that is otherwise covered by this Policy.

6. **DELETE POLLUTION EXCLUSION**

Section IV Exclusions, (h) is deleted.

7. **ADVANCEMENT OF DEFENCE COSTS ON A CURRENT BASIS AND FOR REFUSAL BY CORPORATION**

- A. The last sentence of the final paragraph of Section I, Coverage is deleted.
- B. The first paragraph of Section X, Defence Costs (Including the Advancement of Defence Costs), Settlements, Judgments and Allocation is deleted and replaced by:

Except as hereinafter stated and subject to any applicable Coinsurance Percent, the Insurer shall, at the written request of the **Insureds**, advance on a current basis **Defence Costs** excess of the applicable Retention. Such advancements by the Insurer shall be repaid to the Insurer by the **Insured Person** or the **Corporation** severally according to their respective interests in the event and to the extent that it is subsequently determined that the **Insured Persons** or the **Corporation** are not entitled under the terms and conditions of this Policy to payment of such **Defence Costs**.

If the **Corporation** refuses in writing, or fails within sixty (60) days of an **Insured Person's** written request for advancement or indemnification, to advance or indemnify an **Insured Person** for **Loss** within the applicable Retention, then the Insurer shall advance such amounts until such time that the **Corporation** accepts the **Insured Person's** request for advancement or indemnification or the applicable Retention has been satisfied. In no event shall any advancement of **Defence Costs** by the Insurer relieve the **Corporation** of any duty it may have to provide such advancement or indemnification to any **Insured Person**.

8. **AMEND INDEMNIFICATION**

Section VII Indemnification, (a) is deleted and replaced by:

- (a) For purposes of this Policy, the **Corporation** shall be deemed to provide indemnification to the **Insured Persons** for **Loss** or advancement of **Defence Costs** on their behalf to the fullest extent permitted or required by law, and hereby agrees to indemnify the **Insured Persons** for such **Loss** and to advance such **Defence Costs** on their behalf to the fullest extent permitted or required by law.

If the **Corporation** fails to indemnify an **Insured Person** for **Loss** or advance **Defence Costs** on behalf of an **Insured Person**, for reasons other than **Financial Impairment**, and the Insurer pays such **Loss** or advances such **Defence Costs** within the Retention applicable to Coverage B, then the **Corporation** shall reimburse the Insurer for such amounts and such amounts shall become immediately due and payable as a direct obligation of the **Corporation** to the Insurer. The failure of the **Corporation** to perform any of its obligations to indemnify any **Insured Person** for **Loss** or to advance **Defence Costs** on behalf of any **Insured Person** shall not impair the rights of such **Insured Person** under this Policy.

9. **AMEND NOTICE AND CLAIM REPORTING BY NOTICE MANAGER**

A. Section IX Notice, (a) is deleted and replaced by:

(a) The **Corporation** or an **Insured Person** shall, as a condition precedent to the obligations of the Insurer under this Policy, give the Insurer written notice of any **Claim** as soon as practicable after a **Notice Manager** is notified of such **Claim**, but no later than:

- (1) one hundred and eighty (180) days after the end of the **Policy Period** if this Policy expires and is renewed with the Insurer;
- (2) sixty (60) days after the effective date of expiration or cancellation if this Policy expires, or is cancelled in accordance with Section XII Cancellation, without being renewed with the Insurer and no Discovery Period is purchased; or
- (3) the expiration date of the Discovery Period, if purchased.

B. "**Notice Manager**" means any of the following positions of the **Named Corporation** (check all that apply):

- Chief Executive Officer
- Chief Financial Officer
- General Counsel
- Risk Manager
- Vice President Human Resources & Administration

10. **CONSENT WAIVED IF LOSS WITHIN 75% OF THE RETENTION**

The second paragraph of Section X, Defence Costs (Including the Advancement of Defence Costs), Settlements, Judgments and Allocation is deleted and replaced by:

The Insurer does not, however, under this Policy, assume any duty to defend. The **Insureds** shall defend and contest any **Claim** made against them. The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, make any settlement offer, stipulate to any judgment, or incur any **Defence Costs** without the prior written consent of the Insurer. Only those settlements, stipulated judgments and **Defence Costs** which have been consented to by the Insurer shall be considered **Loss** under the terms of this Policy. The Insurer's consent shall not be unreasonably withheld.

Notwithstanding the above, the **Insureds** may make a settlement offer of a **Claim** without the Insurer's prior consent if the total amount of **Loss** (inclusive of such settlement amount and **Defence Costs** of all **Claims** arising out of the same **Wrongful Acts** and **Interrelated Wrongful Acts** that are deemed to be one **Claim**) does not exceed 75% of the applicable Retention.

11. **BANKRUPTCY**

Section XX, Bankruptcy, is amended by adding the following:

If a liquidation or reorganization is commenced by or against the **Corporation** pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3; the *Companies' Creditors Arrangement Act*,

R.S.C.1985, c. C-36; the *Winding-up and Restructuring Act*, R.S.C. 1985, c. W-11; the United States Bankruptcy Code; or any similar federal, provincial, territorial, state, local, or foreign insolvency law, the **Insureds** hereby:

- (1) waive and release any automatic stay or injunction applicable to this Policy or its proceeds resulting from the commencement of such proceeding; and
- (2) agree not to oppose or object to any efforts by the Insurer to obtain relief from any such stay or injunction.

12. LIBERALIZATION CLAUSE

In the event that any provision of an endorsement to this Policy conflicts in any way with a provision of another endorsement to this Policy, then to the extent allowable by applicable law, the **Named Corporation** may determine, in its sole discretion, which of the conflicting provisions takes precedence in determining the applicability of coverage under this Policy.

All other terms and conditions of this Policy remain unchanged.



Chief Agent

Endorsement Number: 1

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INVESTIGATION COSTS COVERAGE

It is agreed that:

1. SECTION I: COVERAGE is amended to add:

COVERAGE D: INVESTIGATIVE COSTS COVERAGE

The **Insurer** shall pay on behalf of the **Corporation** all **Investigation Costs** which such **Corporation** becomes legally obligated to pay on account of any **Shareholder Derivative Demand** first made during the **Policy Period** or, if exercised, the **Discovery Period**, for a **Wrongful Act** committed, attempted, or allegedly committed or attempted, by an **Insured Person** before or during the **Policy Period**.

2. Subsection V, LIMIT OF LIABILITY – (FOR ALL LOSS, INCLUDING DEFENCE COSTS) is amended by adding:

The **Insurer's** maximum liability for all **Investigation Costs** covered under COVERAGE D: INVESTIGATIVE COSTS COVERAGE first incurred during the same **Policy Period** shall be \$250,000. This is a sub-limit which further limits and does not increase the **Insurer's** maximum liability as set forth in Item 3 of the Declarations.

3. Subsection VI, RETENTION AND COINSURANCE is amended by adding:

No deductible amount shall apply to **Investigation Costs** covered under COVERAGE D: INVESTIGATIVE COSTS COVERAGE.

4. SECTION X DEFENCE COSTS (INCLUDING THE ADVANCEMENT OF DEFENCE COSTS), SETTLEMENTS, JUDGMENTS AND ALLOCATION, is amended by adding:

For the purpose of COVERAGE D: INVESTIGATIVE COSTS COVERAGE it shall be the duty of the **Corporation** and not the duty of the **Insurer** to investigate and evaluate any **Shareholder Derivative Demand**.

5. SECTION II DEFINITIONS is amended by adding:

"Investigation Costs" means reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Corporation**) incurred by the **Corporation** (including its board of directors or any committee of the board of directors) in connection with the investigation or evaluation of any **Shareholder Derivative Demand**.

"Shareholder Derivative Demand" means any written demand, by one or more shareholders of a **Corporation**, upon the board of directors of such **Corporation**, to bring a civil proceeding in a court of law against any **Insured Person** for a **Wrongful Act** committed, attempted or allegedly committed or attempted by an **Insured Person** before or during the **Policy Period**.

6. For purposes of coverage under COVERAGE D: INVESTIGATIVE COSTS COVERAGE only,

- a. all references to **Loss** or **Defence Costs** shall only mean **Investigation Costs**; and
- b. all references to **Claim** shall only mean any **Shareholder Derivative Demand**.

All other terms and conditions of this Policy remain unchanged.



Chief Agent

Endorsement Number: 2

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMEND NOTICE – 90 DAYS

It is agreed that Section IX Notice, (a) is amended by replacing sixty (60) days with ninety (90) days.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 3

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NO SUBROGATION AGAINST INSUREDS

It is agreed that Section XIV. Subrogation is amended to add:

The **Insurer** shall not subrogate against any **Insureds**.

All other terms and conditions of this Policy remain unchanged.



Chief Agent

Endorsement Number: 4

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CLAIM REPORTING
BY NOTICE MANAGER**

It is agreed that:

1. Section IX, NOTICE (a) is deleted and replaced by:

As a condition precedent to coverage, the **Corporation** or an **Insured Person** shall give the **Insurer** written notice via any manner specified in Item 10. of the Declarations of any **Claim** as soon as practicable after a **Notice Manager** is notified of such **Claim**, but no later than 60 days after the end of the **Policy Period** or the Discovery Period, if applicable.

2. **"Notice Manager"** means any of the following positions of the **Named Corporation** (check all that apply):

- Chief Executive Officer
- Chief Financial Officer
- General Counsel
- Risk Manager
- Vice President Human Resources & Administration

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 5

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RATING DOWNGRADE CANCELLATION

It is agreed that, notwithstanding any other provision of this Policy, if the **Insurer** is assigned a financial strength rating below:

1. A- by A.M. Best Co.; or
2. BBB by Standard & Poor's Ratings Services;

this Policy may be canceled by the **Named Corporation** within 30 days after such event, subject to the following:

- A. if no **Claim** has been paid or reserved under this Policy, the premium for this Policy shall be determined on a pro rata basis and no short rate premium shall be retained by the **Insurer**; or
- B. if a **Claim** has been paid or reserved under this Policy, the premium for this Policy shall be fully earned.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 6

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON-ENTITY EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT

It is agreed that:

1. **"Employment Practices Claim"** means any **Claim** which is brought and maintained by or on behalf of an **Employee**, applicant for employment with the **Corporation**, or governmental agency against an **Insured Person** for an **Employment Practices Wrongful Act** by such **Insured Person**.
2. **"Employee"** means any person that was or is an employee of the **Corporation**, including any full-time, part-time, seasonal or temporary employee, acting in their capacity as such.
3. **"Employment Practices Wrongful Act"** means a **Wrongful Act** involving any:
 - a. wrongful dismissal, discharge or termination of employment, including constructive dismissal, discharge, or termination;
 - b. employment discrimination based on age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy, disability, health status, military or veteran status, or any other protected status specified under federal, state or local law;
 - c. sexual or other workplace harassment, including, without limitation, hostile work environment;
 - d. employment-related misrepresentation;
 - e. wrongful deprivation of a career opportunity, demotion, failure to employ or promote, discipline of employees or failure to grant tenure;
 - f. breach of any oral, written, or implied employment contract or agreement including, without limitation, any obligation arising out of any employee manual, handbook, or policy statement;
 - g. **Retaliation**;
 - h. negligent evaluation of employees;
 - i. violation of the Family and Medical Leave Act; or
 - j. if such conduct relates to matters described in paragraphs a through i above: (i) infliction of emotional distress or mental anguish; (ii) failure to provide or enforce adequate or consistent corporate employment policies and procedures; (iii) negligent hiring, retention, supervision or training of **Employees**; (iv) employment-related libel, slander, defamation, or (v) invasion of privacy or the giving of negative or defamatory statements in connection with an employee reference,but only if the **Wrongful Act** described in a through j above is committed or attempted: (i) against an **Employee** or applicant for employment with the **Corporation**; and (ii) by any **Insured Person** in their capacity as such.
4. **"Retaliation"** means negative treatment of an **Employee** by any **Insured Person** in response to any such **Employee**:

- a. exercising any rights granted under law, including, without limitation, rights under any workers compensation laws, the Family and Medical Leave Act, or the Americans with Disabilities Act;
- b. refusing to violate any law;
- c. assisting, testifying in, or cooperating with, a proceeding or investigation regarding violations of law by the Corporation;
- d. disclosing or threatening to disclose any violations of law to a superior or any governmental agency; or
- e. filing any claim against the **Corporation** under the Federal False Claims Act or any similar law protecting "whistleblowers".

5. Section II. DEFINITIONS, (i) "**Loss**" is amended to add:

Regarding an **Employment Practices Claim, Loss** (other than **Defense Costs**) shall exclude:

- (1) amounts sought under any contract or agreement;
- (2) future compensation for any person hired, promoted or reinstated as a result of a judgment, settlement order or other resolution of such **Employment Practices Claim**;
- (3) amounts representing severance payments, bonuses, commissions, stock grants, or stock options;
- (4) disability, social security, workers' compensation, or medical insurance, retirement or pension benefits, or any other employee benefits or perquisites due, accrued or otherwise owed;
- (5) the cost to modify any premises or provide any accommodation to any disabled person; or
- (6) the cost of conducting or implementing any program, procedure, or training.

6. The **Insurer** shall not be liable for any payment of **Loss** as a result of an **Employment Practices Claim** made against any **Insured Person**:

- a. arising from, based upon or attributable to any actual or alleged violation of any federal, state, or local law regulating the payment of compensation to an **Employee**, including, without limitation: (i) the Fair Labor Standards Act (except the Equal Pay Act) or any similar law; (ii) laws regulating the payment of overtime, on-call time or minimum wages or the classification of employees for the purpose of determining employees' eligibility for compensation under such laws; and (iii) laws regulating meal and rest periods and the maintenance of accurate time records; or
- b. If such **Claim** is a criminal proceeding or criminal investigation, or a labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

7. Section IV. EXCLUSIONS, (f) (2) is deleted and replaced by:

an **Employment Practices Claim**;

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 7

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREDETERMINED DEFENCE COST ALLOCATION

It is agreed that SECTION X DEFENCE COSTS (INCLUDING THE ADVANCEMENT OF DEFENCE COSTS), SETTLEMENTS, JUDGMENTS AND ALLOCATION, paragraphs numbers four and six are deleted and replaced by:

If in any **Claim** the **Insureds** who are afforded coverage for such **Claim** incur **Loss** jointly with others (including **Insureds**) who are not afforded coverage for such **Claim**, and/or incur an amount consisting of both **Loss** covered by this Policy and loss not covered by this Policy because such **Claim** includes both covered and uncovered matters, then such amount shall be allocated as follows:

- (a) 90% of all **Defence Costs** shall be allocated to covered **Loss**. However, no **Defence Costs** shall be allocated to the **Corporation** to the extent that the **Corporation** is unable to indemnify **Insured Persons** by reason of **Financial Impairment** or statutory law.

Such allocation of **Defence Costs** shall be final and binding and shall not apply to or create any presumption with respect to the allocation of any other **Loss**.

All **Defence Costs** allocated to covered **Loss** shall be advanced by the **Insurer** on a current basis.

- (b) With respect to all **Loss** other than **Defence Costs**, the **Insurer** and the **Insureds** shall allocate such amount based on the relative legal and financial exposures of the parties to such matters, and in the event of a settlement; based on the relative benefit to the parties from settlement of such covered and uncovered matters.

If the **Insureds** and the **Insurer** cannot agree on an allocation, no presumption as to allocation shall exist in any arbitration, suit or other proceeding. The **Insurer**, if requested by the **Insureds**, shall submit the allocation dispute to binding arbitration. The arbitration panel shall consist of one arbitrator selected by the **Insureds**, one arbitrator selected by the **Insurer**, and a third independent arbitrator selected by the first two arbitrators.

All other terms and conditions of this Policy remain unchanged.



Chief Agent

Endorsement Number: 8

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRUST CONVERSION ENDORSEMENT

It is agreed that:

1. SECTION XIII – CHANGES IN CONTROL does not apply to a **Conversion Event**.

If a **Corporation** that is an Income Trust undergoes a **Conversion Event** during the **Policy Period**, coverage under this Policy shall continue until termination of this Policy.

2. SECTION II – DEFINITIONS is amended to include the following:

Conversion Event means:

- (i) the changing of a **Corporation** from a trust structure to a corporate structure using the Exchange Method or the Distribution Method,
- (ii) the merger or consolidation of a **Corporation** that is an Income Trust with another organization, or
- (iii) the acquisition of the securities, units or voting rights which result in ownership or voting control by another organization or person or a group of organizations and/or persons acting in concert of more than 50% of the outstanding securities or units representing the present right to vote for the election of directors or trustees of a **Corporation** that is an Income Trust.

3. The following is added to the Policy:

SECTION XXVI – OPTIONAL DISCOVERY PERIOD FOR A CONVERSION EVENT

- (a) Subject to paragraph (c) below, if a **Corporation** undergoes a **Conversion Event** during the **Policy Period**, the **Corporation** and the **Insured Persons** shall have the right, upon payment of the additional premium set forth in paragraph (b) below, to terminate this Policy and purchase a Discovery Period. In such event, Section XI of the policy is deleted.
- (b) This Discovery Period is an extension of the coverage granted by this Policy for the period set forth below, following the effective date of the **Conversion Event**. This extension of coverage shall only apply to **Claims** made for **Wrongful Acts** committed, attempted, or allegedly committed or attempted prior to the effective date of the **Conversion Event**.

Additional Premium	Additional Period
Option 1 125% of the annualized premium for the expiring Policy Period	1 year (365 days)
Option 2 150% of the annualized premium for the expiring Policy Period	3 years (1095 days)
Option 3 165% of the annualized premium for the expiring Policy Period	6 years (2190 days)

- (c) The right to elect a Discovery Period at the additional premium amount set forth in paragraph (b) above shall not apply if prior to the **Conversion Event** a notice of **Claim** or notice of

circumstances which could give rise to a **Claim** has been given to the **Insurer** pursuant to SECTION IX NOTICE.

- (d) The right to elect a Discovery Period shall lapse unless written notice of such election together with payment of the additional premium due is received by the **Insurer** within 60 days following the effective date of the **Conversion Event**.
- (e) Any **Claim** made during the Discovery Period shall be deemed to have been made during the immediately preceding **Policy Period**.
- (f) The Discovery Period, if purchased, shall be non-cancelable. The premium for the Discovery Period shall be deemed fully earned at the inception of the Discovery Period and the **Insurer** shall have no obligation to return any portion thereof.

All other terms and conditions of this Policy remain unchanged.



Chief Agent

Endorsement Number: 9

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED BIPD EXCLUSION – NON-INDEMNIFIABLE LOSS

It is agreed that:

Section IV EXCLUSIONS, subsection (g) is deleted and replaced by:

- (g) for bodily injury, sickness, disease or death of any person, or for damage to or destruction of any tangible property including loss of use thereof; provided, however, that this exclusion shall not apply to:
 - a. **Defence Costs** on account of any **Claim** which is a criminal proceeding against an **Insured Person** pursuant to Section 217.1 of the *Criminal Code*, R.S.C. 1985, c. C-46; or
 - b. a **Claim** under Section 1: COVERAGE A: DIRECTORS AND OFFICERS INSURANCE.

All other terms and conditions of this Policy remain unchanged.



Chief Agent

Endorsement Number: 10

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF NON-RENEWAL

It is agreed that:

The following is added to the policy:

SECTION XXV – NOTIFICATION OF NON-RENEWAL.

The **Insurer** shall provide written notification to the insurance broker on record with the **Insurer** for the **Named Corporation** at least 90 days prior to the expiration of the **Policy Period** if the **Insurer** refuses to renew this Policy.

All other terms and conditions of this Policy remain unchanged.



Chief Agent

Endorsement Number: 11

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADVANCEMENT OF DEFENSE COSTS
ON A CURRENT BASIS**

It is agreed that:

1. The last sentence of the final paragraph of Section I Coverage is deleted.
2. The first sentence of the first paragraph of Section X Defense Costs (Including the Advancement of Defense Costs), Settlements, Judgments and Allocation is deleted and replaced by:

Except as hereinafter stated and subject to any applicable Coinsurance Percent, the **Insurer** shall advance on a current basis **Defense Costs** excess of the applicable Retention.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 12

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYED LAWYERS E&O COVERAGE ENHANCEMENT

It is agreed that:

1. SECTION II DEFINITIONS, (g) (3) **Insured Person(s)** is amended by adding the following:
 - (iii) with respect to an **Employed Lawyers' Claim**.
2. SECTION II DEFINITIONS is amended to by adding the following:

Employed Lawyers' Claim means any **Claim** where the **Wrongful Act** is directly in connection with the actual or alleged performance of, or the actual or alleged failure to perform, **Professional Services** by the **Insured Person** who is named in the **Claim**.

Professional Services means legal services provided by an **Insured Person** who is duly admitted and authorized to practice law within the jurisdiction in which he or she is providing such services but only where such services are being rendered exclusively to a **Corporation**.

3. The following subsection is added to SECTION IV EXCLUSIONS.

*Additional Exclusions Applicable to any **Employed Lawyers' Claim**:*

The **Insurer** shall not be liable to make any payment for **Loss** as a result of an **Employed Lawyers' Claim** made against an **Insured Person**:

- (a) brought by, at the behest of, or on behalf of any joint venture or partnership in which any **Corporation** is a partner or member;
- (b) directly or indirectly based upon, arising from or in consequence of any demand, pending suit or other proceeding (including any administrative or investigation by any law society, bar association or other similar provincial, territorial, state or federal body), order, decree or judgment, entered against any **Insured** on or prior to March 23, 2002 or the same or any substantially similar fact, circumstance or situation underlying or alleged therein;
- (c) directly or indirectly based upon, arising from or in consequence of any fact, circumstance, situation, transaction, event or **Wrongful Act** which occurred before March 23, 2002 and which was or is the subject of any notice given under any other insurance policy;
- (d) directly or indirectly based upon, arising from or in consequence of any fact, circumstance, situation, transaction or event of which any **Insured** had knowledge as of December 31, 2010 which he, she, or it, as the case may be, knew or ought to have known might be expected to give rise to a future **Employed Lawyers' Claim**;
- (e) for fines, sanctions, taxes, costs or penalties incurred in connection with any disciplinary, disbarment or other similar proceeding brought by any provincial, territorial, state or federal bar association, law society or other equivalent regulatory body, provided, however, that this exclusion shall not apply to that part of **Loss** which constitutes **Defence Costs**.

4. It is presumed that any **Corporation** shall indemnify any **Insured Person** who is the subject of any **Employed Lawyers' Claim** to the fullest extent permitted, irrespective of either the terms of any indemnity that exists or whether any indemnity is actually available.
5. Solely with regard to the coverage afforded in this endorsement, the **Insurer's** maximum liability under this coverage section for all **Loss** resulting from any **Employed Lawyers' Claim** first made during the **Policy Period** will be \$1,000,000. Such amount is a sublimit which further limits and does not increase the **Insurer's** maximum liability under this coverage section as set forth in Item 3 of the Declarations.

All other terms and conditions of this Policy remain unchanged.



Chief Agent

Endorsement Number: 13

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF CHANGE OF CONTROL - SPECIFIC TRANSACTION

It is agreed that the issuance of trust units as described in the Press Release by Arctic Glacier Income Fund of August 2, 2011, titled: "*Arctic Glacier Completes Issuance of Units To Convertible Debenture Holders*" shall not constitute a Change in Control of a **Corporation** as described in Section XIII, CHANGE OF CONTROL, (b) of this Policy.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 14

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011



Chief Agent

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED DISCOVERY PERIOD - ARCTIC GLACIER

It is agreed that SECTION XI DISCOVERY PERIOD is deleted and replaced by:

SECTION XI

DISCOVERY PERIOD.

- a) Except as provided below in this Section XI, if the Insurer or the **Named Corporation** shall refuse to renew this Policy or if the **Named Corporation** cancels this Policy, the **Named Corporation** and the **Insured Person(s)** shall have the right, upon payment of the Discovery Period Premium stated in Item 8(a) of the Declarations, to a continuation of the coverage afforded by this Policy for the Additional Period stated in Item 8(b) of the Declarations following the effective date of such nonrenewal or cancellation (herein referred to as the "Discovery Period"), but only to the extent a **Claim** is first made against the **Insureds** during the Discovery Period for any **Wrongful Act** occurring prior to the end of the **Policy Period** and otherwise covered by this Policy.
- b) Notwithstanding a) above, if, following the **Financial Impairment** of the **Corporation**, the Insurer or the **Named Corporation** shall refuse to renew this Policy or if the **Named Corporation** cancels this Policy, the **Named Corporation** and the **Insured Person(s)** shall have the right, upon payment of the CCAA Discovery Period Premium stated in (i) below, to a continuation of the coverage afforded by this Policy for the CCAA Discovery Period stated in (ii) below following the effective date of such nonrenewal or cancellation, but only to the extent a **Claim** is first made against the **Insureds** during the CCAA Discovery Period for any **Wrongful Act** occurring prior to the end of the **Policy Period** and otherwise covered by this Policy. If the **Named Corporation** or the **Insured Person(s)** exercise their right to the CCAA Discovery Period, there shall be no right to the Discovery Period described in a) above.

- i. CCAA Discovery Period Premium: Option 1) 1 Year Option 2) 3 Year
- ii. CCAA Discovery Period: Option 1) 200% Option 2) 250%

The rights contained in paragraph a) or b) shall terminate, however, unless written notice of such election together with the additional premium due is received by the Insurer within forty-five (45) days after the effective date of nonrenewal or cancellation.

The additional premium for the Discovery Period or for the CCAA Discovery Period shall be fully earned at the inception of the Discovery Period or the CCAA Discovery Period, as applicable. Neither the Discovery Period nor the CCAA Discovery Period is cancellable.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number: 15

Policy Number: DOP0041809-01

Named Insured: Arctic Glacier Income Fund

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 12/31/2011



Chief Agent


Arch
Insurance (Canada)®

77 King Street West
Suite 3600, P.O. Box 308
Toronto-Dominion Centre
Toronto, Ontario M5K 1K2

APPLICATION FOR DIRECTORS AND OFFICERS LIABILITY INSURANCE

NOTICE: IF THIS APPLICATION IS FOR PRIMARY INSURANCE, EXCEPT AS OTHERWISE PROVIDED IN THE POLICY, THE POLICY SHALL ONLY APPLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER IN ACCORD WITH THE PROVISIONS OF THE POLICY. THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED AND MAY BE TOTALLY EXHAUSTED BY AMOUNTS INCURRED AS DEFENCE COSTS. PLEASE READ THIS APPLICATION AND THE POLICY CAREFULLY.

NOTICE: IF THIS APPLICATION IS FOR EXCESS INSURANCE, SUBJECT TO THE PROVISIONS OF THE UNDERLYING INSURANCE, THIS POLICY MAY ONLY APPLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND THE LIMITS OF LIABILITY AVAILABLE TO PAY JUDGMENT OR SETTLEMENT AMOUNTS MAY BE REDUCED AND TOTALLY EXHAUSTED BY PAYMENT OF DEFENCE COSTS. PLEASE READ THE APPLICATION AND THE POLICY CAREFULLY.

Instructions for Completing This Application

Please read carefully. Fully answer all questions and submit all requested information. Terms appearing in **bold** in this Application are defined in the Policy and have the same meaning in this Application as in the Policy. This Application consists of the information contained herein, all materials submitted herewith and any other information or materials included within the definition of Application in the Policy. All such materials shall be held in confidence.

GENERAL INFORMATION

1. The Applicant Company, which is to be the entity named in Item 1. of the Declarations (the "Applicant"):

Arctic Glacier Income Fund

Principal Address: 625 Henry Avenue

City: Winnipeg Province: Manitoba Postal Code: R3A 0V1

2. Officer designated to receive correspondence and notices from the Insurer or the Excess Insurer:

Keith W. McMahon

(Name of Officer)

President and CEO/Director

(Title)

3. Please provide the following information with respect to the Applicant:

a. Nature of Business: manufacturer and distributor of packaged ice products

b. Date of Incorporation: 2002

- c. Date Established: 2002
- d. Province of Incorporation: Alberta
- e. Stock Symbol and Exchange (if applicable): TSX: AG.UN
- f. Website address (if applicable): www.arcticglacier.com
- g. SIC Code: 2097
- h. GICS Code: _____

STOCK OWNERSHIP

1. Total number of Applicant's common shares outstanding: 350,318,387 units
2. Total number of Applicant's common shareholders: widely held
3. Are any securities of Applicant or any Subsidiary publicly traded: Yes No
- a. If Yes, specify the exchange on which they are listed: TSX
- b. If Yes, specify the percentage of shares are traded in the United States Unknown
4. Give names and percentage ownership of any shareholders who hold, directly, beneficially, or as an affiliated group, 5% or more of Applicant's common shares outstanding:

<u>Coliseum Capital Management LLC</u>	<u>45,512,803</u>	<u>12.99%</u>
<u>Fort Hoosac Management LLC dba Arbitr Partners QP, LP</u>	<u>43,122,518</u>	<u>12.31%</u>

ANNOUNCED CHANGES

1. Has the Applicant or any Subsidiary publicly revealed in the past 24 months, or does it presently contemplate that within the next 12 months it will be involved in, any:
- a. acquisition, consolidation or merger with any other entity? Yes No
- b. tender offer, acquisition or disposition of any securities, assets or interest in any other corporation, partnership, or joint venture? Yes No
- c. sale, distribution or divestiture of any assets or securities other than in the ordinary course of business? Yes No **As publically disclosed regarding equitization of convertible debentures on July 31, 2011. Also see attached Schedule A.**
- d. bankruptcy proceeding or legal or financial reorganization or arrangement (including a filing under the Companies Creditor AA) with creditors under federal or provincial law? Yes No **As publicly disclosed. Also see attached Schedule A.**

If Yes to any question in (a) through (d) above:

- Please attach complete details.
- Has the Board of Directors approved such action(s)? Yes No
- Has such action(s) been submitted to the shareholders for approval? Yes No

2. Has the Applicant or any **Subsidiary** filed in the past 24 months, or contemplated filing within the next 12 months, any registration statement or similar document with any government authority for a public offering or private placement of securities? Yes No (If "Yes", please provide applicable prospectus or offering memorandum, if available, and if unable please provide complete details).
3. Is the Applicant or any **Subsidiary** presently considering any acquisition, merger, tender offer, or divestiture that will change the asset and/or revenue base of the Applicant or such **Subsidiary** by 15% or more? Yes No (If "Yes", please attach details).
4. Has the Applicant suspended its dividend payments in the past 24 months or is the Applicant, presently considering such a suspension? Yes No (If "Yes", please attach details).

CORPORATE GOVERNANCE

1. Has the President, Chief Executive Officer, Chief Financial Officer or any Executive Vice President of the Applicant left office within the last three years for any reason other than poor health, death or retirement at normal retirement age? Yes No (If "Yes", please attach details). See attached Schedule A.
2. Does the Applicant's Board of Directors at least annually conduct a formal self-evaluation? Yes No (If "Yes", please attach details).
3. Has the Applicant's Board of Directors adopted the following policies or programs:
 - code of ethics? Yes No
 - insider trading policy? Yes No
 - conflict of interest policy? Yes No
 - revenue recognition policy? Yes No
 - legal compliance program? Yes No See attached Schedule A

If "Yes", attach details regarding the Applicant's distribution and enforcement of each such policy or program. See attached Schedule A.

4. Does the Applicant's Board of Directors have a Governance Committee? Yes No (If "Yes", please attach details regarding the Committee's responsibilities and operations).
5. Has the Applicant's Board of Directors or the Applicant's Audit Committee discussed the following with its independent auditors within the last 24 months? See attached Schedule A.
 - Violation of the Applicant's revenue recognition policy? Yes No
 - Disagreements by the independent auditors regarding the Applicant's accounting issues? Yes No
 - Limitations on the scope of the audit, as imposed by management? Yes No
 - Illegal acts which have come to the attention of the auditors required to be reported to the OSC or SEC? Yes No
 - Any material weakness in internal controls of the Applicant? Yes No
 - Any override of the independent auditors by Applicant's management? Yes No.

If "Yes" to any of the above, attach details.

6. Has the Applicant's independent auditors recommended any past audit adjustments? If "Yes", attach details. **Any recommended adjustments have not been material.**

LOSS/CLAIMS HISTORY

1. Has any insurer cancelled or refused to renew any previous insurance, whether primary or excess, within the past 3 years? Yes No
2. Are there any pending **Claims** against any person or entity for whom this insurance is intended which may fall within the scope of coverage afforded by any policy presently or previously in effect which provides coverage similar to insurance under the proposed Policy? Yes No (If "Yes", please attach a summary description of each **Claim** and any loss payments by any insurers). **As known to insurer.**
- ~~3. Has any person or entity for whom this insurance is intended given notice under the provisions of any other previous or current similar primary or excess insurance policy of any facts or circumstances which may give rise to a **Claim**? Yes No (If "Yes", please attach complete details).~~

IT IS UNDERSTOOD AND AGREED THAT WITH RESPECT TO QUESTIONS 2 AND 3 ABOVE, IF SUCH **CLAIMS** OR NOTICE OF FACTS OR CIRCUMSTANCES EXIST, THEN THOSE **CLAIMS** AND ANY OTHER **CLAIMS** ARISING FROM SUCH **CLAIMS** OR NOTICED FACTS OR CIRCUMSTANCES ARE EXCLUDED FROM THE PROPOSED INSURANCE.

PRIOR KNOWLEDGE

~~Does any person or entity for whom this insurance is intended have any knowledge or information of any actual or alleged act, error, omission, fact or circumstance which may give rise to a **Claim**? Yes No (If "Yes", please attach complete details).~~

~~IT IS UNDERSTOOD AND AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY **CLAIM** ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED INSURANCE.~~

PAST ACTIVITIES

1. During the last 12 months, have the Applicant's outside auditors stated that there are any material weaknesses in the Applicant's system of internal controls? Yes No
2. During the last 3 years, has the Applicant:
- a. changed independent auditors? Yes No
 - b. restated its financial statements? Yes No
 - c. had any changes in the Board of Directors or Senior Management? Yes No **See attached Schedule A.**
3. Does any proposed **Insured** have knowledge of any matter which may cause the Applicant or any **Subsidiary** to restate its financial statements in the next 12 months? Yes No
4. During the last 3 years, has the Applicant or any **Subsidiary** or any other proposed **Insured(s)** been involved in, or are they currently involved in, or have they been threatened to be named in, any of the following:
- a. civil or criminal action, administrative proceeding, formal or informal inquiry, questioning, probing, investigation, inspection, examination, review, whether preliminary or otherwise, by any federal,

- state, or local or foreign administrative agency, including but not limited to the Securities Exchange Commission? Yes No
- b. anti-trust, copyright or patent litigation? Yes No
- c. other criminal actions? Yes No
- d. representative actions, class actions or derivative suits? Yes No
- e. other material litigation? Yes No
5. Within the last 3 years, did the Applicant or any **Subsidiary** engage in any transaction (other than routine transactions in the ordinary course of business) with a natural person who is related to a proposed **Insured Person** or any other organization which controls, is controlled by, is under common control with, or is otherwise affiliated with the Applicant or any **Subsidiary**, or any proposed **Insured Person**?
 Yes No (If "Yes", please attach details).
6. Is the Applicant or any **Subsidiary** currently or has it at any time over the last year been in material breach of any of its debt covenants, loan agreements, contractual obligations, or does it anticipate any such breach occurring in the next 12 months? Yes No (If "Yes", please attach details).

MATERIALS REQUESTED

As part of this Application, please submit the following documents:

1. Most recent audited and interim financial statements of the Applicant with any notes and schedules. **Available online at www.arcticglacier.com.**
2. Copies of the Applicant's by-laws and articles of incorporation relating to indemnification of proposed Insured Persons. **See attached Schedule A and materials referenced therein.**
3. Copies of Individual contractual indemnities provided by the Applicant to any Insured Person(s). **See attached Schedule A and materials referenced therein.**
4. If applicable, the most recent annual report and SEC Form 10-K of the Applicant and any subsequent SEC filings by the Applicant (e.g., Forms 10-Q, 8-K or 13D). **Sec Form 10-K not applicable.**
5. If applicable, the prospectus for any securities offering planned or expected within the next year (if available). **N/A**
6. The Applicant's notice to shareholders and proxy statement for both the last and next scheduled annual meeting (if available). **See SEDAR – Management Information Circular**
7. Most recent auditors' letter to management on internal controls and management's response. **N/A**

The persons signing this Application declare that to the best of their knowledge the statements set forth herein and the information in the materials submitted herewith are true and correct and that reasonable efforts have been made to obtain sufficient information from all proposed **Insured(s)** to facilitate the proper and accurate completion of this Application for the proposed policy. Signing of this Application does not bind the undersigned to purchase the insurance, but it is agreed that this Application shall be the basis of the contract should a policy be issued.

The undersigned agree that if after the date of this **Application** and prior to the effective date of any policy based on this **Application**, any occurrence, event or other circumstance should render any of the information contained in this **Application** or the information in the materials submitted herewith or incorporated herein inaccurate or incomplete, then the undersigned shall notify the **Insurer** or the **Excess Insurer** of such occurrence, event or circumstance and shall provide the **Insurer** or the **Excess Insurer** with information that would complete, update or correct such information. Any outstanding quotations may be modified or withdrawn at the sole discretion of the **Insurer** or the **Excess Insurer**.

This **Application** and any material submitted herewith shall be maintained on file by the **Insurer** or the **Excess Insurer**, shall be deemed attached as if physically attached to the proposed Policy and shall be considered as incorporated into and constituting a part of the proposed Policy.

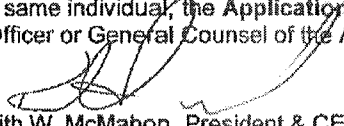
The information requested in this **Application** is for underwriting purposes only and does not constitute notice to the **Insurer** or the **Excess Insurer** under any policy of a **Claim** or potential **Claim**. All such notices must be submitted to the **Insurer** or the **Excess Insurer** pursuant to the terms of the Policy, if and when issued.

NOTICE: ANY PERSON WHO KNOWINGLY OR WITH INTENT TO DEFRAUD OR TO FACILITATE A FRAUD AGAINST ANY INSURANCE COMPANY OR OTHER PERSON SUBMITS AN APPLICATION OR FILES A CLAIM FOR INSURANCE CONTAINING FALSE, DECEPTIVE OR MISLEADING INFORMATION, MAY BE GUILTY OF INSURANCE FRAUD.

This **Application** must be signed by the Chairman of the Board and the President of the Applicant. If the Chairman of the Board and President are the same individual, the **Application** must also be signed by the Chief Financial Officer, Chief Operating Officer or General Counsel of the Applicant.

Date: November 30, 2011

Signature:



Title: Keith W. McMahon, President & CEO/Director

Date: _____

Signature:

Title: Hugh A. Adams, Corporate Secretary/Outside Legal Counsel

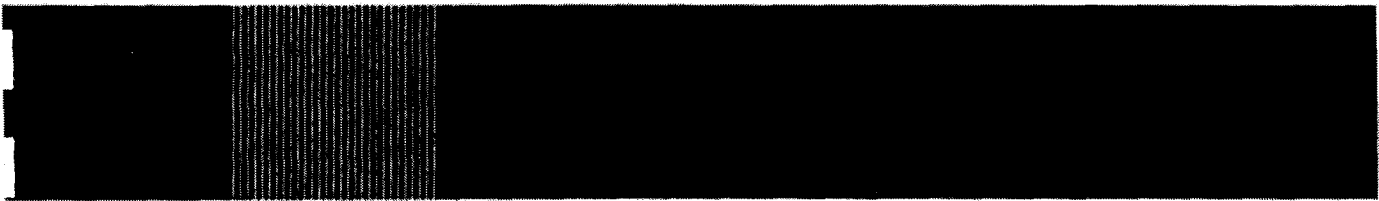
A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED.



Policy Contract Documentation

Please find enclosed the full terms and conditions of the insurance arranged with the insurer(s) on your behalf.

We recommend that you read and store this document carefully and contact Marsh Ltd immediately should you have any questions or concerns.



MARSH

X

Gracyn Oliver

Jan 12/11

CONTRACT NO.
ZA045011 (1)

RISK DETAILS

**UNIQUE MARKET
REFERENCE:**

B0509ZA045011

TYPE:

Excess Directors and Officers and Company Reimbursement Indemnity.

NAMED INSURED:

Arctic Glacier Income Fund

PRINCIPAL ADDRESS:

625 Henry Avenue
Winnipeg
Manitoba R3A 0V1
Canada

PERIOD:

From: 31st December, 2011
To: 31st December, 2012

Both days at 12:01 a.m. Local Standard Time at the Principal Address.

INTEREST:

Excess Directors and Officers and Company Reimbursement Indemnity.

LIMIT OF LIABILITY:

CAD 15,000,000 in the aggregate for the Policy Period

Excess of:

CAD 10,000,000 in the aggregate for the Policy Period

Which in turn excess of the Insured's Self-Insured Retention

SITUATION:

Worldwide

CONDITIONS:

Wording: Marsh Canada Limited Excess Quota Share
Wording Version 11 (02/2011)

1. Insure In Canada A Risk Clause LSW 1669, as attached;
2. Insure In Canada A Risk Clause LSW 1671, as attached;
3. London Amendatory Endorsement, as attached.
4. Sanction Limitation and Exclusion Clause (JH2010/009), as attached

RECEIVED

JAN 16 2012

MARSH CANADA LIMITED
WINNIPEG

CONTRACT NO.
ZA045011 (1)

**CHOICE OF LAW
AND JURISDICTION:** As per the attached wording and Service of Suit Clause.

PREMIUM: CAD72,500

PAYMENT TERMS: None.

**TAX(ES) PAYABLE
BY THE INSURED AND
ADMINISTERED BY
INSURERS:** None

**INSURER CONTRACT
DOCUMENTATION:** This document details the contract terms entered into by the Insurer(s)
and constitutes the contract document.

CONTRACT NO.
ZA045011 (1)

INFORMATION

The following information has been seen by insurers and will be held on files at the offices of Marsh Ltd; however, it is understood and agreed that this information does not form part of the Contract:

1. Arctic Glacier Income Fund Third Quarter Results for three months ended September 30th 2011
2. Arctic Glacier Income Fund Annual Report and Accounts for year ended December 31st 2011
3. Arch Application for Directors and Officers Liability Insurance, signed and dated November 30th 2011
4. Arch Directors and Officers Liability Primary Terms
5. Conference Call and Presentation on 17th November 2011.
6. Arctic Glacier Income Fund TSX Delisting News Release dated November 21st 2011

CONTRACT NO.
ZA045011 (1)

SECURITY DETAILS

**(RE)INSURER'S
LIABILITY:**

LMA3333

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

CONTRACT NO.
ZA045011 (1)

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

**ORDER
HEREON:**

100% of 100%

**BASIS OF WRITTEN
LINES:**

Percentage of whole

**SIGNING
PROVISIONS:**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the underwriters.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the underwriters and all underwriters whose lines are to be varied. The variation to the contracts will take effect only when all such underwriters have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

CONTRACT NO.
ZA045011 (1)

In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the leading (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

SCHEDULE OF INSURERS:

HEREON: 100.0000%

81.0000%	Lloyd's Underwriter Syndicate No. 2623 AFB, LONDON
19.0000%	Lloyd's Underwriter Syndicate No. 0623 AFB, LONDON
<hr/>	
100.0000%	



Authorised Signatory
for and on behalf of Marsh Ltd

RELATING TO
CONTRACT NO.
ZA045011 (1)

MARSH LTD

PAGE 1 OF 10

ATTACHMENTS

RELATING TO
 CONTRACT NO.
 ZA045011 (1)

MARSH CANADA LIMITED EXCESS QUOTA SHARE WORDING VERSION 11 (02/2011)

- Item 1. Insured: Arctic Glacier Income Fund
- Mailing Address: 625 Henry Avenue
 Winnipeg
 Manitoba R3A 0V1
 Canada
- Item 2. Policy Period: From: 31st December, 2011
 To: 31st December, 2012
 Both days at 12:01a.m. Local Time at the
 time at the address shown in Item 1.
- Item 3. Limit of Liability: CAD 15,000,000 in the aggregate for the Policy Period.
- Item 4 Follow Form Sublimited Coverages in Underlying Insurance(s)

Coverage	Sublimit of Liability	Excess of (Underlying SubLimit)
None		

Item 5. Layer Premium: CAD 72,500

Item 6. Underlying Insurance

- (A) Primary Policy:
- | | |
|-------------------------|--|
| Insurer: | Arch Insurance Company of Canada |
| Policy No.: | As detailed therein |
| Limits of Liability: | CAD 10,000,000 |
| Retentions/Deductibles: | CAD 50,000 / CAD 150,000 |
| Policy Period: | 12 months from 31 st December, 2011 |

RELATING TO
CONTRACT NO.
ZA045011 (1)

Item 7. Schedule of Insurers / Co-insurers

Underwriter	Policy Number	Underwriter Premium Share	Underwriter Interest	Notice of Claims/ Circumstances
Lloyd's Syndicate AFB 2623/623	ZA045011	CAD 72,500	100%	SEDGWICK, DETERT MORAN & ARNOLD LLP 125 Broad Street, 39 th Floor, New York, NY 10004-2400, USA.

Item 8. Commission: 20%

Item 9. Prior and Pending Litigation Date: 23rd March, 2002

RELATING TO
CONTRACT NO.
ZA045011 (1)

I. INSURING AGREEMENT AND MAINTENANCE OF UNDERLYING INSURANCE

In consideration of the premium paid Underwriters and the Insured agree as follows:

- A. Underwriters shall provide the Insured with insurance during the Policy Period, as set forth in Item 2 of the Declarations, which is excess of the total limits of liability and any retention or deductible amounts under the Underlying Insurance, as set forth in Item 6 of the Declarations.
- B. Except as otherwise provided in the Declarations or by any endorsement attached hereto, this policy is subject to the same insuring clauses, definitions, terms and conditions, exclusions, cancellation provisions and all other provisions of the Underlying Insurance. This policy shall not provide coverage broader than that provided by any Underlying Insurance and no changes to the Primary Policy made subsequent to its issuance shall be binding upon Underwriters under this policy unless specifically agreed to in writing by Underwriters, which agreement shall not be unreasonably withheld.
- C. This policy provides excess coverage only. It is a condition of this policy that the Underlying Insurance shall be maintained in full effect during the term of this policy, except for any reduction or exhaustion of the aggregate limits contained therein by reason of payment of loss. In the event an Underlying Insurer fails to pay loss in connection with any claim as a result of the insolvency, bankruptcy or liquidation of said insurer, then the Insured shall be deemed self-insured for the amount of the limit of liability of said insurer which is not paid as a result of such insolvency, bankruptcy or liquidation.

II. LIMIT OF LIABILITY, PAYMENTS UNDER UNDERLYING INSURANCE AND SEVERAL LIABILITY NOTICE

- A. The Limit of Liability, as set forth in Item 3 of the Declarations, shall be the maximum Limit of Liability of Underwriters under this policy. The maximum limit of liability for each Underwriter shall be limited solely to their individual Underwriter Interest as set forth in Item 7 of the Declarations.
- B. Underwriters shall be liable hereunder only after the Insurers of the Underlying Insurance, the Insured and/or any insurer providing coverage for loss on a difference in conditions basis, if applicable, shall have paid or have been held liable to pay the full amount of the limits of liability of the Underlying Insurance.
- C. In the event of the reduction or exhaustion of the limits of liability of the Underlying Insurance by reason of payment of loss by either the Insurers of the Underlying Insurance, the Insured and/or any insurer providing coverage for loss on a difference in conditions basis, if applicable, this policy shall:
 - (a) in the event of reduction, continue in force excess of the reduced aforementioned Limits of Liability of the Underlying Insurance, and
 - (b) in the event of exhaustion, continue in force as primary insurance; provided that this policy shall only pay excess of any applicable retention or deductible amount(s) under the Primary Policy which shall be applied to any subsequent loss in the same manner as specified in the Primary Policy.
- D. This policy shall follow the coverage(s) as set forth in Item 4 of the Declarations. The maximum sublimit of liability for such loss shall be no greater than as set forth in Item 4 of the Declarations. This sublimit shall be part of and not in addition to the aggregate Limit of liability stated in Item 3 of the Declarations.

RELATING TO
CONTRACT NO.
ZA045011 (1)

- E. The Underwriters will recognize erosion of the Underlying Insurance whether or not cover provided in such Underlying Insurance is also provided by this excess policy.
- F. The Underwriters' obligations are several and not joint and are limited solely to the extent of their individual Underwriter Interest, as set forth in Item 7 of the Declarations.

III. NOTICE

- A. The Insured shall notify each Underwriter(s) of any claim or any circumstance that could give rise to a claim in the same manner required by the provisions of the Primary Policy. In all cases, notice should be provided to the attention of each Underwriter(s) claims departments as set out in Item 7 of the Declarations.
- B. In addition to any rights set forth in the Primary Policy, the Underwriter(s) may elect to participate in the investigation, settlement or defence of any claim(s) against any of the Insureds for matters covered by this policy even if the Underlying Insurance has not been exhausted.
- C. Underwriter(s) shall retain the right to accept or deny any claim(s), issue reservations of rights letters, monitor or manage any claim(s) and consent to settle any claim(s) for its proportion of the Limit of Liability.
- D. The Underwriter(s) shall be given notice as soon as practicable in the event of (a) any significant changes in the status or development of any claim (s), (b) the termination of any Underlying Insurance, (c) any additional or return premiums charged or allowed in connection with any Underlying Insurance, or (c) any change to the Underlying Insurance.

IV. DISPUTE RESOLUTION PROCESS AND GOVERNING LAW

Unless specifically outlined by the provisions of the Primary Policy, all disputes which may arise under this policy between the Insured and the Underwriter(s) shall be subject to the dispute resolution process set forth in this clause. The Insured's choice of dispute resolution process shall control.

The Insured and the Underwriter(s) agree that there shall be two choices of dispute resolution process: (1) non-binding mediation under the rules of the American Arbitration Association or by ADR Chambers or similar organization in the province in Canada in which this policy is issued. The Insured and the Underwriter(s) shall try in good faith to settle the dispute by mediation under or in accordance with its then-prevailing Commercial Mediation Rules; or (2) arbitration, in accordance with the Ontario Arbitration Act, 1991 S.O. 1991, c.17 or by the similar law of the province in Canada in which this policy is issued. In either mediation or arbitration, the mediator(s) or arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator(s) or arbitrators shall also give due consideration to the general principles of the law of the province where the Insured is incorporated or formed in the construction or interpretation of the provisions of this policy. In the event of arbitration, the decision of the arbitrator shall be final and binding and provided to both parties, and the arbitrators' award shall not include attorneys fees or other costs. In the event of mediation, either party shall have the right to commence judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least 120 days shall have elapsed from the date of the termination of the mediation.

**RELATING TO
CONTRACT NO.
ZA045011 (1)**

In all events, the parties shall share equally the expenses of the dispute resolution process.

It is understood and agreed by both the Insured and Underwriter(s) that the governing law and any dispute concerning the interpretation of this policy shall be governed by the law of the province in Canada in which this policy is issued.

V. AUTHORSHIP CLAUSE

The language of this policy is the language of the Underwriters.

RELATING TO
CONTRACT NO.
ZA045011 (1)

INSURE IN CANADA A RISK

For the purposes of the Insurance Companies Act (Canada), this document was issued in the course of Lloyd's Underwriters' insurance business in Canada.

01/10
LSW1669

INSURE IN CANADA A RISK

For the purposes of the Insurance Companies Act (Canada), Lloyd's Underwriters will take measures to ensure that the policyholder's liabilities in respect of risks will be insured in Canada in accordance with the criteria set out in OSFI's Advisory (2007-01) entitled "Insurance in Canada of Risks" and that as a result, the related policy be issued in the course of Lloyd's Underwriters' insurance business in Canada.

01/10
LSW1671

All other terms and conditions remain unchanged.

RELATING TO
CONTRACT NO.
ZA045011 (1)

LONDON AMENDATORY ENDORSEMENT

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

1. Clause III. **NOTICE OF CLAIMS AND CLAIMS ASSOCIATION A.** is deleted and replaced with the following:
 - A. Notice of any claims shall be made in accordance with the provisions of the Primary Policy to the attention of the firm or Underwriter(s) claims departments as set out in Item 7 of the Declarations.
2. Clause V. **AUTHORSHIP CLAUSE** is deleted in its entirety.

All other terms and conditions remain unchanged.

RELATING TO
CONTRACT NO.
ZA045011 (1)

Sanction Limitation and Exclusion Clause

No (re) insurer shall be deemed to provide cover and no (re) insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that provision of such cover, payment of such claim or provision of such benefit would expose that (re) insurer to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America
(JH2010/009)

**RELATING TO
CONTRACT NO.
ZA045011 (1)**

SERVICE OF SUIT

In any action to enforce the obligations of the Underwriters liable hereunder they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters liable hereunder as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155, rue Metcalfe, Suite 2220, Montreal, Quebec, H3B 2V6.

All other terms and conditions remain unchanged

CONTRACT NO.
ZA045011 (1)

RISK DETAILS

UNIQUE MARKET
REFERENCE:

B0509ZA045011

TYPE:

Excess Directors and Officers and Company Reimbursement
Indemnity.

NAMED INSURED:

Arctic Glacier Income Fund

PRINCIPAL ADDRESS:

625 Henry Avenue
Winnipeg
Manitoba R3A 0V1
Canada

RECEIVED

DEC 14 2011

MARSH CANADA LIMITED
WINNIPEG

PERIOD:

From: 31st December, 2011
To: 31st December, 2012

Both days at 12:01 a.m. Local Standard Time at the Principal
Address.

INTEREST:

Excess Directors and Officers and Company Reimbursement
Indemnity.

LIMIT OF LIABILITY:

CAD 15,000,000 In the aggregate for the Policy Period

Excess of:

CAD 10,000,000 in the aggregate for the Policy Period

Which in turn excess of the Insured's Self-Insured Retention

SITUATION:

Worldwide

CONDITIONS:

Wording: Marsh Canada Limited Excess Quota Share
Wording Version 11 (02/2011)

1. Insure In Canada A Risk Clause LSW 1669, as attached;
2. Insure In Canada A Risk Clause LSW 1671, as attached;
3. London Amendment Endorsement, as attached.

<p>AJB 13 R 11</p>
<p>Lead (re)insurer</p>

CONTRACT NO.
ZA045011 (1)

**CHOICE OF LAW
AND JURISDICTION:** As per the attached wording and Service of Suit Clause.

PREMIUM: CAD72,500

PAYMENT TERMS: None.

**TAX(ES) PAYABLE
BY THE INSURED AND
ADMINISTERED BY
INSURERS:** None

**INSURER CONTRACT
DOCUMENTATION:** This document details the contract terms entered into by the
Insurer(s) and constitutes the contract document.

AS 13 1 1
Lead (re)insurer

CONTRACT NO.
ZA045011 (1)

INFORMATION

The following information has been seen by insurers and will be held on files at the offices of Marsh Ltd; however, it is understood and agreed that this Information does not form part of the Contract:

1. Arctic Glacier Income Fund Third Quarter Results for three months ended September 30 2011
2. Arctic Glacier Income Fund Annual Report and Accounts for year ended December 31st 2011
3. Arch Application for Directors and Officers Liability Insurance, signed and dated November 30th 2011
4. Arch Directors and Officers Liability Primary Terms
5. Conference Call and Presentation on 17th November 2011.
6. Arctic Glacier Income Fund TSX Delisting News Release dated November 21st 2011

AM 11/11
Lead (re)insurer

CONTRACT NO.
ZA045011 (1)

SECURITY DETAILS

**(RE)INSURER'S
LIABILITY:**

LMA3333

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

<p>AM 17 12 11</p>
<p>Lead (re)insurer</p>

CONTRACT NO.
ZA045011 (1)

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

ORDER
HEREON:

100% of 100%

BASIS OF WRITTEN
LINES:

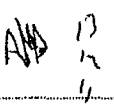
Percentage of whole

SIGNING
PROVISIONS:

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the underwriters.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the underwriters and all underwriters whose lines are to be varied. The variation to the contracts will take effect only when all such underwriters have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.


Lead (re)insurer

MARSH LTD

CONTRACT NO.
ZA045011 (1)

In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the leading (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

WRITTEN LINES: 100% Beazley

100%
to
stand

beazley		AFB 2623 81%	
		AFB 623 19%	
JR927	Z	11	APDR DS
		UW	TX11
SIC5999	CORE \$	S% 30	
MCAP \$160,000,000			
RETAIL STORES			

MS 13
H

MS 13 12 11
Lead (re)insurer

MARSH LTD

PAGE 1 OF 6

RELATING TO
CONTRACT NO.
ZA045011 (1)

CONTRACT ADMINISTRATION

AND

ADVISORY

DETAILS

BA	11
	11
	11
Lead (re)insurer	

RELATING TO
CONTRACT NO.
ZA045011 (1)

SUBSCRIPTION AGREEMENT

SLIP LEADER: AFB 2623/623

**BASIS OF AGREEMENT
TO CONTRACT
CHANGES:**

GUA (October 2001) with Non-Marine Schedule (October 2001).

31 days extension, if required by the Insured/Policyholder, at terms and conditions to be agreed by the Slip Leader on behalf of all Underwriters hereon.

All Notice of Cancellation at Anniversary Date terms are amended to provide Notice of Cancellation at Expiry Date, including subsequent period extensions.

Where a following Insurer has charged a different contract premium to that required by the Slip Leader and there is a contract change which (a) is binding upon the following Insurers with the agreement of the Slip Leader only (and any additional agreement party if present), and (b) involves premium adjustment which is not already provided for within the terms of the contract, then the following Insurers agree to follow the premium adjustment agreed by the Slip Leader in the same ratio as their respective contract premium bears to that of the Slip Leader.

**OTHER AGREEMENT
PARTIES FOR
CONTRACT CHANGES,
FOR PART 2 GUA
CHANGES ONLY:**

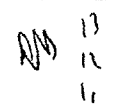
Slip Leader only to agree Part Two changes.

**AGREEMENT PARTIES
FOR CONTRACT
CHANGES, FOR
THEIR PROPORTION
ONLY:**

None, unless specified.

**BASIS OF CLAIMS
AGREEMENT:**

Claims will be managed in accordance with the Lloyd's 2006 Claims Scheme and IUA Claims Agreement practices.

<p>  13 12 11 </p>
<p>Lead (re)insurer</p>

RELATING TO
CONTRACT NO.
ZA045011 (1)

CLAIMS AGREEMENT

PARTIES:

Leading Lloyd's Underwriter and Xchanging Claims Services (XCS) (on behalf of the remaining Lloyd's Underwriters). First IUA company on behalf of bureau insurers. Non-bureau companies to agree claims subject to their own claims agreement procedures.

CLAIMS

ADMINISTRATION:

Marsh Ltd, at its discretion, will enter Claims advices into the respective market's CLASS systems. In that event, all Insurers are to use their respective market's CLASS system for claims advice and settlement.

Where applicable or available, E-mail will be used by Marsh Ltd for distribution of claim file information to Insurers in support of the CLASS entry.

Extension of time to file a proof of loss to be agreed:

- (a) if the Slip Leader is a non-Lloyd's Underwriter, by the Slip Leader and Lloyds Claims Agreement Parties only; or
- (b) if the Slip Leader is a Lloyd's Underwriter, by the Lloyds Claims Agreement Parties only.

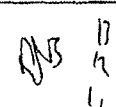
Notwithstanding any contrary provisions concerning notification contained in applicable policy wording(s) to which this agreement applies; and

In the absence of a condition specifically nominating a party to whom notice must be given (other than Insurers); and

Provided that notification otherwise fully satisfies policy conditions; then the Insured/Policyholder and/or its intermediary will be regarded as having complied with notification provisions when Marsh Ltd (or its subsidiary or successor entities) receives notification by email, facsimile or post. Marsh will notify Insurers in accordance with normal market practice, including the Lloyd's 2006 Claims Scheme and IUA Claims Agreement Practices.

**RULES AND EXTENT
OF ANY OTHER
DELEGATED CLAIMS
AUTHORITY:**

None.


Lead (re)insurer

RELATING TO
CONTRACT NO.
ZA045011 (1)

**EXPERT(S) FEES
COLLECTION:**

An appointed service provider is to collect from all contract security, including overseas security.

**SETTLEMENT
DUE DATE:**

45 days from inception.

**BUREAUX
ARRANGEMENTS:**

De-linked accounts to be presented by Marsh Ltd to XIS.

Bureau Underwriters agree to allow XIS not to "group" associated de-linked signings. Each individual de-linked signing may be released for settlement to XIS independently of any other associated items.

Claims and/or return premiums may be collected and taken down on production of a copy (including a photocopy) and/or duplicate of the applicable slip or policy.

Xchanging Ins-Sure Services (XIS) are to sign all Policies as presented as agreed by the Slip Leader.

Presentation to XIS of a signing slip with a premium warranty or prompt payment condition for a Signing Number and Date within the timeframe specified within the warranty or condition shall be sufficient evidence of compliance and payment to all Insurers participating hereon. Subsequent rejection shall not affect the fact that the Warranty has been met by the original Presentation and therefore no further update of the due date is required.


Insurers agree that where a Premium Payment Condition or Premium Payment Warranty applies where the date of said payment is due later than the agreed Settlement Due Date, the Settlement Due Date shall be extended so as to be the same as the Premium Payment Condition or Premium Payment Warranty.

Insurers agree to sign Stage One, regardless of any subjectivities that may appear with this contract.

In respect of Additional Premium signings, the Settlement Due Date will follow the same payment period allowed under the original contract. However, the payment period shall commence from the date of agreement of the Endorsement and not the effective date.

**NON-BUREAUX
ARRANGEMENTS:**

None.


Lead (re)insurer

MARSH LTD

PAGE 5 OF 6

RELATING TO
CONTRACT NO.
ZA045011 (1)

FISCAL AND REGULATORY

**TAX PAYABLE BY
INSURER(S):** None.

COUNTRY OF ORIGIN: Canada.

OVERSEAS BROKER: Marsh Canada Limited,
161 Bay Street
Suite 1400, Toronto,
Ontario M5J 2S4,
Canada.

U.S. CLASSIFICATION: Non-Regulated.

**ALLOCATION OF
PREMIUM TO CODING:** D3:100%

**F.S.A. CLIENT
CLASSIFICATION:** Large Risk

<i>RM</i> 17 2 4
Lead (re)insurer


RELATING TO
CONTRACT NO.
ZA045011 (1)

BROKER REMUNERATION & DEDUCTIONS

FEE PAYABLE
BY CLIENT: No

TOTAL BROKERAGE: 20% (Split 12.5% to Marsh Canada and 7.5% to Marsh London)

OTHER DEDUCTIONS
FROM PREMIUM: None

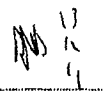
 13
12
11
Lead (re)insurer

MARSH LTD

PAGE 1 OF 9

RELATING TO
CONTRACT NO.
ZA045011 (2)

ATTACHMENTS


Lead (re)insurer

RELATING TO
CONTRACT NO.
ZA045011 (2)

MARSH CANADA LIMITED EXCESS QUOTA SHARE WORDING VERSION 11 (02/2011)

- Item 1. Insured: Arctic Glacier Income Fund
Mailing Address: 625 Henry Avenue
Winnipeg
Manitoba R3A 0V1
Canada
- Item 2. Policy Period: From: 31st December, 2011
To: 31st December, 2012
Both days at 12:01a.m. Local Time at the
time at the address shown in Item 1.
- Item 3. Limit of Liability: CAD 15,000,000 in the aggregate for the Policy Period.
- Item 4 Follow Form Sublimited Coverages in Underlying Insurance(s)

Coverage	Sublimit of Liability	Excess of (Underlying SubLimit)
None		

Item 5. Layer Premium: CAD 72,500

Item 6. Underlying Insurance

(A) Primary Policy: Insurer: Arch Insurance Company of
Canada
Policy No.: As detailed therein
Limits of Liability: CAD 10,000,000
Retentions/Deductibles: CAD 50,000 / CAD 150,000
Policy Period: 12 months from
31st December, 2011

17
11
11

Lead (re)insurer


RELATING TO
CONTRACT NO.
ZA045011 (2)

Item 7. Schedule of Insurers / Co-insurers

Underwriter	Policy Number	Underwriter Premium Share	Underwriter Interest	Notice of Claims/ Circumstances
Lloyd's Syndicate AFB 2623/623	ZA045011	CAD 72,500	100%	SEDGWICK, DETERT MORAN & ARNOLD LLP 125 Broad Street, 39 th Floor, New York, NY 10004-2400, USA.

Item 8. Commission: 20%

Item 9. Prior and Pending Litigation Date: 23rd March, 2002


Lead (re)insurer

RELATING TO
CONTRACT NO.
ZA045011 (2)

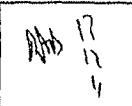
I. INSURING AGREEMENT AND MAINTENANCE OF UNDERLYING INSURANCE

In consideration of the premium paid Underwriters and the Insured agree as follows:

- A. Underwriters shall provide the Insured with insurance during the Policy Period, as set forth in Item 2 of the Declarations, which is excess of the total limits of liability and any retention or deductible amounts under the Underlying Insurance, as set forth in Item 6 of the Declarations.
- B. Except as otherwise provided in the Declarations or by any endorsement attached hereto, this policy is subject to the same insuring clauses, definitions, terms and conditions, exclusions, cancellation provisions and all other provisions of the Underlying Insurance. This policy shall not provide coverage broader than that provided by any Underlying Insurance and no changes to the Primary Policy made subsequent to its issuance shall be binding upon Underwriters under this policy unless specifically agreed to in writing by Underwriters, which agreement shall not be unreasonably withheld.
- C. This policy provides excess coverage only. It is a condition of this policy that the Underlying Insurance shall be maintained in full effect during the term of this policy, except for any reduction or exhaustion of the aggregate limits contained therein by reason of payment of loss. In the event an Underlying Insurer fails to pay loss in connection with any claim as a result of the insolvency, bankruptcy or liquidation of said insurer, then the Insured shall be deemed self-insured for the amount of the limit of liability of said insurer which is not paid as a result of such insolvency, bankruptcy or liquidation.

II. LIMIT OF LIABILITY, PAYMENTS UNDER UNDERLYING INSURANCE AND SEVERAL LIABILITY NOTICE

- A. The Limit of Liability, as set forth in Item 3 of the Declarations, shall be the maximum Limit of Liability of Underwriters under this policy. The maximum limit of liability for each Underwriter shall be limited solely to their individual Underwriter Interest as set forth in Item 7 of the Declarations.
- B. Underwriters shall be liable hereunder only after the Insurers of the Underlying Insurance, the Insured and/or any insurer providing coverage for loss on a difference in conditions basis, if applicable, shall have paid or have been held liable to pay the full amount of the limits of liability of the Underlying Insurance.
- C. In the event of the reduction or exhaustion of the limits of liability of the Underlying Insurance by reason of payment of loss by either the Insurers of the Underlying Insurance, the Insured and/or any insurer providing coverage for loss on a difference in conditions basis, if applicable, this policy shall:
 - (a) in the event of reduction, continue in force excess of the reduced aforementioned Limits of Liability of the Underlying Insurance, and
 - (b) in the event of exhaustion, continue in force as primary insurance; provided that this policy shall only pay excess of any applicable retention or deductible amount(s) under the Primary Policy which shall be applied to any subsequent loss in the same manner as specified in the Primary Policy.


Lead (re)insurer

RELATING TO
CONTRACT NO.
ZA045011 (2)

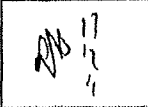
- D. This policy shall follow the coverage(s) as set forth in Item 4 of the Declarations. The maximum sublimit of liability for such loss shall be no greater than as set forth in Item 4 of the Declarations. This sublimit shall be part of and not in addition to the aggregate Limit of liability stated in Item 3 of the Declarations.
- E. The Underwriters will recognize erosion of the Underlying Insurance whether or not cover provided in such Underlying Insurance is also provided by this excess policy.
- F. The Underwriters' obligations are several and not joint and are limited solely to the extent of their individual Underwriter Interest, as set forth in Item 7 of the Declarations.

III. NOTICE

- A. The Insured shall notify each Underwriter(s) of any claim or any circumstance that could give rise to a claim in the same manner required by the provisions of the Primary Policy. In all cases, notice should be provided to the attention of each Underwriter(s) claims departments as set out in Item 7 of the Declarations.
- B. In addition to any rights set forth in the Primary Policy, the Underwriter(s) may elect to participate in the investigation, settlement or defence of any claim(s) against any of the Insureds for matters covered by this policy even if the Underlying Insurance has not been exhausted.
- C. Underwriter(s) shall retain the right to accept or deny any claim(s), issue reservations of rights letters, monitor or manage any claim(s) and consent to settle any claim(s) for its proportion of the Limit of Liability.
- D. The Underwriter(s) shall be given notice as soon as practicable in the event of (a) any significant changes in the status or development of any claim (s), (b) the termination of any Underlying Insurance, (c) any additional or return premiums charged or allowed in connection with any Underlying Insurance, or (c) any change to the Underlying Insurance.

IV. DISPUTE RESOLUTION PROCESS AND GOVERNING LAW

Unless specifically outlined by the provisions of the Primary Policy, all disputes which may arise under this policy between the Insured and the Underwriter(s) shall be subject to the dispute resolution process set forth in this clause. The Insured's choice of dispute resolution process shall control.


Lead (re)insurer

RELATING TO
CONTRACT NO.
ZA045011 (2)

The Insured and the Underwriter(s) agree that there shall be two choices of dispute resolution process: (1) non-binding mediation under the rules of the American Arbitration Association or by ADR Chambers or similar organization in the province in Canada in which this policy is issued. The Insured and the Underwriter(s) shall try in good faith to settle the dispute by mediation under or in accordance with its then-prevailing Commercial Mediation Rules; or (2) arbitration, in accordance with the Ontario Arbitration Act, 1991 S.O. 1991, c.17 or by the similar law of the province in Canada in which this policy is issued. In either mediation or arbitration, the mediator(s) or arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. The mediator(s) or arbitrators shall also give due consideration to the general principles of the law of the province where the Insured is incorporated or formed in the construction or interpretation of the provisions of this policy. In the event of arbitration, the decision of the arbitrator shall be final and binding and provided to both parties, and the arbitrators' award shall not include attorneys fees or other costs. In the event of mediation, either party shall have the right to commence judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least 120 days shall have elapsed from the date of the termination of the mediation.

In all events, the parties shall share equally the expenses of the dispute resolution process.

It is understood and agreed by both the Insured and Underwriter(s) that the governing law and any dispute concerning the interpretation of this policy shall be governed by the law of the province in Canada in which this policy is issued.

V. AUTHORSHIP CLAUSE

The language of this policy is the language of the Underwriters.

13 12 11
Lead (re)insurer

RELATING TO
CONTRACT NO.
ZA045011 (2)

INSURE IN CANADA A RISK

For the purposes of the Insurance Companies Act (Canada), this document was issued in the course of Lloyd's Underwriters' insurance business in Canada.


01/10
LSW1669

INSURE IN CANADA A RISK

For the purposes of the Insurance Companies Act (Canada), Lloyd's Underwriters will take measures to ensure that the policyholder's liabilities in respect of risks will be insured in Canada in accordance with the criteria set out in OSFI's Advisory (2007-01) entitled "Insurance in Canada of Risks" and that as a result, the related policy be issued in the course of Lloyd's Underwriters' insurance business in Canada.

01/10
LSW1671

All other terms and conditions remain unchanged.


Lead (re)insurer


RELATING TO
CONTRACT NO.
ZA045011 (2)

LONDON AMENDATORY ENDORSEMENT

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

1. Clause III. **NOTICE OF CLAIMS AND CLAIMS ASSOCIATION A.** Is deleted and replaced with the following:
 - A. Notice of any claims shall be made in accordance with the provisions of the Primary Policy to the attention of the firm or Underwriter(s) claims departments as set out in Item 7 of the Declarations.
2. Clause V. **AUTHORSHIP CLAUSE** is deleted in its entirety.

All other terms and conditions remain unchanged.


Lead (re)insurer

RELATING TO
CONTRACT NO.
ZA045011 (2)

SERVICE OF SUIT

In any action to enforce the obligations of the Underwriters liable hereunder they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters liable hereunder as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155, rue Metcalfe, Suite 2220, Montreal, Quebec, H3B 2V6.

All other terms and conditions remain unchanged

ANS 17
12
4

Lead (re)insurer



December 13, 2011

Producer Contact: Carolyn Oliver - Marsh Toronto
Producer: MARSH CANADA LIMITED
Producer Address: ONE LOMBARD PLACE #1420
WINNIPEG, MB R3B0X3

RECEIVED
DEC 14 2011
MARSH CANADA LIMITED
WINNIPEG

RE: Confirmation of Binding for

Account Number: 414454
Account: ARCTIC GLACIER INCOME FUND
Account Address: 625 HENRY AVENUE
WINNIPEG, MB R3A0V1

Dear Carolyn :

On behalf of Chubb Insurance Company of Canada, we are pleased to bind coverage on the following terms:

- This Executive Elite Directors and Officers Liability Insurance Policy will be issued by Chubb Insurance Company of Canada on Form CE 14-02-12445 (Ed. 04/2008)

- Policy Number: 8211-1607
- Limits Of Liability Each Claim: \$10,000,000 (inclusive of defense expenses)
- Limits Of Liability Each Policy Period: \$10,000,000 (inclusive of defense expenses)
- Total Underlying Limits of Liability: \$25,000,000

- Primary Underlying Carrier	Limit of Liability
Arch Insurance Company	\$10,000,000
- Excess Underlying Carrier(s)	Limit of Liability
Lloyd's Syndicate AFB 2623 / 623	\$15,000,000

- Policy Period: From December 31, 2011 To December 31, 2012

- Premium: \$66,250.00 Due 60 days from the end of the month in which the premium is EFFECTIVE.

- Commission: 15.00%

- Billing Type: Agency Bill

- Extended Reporting Period:

Additional Period: 1 year / 3 year

Additional Premium: at 150% / 200% of Annualized Premium for Expiring Policy Period

DISCOVERY PERIOD FOLLOWING A FILING UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT

1) 1 Year @ 200% of Annual Premium

December 13, 2011

2) 3 Years @ 250% of Annual Premium

- Endorsements: The titles and headings are for convenience only. Please refer to the policy and endorsements for a description of coverage.

CE 14-02-15881(11/08 ed.)	Rating Downgrade Cancellation Endorsement
CE 14-02-15949(4/09 ed.)	Specific Matters Exclusion – Dobbie/Benson, as expiring
CE 14-02-15950(4/09 ed.)	Reliance on competitors application Arch Application dated November 30, 2011
CE 14-02-16283(1/11 ed.)	Multiple Coverage Enhancements including the deletion of the O vs IP Exclusion

Important

Term of Binder:

From: 12:01 a.m. on December 31, 2011

To: 12:01 a.m. on January 30, 2012

This Binder shall terminate automatically upon the expiration shown above, or upon the issuance of the policy, whichever occurs first. A short rate premium charge will be made for this Binder unless the Policy is issued by the Company and accepted by the entity referred to above.

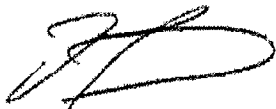
The foregoing Binder for coverage is subject to modification or withdrawal by the Company if, before the proposed inception date, any new, corrected or updated information becomes known which relates to any proposed Insured's claims history or risk exposure or which could otherwise change the underwriting evaluation of any proposed Insured and the Company, in its sole discretion, determines that the terms of this Binder are no longer appropriate.

This binder does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from offering or providing insurance. To the extent any such prohibitions apply, this binder is void ab initio.

We appreciate the opportunity to be of service to you, and we look forward to receiving payment of the premium by the due date. Once coverage becomes effective, cancellation for non payment will be on a pro-rata basis.

If you have any questions, please call me.

Sincerely,



Dan Lewis, CFA
Senior Underwriting Officer
Direct Phone Number: (403)231-6456
Fax Number: (403)269-2907
Email Address: dlewis@chubb.com



www.archinsurance.com

77 King Street West
P.O. Box 308, Suite 3600
Toronto Dominion Centre
Toronto, ON M5K 1K2

Telephone: 416 309-8100
Fax: 416 309-8150

February 10, 2012

Carolyn Oliver
Marsh Canada Limited
BCE Place, Canada Trust Tower
161 Bay Street, Suite 1400
Toronto, ON
M5J 2S4

Dear Carolyn,

Re: Arctic Glacier Income Fund
Policy No.: DOP0041809-01
Effective: December 31, 2011 to December 31, 2012

Enclosed please find an electronic copy of our Amend Definition of Insured Person(s) Endorsement No. 16 adding Bruce Robertson to the above captioned policy. We trust that you will find the endorsement to be in order. Should you require paper copies of the endorsement please contact Janice Jang, Senior Underwriting Assistant at jjang@archinsurance.com or 416-309-8119 and the documents will be mailed to you.

We want to take this opportunity to thank you for your support, if you have any questions regarding the policy please do not hesitate to contact me at the phone number listed below.

Regards,

A handwritten signature in black ink, appearing to read "H Sturgess", with a large, sweeping flourish underneath.

Hugh Sturgess
Vice President
Executive Assurance
Phone No.: 416-309-8108
Email: hsturgess@archinsurance.com

Enclosure