

# CHIMERA INVESTMENT CORPORATION

## Code of Business Conduct and Ethics

Chimera Investment Corporation (the “Company”) strives to conduct its business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. The Company believes that it is imperative that its officers, directors and employees act at all times in an honest and ethical manner in connection with their service to the Company. The principles of integrity and accountability are the cornerstone of our success.

This Code of Business Conduct and Ethics sets forth basic principles to guide all employees, officers, and directors of the Company (collectively, “Company personnel”) in their conduct of the business and affairs of the Company. All Company personnel should conduct themselves accordingly to avoid in fact and the appearance of improper behavior.

The following information constitutes the Company’s corporate Code of Conduct, which applies to all Company personnel. This Code of Conduct is intended to meet the requirements for a code of ethics under the Sarbanes-Oxley Act of 2002 and the listing standards of the New York Stock Exchange (“NYSE”), and is specifically applicable to the Company’s principal executive officer, principal financial and accounting officer and controller or persons performing similar functions. Any waiver of this Code of Conduct for any of the Company’s executive officers or directors may be made only by the Board of Directors and must be promptly disclosed to stockholders, as required by applicable law, rule, regulation or NYSE listing standards.

### **1. Compliance with Applicable Laws**

The Company is committed to conducting its business in strict compliance with all applicable laws, rules and regulations, including but not limited to laws, rules and regulations related to securities, labor, employment and workplace safety matters. All Company personnel are expected at all times to conduct their activities on behalf of the Company in accordance with this principle. Company personnel should seek guidance from the General Counsel of the Company whenever they are in doubt as to the applicability of any law, rule or regulation or regarding any contemplated course of action.

Company personnel should also review the section entitled “Compliance with Federal Securities Laws, Rules and Regulations.”

### **2. Conflicts of Interest**

All Company personnel should be scrupulous in avoiding an actual or apparent conflict of interest. A “conflict of interest” occurs when an individual’s private interest (or the interest of a member of his or her family) interferes – or even appears to interfere – in any way with the interests of the Company as a whole. A conflict situation can arise when an employee, officer or director (or a member of his or her family) takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when an employee, officer or director (or a member of his or her family) receives improper benefits as a result of his or her position in the Company, whether received from the Company or a third party.

Conflicts of interest may not always be evident, and employees, officers and directors should consult with higher levels of management or the Company's General Counsel if they are uncertain about any situation.

The Company may not enter into a business relationship with employees, officers or directors, or an immediate family member thereof, or with a company in which the employee, officer, director or immediate family member has a substantial financial interest unless such relationship is disclosed to and approved in advance by the Company's Board of Directors (which approval, in the case of an interested director transaction, may be by a committee comprised of disinterested directors or by a majority of disinterested directors at a meeting at which a quorum is present). Immediate family members include the employee's spouse (or domestic partner), grandparents, parents, siblings, children, grandchildren, aunts, uncles, nephews and nieces.

Loans by the Company to, or guarantees by the Company of obligations of, employees or their family members could constitute improper personal benefits to the recipients, depending on the facts and circumstances. Loans by the Company to, or guarantees by the Company of obligations of, any executive officer, director or their family members are expressly prohibited.

### **3. Corporate Opportunities**

Company personnel are prohibited from (a) taking for their personal benefit (or the benefit of their family members or friends) opportunities that are discovered through the use of Company property, information or position; (b) using Company property, information, or position for personal gain (or for that of their family members or friends); and (c) competing with the Company. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

### **4. Confidentiality**

Company personnel must maintain the confidentiality of non-public information, except when disclosure is expressly authorized or legally permitted or mandated. Whenever possible, Company personnel should consult with the Company's General Counsel if they believe they have a legal obligation to disclose confidential information. Confidential information includes all non-public information of the Company, its affiliates and any third parties who entrust the Company or its affiliates with information on a confidential basis that might be of use to competitors, or advantageous or harmful to the Company, if disclosed. The obligation to preserve confidential information continues after employment or service on the Board of Directors ends. Nothing herein limits Company personnel's ability to communicate with any government agencies or otherwise participate in any investigation or proceeding that may be conducted by any government agency, including providing documents or other information, without notice to the Company. This paragraph 4 also does not limit Company personnel's ability to use the Company's proprietary information to the extent permitted by the Defend Trade Secrets Act.

### **5. Fair Dealing**

Company personnel should deal fairly with all counter-parties, vendors, competitors, employees and anyone else with whom they have contact in the course of performing job duties on behalf of

or serving as a director of the Company. No Company personnel may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair practice. It is the obligation of each employee, officer, and director to conduct business in a manner that avoids even the appearance of ethical or legal impropriety and is consistent with all applicable laws and regulations.

## **6. Business Gifts and Entertainment**

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage. No gift or entertainment should ever be offered, given, provided or accepted by Company personnel or any of their family members unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe, payoff or kickback, and (5) does not violate any laws or regulations.

## **7. Protection and Proper Use of Company Assets**

All Company personnel should protect the Company's assets and ensure their efficient use. Company assets should be used only for legitimate business purposes. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation.

The obligation of Company personnel to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, related databases and records, any unpublished financial data and reports, investment strategies, investment plans and trading positions. Unauthorized use or distribution of this information would violate Company policy and could also be illegal and result in civil or criminal penalties.

## **8. Compliance with Federal Securities Laws, Rules and Regulations**

All Company personnel should pay particular attention to potential violations of insider trading laws. The Company has adopted an Insider Trading Policy that all Company personnel are required to follow. A copy of this policy can be obtained on the Company's intranet or by requesting a copy from the General Counsel of the Company.

As a public reporting company, with our stock trading on the NYSE, we are subject to regulation by the Securities and Exchange Commission ("SEC") and the NYSE, and compliance with federal securities laws and regulations, as well as state and local laws, and the Company insists on strict compliance with the spirit and the letter of these laws and regulations.

Directors and officers (as defined in the applicable SEC rules) who are subject to the SEC filing requirements for reporting transactions in the Company's stock must strictly comply with the timing requirements and notify the Chief Financial Officer of all transactions dealing with the Company's securities.

## **9. Reporting Illegal or Unethical Behavior**

Any actual or suspected violation of applicable laws, rules, regulations or this Code of Conduct by any non-officer employee of the Company shall be reported to such employee's supervisor or to the General Counsel of the Company. If the reporting person does not believe it appropriate or is not comfortable approaching the applicable supervisor or the General Counsel, or if the actual or suspected violation is by an officer or director of the Company, then the reporting person may contact any member of the Audit Committee or Nominating and Corporate Governance Committee of the Board of Directors. No person reporting an actual or suspected violation hereunder shall be required to identify himself or herself, and to the extent possible, the Company will endeavor to keep confidential the identity of anyone reporting a violation or suspected violation and the identity of anyone about whom allegations of violations are made, unless or until it is established that a violation occurred.

## **10. Financial Reporting and Accuracy of Company Records**

The Company is required by law to make full, fair, accurate, timely and understandable disclosure in the reports and documents that the Company files with, or submits to, the SEC and in all other public communications it makes.

In order for the Company to comply with its public disclosure obligations, it has adopted the following principles:

- Business transactions must be properly authorized and be completely and accurately recorded on the Company's books and records in accordance with generally accepted accounting practices.
- Each employee must help to maintain the integrity of record keeping and reporting systems and is responsible for maintaining complete and accurate records, accounting entries and classifications.
- The Company's employees, officers and directors are expected to (i) cooperate fully with all audits by internal audit personnel and the Company's external auditors and accountants and (ii) comply fully with all requests for special record keeping or retention of documents or other material from or on behalf of the Company's auditors, legal counsel or the Chief Financial Officer and the failure to do so may result in disciplinary action, including termination.

The Company strives to comply with all applicable financial reporting and accounting regulations applicable to the Company. Employees, officers and directors who have concerns or complaints regarding questionable accounting or auditing matters or procedures involving the Company are encouraged to submit those concerns or complaints to the Audit Committee of the Board of Directors which will, subject to its duties arising under applicable law, regulations and legal proceedings, treat such submissions confidentially. These submissions may be directed to the attention of the Audit Committee Chairman, or any director who is a member of the Audit Committee, at the principal executive offices of the Company, or at their residence address.

## **11. Payments to Government Personnel**

It is the Company's policy to comply strictly with all laws and regulations that prohibit the improper influencing of governmental officials or others by the payment of bribes, gifts, political contributions or by other means. It is strictly prohibited to make illegal payments to government officials of any country. The U.S. government has a number of laws and regulations regarding business gratuities that may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. Company personnel shall never give or offer, directly or indirectly, anything of value to a foreign government official, foreign political party, party official or a candidate for political office in order to influence official acts or decisions of that person or entity, to obtain or retain business or to secure any improper advantage.

Company personnel who have a question about compliance with this policy should contact the General Counsel.

## **12. Discrimination and Harassment**

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate illegal discrimination or harassment of any kind. Employees are encouraged to report any acts of harassment or discrimination to the General Counsel or to any member of the Audit Committee or Nominating and Corporate Governance Committee of the Board of Directors. Complainants and other reporting persons will be afforded the treatment and protections provided under this Code.

## **13. Health and Safety**

The Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in a condition to perform their duties, free from the influence of any substance that could impair job performance, including illegal drugs and alcohol. The use or distribution of illegal drugs in the workplace will not be tolerated.

## **14. Discipline**

Failure to follow this Code of Conduct can have substantial consequences. Not only may you be subject to disciplinary proceedings, including termination, for any violation, but you may also be personally liable for civil or criminal penalties (which may result in fines or even jail time) if a violation of law has occurred.

## **15. Waivers and Amendments**

Any waiver of this Code of Conduct for executive officers or directors may be made only by the Board of Directors or a Board committee and will be promptly disclosed as required by law or by

SEC or NYSE regulations. Waivers of this Code for a non-officer employee may be made by the General Counsel or the Chief Financial Officer and only upon the employee making full disclosure in advance of the initiation or continuation of the conduct in question.

This Code of Conduct may be amended or modified at any time by the Board of Directors.

#### **16. Non-Retaliation**

Any retaliation against Company personnel as a result of his or her good faith reporting or participating in the investigation of any actual or alleged violation of this Code of Conduct or applicable law, rule or regulation is prohibited and may result in such retaliating person's termination or other disciplinary action.

#### **17. Acknowledgement**

Employees, officers and directors will be asked to sign a statement substantially in the form attached affirming that they have read and understand this Code of Conduct and that they are in compliance with the Code of Conduct.

*Acknowledgement form for Employees and Directors*

To: Chimera Investment Corporation Board of Directors

Re: Code of Business Conduct and Ethics

I have carefully read the Chimera Investment Corporation (the “Company”) Code of Business Conduct and Ethics (“Code of Conduct”). I understand that I am to comply with this Code of Conduct while employed or serving as a director of the Company. I understand that I may contact the General Counsel of the Company if I have any questions about the Code of Conduct and that I shall submit concerns about actual or suspected violations of the Code of Conduct to the individuals identified in the Code of Conduct.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Name: