

AMERICAN CAPITAL AGENCY CORP.
COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE
CHARTER
Amended through July 26, 2011

ORGANIZATION

This charter governs the operations of Compensation and Corporate Governance Committee (the "Committee") of the Board of Directors (the "Board") of American Capital Agency Corp. (the "Company"). The Committee shall review and reassess the charter at least annually and obtain the approval of the Board for any changes to this charter. The Committee shall be appointed and its chair shall be designated by the Board and shall comprise at least three directors, each of whom will be an independent director, as independence is defined in the applicable rules and standards of the Securities and Exchange Commission (the "SEC") and The NASDAQ Stock Market. Committee members shall also meet such other eligibility requirements as may be established by the SEC and The NASDAQ Stock Market.

STATEMENT OF POLICY

The Committee shall provide assistance to the Board in fulfilling its oversight responsibility to the stockholders, potential stockholders and the investment community, relating to the management agreement with the company's manager and the compensation of the officers, directors and any employees of the Company and ensuring that appropriate policies and procedures are implemented and observed in the governance of the Company.

RESPONSIBILITIES AND PROCESSES

The primary responsibilities of the Committee are (i) to review and evaluate the performance of American Capital Agency Management, LLC (the "Manager") under the management agreement between the Company and the Manager (the "Management Agreement"), (ii) to review the compensation and fees paid to the Manager under the Management Agreement, (iii) to monitor and facilitate the governance of the Company, including the membership and operations of the Board, (iv) to oversee and review the compensation practices of the Company with regard to any employees of the Company and of the Board and if any such employees are executive officers of the Company, to set the terms of their employment, (v) to review and approve the disclosure regarding the Company's compensation and benefits matters in the Company's Proxy Statement filed prior to its meeting of stockholders, pursuant to Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Proxy Statement") and Annual Report on Form 10-K (the "Annual Report"). The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take the appropriate actions to establish or reinforce the overall corporate environment for responsive and fair governance.

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

1. *Performance and Compensation of Manager under Management Agreement.* With respect to the oversight of the compensation of the Manager, the Committee shall have the following duties and responsibilities: (i) to review at least annually the Company's goals and objectives with respect to the Management Agreement with the Manager, and to amend, or recommend that the Board amend these goals and objectives if the Committee deems it appropriate, (ii) to review at least annually the compensation and fees paid to the Manager under the Management Agreement to determine whether the compensation and fees paid are in accordance with the terms of the Management Agreement and to report the Committee's determination to the Board, and (iii) to evaluate annually the performance of the Manager in light of the Company's goals and objectives and to make recommendations to the Board as to the appropriate compensation under the Management Agreement with respect to any renewal terms (or with respect to any new management agreement).
2. *Benefit Plans.* The Committee shall review as it deems appropriate the terms of the American Capital Agency Corp. Equity Incentive Plan for Independent Directors and other compensation plans that the Company may adopt. Unless otherwise delegated, the Committee shall administer such plans, including determining any incentive or equity-based awards to be granted to participants under any such plan.
3. *Approval of Director Nominees.* The Committee shall be the Nominating Committee as contemplated by the Company's By-Laws, and shall have the power to select and recommend director nominees for approval by the stockholders.
4. *Director Recruitment.* The Committee shall consider and recruit candidates to fill vacant positions on the Board and shall review any candidate recommended by the stockholders of the Company in accordance with the Company's By-Laws. As part of this responsibility, the Committee shall be responsible for conducting appropriate inquiries to establish such candidate's compliance with the independence and other qualification requirements established by applicable laws and regulations and as otherwise established by the Committee.
5. *Director Selection Criteria.* The Committee shall establish criteria for selecting new directors to be approved by the Committee in accordance with the Company's By-Laws, which shall reflect, among other factors, a candidate's integrity and business ethics, strength of character, judgment, experience and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current Board members and principles of diversity.
6. *Consideration of Directors for Re-Election.* In connection with its annual approval of a slate of nominees, the Committee shall assess the contributions of those Directors slated for re-election, and shall at that time review its criteria for Board candidates in the context of the Board evaluation process and other perceived needs of the Board.
7. *Governance Principles.* The Committee shall recommend to the Board corporate governance principles addressing, among other matters, the size, composition and responsibilities of the Board and its committees, which shall be reviewed not less frequently than annually by the Committee. The Committee shall make recommendations to the Board with respect to changes to the corporate governance principles.
8. *Advice as to Committee Membership and Operations.* The Committee shall advise the Board with respect to the charters, structure and operations of the various

committees of the Board and qualifications for membership thereon, including policies for rotation of members among committees of the Board.

9. *Evaluation of Board, Directors and Committee.* The Committee shall evaluate the performance of the Board on an annual basis or such other basis as the Committee may determine is appropriate. In discharging this responsibility, the Committee shall solicit comments from all Directors and report annually to the Board on its assessment of the Board's performance. The Committee shall periodically evaluate the performance of individual Directors. The Committee shall also evaluate its own performance on an annual basis and establish criteria for such evaluation.
10. *Director Compensation.* The Committee shall recommend to the Board proposed changes in Board compensation, including retainer and meeting attendance fees, as well as other Director compensation program and policies.
11. *Access to Consultants.* The Committee shall have the resources and authority to discharge its duties and responsibilities as described herein, including the authority to select, retain and terminate counsel, consultants and other experts. The Committee shall have the sole authority to select, retain and terminate a compensation consultant and approve the consultant's fees and other retention terms.
12. *Required Proxy Statement and Form 10-K Disclosures.* The Committee shall review and approve disclosure regarding compensation and benefit matters required to be included in the Company's Proxy Statement and Annual Report. In addition, the Committee shall review and discuss with the Company's management the Compensation Discussion and Analysis (the "CD&A") required by Item 402 to Regulation S-K ("Item 402"), prior to its inclusion in the Company's Proxy Statement or Annual Report, as applicable. Based on such review and discussion, the Committee shall determine whether to recommend to the Board that the CD&A be included in the Company's Proxy Statement or Annual Report. If the Committee determines to recommend inclusion of the CD&A to the Board, the Committee shall provide the Compensation Committee Report required by Item 407 of Regulation S-K for inclusion in the Company's Proxy Statement or Annual Report, in the form as required by Item 402.
13. *Delegation.* When appropriate, as permitted under applicable law and the listing standards of The NASDAQ Stock Market, the Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee, the Board or members of management.
14. *Other Duties.* The Committee shall also carry out such other duties as may be delegated to it by the Board from time to time.