



# Management Information Circular



For the Annual Meeting  
of Shareholders

**Wednesday, May 8, 2019**  
**11:00 A.M. EST**  
Ontario Heritage Centre, Gallery  
10 Adelaide Street East  
Toronto, Ontario M5C 1J3

**CANADA'S PREMIER NON-BANK LENDER™**



## **ATRIUM MORTGAGE INVESTMENT CORPORATION**

### **ANNUAL MEETING OF SHAREHOLDERS**

#### **THIS BOOKLET EXPLAINS:**

- Details of the matters to be voted upon at the annual meeting of shareholders of Atrium Mortgage Investment Corporation; and
- How to exercise your vote even if you are unable to attend the meeting.

#### **THIS BOOKLET CONTAINS:**

- The notice of annual meeting of shareholders;
- A management information circular; and
- A form of proxy that you may use to vote your shares without attending the meeting.

**The management information circular and form of proxy are furnished in connection with the solicitation of proxies by or on behalf of our management for use at the meeting which is to be held on Wednesday, May 8, 2019, at 11:00 a.m.**

At the meeting, management will report on our performance for the fiscal year ended December 31, 2018, the three months ended March 31, 2019, and our plans for the remainder of the year. The meeting will deal with, among other things, the usual matters of governance, including the presentation of financial results, the election of directors and the appointment of auditors. Your presence, or at least your vote if you are unable to attend in person, is important.

#### **REGISTERED SHAREHOLDERS**

A form of proxy is enclosed that may be used to vote your shares if you are unable to attend the meeting in person. Instructions on how to vote using this form of proxy are found in the management information circular.

#### **NON-REGISTERED BENEFICIAL SHAREHOLDERS**

If your shares are held on your behalf, or for your account, by a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”), you may not be able to vote unless you carefully follow the instructions provided by your Intermediary with this booklet.



## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual meeting of the shareholders of Atrium Mortgage Investment Corporation will be held at the Ontario Heritage Centre, Gallery, 10 Adelaide Street East, Toronto, Ontario on Wednesday, May 8, 2019, at 11:00 a.m. for the following purposes:

1. to receive the audited financial statements of Atrium for the fiscal year ended December 31, 2018 and the report of the auditors' thereon;
2. to appoint Crowe Soberman LLP as independent auditors of Atrium and to authorize the directors to fix their remuneration;
3. to elect the directors of Atrium for the ensuing year; and
4. to transact such further or other business as may properly come before the meeting or any adjournment(s) or postponement(s) thereof.

Our board of directors has fixed the close of business on Wednesday, April 3, 2019 as the record date for determining shareholders of record who are entitled to receive notice of the meeting and to attend and vote at the meeting, or at any adjournment(s) or postponement(s) thereof. The specific details of the matters to be put before the meeting as identified above are set forth in the Management Information Circular accompanying this Notice. This Notice and the accompanying Management Information Circular have been sent to each of our directors, each of our shareholders entitled to notice of the meeting and our auditor.

If you are a *registered shareholder* and are unable to attend the meeting in person, please complete, sign, date and return the enclosed form of proxy to Computershare Investor Services Inc., 100 University Avenue, 9<sup>th</sup> floor, North Tower, Toronto, Ontario M5J 2Y1 or complete and submit the form of proxy through the internet, telephone, facsimile or by such other method as is identified, and pursuant to any instructions contained, in the form of proxy. **In order to be valid for use at the meeting, proxies must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the meeting or any adjournment(s) or postponement(s) thereof.**

If you are a *non-registered shareholder* and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary. **If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote at the meeting, either in person or by proxy.**

**Further information with respect to voting by proxy is included in the accompanying Management Information Circular.**

DATED at Toronto, Ontario, March 19, 2019.

By order of the Board of Directors

"Jennifer Scoffield"

Jennifer Scoffield

Chief Financial Officer and Secretary



**MANAGEMENT INFORMATION CIRCULAR  
ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 8, 2019  
GENERAL PROXY MATTERS**

**Introduction**

This management information circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Atrium Mortgage Investment Corporation (“Atrium”, “we”, “our” or “us”) and its board of directors for use at the annual meeting of our shareholders to be held at the time and place and for the purposes set forth in the accompanying notice of meeting, and at any adjournment(s) or postponement(s) thereof. The circular’s purpose is to:

- explain how you, as a shareholder of Atrium, can vote at the meeting, either in person or by transferring your vote to someone else to vote on your behalf;
- request that you authorize the Chair of the Board (or his alternate) to vote on your behalf in accordance with your instructions set out on the accompanying form of proxy;
- inform you about the business to be conducted at the meeting, including the election of our directors and the appointment of our independent auditors for the coming year; and
- give you some important background information to assist you in deciding how to vote.

A copy of this circular is available at [www.sedar.com](http://www.sedar.com). Unless otherwise specifically stated, all information in this circular is given as at March 19, 2019. All dollar amounts herein are in Canadian dollars. The address of our registered office is 20 Adelaide Street East, Suite 900, Toronto, Ontario, Canada M5C 2T6.

**Solicitation of Proxies**

**The form of proxy accompanying this circular is being solicited on behalf of Atrium management in connection with the meeting.** The solicitation of proxies will be primarily by mail, but some proxies may be solicited by newspaper publication, personal interviews, email, telephone or facsimile communication by our directors, officers, employees or representatives, who will not be specifically compensated therefor, or agents of Atrium who will be specifically compensated therefor. All costs of the solicitation will be borne, directly or indirectly, by Atrium. As of the date hereof, we have not engaged an agent to solicit proxies.

**Information for Non-Registered Shareholders**

*Holders of Shares who are Non-Registered Shareholders*

Subject to applicable laws, the only shareholders entitled to vote at the meeting are those whose names have been entered into our register as holders of our common shares (each a “registered shareholder”). However, the common shares of the majority of shareholders are registered in the name of nominee accounts, usually The Canadian Depository for Securities Limited (CDS). CDS acts as clearing agent for brokers and other intermediaries who, in turn, act on behalf of the holders of our common shares (or “non-registered shareholders”).

As a result, non-registered shareholders can only exercise their rights as beneficial owners of our common shares through CDS or a participant in the CDS depository service. This means that in order for non-registered shareholders to exercise their rights to vote their shares at the meeting, they must provide voting instructions to the registered shareholder. **Non-registered shareholders who wish to vote their shares must carefully review and follow the voting instructions provided by their intermediary.**

*Delivery of Voting Instructions by Non-Registered Shareholders*

Applicable regulatory policies require intermediaries to seek voting instructions from non-registered shareholders in advance of shareholder meetings. Each intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by non-registered shareholders in order to ensure their shares are voted at the meeting. Generally, non-registered shareholders who receive meeting materials will be given either:

- (a) a form of proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the non-registered shareholder but which is otherwise not completed. This form of proxy need not be signed by the non-registered

shareholder. In this case, the non-registered shareholder who wishes to submit a proxy should complete the rest of the form of proxy and deliver the proxy in accordance with the instructions provided by the intermediary; or

- (b) a voting instruction form which must be completed and signed by the non-registered shareholder in accordance with the directions provided and returned to the intermediary or its service company. Usually the voting instruction form may be submitted by telephone, the internet or facsimile.

The purpose of these procedures is to permit non-registered shareholders to direct the voting of the shares that they beneficially own. These procedures do not permit a non-registered shareholder to vote shares in person at a meeting.

#### *Voting in Person by Non-Registered Shareholders*

A non-registered shareholder who receives a form of proxy or a voting instruction form and wishes to vote at the meeting in person should, in the case of a form of proxy, strike out the names of the persons designated in the form of proxy and insert the non-registered shareholder's name in the blank space provided or, in the case of a voting instruction form, follow the corresponding directions on the form. In either case, non-registered shareholders should carefully follow the instructions of their intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

#### **Appointment of Proxyholder**

**The individuals specified as proxyholders in the enclosed form of proxy are representatives of Atrium management and are directors and/or officers of Atrium. A shareholder may, by properly marking, executing and depositing the accompanying form of proxy, appoint as proxyholder the individuals named in the accompanying form of proxy, or some other individual or entity, who need not be a shareholder. This latter right may be exercised by striking out the names of the designated individuals and inserting the name of such other proxyholder in the blank space provided in the enclosed form of proxy or by completing another proxy in proper form.** The proxyholder may attend and act for the shareholder at the meeting and any adjournment(s) or postponement(s) thereof.

#### **Execution and Deposit of Proxy by Registered Shareholders**

If a shareholder is an individual, the form of proxy must be executed by the shareholder or a duly authorized attorney of the shareholder. If a shareholder is a corporation or other form of entity, the form of proxy must be executed by a duly authorized attorney or officer of the corporation or other form of entity. Where a form of proxy is executed by an attorney or officer of a corporation or other form of entity, the authorizing documents (or notarized copies thereof) should accompany the form of proxy. To be valid, an executed form of proxy must be received at the offices of Computershare Investor Services Inc., 100 University Avenue, 9<sup>th</sup> floor, North Tower, Toronto, Ontario M5J 2Y1, or if sent by such other method as is identified in the form of proxy, in accordance with the instructions set out in the form of proxy, in any case, not later than 11:00 a.m. (Toronto time) on Monday, May 6, 2019 or, if the meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting. The Chair of the meeting retains the discretion to accept proxies filed subsequently.

#### **Manner Proxies Will Be Voted**

The shares represented by the accompanying form of proxy will be voted or be withheld from voting, as the case may be, on any ballot that may be called for at the meeting and, subject to the provisions of the *Business Corporations Act* (Ontario) (OBCA), where a choice is specified, will be voted in accordance with the specification made. **If you have NOT specified how to vote on a particular matter, your proxyholder is entitled to vote your shares as he or she sees fit. Please note that if your form of proxy does not specify how to vote on any particular matter, and if you have authorized either of the persons named therein to act as your proxyholder (by leaving the line for the proxyholder's name blank on the form of proxy), your shares will be voted at the meeting as follows:**

- **FOR the election of the seven nominees to the board of directors of Atrium, those nominees being the seven current directors of Atrium; and**
- **FOR the appointment of Crowe Soberman LLP, Chartered Professional Accountants and Licensed Public Accountants, as independent auditors of Atrium and to authorize our board of directors to fix the auditors' remuneration.**

For more information on these matters, please see "Business of the meeting" below. If any other matters properly arise at the meeting that are not described in the accompanying notice of meeting, or if any amendments are proposed to the matters described in the accompanying notice of meeting, your proxyholder is entitled to vote your shares as he

or she sees fit. The accompanying notice of meeting sets out all the matters to be determined at the meeting that are known to management as of March 19, 2019.

**Revocability of Proxy**

A shareholder giving a proxy has the power to revoke it. Such revocation may be made by the shareholder attending the meeting, duly executing another form of proxy bearing a later date and depositing the same before the specified time, or may be made by written instrument revoking such proxy executed by the shareholder or by his or her attorney authorized in writing and deposited either at our registered office at any time up to and including the last business day preceding the day of the meeting or any adjournment thereof, or with the Chair of the meeting on the day of the meeting or any adjournment thereof or in any other manner permitted by law. If such written instrument is deposited with the Chair of the meeting on the day of the meeting or any adjournment thereof, such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

**Quorum**

Our by-laws provide that at any meeting of our shareholders, the holders present in person or represented by proxy of at least 5% of our outstanding shares entitled to be voted at the meeting constitutes a quorum. If a quorum is present at the opening of the meeting, the shareholders present or represented by proxy may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting.

**Authorized Capital, Outstanding Shares and Principal Holders Thereof**

Our authorized capital consists of an unlimited number of common shares, of which 39,357,613 common shares are issued and outstanding as at the date hereof. Holders of our common shares are entitled to receive notice of and to attend and vote at all meetings of our shareholders and each common share has the right to one vote in person or by proxy at all meetings of shareholders.

Only those holders of our outstanding common shares of record at the close of business on April 3, 2019 (the “record date”) are entitled to vote at the meeting or any adjournment(s) thereof. Each shareholder will be entitled to vote with respect to such number of common shares shown as registered in his, her or its name on the list of shareholders as of the record date prepared by Atrium, which list is available for inspection by shareholders at the meeting or, after the 10<sup>th</sup> day following the record date, during usual business hours at our registered office or the office of our registrar and transfer agent.

To the knowledge of our directors and executive officers, no persons beneficially own, or control or direct, directly or indirectly, 10% or more of our issued and outstanding common shares.

**Voting Results**

Voting results of the meeting will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) following the meeting. Voting results on each of the matters voted on at Atrium’s annual meeting of shareholders held on April 26, 2018 (together with the preceding year, as applicable) are as follows:

Brief Description of Matter Voted Upon	Outcome of the Vote <sup>(1)</sup>			
	2018		2017	
	Approved	For	Approved	For
Appointment of Crowe Soberman LLP as the independent auditors of Atrium	Yes	99.94%	Yes	98.98%
The election of each of the following nominees as members of the Board:				
Peter P. Cohos	Yes	99.14%	Yes	99.98%
Robert H. DeGasperis	Yes	98.80%	Yes	99.40%
Robert G. Goodall	Yes	99.85%	Yes	82.74%
Andrew Grant	Yes	99.80%	Yes	99.95%
Maurice Kagan	Yes	94.50%	N/A	N/A
David Prusky	N/A	N/A	Yes	99.97%
Nancy H.O. Lockhart	Yes	99.76%	Yes	99.95%
Mark L. Silver	Yes	99.80%	Yes	99.97%

Note:

(1) All votes were conducted and approved by way of a show of hands; the number of votes disclosed for these items reflects those proxies received by management in advance of the applicable meeting.

## CORPORATE GOVERNANCE PRACTICES

Our board of directors considers good corporate governance practices to be essential to our overall success. Under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines*, we are required to disclose information relating to our corporate governance practices as set out below. We are committed to adopting and adhering to corporate governance practices that either meet or exceed applicable corporate governance standards. We believe that our corporate governance practices should be compared to the highest standards currently in force and applicable to us as well as to best market practices.

### Board of Directors

Our board of directors is responsible for oversight of our business and affairs. The board discharges its responsibilities directly and through two committees, the Audit Committee and the Compensation, Nominating and Governance Committee. The Audit Committee and the Compensation, Nominating and Governance Committee each operate under a mandate that is reviewed, and if necessary, updated annually. Our board has adopted a description of the matters for which individual directors are accountable, including: (i) overseeing and providing direction to the management of the business and affairs of Atrium, (ii) maintaining knowledge about Atrium, including its strategic and financial plans and objectives, emerging trends and issues, significant strategic initiatives, risks and management of those risks, relationship with our manager, compliance with applicable laws and regulations, governance, audit and accounting principles and practices, (iii) preparing for each board and committee meeting, (iv) absent a compelling reason, attending every board and applicable committee meeting, and actively participating in deliberations and decisions (and when attendance is not possible, the director should become familiar with the matters covered at the meeting), (v) voting on all decisions of the board or applicable committees, except when prevented by a conflict of interest, (vi) ensuring that personal interests neither conflict with nor appear to conflict with the interests of Atrium, and disclosing details of such conflicting interests should they arise, and (vii) leading by example and acting in the highest ethical manner and with integrity at all times. In fulfilling its responsibilities, our board delegates day-to-day authority to the manager of Atrium, Canadian Mortgage Capital Corporation (the “Manager” or “CMCC”), while reserving the right to review decisions of the Manager and exercise final judgment on any matter. Our board of directors has adopted a formal board mandate, the full text of which is set out in Schedule “A” to this circular. The Manager reviews with the board periodically its strategic plan for us and delivers to the board ongoing reports on the status of our business and operations. In addition, in accordance with applicable legal requirements and historical practice, all matters of a material nature are presented to the board for approval.

### Corporate Strategy

The Manager is responsible for the development of our long term strategy, and the role of the board is to review, question, validate and propose changes to that strategy, in order to arrive at an approved strategy to be implemented. The board reviews our long term strategy on an ongoing basis.

### Composition of the Board

Our board of directors is currently comprised of seven directors. The board is of the view that its current size permits a diversity of experience and knowledge and is the appropriate size to foster and promote effective participation, decision making and oversight. All of the seven nominees for election to the board at the meeting are current members of the board. The board has adopted a majority voting policy for the election of directors. See “Business of the Meeting – Election of Directors” below.

The board is comprised of a majority of independent directors. It has not established fixed term limits for directors as it is of the view that such a policy would have the effect of forcing directors to resign from the board who have developed, over a period of service, increased insight into our business and who, therefore, can be expected to provide an increasing contribution to the board.

In 2018, our board of directors adopted a Board Diversity Policy. We believe in diversity and value the benefits that diversity can bring to our board of directors. A board made up of highly qualified directors from diverse backgrounds benefits from the contribution of different perspectives and ideas to board discussions and decisions and can result in better corporate governance. We seek to maintain a board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. For the purposes of board composition, diversity includes, but is not limited to, business experience, skills, geography, age, gender and ethnicity. In particular, the board should seek to nominate an appropriate number of women directors for election by shareholders. We are committed to a merit based system for board composition and consider the skills and experience the board as a whole requires to be effective, while also fostering a diverse and inclusive culture which solicits multiple perspectives and views and is



free of conscious or unconscious bias and discrimination. When assessing board composition or identifying suitable candidates for appointment or re-election to the board, we will consider candidates on merit while also considering the benefits of diversity and the needs of the board.

Of the seven current members of our board of directors, one (or 14%) is female. The board has historically followed a process of identifying and assessing potential director nominee candidates with the necessary competencies, independence, expertise, skills, background and personal qualities to serve on the board. Our Board Diversity Policy does not focus on a single diversity characteristic and, accordingly, does not set a specific target relating to the identification and nomination of female directors, however, representation of women is considered in the screening process in addition to ensuring that the requisite elements of integrity, diversity, knowledge, skill, experience and judgment are the hallmarks of the board members.

We seek executive officer candidates who possess the necessary competencies, expertise and skills for the position to be filled, and do not specifically consider the level of representation of women in executive officer positions when making such appointments. We have two officers and four managing directors who are employees of our Manager. Of those six executive officers, two (or 33.3%) are female.

### **Director Independence**

Of the seven current members of our board of directors, six are independent under corporate governance rules, being Mark L. Silver (the Chair), Peter P. Cohos, Robert H. DeGasperis, Andrew Grant, Nancy H.O. Lockhart and Maurice Kagan. For the purposes of the corporate governance rules, a director is independent if he or she has no direct or indirect material relationship with Atrium. A material relationship is defined as a relationship that could, in the view of the board, be reasonably expected to interfere with the exercise of such member's independent judgment, and certain relationships are deemed to be material. A majority of the members of our board of directors are independent.

The board has determined that Robert G. Goodall is not independent by virtue of his position as President and Chief Executive Officer of Atrium and of the Manager, and his ownership of securities of the Manager. In deciding whether a particular director is or is not an independent director, the board examined the factual circumstances of each director and considered them in the context of many factors.

The board has established procedures to enable it to function independently of management and to facilitate open and candid discussion among the independent directors. The board holds in camera independent director meetings following every scheduled board meeting as well as following special board meetings as deemed necessary.

### **Board Committees**

The board has two standing committees, the Audit Committee and the Compensation, Nominating and Governance Committee, and the role of each is outlined below. From time to time *ad hoc* committees of the board may be appointed. As the board has plenary power, any responsibility that is not delegated to management, the Manager or a board committee remains with the board. The charters of the Audit Committee and the Compensation, Nominating and Governance Committee are published on our website ([www.atriummic.com](http://www.atriummic.com)) and a copy of the charter of the Audit Committee is also annexed to our annual information form (AIF) for the year ended December 31, 2018. The board has developed a position description for the chair of the each standing committee, each of which is summarized below.

#### *Audit Committee*

The Audit Committee is comprised of three members who are each independent and financially literate in that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by our financial statements. The members of the Audit Committee during the fiscal year ended December 31, 2018 were Peter P. Cohos (Chair), Nancy H.O. Lockhart and Maurice Kagan. The relevant education and experience of each of the members of the Audit Committee is described in the AIF. A copy of the AIF is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Audit Committee is responsible for overseeing, among other matters, the work of our external auditors, the integrity of our financial statements and financial reporting process, the qualifications and independence of our external auditors and our compliance with legal and regulatory requirements. The Audit Committee reviews and recommends to the board for approval, our annual and interim financial statements and related management's discussion and analysis, earnings press releases, selected disclosure documents, including information pertaining to the Audit Committee contained in our annual information form and any other financial statements required by regulatory authorities, before they are released to the public or filed with regulators. The Audit Committee reviews its charter annually and recommends changes to the board with respect to its charter, as necessary.

The Audit Committee has implemented procedures for the receipt, retention and treatment of complaints received

by us regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by directors, officers, employees and others of concerns regarding questionable accounting or auditing matters. In this regard, the board and the Audit Committee have established a Whistleblower Policy outlining such confidential reporting process where all such complaints are referred to the Chair of the Audit Committee for investigation and then the results are reported to the full Audit Committee, after which the Audit Committee determines what action should be taken with respect to any complaint. The Whistleblower Policy can be viewed on our website ([www.atriummic.com](http://www.atriummic.com)).

The Audit Committee has the resources and the authority to discharge its responsibilities, including the authority to retain (and set and pay the compensation) of such outside legal, accounting or other advisors as it considers necessary to carry out its duties, without seeking approval of the board or management. The Audit Committee meets at least four times annually, or more frequently as circumstances dictate. *In camera* sessions are normally held at each meeting, so that the committee meets without the presence of management, and without the presence of the auditors, and with only committee members. There were four meetings of the Audit Committee held during the fiscal year ended December 31, 2018.

The Audit Committee Charter provides that the Audit Committee will approve the compensation of and also pre-approve non-audit services provided by our external auditors. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee Charter further provides that the Audit Committee review and approve related party transactions not in the ordinary course of business to the extent that such matters are not reviewed and approved by the full board. The Audit Committee is also responsible for reviewing hiring policies for current and former partners or employees of the external auditors. The Audit Committee performs an evaluation of its performance at least annually to determine whether it is functioning effectively and reviews and reassess its charter at least annually.

Additional information regarding the Audit Committee has been included in the AIF.

#### *Compensation, Nominating and Governance Committee*

The Compensation, Nominating and Governance Committee is comprised of three members who are each independent. The members of the Compensation, Nominating and Governance Committee during the fiscal year ended December 31, 2018 were Nancy H.O. Lockhart (Chair), Peter Cohos and Andrew Grant. The Compensation, Nominating and Governance Committee is responsible for providing 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 Atrium and the Manager, and (vi) such other matters as are set out in the charter or as may otherwise be assigned. The Compensation, Nominating and Governance 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. An *in camera* session is normally held at each meeting, so that the committee meets without the presence of management.

#### **Roles of the Chair of the Board, Committee Chairs and the Chief Executive Officer**

The board has adopted written position descriptions for the Chair of the Board, the Audit Committee chair and the Compensation, Nominating and Governance Committee chair. A written position description for the Chief Executive Officer has not been adopted.

The Chair of the Board, Mark L. Silver, is responsible for the efficient organization and operation of the board and ensures that the board effectively carries out its mandate. The position description for the Chair of the Board provides, among other things, that the chair will: (a) plan the board's annual schedule of meetings and agendas, in consultation with the corporate secretary and other directors as appropriate, and ensure that the board receives the appropriate quantity and quality of information in a timely manner to enable it to make informed decisions, (b) chair meetings of the board, ensure that meetings are conducted efficiently and effectively, facilitate full and candid board discussions, ensure all directors express their views on key matters and assist the board in achieving a consensus, (c) collaborate with the Compensation, Nominating and Governance Committee in identifying and recruiting new board members, (d) collaborate with the Compensation, Nominating and Governance Committee on the performance and structure of the board and its committees, including the performance of individual directors, and (e) ensure the board has the opportunity, at each regularly scheduled meeting, to meet separately without non-independent directors and management personnel present.

The position description for the chair of the Audit Committee provides, among other things, that the chair: (a) monitor the Audit Committee's effectiveness, build and manage the composition and structure of the committee, manage the committee and its meetings, guide its deliberations so that it meets the requirements of its charter; ensure that proper oversight is exercised, (b) set the Audit Committee agendas and ensure that Atrium's financial affairs are reviewed by the Audit Committee as necessary and that those financial affairs are reported to the board as necessary, and (c) report to the board after each meeting of the Audit Committee.

The position description for the chair of the Compensation, Nominating and Governance Committee provides, among other things, that the chair: (a) monitor the Compensation, Nominating and Governance Committee's effectiveness, build and manage the composition and structure of the committee, manage the committee and its meetings, guide its deliberations so that the committee meets the requirements of its charter, and ensure that proper oversight is exercised, (b) set the Compensation, Nominating and Governance Committee agendas and ensure that Atrium's corporate governance policies and new director selection criteria are defined and communicated to the board for its approval, (c) consider and suggest candidates for committee membership and submit those candidates to the board for approval, and (d) report to the board after each meeting of the Compensation, Nominating and Governance Committee.

Our Chief Executive Officer reports formally to the board, and, where appropriate, to the Audit Committee and the Compensation, Nominating and Governance Committee, as well as less formally through discussions with members of the board and its committees, to advise the board and its committees as to courses of action that are being considered and being followed. The Chief Executive Officer establishes the strategic and operational orientation of Atrium and, in so doing, provides leadership and vision for the effective overall management, profitability, shareholder return and growth of Atrium and for conformity with policies agreed upon by the board. The Chief Executive Officer is directly accountable to the board for all activities of Atrium. The corporate objectives for which the Chief Executive Officer is responsible are determined by strategic and financial plans initiated by the Chief Executive Officer, developed with input from the board, and approved by the board.

#### **Share Ownership Policy**

Our board has approved a Share Ownership Policy requiring that: (a) each member of our board attain and maintain a level of Atrium share ownership having a market value of at least 3 times his or her annual retainer; and (b) the Chief Executive Officer and Chief Financial Officer of Atrium attain and maintain a level of Atrium share ownership having a market value of at least 5 times and 1.5 times, respectively, of his or her base salary paid by the Manager attributable to time spent on activities of Atrium. The specified levels of Atrium share ownership are to be achieved within two years of being elected or appointed and are not required to continue following an individual ceasing to be a member of the board and/or Chief Executive Officer or Chief Financial Officer of Atrium. Our board may grant exceptions to the Share Ownership Policy where circumstances warrant, including tax and estate planning considerations, and reviews the policy annually or otherwise as it deems appropriate. The Share Ownership Policy can be viewed on our website ([www.atriummic.com](http://www.atriummic.com)). For the purpose of this policy, shares owned include shares owned by a spouse.

All of our directors (including the Chief Executive Officer, as well as the Chief Financial Officer) currently comply with the policy. See the biographies and the footnotes thereto of each director nominee set out under "Business of the Meeting – Election of Directors."

#### **Director Attendance**

Board members are expected to attend all board meetings and meetings of board committees on which they serve. Seven members of the board were elected as directors of Atrium on April 26, 2018. The following table sets forth the record of attendance of the members of the board (either in person or by phone) at meetings of the board and its committees and the number of meetings of the board and its committees held during the period of January 1, 2018 to December 31, 2018.

Director	Board of Directors (4 meetings)*		Audit Committee (4 meetings)		Compensation, Nominating and Governance Com- mittee (3 meetings)		Overall attendance*	
	No.	%	No.	%	No.	%	No.	%
Peter P. Cohos <sup>(3)</sup>	4 of 4	100	4 of 4 (Chair)	100	2 of 2	100	10 of 10	100
Robert H. DeGasperis	4 of 4	100	–	–	–	–	4 of 4	100
Robert G. Goodall	4 of 4	100	–	–	–	–	4 of 4	100
Andrew Grant	4 of 4	100	–	–	2 of 2	100	6 of 6	100
Maurice Kagan <sup>(1)</sup>	2 of 2	100	2 of 2	100	–	–	4 of 4	100
Nancy H.O. Lockhart	4 of 4	100	3 of 4	75	2 of 2 (Chair)	100	9 of 10	90
David Prusky <sup>(2)</sup>	2 of 2	100	2 of 2	100	–	–	4 of 4	100
Mark L. Silver	3 of 4 (Chair)	75	–	–	–	–	3 of 4	75

Notes:

- (1) Mr. Kagan became a director of Atrium and a member of the Audit Committee in April 2018. The attendance noted reflects meetings held and attended only while a director/member.
- (2) Mr. Prusky ceased to be a director and a member of the Audit Committee in April 2018. The attendance noted reflects meetings held and attended only while a director/member.
- (3) Mr. Cohos was appointed Chair of the Audit Committee in April 2018.

\* Our investment policies require that certain of our mortgage investments receive approval of our board or a specified number of our board members prior to being made. See “Credit” below. Our board members regularly participate in these approval meetings, of which there were over 70 in 2018. As a result, the involvement of our board members is more extensive than the table above may indicate or which would normally be expected of a typical public company board member. This involvement allows our board members to be more active in overseeing our business and the Manager and results in more knowledgeable board members whose skill, experience and judgement can be regularly accessed by our management.

**Orientation and Continuing Education**

We have established a practice with respect to the orientation and education of new directors, which practice is overseen by the Compensation, Nominating and Governance Committee. New directors are given the opportunity to meet with senior management and other directors to familiarize themselves with our business and activities and their responsibilities as directors. Directors are provided with the board mandate, our recent regulatory filings, such as our annual information form and proxy material, the reporting requirements of the directors, information with respect to the committees of the board and their written charters and certain policies and procedures of the board.

On a continuing basis, management provides periodic presentations to the board to ensure that our directors are fully informed with respect to our business, and directors are free to contact the Chief Executive Officer and the Chief Financial Officer at any time to discuss any aspect of our business.

**Ethical Business Conduct**

We believe that director, officer and employee honesty and integrity are an essential foundation to good corporate governance, which in turn improves corporate performance and benefits all shareholders. To that end, we have adopted a Code of Business Conduct and Ethics which applies to the directors, officers and employees of Atrium and the Manager or any of its subsidiaries (or any successor manager of Atrium) in respect of their activities in connection with Atrium. The Code of Business Conduct and Ethics is provided to all such directors, officers, employees and other persons, and addresses such matters as compliance with laws, conflicts of interest, confidential information, protection and proper use of our assets, rules and regulations and the reporting of illegal and unethical behaviour. The Code of Business Conduct and Ethics can be viewed on our website ([www.atriummic.com](http://www.atriummic.com)) or the SEDAR website ([www.sedar.com](http://www.sedar.com)).

We encourage those who become aware of a conflict or potential conflict or departures from the Code of Business Conduct and Ethics to bring it to the attention of one of our Chief Executive Officer, our Chief Financial Officer or the Chair of the Board. We have also established additional procedures for confidential and anonymous reporting of complaints concerning accounting, internal accounting controls and auditing matters under a Whistleblower Policy

described above. The board requires every director and officer to disclose any direct or indirect conflict of interest that he or she has and, if applicable, not to vote on any resolution in connection with such matter unless permitted by the OBCA. The board monitors compliance with its Code of Business Conduct and Ethics by making enquiries of the appropriate parties at each board meeting.

Any waivers of the Code of Business Conduct and Ethics may only be granted by the board (or a board committee to whom that authority has been delegated).

### **Nomination of Directors**

The Compensation, Nominating and Governance Committee is responsible for establishing and articulating 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. The Compensation, Nominating and Governance Committee makes recommendations to the full board concerning all nominees for board membership. When it is determined that a new director is desirable, the Compensation, Nominating and Governance Committee will engage in appropriate activities to ensure an effective process for selecting candidates for nomination, including developing criteria for the selection of a new director and identifying and recommending individuals qualified and suitable to become directors. The Chair or the Chief Executive Officer will meet with potential new candidates prior to nomination to discuss the time commitments and performance expectations and approval by the board for the nomination will be requested.

### **Compensation**

The mandate of the Compensation, Nominating and Governance Committee includes reviewing the Management Agreement between Atrium and the Manager as well as certain related matters. Pursuant to our arrangements with the Manager, we only employ one individual (who is not part of executive management). The compensation of the Manager is determined based upon the provisions of the Management Agreement between Atrium and the Manager that can only be amended with the approval of a majority of the independent directors. A summary of the Management Agreement is set out in our AIF under the heading “Description of the Business – Management”, which is incorporated herein by reference.

The board as a whole is responsible for implementing a process for reviewing the adequacy and form of compensation of directors of Atrium and ensuring that compensation realistically reflects the responsibilities and risk involved in being a director of Atrium. The board requires that remuneration be at a level that will attract and motivate competent members. Compensation is also based on the compensation of directors of similarly situated issuers. In order to ensure an objective process for determining compensation, the board, through the Manager, reviews compensation paid to directors of various mortgage investment corporations and publicly traded companies.

### **Credit**

Credit matters are reviewed by the entire board or a certain number of the members of the board, and are not delegated to a committee. The entire board is responsible for the following:

- (a) reviewing all of our investments, except single family mortgages, quarterly;
- (b) adjudicating and advising on transactions involving potential conflicts of interest or any other transactions which may be detrimental to the interests of our shareholders; and
- (c) the approval or rejection of investments in mortgages of \$2,000,000 or greater.

Any three directors, including at least two independent directors, must approve any investment in mortgages less than \$2,000,000 and more than \$1,000,000.

Any one director must approve any investment in mortgages of \$1,000,000 or less.

For loans previously approved, if the mortgage amount exceeds the amount approved by up to \$200,000 and if the loan-to-value ratio increases by less than 5% where the ratio is 75% or less, one member of the board must approve, otherwise the limits listed above apply.

We may invest in certain authorized interim investments that are limited to investments guaranteed by the Government of Canada or of a province or territory of Canada or deposits in or receipts, deposit notes, certificates of deposits, acceptances and other similar instruments issued, endorsed or guaranteed by a Schedule I bank in any amount without prior approval of the board.

### **Assessments**

The Compensation, Nominating and Governance Committee annually solicits input from the full board and conducts 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. In addition, in carrying out its

responsibilities, the board and each board committee is required to perform an evaluation of its performance at least annually to determine whether it is functioning effectively and to review and reassess this charter annually.

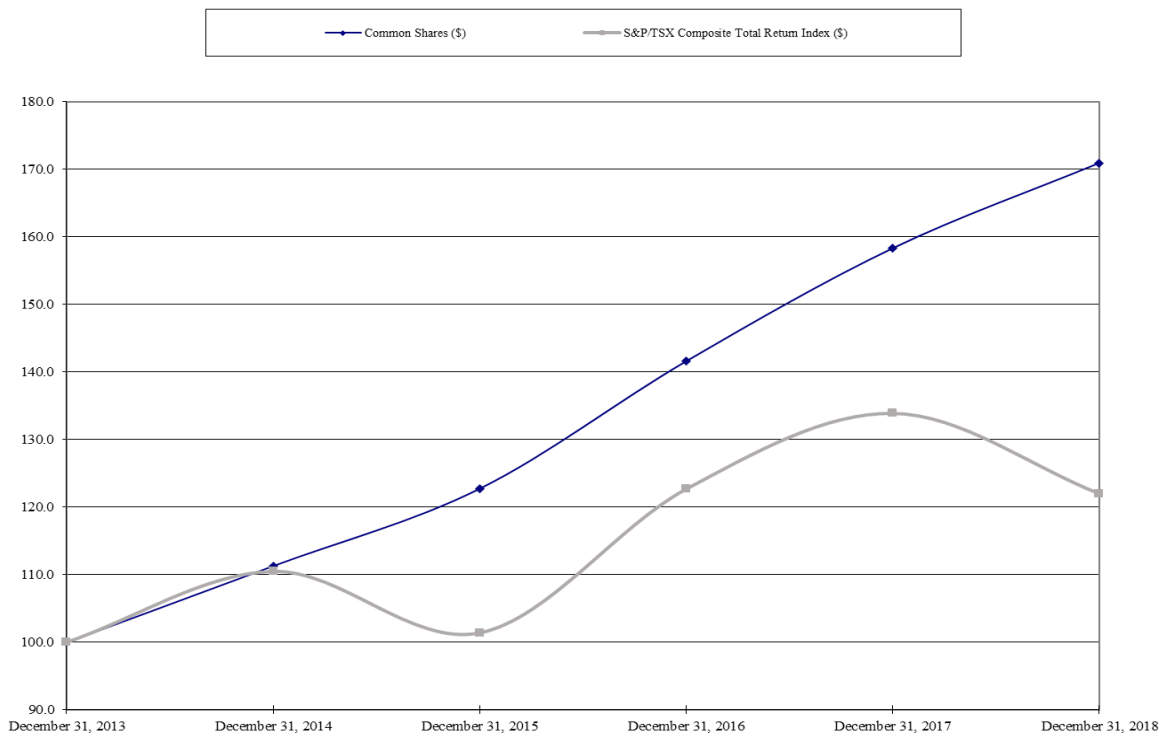
The Compensation, Nominating and Governance Committee is mandated to assess at least annually the optimum board size and makes recommendations to the board on any changes. The board has determined that the existing number of directors of Atrium is appropriate for the board to function at this time and that the board is properly constituted to reflect the investment of all of our shareholders. On an ongoing basis, the board reviews its size and composition.

### Disclosure Policy

The board has approved a Communications and Disclosure Policy that sets out our policies and procedures relating to the dissemination of material information. It designates certain employees as authorized spokespersons and establishes disclosure guidelines for determining whether information is material and how it is to be disclosed. The Communications and Disclosure Policy includes procedures designed to avoid selective disclosure and to ensure that timely and accurate information is provided to our senior management for inclusion in our statutory disclosure documents. The board and, as applicable, the Audit Committee, approves the statutory disclosure documents prior to their distribution.

### Share Performance Graph

The following graph compares the cumulative shareholder return for \$100 invested in our common shares (with any cash dividends reinvested into our common shares)<sup>(1)</sup> on the Toronto Stock Exchange (TSX) (symbol: AI) with the cumulative return of the S&P/TSX Composite Total Return Index<sup>(2)</sup> for the period commencing December 31, 2013 and ending December 31, 2018.



	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Common Shares	100.0	111.3	122.7	141.6	158.3	170.9
S&P/TSX Composite Total Return Index	100.0	110.5	101.4	122.7	133.9	122.0

Notes:

- (1) The cumulative return of our common shares is based on the closing prices of our common shares on the TSX on December 31, 2013, 2014, 2015, 2016, 2017 and 2018 or, if there was no trading on such date, the closing price on the last trading day prior to such date. Cash dividends on our common shares have been treated as being reinvested into additional common shares on the payment date of each dividend.
- (2) The S&P/TSX Composite Total Return Index is a total return index, the calculation of which includes dividends and distributions reinvested.

As is noted below, none of our executive officers are employed by us, or received any compensation from us other than deferred share incentive plan units or income deferred share incentive plan units, during the period covered by the graph above. See “Executive Compensation”. As such, the trend shown in the graph above is unrelated to compensation paid by us to our executive officers during the same period.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

None of our executive officers were employed by us, or received any compensation from us other than deferred share incentive plan units or income deferred share incentive plan units, in the fiscal year ended December 31, 2018.

Our senior management team consists of individuals employed by the Manager. Pursuant to the Management Agreement, the Manager directs the affairs and manages our business and administers or arranges for the administration of our day-to-day operations. We have no employment agreements with members of senior management and we do not pay any cash compensation to any individuals serving as our officers, directly or indirectly: those individuals are compensated by the Manager. In consideration for the services provided to us by the Manager, it is paid a management fee equal to 0.85% per annum of the aggregate face value of all assets invested in mortgages, calculated daily, aggregated and paid monthly in arrears, plus applicable taxes. The Manager also retains all origination fees up to 1.0% of the amount of the respective mortgage investment and 50% of the origination fees in excess of that amount. We retain the balance of such origination fees, and also retain any prepayment fees or other lender fees due over the term of a mortgage investment. For the year ended December 31, 2018, the Manager was paid \$6,278,028, compared to \$5,470,973 in fiscal 2017 and \$4,661,151 in fiscal 2016.

Although certain individuals hold titles as our officers, these officers are employees of the Manager. The board of directors of the Manager has sole responsibility for determining the compensation of the employees of the Manager, including those of the senior management team, other than the granting of deferred share units under our deferred share incentive plan, which is the responsibility of our board of directors. As a result of our arrangements with the Manager, we do not employ any individuals (and have no employment contracts with any individuals) other than one individual serving as Director, Credit Risk Management, who reports directly to our Chief Executive Officer. The Compensation, Nominating and Governance Committee is responsible for reviewing the Management Agreement and related matters, and the board as a whole is responsible for granting awards under our deferred share incentive plan.

### Summary Compensation Table

Securities legislation requires the disclosure of compensation received by our Named Executive Officers for each of our three most recently completed financial years. “Named Executive Officer” is defined by securities legislation to mean: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; (iii) each of our three most highly compensated executive officers, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under paragraph (iii) but for the fact that the individual ceased to be an executive officer of Atrium or its subsidiaries, or acting in a similar capacity, prior to the end of the most recently completed financial year.

During the year ended December 31, 2018, we had two Named Executive Officers (both of whom are employees of the Manager, and not Atrium). The following table and notes thereto provide a summary of the compensation paid to each Named Executive Officer for the financial years ended December 31, 2016, 2017 and 2018.



Name and principal position of Named Executive Officer	Year ended Dec. 31	Salary <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		All other compensation (\$)	Total compensation (\$) <sup>(4)</sup>
					Annual incentive plans <sup>(3)</sup> (\$)	Long-term incentive plans (\$)		
Robert G. Goodall <sup>(5)</sup>	2018	400,000	45,055	Nil	500,000	Nil	Nil	945,055
President and Chief Executive Officer	2017	395,833	46,559	Nil	500,000	Nil	Nil	942,392
	2016	300,000	52,733	Nil	500,000	Nil	Nil	852,733
Jennifer Scoffield <sup>(6)</sup>	2018	191,250	14,781	Nil	34,000	Nil	Nil	240,031
Chief Financial Officer and Secretary								
Jeffrey D. Sherman <sup>(7)</sup>	2017	190,000	59,269	Nil	40,000	Nil	Nil	289,269
Chief Financial Officer and Secretary	2016	185,000	31,317	Nil	40,000	Nil	Nil	256,317

Notes:

- (1) Represents the portion of salary paid by the Manager attributable to time spent on the activities of Atrium.
- (2) The amounts reflect accounting expense recognized in the applicable period for all outstanding equity-based compensation in the form of deferred share units and the income deferred share units granted under our deferred share incentive plan. Under our deferred share incentive plan, the cost of equity-settled and cash-settled transactions is measured based on the fair value of the awards granted. The fair value is determined based on our observable common share price at the time that the applicable deferred share units and income deferred share units are granted. For a description of the material terms of our deferred share incentive plan and each grant made thereunder to Named Executive Officers, see “Deferred Share Incentive Plan” and “Incentive Plan Awards” below.
- (3) Represents the portion of annual bonus paid by the Manager attributable to time spent on the activities of Atrium.
- (4) None of the Named Executive Officers receives any compensation for acting as member of our board of directors. See “Director Compensation” below.
- (5) The compensation indicated for Mr. Goodall includes amounts received by entities related to Mr. Goodall in connection with such entities’ ownership interest in the Manager for activities related to Atrium.
- (6) Jennifer Scoffield was appointed Chief Financial Officer and Secretary of Atrium on January 1, 2018.
- (7) Jeffrey Sherman ceased to be Chief Financial Officer and Secretary of Atrium on December 31, 2017.

*Principal Elements of Compensation*

The compensation of the Named Executive Officers includes four major elements: (1) base salary; (2) an annual cash bonus; (3) long-term equity incentives, consisting of deferred share units granted under our deferred share incentive plan and participation in our employee share purchase plan; and (4) dividends or other distributions on the ownership interests of the Manager. As a private company, the Manager’s process for determining executive compensation is relatively straightforward, involving input from senior management of the company. There is no specific formula for determining the amount of each element, nor is there a formal approach applied by the Manager for determining how one element of compensation fits into the overall compensation objectives in respect of the activities of Atrium. Objectives and performance measures may vary from year to year as determined to be appropriate by the Manager. Our board of directors has not specifically considered the implications of the risks associated with our compensation policies and practices given that the role of the board in this regard is limited to grants of deferred share units. Nevertheless, the board has determined that, generally, processes and controls are in place to mitigate any risks and, overall, such risks are not significant and not reasonably likely to have a material adverse effect on Atrium. The risks and uncertainties that are likely to have a material adverse effect on Atrium are disclosed in the AIF. No such risks specifically relate to Atrium’s compensation policies and practices.

The board has adopted a policy on trading in securities of Atrium by directors, senior executives, employees, consultants and other insiders of Atrium and its subsidiaries and manager. Among other things, the following are prohibited by the trading policy: (i) short sales of Atrium’s securities; (ii) transactions in puts, calls or other derivative securities, on an exchange or in any other organized market; (iii) hedging or monetization transactions that allow an individual to continue to own the covered securities, but without the full risks and rewards of ownership; and (iv) the resale of securities of Atrium purchased in the open market prior to the expiration of three months from the purchase date. Consequently, the foregoing prohibitions in the trading policy do not permit a Named Executive Officer or director to purchase financial instruments that are designed to hedge or offset a decrease in market value of Atrium’s equity securities granted as compensation or held, directly or indirectly, by a Named Executive Officer or director. The Named Executive Officers do not benefit from medium term incentives or pension plan participation. Perquisites and personal benefits are not a significant element of compensation of the Named Executive Officers. The principal elements of compensation are described below.



### *Base Salaries*

Base salaries are paid by the Manager and are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries are determined on an individual basis, taking into consideration the past, current and potential contribution to the success of Atrium, the position and responsibilities of the Named Executive Officers and competitive industry pay practices for other mortgage investment corporations and corporations of comparable size. The Manager does not engage compensation consultants or advisors for the purposes of performing benchmarking or apply specific criteria for the selection of comparable mortgage lending businesses.

### *Annual Cash Bonuses*

Annual cash bonuses are paid by the Manager and are awarded primarily based upon qualitative and quantitative performance standards, and reward performance of Atrium or the Named Executive Officer individually. The determination of the performance of Atrium may vary from year to year depending on economic conditions and conditions in the mortgage lending industry, and may be based on measures such as share price performance, the meeting of financial targets against budget and balance sheet performance. Individual performance factors vary, and may include completion of specific projects or transactions and the execution of day to day management responsibilities.

### *Deferred Share Incentive Plan*

The board has adopted the deferred share incentive plan (DSIP) described below. The DSIP is intended to, among other things, attract, motivate and retain certain directors and officers of Atrium and employees of the Manager, align their interests with the interests of our shareholders and allow them to participate in the long term success of Atrium. See “Deferred Share Incentive Plan” below. Grants of deferred share units under the DSIP align the interests of the recipients more closely with those of our shareholders, because they are tied to our financial and share trading performance and vest over a number of years. The board may designate individuals eligible to receive grants of deferred share units. In determining grants of deferred share units, an individual’s performance and contributions to our success, relative position, tenure and past grants are taken into consideration.

### *Employee Share Purchase Plan*

We have an Employee Share Purchase Plan (ESPP) as described below under which participants may purchase our shares within certain limits, and the Manager then matches 50% of their contribution. The purpose of the ESPP is to assist us in attracting, retaining and motivating officers and employees of Atrium and the Manager and its affiliates by offering them the benefits inherent in ownership of our common shares. Participation in the ESPP is voluntary. Participation in the ESPP is available to all officers and employees. Each participant may contribute up to \$10,000 or such other maximum amount specified by our board for such participant and the Manager or an affiliate of the Manager, as applicable (depending on which of such entities pays such participant’s salary), will contribute 50% of such participant’s contribution to the ESPP. The funds contributed to the ESPP are used to purchase our common shares issued from treasury or purchased on the open market. See “Employee Share Purchase Plan” below.

### *Ownership Interests of the Manager*

Mr. Robert G. Goodall owns, indirectly, ownership interests in the Manager. A portion of the compensation received by him from the Manager (in relation to Atrium) relates to dividends or other distributions on the ownership interests that he indirectly owns in the Manager through entities related to him (and not in his capacity as a director, officer and/or employee of the Manager). As Mr. Goodall does not own a direct interest in the Manager, he may receive only a part of, or none of, the amounts received by his related entities at such time as is determined by those entities.

### **Incentive Plan Awards**

The board adopted the DSIP, which became effective on August 29, 2012. See, “Deferred Share Incentive Plan” below. We also have the ESPP, approved by our shareholders on April 10, 2013. See “Employee Share Purchase Plan” below.

The table below sets forth information related to deferred share units granted under our DSIP held by the Named Executive Officers as at the date hereof.

Share-based awards				
Name of Named Executive Officer	Number of deferred share units and income deferred share units that have vested/not vested <sup>(1)</sup> (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards paid out or distributed in the year (\$)
Robert G. Goodall	11,944 / 5,353	67,394	150,375	11,449
Jennifer Scoffield	Nil / 3,000	37,770	Nil	6,872

Notes:

- (1) Each deferred share unit and income deferred share unit entitles the holder to receive one common share of Atrium. On September 1, 2018, an aggregate of 4,500 deferred share units were granted under the DSIP to the Named Executive Officers. One-third of the deferred share units and their related income deferred share units vest on each anniversary of the grant date for a period of three years.
- (2) Calculated using the closing price per Atrium common share on the TSX on December 31, 2018 of \$12.59.

### Director Compensation

A member of our board who is not an independent director does not receive any remuneration from us for serving as a member of the board or any board committee. We pay fees of \$25,000 per annum to each independent director. The Chair of the Board receives an additional fee of \$15,000 per annum. The Audit Committee members receive an additional fee of \$2,500 per annum and the Chair of the Audit Committee receives an additional fee of \$5,000 per annum. The Compensation, Nominating and Governance Committee members receive an additional fee of \$1,000 per annum and the Chair of the Compensation, Nominating and Governance Committee receives an additional fee of \$2,000 per annum. No compensation is paid for directors attending any meetings of the board or of any board committee.

Directors' compensation is subject to such amendments as the independent directors may determine from time to time. Members of the board or any board committee are also entitled to reimbursement of out-of-pocket expenses. Our directors are entitled to participate in the DSIP.

### Individual Director Compensation for Fiscal 2018

The following table provides a summary of all amounts of compensation provided to our directors during the fiscal year ended December 31, 2018. Robert G. Goodall, who is not an independent director, does not receive any compensation for serving as a director of Atrium.

DIRECTOR COMPENSATION FOR FISCAL 2018					
Name	Fee earned (\$)	Share-based Awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
Peter P. Cohos	30,202	22,943	Nil	Nil	53,145
Robert H. DeGasperis	25,000	20,761	Nil	Nil	45,761
Andrew Grant	26,000	20,202	Nil	Nil	46,202
Maurice Kagan <sup>(2)</sup>	18,721	4,188	Nil	Nil	22,909
Nancy H.O. Lockhart	29,500	22,943	Nil	Nil	52,443
David Prusky <sup>(3)</sup>	9,577	23,337	Nil	Nil	32,914
Mark L. Silver	40,000	22,224	Nil	Nil	62,224

Note:

- (1) The amounts reflect accounting expense recognized in the applicable period for all outstanding equity-based compensation in the form of deferred share units and the related income deferred share units granted under our DSIP. Under our DSIP, the cost of equity-settled and cash-settled transactions is measured based on the fair value of the awards granted. The fair value is determined based on our observable common share price at the time that the applicable deferred share units and related income deferred share units are granted. For a description of the material terms of our DSIP and each grant made thereunder to our directors, see “– Deferred Share Incentive Plan” and “– Director Outstanding Share-Based Awards” below.
- (2) Mr. Kagan became a director of Atrium in April 2018.
- (3) Mr. Prusky ceased to be a director of Atrium in April 2018.

The following table provides additional detail of the fees paid to individual directors during fiscal 2018. During the fiscal year ended December 31, 2018, we paid to such directors, in their capacity as such, aggregate fees of \$179,000.

Name	Board and board Chair annual retainer (\$)	Committee and committee Chair annual retainer (\$)	Total board attendance fees (\$)	Total committee attendance fees (\$)	Total fees paid in cash (\$)
Peter P. Cohos	25,000	5,202	Nil	Nil	30,202
Robert H. DeGasperis	25,000	Nil	Nil	Nil	25,000
Andrew Grant	25,000	1,000	Nil	Nil	26,000
Maurice Kagan	17,019	1,702	Nil	Nil	18,721
Nancy H.O. Lockhart	25,000	4,500	Nil	Nil	29,500
David Prusky	7,981	1,596	Nil	Nil	9,577
Mark L. Silver	25,000	15,000	Nil	Nil	40,000

#### Director Outstanding Share-Based Awards

The table below sets forth information related to deferred share units held by each of our directors (other than those directors who are also Named Executive Officers and for which such information is set out above under “– Incentive Plan Awards”) as at December 31, 2018.

Share-based awards				
Name of director	Number of deferred share units and income deferred share units that have vested/not vested <sup>(1)</sup> (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(2)</sup>	Market or payout value of vested share-based awards paid out or distributed in the year (\$)
Peter P. Cohos	7 / 3,087	38,865	88	77,945
Robert H. DeGasperis	6 / 3,078	38,752	76	71,323
Andrew Grant	6 / 3,072	38,676	76	23,792
Maurice Kagan	Nil / 1,500	18,885	Nil	Nil
Nancy H.O. Lockhart	7 / 3,087	38,865	88	77,945
Mark L. Silver	3,666 / 3,093	38,941	46,155	Nil

Notes:

- (1) Each deferred share unit entitles the holder to receive one common share of Atrium. On September 1, 2018, an aggregate of 9,000 deferred share units were granted under the DSIP to the directors who are also not a Named Executive Officer. One-third of the deferred share units and their related income deferred share units vest on each anniversary of the grant date for a period of three years.
- (2) Calculated using the closing price per common share on the TSX on December 31, 2018 of \$12.59.

#### Deferred Share Incentive Plan

The DSIP is intended to assist us in attracting, motivating and retaining individuals to allow them to participate in our long term success and to promote alignment of their interests with interests of our shareholders.

Eligible Individuals may participate in the DSIP. Eligible individuals under the DSIP consist of: (i) our directors and officers; (b) employees and consultants of Atrium or any of its subsidiaries; and (iii) employees of certain service providers of Atrium who spend a significant amount of time and attention on the affairs and business of Atrium. The DSIP provides for the grant to eligible individuals of deferred share units and, if determined by the board at the time of grant, related income deferred share units. If forming part of any deferred share units awarded, income deferred share units are credited to holders of deferred share units based on dividends and other distributions paid by us on our common shares. Deferred share units granted before 2017 receive income deferred share units in accordance with the foregoing, while the board has determined that deferred share units granted in or after 2017 do not receive any income deferred share units.

Set out below is information related to the applicable “annual burn rate” of deferred share units awarded under the DSIP. “Annual burn rate” is the number of deferred share units granted under the DSIP during the applicable fiscal year divided by the weighted average number of our common shares outstanding for the applicable fiscal year.

Year	Number of Deferred Share Units Granted under DSIP	Weighted Average Number of Common Shares Outstanding for the Applicable Year	Annual Burn Rate
2018	22,000	35,571,414	0.06%
2017	24,000	30,633,314	0.08%
2016	26,179	26,975,544	0.10%

A maximum of 300,000 deferred share units and income deferred share units are issuable under the DSIP, representing approximately 0.8% of our outstanding common shares as at December 31, 2018. As at December 31, 2018, a total of 159,000 deferred share units (and 27,127 income deferred share units) were granted and not forfeited. This represents approximately 0.5% of our outstanding common shares as at December 31, 2018. A total of 144,455 deferred share units and income deferred share units were vested, of which 108,404 common shares have been issued, in each case, as at December 31, 2018.

The DSIP provides that no one participant shall be granted an aggregate number of deferred share units and income deferred share units in any year that exceeds 5% of the total number of our outstanding common shares in such year. In addition, the DSIP provides that the aggregate number of our securities: (a) issued to insiders (as such term is used in the TSX Company Manual) of Atrium, within any one year period; and (b) issuable to insiders of Atrium, at any time under the DSIP, or when combined with all of Atrium's other share compensation arrangements, shall not exceed 10% of our total issued and outstanding securities. Under the DSIP, deferred share units may be granted from time to time to eligible individuals at the discretion of the board and the board can decide, at the time of grant, whether such deferred share units will receive income deferred share units. If forming part of any deferred share units awarded, the number of income deferred share units credited to a holder of deferred share units and/or income deferred share units is calculated by multiplying the aggregate number of deferred share units and income deferred share units held on the relevant dividend or other distribution record date by the amount of the dividends or other distributions paid by us on each common share, and dividing the result by the market value of our common shares on the dividend or other distribution payment date. Market value for this purpose is the weighted average closing price of our common shares on the TSX for the five trading days immediately preceding the relevant dividend or other distribution payment date.

Deferred share units vest on a three-year vesting schedule, pursuant to which one-third of the deferred share units granted vest on each anniversary of the grant date for a period of three years. Income deferred share units credited to plan participants vest on the same schedule as their corresponding deferred share units and are issued on the same date as the deferred share units or income deferred share units in respect of which they were credited.

Upon the vesting of deferred share units and income deferred share units, we issue common shares to plan participants on the basis of one common share of Atrium for each deferred share unit and income deferred share unit that has vested. Common shares are issued by us at no cost to plan participants. Plan participants who are employees, officers or directors of Atrium or any of its affiliates may elect to defer the issuance of common shares to them on the vesting of their deferred share units and income deferred share units in respect of any vesting date. The issuance of common shares to such plan participants may be deferred indefinitely, unless the plan participant's employment or term of office is terminated, in which case common shares will be issued on the date of termination.

Any unvested deferred share units or income deferred share units held by an eligible individual will be forfeited if the employment, service or term of office of the individual is terminated for any reason, whether voluntarily or involuntarily. However, pursuant to the DSIP, our board may, at its discretion, accelerate the vesting of such units held by an individual whose employment or term of office is terminated. In these circumstances, any unvested deferred share units or income deferred share units will vest effective upon the termination date of the individual, or on such later date or dates determined by the board in its discretion.

Upon our entering into an agreement relating to, or otherwise becoming aware of, a transaction that would result in a change in control of Atrium, we will give written notice of the proposed change in control to plan participants and the vesting of all deferred share units and income deferred share units held by plan participants will be accelerated and be fully vested and conditionally delivered immediately prior to the completion of the change in control.

Deferred share units and income deferred share units are non-transferable, except to a plan participant's estate, and the rights of plan participants under the DSIP are not assignable, except as required by law.

Our board may review and confirm the terms of the DSIP from time to time and may, subject to the TSX rules, amend or suspend the DSIP in whole or in part as well as terminate the DSIP without prior notice as it deems appropriate.

Our board may from time to time amend or suspend the DSIP in whole or in part and may at any time terminate the DSIP without prior notice, as it deems appropriate; provided, however, that any amendment to the DSIP that would: (a) result in any increase in the maximum number of deferred share units and income deferred share units issuable under the plan; (b) permit deferred share units or income deferred share units granted under the plan to be transferable or assignable other than for normal estate settlement purposes; or (c) result in any modification to the amendment provisions of the plan or the insider participation limit, will, in each case, be subject to the approval of our shareholders. The board may correct any defect or supply any omission or reconcile any inconsistency in the DSIP. Without limitation, the board may, without obtaining the approval of our shareholders, make changes: (i) to correct errors, immaterial inconsistencies or ambiguities in the plan or making formal, minor or technical modifications, including amendments of a housekeeping nature; (ii) necessary or desirable to comply with applicable laws or regulatory

requirements, rules or policies (including stock exchange requirements); (iii) to the vesting provisions applicable to deferred share units and income deferred share units issued under the plan; and (iv) that do not require shareholder approval under applicable laws or the applicable rules of the TSX. However, subject to the terms of the DSIP, no amendment may adversely affect the deferred share units or income deferred share units previously granted under the DSIP without the consent of the affected Plan Participant.

It is expected that future awards under the DSIP will be made annually on or about September 1 each year.

### **Employee Share Purchase Plan**

The purpose of the ESPP is to assist us in attracting, retaining and motivating officers, employees and consultants of Atrium and the Manager and its affiliates (the “Atrium Group”) by offering them the benefits inherent in ownership of our common shares. Participation in the ESPP is voluntary. The ESPP is administered by our board or by a committee of our directors delegated the authority to administer the ESPP from time to time by our board. Participation in the ESPP is available to all officers, employees and consultants, whether directors or not, and including both full-time and part-time employees of the Atrium Group. Each participant may contribute up to \$10,000 per annum or such other maximum amount specified by our board for such participant and the Manager or an affiliate of the Manager, as applicable (depending on which of such entities pays such participant’s salary), contributes 50% of such participant’s contribution to the ESPP. The funds contributed to the ESPP are used to purchase our common shares issued from treasury or purchased on the open market.

Under the ESPP, the maximum number of common shares that are reserved for issuance from treasury is 300,000 (or 0.8% of our outstanding common shares as at December 31, 2018) and the maximum number of common shares that may be purchased on the open market is, subject to applicable law and the requirements of the TSX, unlimited. The aggregate number of securities of Atrium: (a) issued to insiders of Atrium from treasury, within any one year period; and (b) issuable to insiders of Atrium from treasury, at any time, in each case, under the ESPP, or when combined with all of Atrium’s other security based compensation arrangements that involve the issuance from treasury or potential issuance from treasury of securities of Atrium, will not exceed 10% of Atrium’s total issued and outstanding securities, respectively. The maximum number of common shares issuable from treasury to any one insider and the associates of such insider pursuant to the ESPP and the DSIP will not exceed 5% of the total number of our common shares then outstanding.

The number of our common shares to which a participant is entitled will be calculated at the end of each calendar quarter based on the aggregate contribution of such participant and the Atrium Group in the quarter then ended. The number of our common shares issuable from treasury will be calculated using the volume weighted average price of our common shares on the TSX for the five trading days occurring prior to the issue date. All dividends declared on common shares held for a participant under the ESPP will, upon payment, be retained by, or deposited, with us and used towards the acquisition of common shares under the ESPP for such participant at the end of each calendar quarter. Whole common shares held for a participant under the ESPP will be voted in accordance with the instructions of such participant. A participant may elect to withdraw (without withdrawing from or terminating participation in the ESPP) and sell some or all of the common shares which are then held for such participant pursuant to the terms of the ESPP once every 12 months by completing and delivering to us a written withdrawal. If a participant ceases to be employed or retained by the Atrium Group for any reason or cause, any portion of the participant’s contribution shall be paid to the participant and the Atrium Group’s contribution shall be paid to the applicable entity within the Atrium Group. A participant may withdraw from the ESPP at any time and receive a transfer or sell the common shares then being held for such participant under the ESPP. The issuance and/or delivery of common shares to participants under the ESPP will be accelerated only in the event a change in control of Atrium, being any transaction pursuant to which Atrium goes out of existence, any transaction pursuant to which any person or entity acquires direct or indirect “beneficial ownership” of our securities representing 50% or more of the aggregate voting power of all of our then issued and outstanding securities, the sale of all or substantially all of Atrium’s assets, the dissolution or liquidation of Atrium or the occurrence of a transaction requiring approval of our shareholders involving the acquisition of Atrium or its business, in order to permit such shares to participate in such transaction.

As at December 31, 2018, a total of 63,814 common shares have been issued under the ESPP. This represents approximately 0.17% of our outstanding common shares on that date.

Set out below is information related to the applicable “annual burn rate” of common shares issued under the ESPP. “Annual burn rate” is the number of common shares issued under the ESPP during the applicable fiscal year divided by the weighted average number of our common shares outstanding for the applicable fiscal year.

Year	Number of Common Shares Issued under ESPP	Weighted Average Number of Common Shares Outstanding for the Applicable Year	Annual Burn Rate
2018	12,109	37,571,414	0.03%
2017	11,620	30,633,314	0.04%
2016	12,325	26,975,544	0.05%

### Equity Compensation Plan Information

The following table sets forth aggregated information as at as at December 31, 2018 with respect to our compensation plans under which equity securities of Atrium are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
DSIP	36,051	N/A	113,873
ESPP	Nil	N/A	236,186

### Termination and Change of Control Benefits

Among other circumstances, the Management Agreement may be terminated by us at any time (each, a “No Cause Termination Right”): (i) on or at any time after December 31, 2024 upon: (A) approval of two-thirds of our independent directors; and (B) twelve months’ prior written notice to the Manager being given after the approval of our independent directors is obtained; or (ii) in the event of the successful completion of an amalgamation or other business combination transaction or “formal take-over bid” (as such term is defined in the *Securities Act* (Ontario)) following which, there is a change of control of Atrium, upon twelve months’ prior written notice to the Manager being given after the business combination transaction or “formal take-over bid” is completed. In addition, among other circumstances, the Management Agreement may be terminated by the Manager at any time in the event of a breach by us of any material term of the Management Agreement that is not cured within 60 days of written notice of such breach to us (or such longer period, not to exceed 120 days, as may be reasonably required in the circumstances to cure such breach if such breach may be cured) (a “Material Corporation Breach”).

The Management Agreement provides that upon the termination of the Management Agreement by us pursuant to a No Cause Termination Right, upon termination of the Management Agreement by the Manager pursuant to a Material Corporation Breach or in connection with the expiration of the initial term or the then current renewal term of the Management Agreement, as the case may be, as a result of us providing a non-renewal notice to the Manager, we will be required to pay the Manager an amount equal to three times the greater of the following: (a) the total amount of the management fee received and/or earned by the Manager pursuant to the Management Agreement during the twelve consecutive completed calendar months occurring on or prior to the date of termination or expiration; or (b) the result of the following formula: 0.85% *multiplied by* the aggregate face value of all assets invested in mortgages by us as at the close of business on the date of termination or expiration, in each case, plus applicable taxes. If the Management Agreement were terminated by us pursuant to a No Cause Termination Right, were terminated by the Manager pursuant to a Material Corporation Breach as at December 31, 2018 or were to expire as a result of us providing a non-renewal notice to the Manager, it is estimated that we would be required to pay the Manager \$19,721,090.

### Insurance Coverage and Indemnification

We have obtained insurance policies that cover corporate indemnification of our directors and officers and our individual directors and officers in certain circumstances. In addition, our by-laws also provide for the indemnification of our directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties or office, either for us or any affiliated entity, subject to certain customary limitations.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date hereof, no directors or executive officers of Atrium, any proposed nominees for election as a director or any associate of any such directors, executive officers or proposed nominees were indebted to Atrium or any of its subsidiaries (whether or not in respect of a security purchase program).

### **BUSINESS OF THE MEETING**

#### **Receipt of Financial Statements**

The audited financial statements of Atrium for the fiscal year ended December 31, 2018 and the report of the auditors' thereon will be presented to the meeting. No vote by our shareholders is required. The audited financial statements of Atrium for the fiscal year ended December 31, 2018 and the report of the auditors' thereon and management's discussion and analysis relating thereto are included in the 2018 Annual Report of Atrium sent to shareholders.

#### **Appointment of Auditors**

Crowe Soberman LLP, Chartered Professional Accountants and Licensed Public Accountants, are our independent auditors and have served as our auditors since 2002. Management recommends that shareholders reappoint Crowe Soberman LLP as the auditors of Atrium to hold office until the close of the next annual meeting of our shareholders, and to authorize the board to fix the remuneration of the auditors. It is intended that the persons named in the accompanying form of proxy (provided that it is executed in their favour and deposited), unless their authority to do so has been withheld, will vote the shares represented thereby in favour of appointing Crowe Soberman LLP as our auditors and authorizing the directors of Atrium to fix their remuneration.

From time to time, Crowe Soberman LLP also provides non-audit services to us. The Audit Committee has considered whether the provision of non-audit services is compatible with maintaining Crowe Soberman LLP's independence and has concluded that it is. Total fees charged by Crowe Soberman LLP for fiscal 2018 were \$157,000. Of that amount, \$77,000 was for audit fees, \$39,000 for audit-related fees (fees for interim reviews of our financial statements), \$nil was for tax consulting and \$41,000 was for work in connection with the preparation and filing of prospectuses and general accounting advice. For more information on our Audit Committee, please refer to our AIF, available at [www.sedar.com](http://www.sedar.com).

#### **Election of Directors**

Our board consists of seven directors. Pursuant to the articles of Atrium, the number of directors to be elected by our shareholders is at least one and a maximum of ten, and the board has fixed the number of directors to be elected at seven. The board proposes to nominate the seven individuals named in the following tables for election by our shareholders at the meeting as directors of Atrium. Each director elected will hold office until the next annual meeting of Atrium, or until a successor is duly elected or appointed, unless: (i) the office is earlier vacated in accordance with our articles and by-laws; or (ii) he or she becomes disqualified to act as a director. All of the seven nominees for election to the board at the meeting are current members of the board.

Unless provided to the contrary, the persons named in the accompanying form of proxy (if it is duly executed in their favour and deposited) will vote the shares represented thereby in favour of electing as directors the nominees named below. In case any of the following nominees should become unavailable for election for any reason, unless provided to the contrary, the persons named in the accompanying form of proxy will vote the shares represented thereby in favour of electing the remaining nominees and such other substitute nominees as a majority of the directors of Atrium may designate in such event.

We have adopted a policy for non-contested meetings whereby shareholders vote separately for each director nominee and each director to be elected at a meeting of shareholders must be elected by a majority (50% + 1 vote) of the votes cast with respect to his or her election. Any director nominee must immediately tender his or her resignation to the board if not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election even though duly elected as a matter of corporate law. Such director nominee's resignation from the board is effective when accepted by the board. The board shall determine whether or not to accept a director nominee's resignation tendered pursuant to the policy within 90 days after the date of the shareholders' meeting. The board shall accept the resignation absent exceptional circumstances. We will promptly issue a press release announcing the resignation of the director or explaining the reasons justifying the decision not to accept such resignation.

The following information is submitted with respect to the individuals proposed to be nominated for election as directors at the meeting:





<b>Andrew Grant</b> Vancouver, Canada Age: 68  Director since October 23, 2014  Independent	Andrew Grant is the president and founding partner of PCI Group, a major developer in British Columbia. PCI Group was established in 1982, and is continually active in the BC real estate market. Mr. Grant is actively involved in the Vancouver real estate community: he is former president of the Urban Development Institute (UDI); in the past was a chair of St. George's School; a supporter of the University of British Columbia athletics; and a former director of Great Northern Way Trust.			
	<b>Board &amp; Committees</b>	<b>Attendance</b>		<b>Securities owned, controlled or directed</b> <sup>(1)(4)</sup>
	Board	4 of 4	100%	Common shares 33,703
	Compensation, Nominating and Governance Committee	2 of 2	100%	Deferred share units <sup>(7)</sup> 3,077 <b>Total value of securities</b> <sup>(8)</sup> \$463,060
<b>Other public board memberships during the last five years</b>				
None.				

<b>Nancy H.O. Lockhart</b> Ontario, Canada Age: 64  Director since June 24, 2013  Chair of the Compensation, Nominating and Governance Committee since July 23, 2015  Independent	Nancy Lockhart is Chair of the board of directors of Gluskin Sheff + Associates, Inc., and a member of its compensation, nominating and governance committee; as well as a director of Loblaw Companies Limited and a member of its risk committee and of its governance, employee development, nominating and compensation committee. She was a member of the board of Barrick Gold Corporation until September 2018 where she sat on the governance and nominating committee and was chair of the corporate responsibility committee. She was formerly Chief Administrative Officer of Frum Development Group and a Vice President of Shoppers Drug Mart Corporation. Ms. Lockhart is a director of The Royal Conservatory of Music and Chair Emeritus of Crow's Theatre Company. She is a former Chair of the Ontario Science Centre, former President of the Canadian Club of Toronto and a former Chair of the Canadian Film Centre. Ms. Lockhart is also a former director of the Canada Deposit Insurance Corporation and a former director of Retirement Residence REIT. Ms. Lockhart was awarded the Order of Ontario in 2006.			
	<b>Board &amp; Committees</b>	<b>Attendance</b>		<b>Securities owned, controlled or directed</b> <sup>(1)(5)</sup>
	Board	4 of 4	100%	Common shares 409,403
	Audit Committee	3 of 4	75%	Deferred share units <sup>(7)</sup> 3,093
Compensation, Nominating and Governance Committee	2 of 2	100%	<b>Total value of securities</b> <sup>(8)</sup> \$5,193,325	
<b>Other public board memberships during the last five years</b>				
Loblaw Companies Limited			2005 – Present	
Gluskin Sheff + Associates, Inc.			2013 – Present	
Barrick Gold Corporation			2014 – 2018	

<b>Mark L. Silver</b> Ontario, Canada Age: 59  Director since March 23, 2012  Chair of the Board since May 28, 2013  Independent	Mark L. Silver is President of Optus Capital Corporation. Mr. Silver has made significant real estate investments in both development stage and income producing properties in the residential, commercial and industrial sectors over his 35 year business career. Over the last 18 years, these investments have been made through his company, Optus Capital Corporation. Mr. Silver was a founding partner and Chief Executive Officer of Universal Energy which was sold in 2009 to Just Energy Group Inc. He co-founded Direct Energy Marketing and grew the company to over \$1.3 billion in revenues before selling to Centrica PLC (also known as British Gas) in 2000.			
	<b>Board &amp; Committees</b>	<b>Attendance</b>		<b>Securities owned, controlled or directed</b> <sup>(1)(6)</sup>
	Board	3 of 4	75%	Common shares 315,364
				Deferred share units <sup>(7)</sup> 6,759 <b>Total value of securities</b> <sup>(8)</sup> \$4,055,529
<b>Other public board memberships during the last five years</b>				
None.				

<b>Maurice (Maish) Kagan</b> Ontario, Canada Age: 63  Director since April 26, 2018	Maurice Kagan is the president of Canal Group, a residential and commercial property holding company. Canal Group is engaged in property development, construction, financing and management of commercial and residential assets. Mr. Kagan was formerly chief executive officer and owner of Sparkle Solutions Inc., a route operator servicing over 13,000 laundry machines serving the multi-residential housing industry in Canada that was acquired by a U.S. based laundry operator in 2013. In 1997, Mr. Kagan spearheaded the launch of Residential Equities Real Estate Investment Trust (RESREIT). Mr. Kagan is a director of Pure Multi-Family REIT, Kew Media Group and Cliffside Capital Ltd. He is a former director of InterRent REIT, Carfinco Financial Group Inc. and Lonestar West Inc. and was the Chair of the audit committee of both Carfinco Financial Group Inc. and Lonestar West Inc. Mr. Kagan qualified as a Chartered Accountant in South Africa in 1981, has a Bachelor of Commerce from the University of Cape Town and has a certificate in the Theory of Accountant.																
	Independent	<table border="1"> <thead> <tr> <th>Board &amp; Committees</th> <th colspan="2">Attendance</th> <th>Securities owned, controlled or directed<sup>(1)</sup></th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>2 of 2</td> <td>100%</td> <td>Common shares 7,000</td> </tr> <tr> <td>Audit Committee</td> <td>2 of 2</td> <td>100%</td> <td>Deferred share units<sup>(7)</sup> 1,500</td> </tr> <tr> <td colspan="3"></td> <td><b>Total value of securities<sup>(8)</sup> \$107,015</b></td> </tr> </tbody> </table>	Board & Committees	Attendance		Securities owned, controlled or directed <sup>(1)</sup>	Board	2 of 2	100%	Common shares 7,000	Audit Committee	2 of 2	100%	Deferred share units <sup>(7)</sup> 1,500			
Board & Committees	Attendance		Securities owned, controlled or directed <sup>(1)</sup>														
Board	2 of 2	100%	Common shares 7,000														
Audit Committee	2 of 2	100%	Deferred share units <sup>(7)</sup> 1,500														
			<b>Total value of securities<sup>(8)</sup> \$107,015</b>														
	<b>Other public board memberships during the last five years</b> Kew Media Group 2015 – Present Cliffside Capital Ltd. 2017 – Present Pure Multi-Family REIT LP 2018 – Present Lonestar West Inc. 2008 – 2017 Carfinco Financial Group Inc. 2012 – 2015																

Notes:

- (1) Securities relates to common shares and deferred share units. See “Authorized Capital, Outstanding Shares and Principal Holders Thereof”. The information contained herein as to securities beneficially owned, or controlled or directed, directly or indirectly is based upon information furnished to us by the respective director nominees.
- (2) Copez Properties Ltd., which Mr. Cohos controls or directs, owns 171,706 common shares. Mr. Cohos directly owns 9,662 common shares.
- (3) 1330378 Ontario Inc., 2192357 Ontario Inc., Canadian Mortgage Capital Corporation, Elendog Inc. and Romake Inc., corporations which Mr. Goodall controls or directs, are the holders of 17,962 common shares, 444,672 common shares, 52,435 common shares, 17,051 common shares and 2,000 common shares, respectively. 57,755 common shares and \$43,000, 5.25% convertible debentures are held in a registered retirement savings plan of which Mr. Goodall is the annuitant. Mr. Goodall directly owns 101,499 common shares.
- (4) 28,055 common shares are held in a registered retirement savings plan of which Mr. Grant is the annuitant. Mr. Grant directly owns 5,648 common shares.
- (5) The Murray Frum Foundation, an entity which Ms. Lockhart controls or directs, is the holder of 65,100 common shares. 336,900 common shares are held in a registered retirement savings plan of which Ms. Lockhart is the annuitant. Ms. Lockhart directly owns 7,403 common shares.
- (6) 1513549 Ontario Limited and Paularene Management Inc., corporations which Mr. Silver controls or directs, are the holders of 237,850 common shares and 71,200 common shares, respectively. Mr. Silver directly owns 6,314 common shares.
- (7) Deferred share units shown include income deferred share units. Each deferred share unit entitles the holder to receive one common share of Atrium. Deferred share units granted, and their related income deferred share units, vest on a three year vesting schedule, pursuant to which one-third of the deferred share units granted to such individuals, and their related income deferred share units, will vest on each anniversary of their effective grant date for a period of three years. See “Executive Compensation – Deferred Share Incentive Plan”.
- (8) Determined using the closing price per common share and 5.25% convertible debenture on the TSX on December 31, 2018 (or if there was no trading on such day, the last day on which trading occurred) of \$12.59 and 98.51 respectively.

Following the meeting, Atrium will issue a news release disclosing the detailed results of the vote for the election of directors in accordance with the rules of the TSX.

*Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

None of the individuals nominated for election as a director of Atrium are, as at the date hereof, or have been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that, in each case, was in effect for a period of more than 30 consecutive days, that was issued while the director nominee was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that, in each case, was in effect for a period of more than 30 consecutive days, that was issued after the director nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No individual nominated for election as a director of Atrium:

- (a) is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act

in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director nominee.

No individual nominated for election as a director of Atrium has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a director nominee.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as otherwise indicated in this circular, no person who has been a director or executive officer of Atrium at any time since the beginning of our last financial year, no proposed nominee for election as a director of Atrium, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting other than the election of directors or the appointment of auditors.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Robert G. Goodall is part of the key management personnel of the Manager and is also a director and the President and Chief Executive Officer of Atrium and he receives compensation from the Manager. Mr. Goodall also controls the Manager. The Manager has been our exclusive manager since our formation in 2001. The Management Agreement was amended and restated as of March 23, 2012, and became effective August 29, 2012, and was thereafter amended on February 9, 2016. The Manager carries on business at 20 Adelaide Street East, Suite 900, Toronto, Ontario, Canada M5C 2T6. A summary of the Management Agreement is set out in the AIF under the heading “Description of the Business – Management”, which is incorporated herein by reference.

#### **INSURANCE**

Atrium holds a directors’ and officers’ liability insurance policy which is designed to protect us and our directors and officers against any legal action that may arise as a result of wrongful acts on the part of our directors and/or officers. The policy is written for limits of \$10 million subject to a corporate deductible of \$100,000 on securities claims and \$100,000 on all other claims. In respect of the fiscal year ended December 31, 2018, the cost to Atrium in maintaining the policy was \$29,538.

#### **ADDITIONAL INFORMATION**

Additional information relating to Atrium is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in our comparative financial statements for the financial year ended December 31, 2018 and the related management’s discussion and analysis. A copy of the following documents may be obtained, without charge, upon request to our Chief Financial Officer and Secretary at 20 Adelaide Street East, Suite 900, Toronto, Ontario, Canada M5C 2T6, telephone: (416) 867-1053, fax: (416) 867-1303, or by email to [info@atriummic.com](mailto:info@atriummic.com): (a) our latest Annual Information Form together with any document, or the pertinent pages of any document, incorporated by reference therein; (b) the comparative financial statements of Atrium for the financial year ended December 31, 2018 together with the accompanying report of the auditors thereon, any interim financial statements of Atrium for periods subsequent to December 31, 2018 and the related management’s discussion and analysis therefor; and (c) this circular.

## SHAREHOLDER ENGAGEMENT

Shareholders, employees and other interested parties may communicate directly with our board through the Chair of the Board by writing to:

Chair of the Board  
Atrium Mortgage Investment Corporation  
20 Adelaide Street East, Suite 900  
Toronto, Ontario, Canada  
M5C 2T6

## GENERAL

Management knows of no matters to come before the meeting other than the matters referred to in the Notice of Meeting. However, if matters not now known to management should come before the meeting, shares represented by proxies solicited by management will be voted on each such matter in accordance with the best judgement of the nominees voting same. The contents and the sending of the Notice of Meeting and this circular have been approved by the Board.

By Order of the Board

*“Jennifer Scoffield”*

\_\_\_\_\_  
Jennifer Scoffield

Chief Financial Officer and Secretary

March 19, 2019

## **SCHEDULE “A”**

### **BOARD OF DIRECTORS 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 the 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 when required;
- 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 other factors 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 is available on Atrium’s website at [www.atriummic.com](http://www.atriummic.com).

## **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