

CRYSTAL RIVER CAPITAL, INC.

SHAREHOLDER NOMINATIONS AND COMMUNICATIONS POLICY

General

The Board of Directors (the “Board”) of Crystal River Capital, Inc. (the “Company”) has adopted policies with respect to (i) the consideration of candidates for director nominees recommended by shareholders and (ii) shareholder communications with the Board. These policies are subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company or as required by applicable laws.

Nomination of Directors

Directors may be nominated for election by the Board or by shareholders in accordance with the bylaws of the Company. This policy addresses the consideration of candidates recommended by shareholders for nomination by the Board. Direct shareholder nominations must be made in accordance with the advance notice requirements contained in the Company’s bylaws.

As indicated in the Company’s Corporate Governance Guidelines, the Nominating and Corporate Governance Committee reviews all nominees, including those recommended by shareholders, for nomination by the Board in accordance with the requirements and qualifications contained in the Corporate Governance Guidelines to determine whether they possess attributes the Nominating and Corporate Governance Committee believes would be most beneficial to the Company. The Nominating and Corporate Governance Committee will select qualified candidates and make its recommendations to the Board, which will formally decide whether to nominate the recommended candidates for election to the Board.

Shareholders may recommend nominees for consideration by the Nominating and Corporate Governance Committee by submitting the names and the following supporting information to the Company’s Secretary: Secretary, Shareholder Nominations, Crystal River Capital, Inc, Three World Financial Center, 200 Vesey Street, 10th Floor, New York, New York 10281. The submissions should include a current resume and curriculum vitae of the candidate and statement describing the candidate’s qualifications and contact information for personal and professional references. The submission should also include the name and address of the shareholder who is submitting the nominee, the number of shares which are owned of record or beneficially by the submitting shareholder and a description of all arrangements or understandings between the submitting shareholder and the candidate.

As appropriate, the Board may engage a third party director search firm to identify or assist in identifying or evaluating potential nominees.

Shareholders Communication

Shareholders and other interested parties may communicate directly with the Board or the non-management directors. All communications should be in writing and should be directed to the Company’s Secretary at: Secretary, Shareholder Communications, Crystal River Capital, Inc,

Three World Financial Center, 200 Vesey Street, 10th Floor, New York, New York 10281. The sender should indicate in the address whether the communication is intended for the entire Board, the non-management directors as a group or an individual director. Each communication intended for the Board or non-management directors received by the Secretary will be forwarded to the intended recipients with a copy to the Lead Independent Director subject to compliance with the existing instructions from the Board concerning the treatment of inappropriate communications.