

**ATRIUM MORTGAGE INVESTMENT CORPORATION**  
("Atrium")

**BOARD MANDATE**

**I. PURPOSE**

The board of directors of Atrium recognizes the importance of adopting a written mandate in furtherance of its commitment to sound corporate governance practices and adopts this mandate to assist it in supervising the management of the business and affairs of Atrium. The board will revise this mandate from time to time in accordance with Atrium's needs, legal and regulatory developments and best practices.

**II. DUTIES AND RESPONSIBILITIES**

The board acknowledges responsibility for the stewardship of Atrium on behalf of the shareholders of Atrium who have elected them. As such, the fundamental responsibility of the board is to supervise the management of the business and affairs of Atrium. As part of discharging this responsibility, the board is responsible for the following matters:

- facilitating the relationship of the board to management and confirming that Atrium has appropriate structures and procedures in place to permit board to effectively discharge its duties and responsibilities;
- selecting, appointing, evaluating and, if necessary, changing the CEO and/or the manager of Atrium;
- defining the duties and the limits of authority of senior management of Atrium;
- to the extent feasible, satisfying itself as to the integrity of the CEO and other members of senior management, and that the CEO and other members of senior management create a culture of integrity throughout Atrium;
- reviewing and negotiating changes to the management agreement of Atrium from time to time;
- adopting a strategic planning process and approving annually a strategic plan that takes into account the opportunities and risks of the business of Atrium;
- identifying the principal risks of Atrium's business and ensuring the implementation of appropriate systems to manage these risks;
- receiving recommendations of Atrium's Audit Committee respecting, and reviewing and approving, the audited, interim and any other publicly announced financial information of Atrium;
- ensuring policies are in place to satisfy itself as to Atrium's internal control and management information systems and its financial reporting;
- ensuring appropriate policies and processes are in place to ensure Atrium's compliance with applicable laws and regulations;
- assessing the effectiveness of the board and any committees of the board;
- implementing a process for reviewing the adequacy and form of compensation of directors, and ensuring that compensation realistically reflects the responsibilities and risk involved in being a director;
- adopting a communications policy for Atrium; and
- other corporate decisions required to be made by the board, or as may be reserved by the board, to be made by itself, from time to time and not otherwise delegated to a committee of the board or to management.

### **III. DIRECTORS**

It is recognized that every director, in exercising powers and discharging duties, must act honestly and in good faith with a view to the best interests of Atrium. Directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, they will comply with their duties of honesty, loyalty, care, diligence, skill and prudence. In addition, each director is expected to:

- develop and maintain a thorough understanding of Atrium's business, its strategy and business operations and its financial position and performance;
- prepare for each board or committee meeting, including reviewing all meeting materials distributed in advance where feasible;
- attend meetings of the board and any committee of which they are a member;
- actively and constructively participate in each meeting, including seeking clarification from management and outside advisors, where necessary, to fully understand the issues under consideration and to contribute relevant insights and experience;
- disclose to Atrium, either in writing or by having it entered into the minutes of a meeting of the board, the nature and extent of any interest that they may have in a contract or transaction, whether made or proposed, with Atrium, if the director (i) is a party to the contract or transaction, (ii) is a director or member of senior management or individual acting in a similar capacity of a party to the contract or transaction, or (iii) has a material interest in a party to the contract or transaction;
- engage in continuing education programs for directors if appropriate; and
- exhibit high standards of personal integrity, honesty and loyalty and project a positive image of Atrium to news media, the financial community, governments and their agencies, shareholders and employees.

#### ***Service on other boards***

Directors are not prohibited from serving on the boards of other public entities, provided that these commitments do not materially interfere with and are not incompatible with their duties as a member of the board.

### **IV. BOARD COMPOSITION**

It is recognized that the appropriate mix of skills, experience, age and gender will help to enhance board performance. Composition of the board should reflect business experience compatible with strategic and business objectives with consideration to the geographic regions in which Atrium operates and other relevant factors.

#### ***Director Independence***

Except during temporary vacancies, the board will be composed of a majority of independent directors, as such term is defined under applicable securities laws.

The determination of whether a director is independent will be made by the board on an annual basis and in accordance with applicable securities laws and stock exchange rules. In making such a determination, the board will consider all relevant facts and circumstances, including without limitation, the director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. To facilitate this review, directors may be asked to provide the board with information regarding their

business and other relationships with Atrium and its affiliates and with senior management and their affiliates. Directors have an ongoing obligation to inform the board of any material changes in their circumstances or relationships which may affect the board's determination as to their independence.

### ***Board Chair***

The board shall appoint a board Chair from among the directors. The board Chair shall not be a member of management.

The board Chair is responsible for ensuring that the board functions in a manner that is independent of management, including managing meeting schedules and setting agendas, chairing the meetings of the board, acting as a liaison between senior management and the board, and providing advice to senior management on various matters.

## **V. BOARD COMMITTEES**

### ***General***

The board carries out its responsibilities directly and through the Audit Committee and such other committees as it may establish from time to time.

### ***Audit Committee Composition***

The Audit Committee is comprised of directors, all of whom must be independent and financially literate, who are selected by the board.

### ***Committee Charters***

Each committee has its own charter which sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the board. From time to time, each committee reviews its charter; and the board reviews and approves each committee's charter. Copies of each charter will be made available on Atrium's website.

## **VI. BOARD AND COMMITTEE MEETINGS**

Board meetings are scheduled in advance quarterly. In addition to regularly scheduled board meetings, additional board meetings may be called upon proper notice at any time to address specific needs of Atrium. The board may also take action from time to time by unanimous written resolution. A board meeting may be called by the board Chair, the CEO or CFO and Secretary or any two directors.

The quorum at a meeting of the board shall be a majority of directors then in office, and there shall be not less than three directors in office at any time. The quorum shall be maintained for the duration of the meeting. Each director is entitled to one vote and all questions shall be decided by a majority of the votes cast.

Each committee meets as often as it determines is necessary to fulfill its responsibilities. A meeting of any committee may be called by the committee's chairperson, the board Chair, the CEO or CFO and Secretary or any two committee members. Powers of a committee of the board may be exercised by a meeting at which a majority of the committee members are present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee.

Board and committee meetings are, in all respects, subject to the rules and procedures applicable to board meetings as outlined in Atrium's By-Laws.

### ***Non-Management Sessions***

Non-management directors shall have the opportunity to meet separately at each quarterly meeting without senior management present. The board Chair will inform senior management of the substance of these meetings to the extent that action is required by them.

## **VII. BOARD ACCESS TO MANAGEMENT AND ADVISORS**

Directors have access to members of senior management and are encouraged to raise any questions or concerns directly with senior management. The board and its committees may invite any member of senior management, outside advisor or other person to attend any of their meetings.

The board and any of its committees may retain an outside advisor at the expense of Atrium at any time and have the authority to determine the advisor's fees and other retention terms. Individual directors may retain an outside advisor at the expense of Atrium with the approval of the board.

## **VIII. PERFORMANCE ASSESSMENT OF THE BOARD**

The board will annually assess how well it has fulfilled its responsibilities and duties as set out in this mandate.

## **IX. DECISIONS REQUIRING PRIOR APPROVAL OF THE BOARD**

Approval of the board shall be required for, among other things:

- dividends/distributions;
- significant acquisitions/dispositions;
- related party transactions;
- the release of any financial information to be publicly disseminated;
- the issuance or repurchase of shares or other securities of Atrium;
- such matters as are required under the investment policies of Atrium;
- the terms of reference of committees of the board; and
- any other matter that would give rise to a "material change" to Atrium.

The foregoing list is intended to specify particular matters requiring board approval and is not intended to be an exhaustive list.

## **X. CODE OF ETHICS AND BUSINESS CONDUCT**

The board expects all directors, senior management, other officers and employees of Atrium and its manager to conduct themselves in accordance with the highest ethical standards.

The board has adopted the Code of Business Conduct and Ethics (the "Code") for directors, senior management, other officers and employees which addresses, among other things, the ethical standards that apply to directors in the exercise of their duties, avoidance of conflicts of interest, protection of confidential information, compliance with applicable laws, rules and regulations, adherence to good

disclosure practices and procedures for employees to report concerns with respect to adherence to the Code.

The Code will be made available on Atrium's website.

## **XI. CONTACT BOARD AND COMMITTEES**

The board welcomes input and comments from shareholders of Atrium. You may contact one or more members of the board or its committees, by writing to:

Board of Directors of Atrium Mortgage Investment Corporation  
c/o CFO and Corporate Secretary  
900 – 20 Adelaide Street East  
Toronto, Ontario M5C 2T6