



## **ATRIUM MORTGAGE INVESTMENT CORPORATION COMPENSATION, NOMINATING AND GOVERNANCE COMMITTEE CHARTER**

### **Introduction and Purpose**

The board of directors of Atrium Mortgage Investment Corporation has delegated the responsibilities, authorities and duties described below to the compensation, nominating and governance committee.

The purpose of the compensation, nominating and governance committee is to provide assistance to the board in fulfilling its responsibility relating to: (i) overseeing governance processes at Atrium, (ii) identifying individuals qualified to become board members, and overseeing succession planning within Atrium, (iii) recommending to the board the director nominees for the next annual meeting of shareholders, (iv) overseeing the evaluation of the board and, if applicable, the CEO, (v) reviewing the management agreement between the corporation and its manager, and (vi) such other matters as are set out in this charter or as may otherwise be assigned.

The committee may retain (and set and pay the compensation) of such outside legal, accounting or other advisors as it considers necessary to carry out its duties. In fulfilling its purpose, it is the responsibility of the committee to maintain free and open communication between itself and management, and to determine that all parties are aware of their responsibilities.

### **Composition and Membership**

The compensation, nominating and governance committee shall consist of at least three directors appointed by the board to hold office until their successors are appointed. Unless a committee chair is elected by the full board, the members of the committee may designate a chair by majority vote.

#### *Independence*

Each committee member shall be independent for the purposes of National Instrument 58-101 *Disclosure of Corporate Governance Practices* and in such regard shall have no direct or indirect material relationship with Atrium, as more generally defined in National Instrument 52-110.

### **Meetings**

The compensation, nominating and governance committee generally meets quarterly or more frequently as circumstances dictate. A majority of the committee members constitutes a quorum for the transaction of business. The committee reports regularly to the board with respect to its activities. Every meeting shall include an *in camera* session with only independent directors present, unless the committee elects to waive such a meeting. Meetings may be in person or by telephone or other communications facilities as permit all persons participating in the meeting to hear or communicate with each other.

A resolution in writing signed by all committee members entitled to vote on that resolution at a meeting is as valid as if it had been passed at a meeting of the committee.

### **Duties and Responsibilities**

The compensation, nominating and governance committee has the responsibilities and powers set forth in this charter. The principal duties and responsibilities of the committee are set out below with the understanding that the committee may supplement them as appropriate.

#### 1. Development of guidelines and procedures

Oversee the development, issuance and distribution and review of appropriate ethics and legal compliance guidelines and procedures, including annual review of the code of conduct.

#### 2. Ensure adequate guidance, reporting and investigation processes

Monitor and review periodically the systems that management has established to implement Atrium's ethics and compliance guidelines.

Oversee receiving periodic reports regarding investigations of compliance violations, if any.

### 3. Evaluate and recommend board membership

Assess at least annually the optimum board size and makes recommendations to the board on any changes.

Evaluate and make recommendations to the board concerning the number and accountability of board committees, committee assignments and committee membership rotation practices.

Establish and articulate qualifications, desired background, and selection criteria for members of the board taking account of any applicable securities laws, rules or guidelines, or stock exchange requirements or guidelines.

Satisfy itself that there are satisfactory orientation and education programs for new board and committee members.

Make recommendations to the full board concerning all nominees for board membership. The committee may retain any reputable search firm to be used to identify director candidates. The committee has the sole authority to retain and terminate search firms and approve the search firm's fees and other terms.

Annually solicit input from the full board and conduct a review of the effectiveness of the operation of the board, board committees and individual board members, including reviewing and monitoring compliance with governance and operating practices.

### 4. Governance and Evaluation

Guide the directors in the evaluation of corporate governance as appropriate.

Review proxy material and the management information circular prepared for the annual meeting and other meetings, and recommend approval by the board

Review comments on Atrium by proxy advisory firms (such as ISS or Glass Lewis) to the extent that they are available and oversee that the board and management take appropriate actions.

Assess the merits of any shareholder proposals, establish procedures for dealing with such proposals and formulate draft responses for approval by the board.

Ensure that Atrium has an adequate succession plan in place for its CEO and senior employees.

Report to the board as required.

Perform such other functions as assigned by law or the board.

### 5. Management contract and compensation matters

Oversee periodic reviews of the management contract and recommend to the board changes that may be required from time to time.

Recommend to the board changes to deferred share incentive plan, including annual awards, if any, as well as any other director or officer compensation matters where the cost is borne by the corporation.

### 5. Review its performance and charter

Perform an evaluation of its performance at least annually to determine whether it is functioning effectively.

Review and reassess this charter annually.