

# CHIMERA INVESTMENT CORPORATION

## Corporate Governance Guidelines

(July 2021)

The following guidelines and principles have been adopted by the Board of Directors (the “Board”) of Chimera Investment Corporation (the “Company”) and, reflect the Board’s commitment to monitoring the effectiveness of decision-making at the Board and management level and ensuring adherence to good corporate governance principals, all with the goal of enhancing stockholder value over the long term. The Board recognizes that there is an on-going and energetic debate about corporate governance, and it will review these principles and other aspects of the Company’s governance annually or more often if deemed necessary.

### 1. Role of Board and Management

The Company’s business is conducted by its officers and employees under the direction of the Chief Executive Officer and the oversight of the Board, to enhance the long-term value of the Company for its stockholders. The Board is elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. Both the Board and management recognize that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other interested parties including customers, suppliers, government officials, and the public at large.

### 2. Functions and Responsibilities of the Board

The Board will hold a minimum of four regularly scheduled meetings a year at which it reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. Directors are expected to attend all scheduled Board and committee meetings and to review in advance all materials provided by the Company or the Board or committee chair relating to the matters to be considered at such meetings.

In addition to its general oversight of management, the Board, either itself or through the Board’s committees, also performs a number of specific functions, including:

- Selecting, evaluating the performance of and determining the compensation of the Chief Executive Officer and overseeing Chief Executive Officer succession planning;
- Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- Assessing major risks facing the Company and reviewing options for their mitigation; and ensuring processes are in place for maintaining the integrity of the Company including, the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with other persons;
- Ensuring the policies and procedures in place for maintaining the integrity of the Company, including financial statements, the integrity of compliance with

laws and ethics and the integrity of business relationships with investors, counterparties and others;

- Evaluating the performance of the Company’s executive officers as discussed below;
- Providing counsel and oversight on the evaluation of senior management, determining the compensation of senior management and overseeing succession planning for senior management; and
- Ensuring Environmental, Social and Corporate Governance (“ESG”) practices by the board or the nominating and governance committee. Responsibilities include: (i) reviewing and evaluating ESG-related plans and practices; (ii) reviewing current ESG trends and discussing such matters with management and communicating the impact on the company and its stakeholders; (iii) overseeing the development and use of tailored ESG-specific measurement and tracking metrics; (iv) reviewing the company's external ESG-specific communications; and (v) if information is discussed at the committee level in the first instance, reporting out key information to the full board on a regular basis.
- Evaluating annually the effectiveness of the Board.

Directors are expected to adhere to a high ethical standard in performing and carrying out their duties and responsibilities for the Company. In particular directors are expected to comply with these Guidelines and the Company’s Code of Business Conduct and Ethics as in effect from time to time

### **3. Director Qualifications**

The directors are nominated in accordance with procedures set forth in the Nominating and Corporate Governance Committee Charter. Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. The Company will endeavour to have a diverse Board representing a range of experiences in areas that are relevant to the Company’s business and the needs of the Board from time-to-time, and, as part of the search process, the Nominating and Corporate Governance Committee of the Board and the Board will consider highly qualified candidates, including women and minorities.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities.

Directors who also serve as chief executive officers or in equivalent positions should not serve on more than two boards of public companies in addition to the Company’s Board, and other directors should not serve on more than four other boards of public companies in addition to the Company’s Board. Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the director’s service on the Company’s Board.

The Board does not believe that arbitrary term limits on directors' service are appropriate, nor does it believe that directors should expect to be re-nominated annually until they reach the mandatory retirement age. The Board self-evaluation process described below will be an important determinant for Board tenure.

No individual may stand for election to the Board beginning in the calendar year in which such individual had or will have his or her 75<sup>th</sup> birthday.

#### **4. Independence of Directors**

A majority of the directors will be independent directors under the New York Stock Exchange ("NYSE") rules. Directors who do not meet the NYSE's independence standards also make valuable contributions to the Board and to the Company by reason of their experience and wisdom.

The Board shall review annually the relationships that each director has with the Company, either directly or indirectly. Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or indirectly) will be considered Independent Directors, subject to any additional qualifications prescribed under the listing standards of the NYSE or under applicable law. The Board has established the guidelines in the Nominating and Corporate Governance Committee Charter to assist it in determining director independence in accordance with that rule.

The Company will not make any personal loans or extensions of credit to directors or executive officers. No director or family member may provide personal services for compensation to the Company.

#### **5. Meetings of Independent Directors**

The Board will have at least two regularly scheduled meetings a year for the independent directors without management or non-independent directors present. The directors have determined that the Chairman of the Board will preside at such meetings in performing such other functions as the Board may direct, including advising management on the agenda for Board meetings. The independent directors may meet without management present at such other times as determined by the Board.

#### **6. Board Committees**

The Board has established the following committees to assist the Board in discharging its responsibilities: (i) the Audit Committee; (ii) the Compensation Committee; (iii) the Nominating and Corporate Governance Committee and (iv) the Risk Committee. The current charters and key practices of these committees are to be published on the Company website and will be mailed to stockholders on written request. The committee chairs shall report the highlights of their meetings to the full Board following each meeting of the respective committees. The committees may occasionally hold meetings in conjunction with the full Board.

#### **7. Independence of Committee Members**

In accordance with the respective charters for the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Risk Committee, and any applicable

laws, rules, regulations and listing standards, each Committee shall be comprised entirely of “independent” directors.

## **8. Annual Board Review**

The Board will conduct an annual review and self-evaluation both at the individual and Board level to determine whether it and its committees are functioning effectively. The review will focus on the Board’s contribution to the Company and will seek to identify specific areas, if any, that need improvement or strengthening.

## **9. Setting Board Agenda**

The Board shall be responsible for its agenda. Annually, the Chief Executive Officer will propose for the Board’s approval key issues of strategy, risk and integrity to be scheduled and discussed during the course of the next calendar year. Before that meeting, the Board will be invited to offer its suggestions. As a result of this process, a schedule of major discussion items for the following year will be established. The Chairman of the Board, or committee chair as appropriate, shall determine the nature and extent of information that shall be provided regularly to the directors before each scheduled Board or committee meeting. Directors are encouraged to make suggestions for agenda items, or additional pre-meeting materials, to the Chief Executive Officer, the Chairman of the Board, or appropriate committee chair at any time.

## **10. Ethics and Conflicts of Interest**

The Board expects all directors, as well as officers, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company’s Code of Business Conduct and Ethics. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chief Executive Officer and the Chairman of the Board. If a significant conflict exists and cannot be resolved, the Board will take appropriate action, including promptly disclosing the conflict to stockholders, as required by applicable law. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board shall resolve any conflict of interest question involving the Chief Executive Officer, and the Chief Executive Officer shall resolve any conflict of interest issue involving any other executive officer of the Company.

## **11. Reporting of Concerns to Independent Directors or the Audit Committee**

Anyone who has a concern about the Company’s conduct, or about the Company’s accounting, internal accounting controls or auditing matters, may communicate that concern directly to the Chairman of the Board, to the independent directors, or to the Audit Committee. Such communications may be confidential or anonymous, and may be e-mailed, submitted in writing, or reported by phone to the Company. Concerns relating to accounting, internal controls, auditing or officer conduct shall be sent immediately to the Chairman of the Board and to the chair of the Audit Committee and will be simultaneously reviewed and addressed by the Chief Financial Officer in the same way that other concerns are addressed by the Company. The status of all outstanding concerns addressed to the independent directors, the Chairman of the Board, or the Audit Committee will be reported to the Board on a quarterly basis. The Chairman of the Board, or the Audit Committee chair may direct that certain matters be presented to the Audit Committee or the full Board and may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. The

Company's Code of Business Conduct and Ethics prohibits any officer from taking any adverse action against anyone for raising or helping to resolve an integrity concern.

## **12. Executive Performance Reviews**

The Board is responsible for electing the officers of the Company, including the Chief Executive Officer. The performance of the Chief Executive Officer and the other executive officers will be reviewed annually by the Compensation Committee of the Board (or, to the extent permitted by the charter of the Compensation Committee, a subcommittee), and by the Board (not including any management directors) at its annual meeting. Such reviews and evaluations shall be based on objective criteria, such as performance of the business, accomplishment of long-term strategic objectives and development of management. The independent directors shall communicate the results of such reviews to management.

The Board, upon the recommendation of the Nominating and Corporate Governance Committee, will review and approve such formal or informal policies and procedures regarding succession planning for the position of Chief Executive Officer and any other senior management position deemed appropriate by the Board or the Nominating and Corporate Governance Committee.

The Board may at any time remove any officer with or without cause.

## **13. Access to Management and Independent Advisors**

Directors have full and free access to officers and other senior management of the Company. The directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and shall, to the extent not inappropriate, copy the Chief Executive Officer or Chief Financial Officer on any such written communications. Non-employee directors are encouraged to maintain contact with the Chief Executive Officer, Chief Financial Officer and/or other senior management to remain informed about the affairs and operations of the Company.

The Board and its committees shall have the right at any time to retain, at the expense of the Company, independent outside financial, legal or other advisors to discharge their respective responsibilities.

## **14. Director Orientation and Continuing Education**

The Chief Financial Officer shall be responsible for providing an orientation for new directors, and for periodically providing materials or briefing sessions for all directors on subjects that would assist them in discharging their duties. Each new director shall, within six months of election to the Board, spend a day at the Company's offices for personal briefing by senior management on the Company's strategic plans, its financial statements, and its key policies and practices. Any sitting director may attend such a briefing.

All directors are expected to stay actively informed and up to date on current issues relating to director responsibilities and are encouraged to participate in continuing educational programs. From time to time, the Board may set aside time at its meetings to provide continuing director education for the benefit of the directors. The Company will pay all reasonable expenses relating to continuing director education.

## **15. Director Compensation**

The Compensation Committee reviews director compensation annually and makes recommendations to the Board for changes, if any. The Compensation Committee and the Board will strive to ensure that director compensation, which may include equity in the Company, fairly reflects the responsibilities of and contributions to the Company's performance by directors and may consider the director compensation policies and practices of comparable companies. Only non-employee directors shall receive compensation for their services as a director and/or committee member.

## **16. Share Ownership by Non-Employee Directors; Anti-Hedging, Anti-Margin Policy**

The Company believes that each director and executive officer<sup>1</sup> should have a substantial personal investment in the Company. Therefore, all shares of Company stock (including restricted stock, restricted stock units and deferred stock units) issued to each non-employee director and each executive officer by the Company are subject to the following retention requirement: vested shares of equity grants cannot be transferred or sold during such executive's or director's employment by, or term with, the Company (as applicable) until the aggregate value of such executive's or director's stock holdings in the Company (including, for these purposes, any vested restricted stock, restricted stock units and deferred stock units) exceeds (a) in the case of each non-employee director, five times his or her cash portion of the director's annual base retainer, and (b) five times the executive's base salary, in the case of the Chief Executive Officer, or three times the base salary in the case of the other executive officers.

Directors, employees and officers may not engage in any hedging transactions, including options, short sales, puts, calls, derivative actions such as forwards, futures or swaps, or any other hedging transactions with respect to Company shares.

Directors and executive officers are prohibited from purchasing Company shares on margin or pledging Company shares as collateral for a loan or other extension of credit.

## **17. Director Resignations**

In an uncontested election, any nominee for director who is an incumbent director but who is not elected by the vote required in the Bylaws shall promptly tender his or her offer to resign to the Board of Directors for its consideration. The Nominating and Corporate Governance Committee shall consider such offer and shall recommend to the Board of Directors whether to accept the offer to resign. Such nominee may not be present during deliberations or voting on whether to accept the nominee's offer to resign. Notwithstanding the foregoing, in the event that all directors offer to resign in accordance with this policy, the Nominating and Corporate Governance Committee shall make a final determination as to whether to recommend to the Board whether to accept any or all offers to resign, including those offers to resign from members of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee and the Board of Directors may consider any factors they deem relevant in deciding whether to accept a director's resignation. No later than the next regularly scheduled Board meeting to be held at least ten days after the date of the election, the

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<sup>1</sup> The Company's executive officers shall consist of the Chief Executive Officer, Chief Operating Officer, Chief Investment Officer, Chief Financial Officer, and Chief Legal Officer.

Board of Directors shall decide whether to accept the offer to resign. The Board will promptly and publicly disclose its decision. If the resignation is not accepted, the director will continue to serve until the next annual meeting of stockholders and until the director's successor is duly elected and qualified or until the director's earlier resignation or removal. If a director's offer to resign is accepted by the Board, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board, in its sole discretion, may fill any resulting vacancy pursuant to the Bylaws.