

## **CHARTER OF THE COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE**

### **Purpose**

The Compensation, Nominating and Corporate Governance Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Manufactured Home Communities, Inc. (the “Company”). The Committee’s duties as they relate to compensation include, among other things, to (a) approve and oversee the implementation of the compensation philosophy for all Company employees; (b) discharge the Board’s responsibilities relating to compensation of the Company’s officers and directors; and (c) produce a report on executive compensation as required by the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement or annual report on Form 10-K filed with the SEC. The Committee’s duties as they relate to nominating and corporate governance include, among other things, to (a) identify individuals qualified to become Board members, consistent with criteria approved by the Board; (b) select, or recommend that the Board select, the director nominees; (c) develop and recommend to the Board a set of corporate governance guidelines applicable to the Company and monitor its compliance therewith; and (d) recommend to the Board director nominees and chairmen for each committee of the Board.

### **Membership**

- The Committee shall be comprised of at least three members of the Board.
- The Board shall appoint and replace the members of the Committee.
- All members of the Committee shall meet the independence requirements of The New York Stock Exchange.

### **Engagement of Consultants; Independent Advice**

- The Committee shall have the sole authority to retain and terminate any compensation consultant engaged to assist in its evaluation, including of any director, chief executive officer (“CEO”) or senior executive compensation, and the authority to approve the consultant’s fees and other retention terms.
- The Committee shall have the sole authority to retain and terminate any search firm engaged to identify director candidates and shall have the sole authority to approve the search firm’s fees and other retention terms.
- The Committee shall also have the authority to obtain advice and assistance from internal or external legal, financial, accounting or other advisors.

## **Committee Authority and Responsibilities**

Among other things, with respect to compensation issues, the Committee shall:

- Develop and oversee the philosophy for the payment of all forms of compensation to the Company's employees and the administration thereof.
- Review and coordinate Board review of the Company's compensation and benefit plans for alignment with corporate objectives.
- Review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and, either as a committee or together with other independent directors (as directed by the Board), determine and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee shall consider the Company's performance and relative stockholder return, the values of similar incentive awards to CEOs at comparable companies and the awards given to the Company's CEO in past years.
- Make recommendations to the Board with respect to (i) officer compensation, incentive compensation plans and equity based plans, and (ii) the compensation to be paid to directors and officers.
- Make regular reports to the Board.
- Annually review and reassess the Committee's charter and, if necessary and appropriate, recommend changes to the Board for approval. The Committee shall annually review its own performance.
- Form and delegate authority to subcommittees when appropriate.

Among other things, with respect to nominating and corporate governance issues, the Committee shall:

- Develop qualification criteria for Board membership, and actively seek, screen and interview individuals qualified to become Board members for recommendation to the Board.
- Oversee the evaluation of the Board and management.
- Make regular reports to the Board.
- Annually review and reassess the Committee's charter and, if necessary and appropriate, recommend changes to the Board for approval. The Committee shall annually review its own performance.
- Form and delegate authority to subcommittees when appropriate.