

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

1 Issuer's name <b>CHIMERA INVESTMENT CORPORATION</b>		2 Issuer's employer identification number (EIN) <b>26-0630461</b>	
3 Name of contact for additional information <b>TIMOTHY KIM</b>		4 Telephone No. of contact <b>212-626-2300</b>	
5 Email address of contact <b>CIM_TAX@CHIMERAREIT.COM</b>		6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>630 FIFTH AVENUE, SUITE 2400</b>	
7 City, town, or post office, state, and ZIP code of contact <b>NEW YORK, NY 10111</b>		8 Date of action <b>JUNE 30, 2021</b>	
9 Classification and description <b>CONVERSION RATE ADJUSTMENT ON 7.00% CONVERTIBLE SENIOR NOTES DUE 2023</b>		10 CUSIP number <b>16934QAA7</b>	
11 Serial number(s) <b>N/A</b>		12 Ticker symbol <b>N/A</b>	
13 Account number(s) <b>N/A</b>			

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **ON MAY 5, 2021, CHIMERA INVESTMENT CORPORATION ("CIM") DECLARED A CASH DIVIDEND OF \$0.33 PER SHARE WITH RESPECT TO ITS COMMON STOCK PAYABLE ON JULY 30, 2021 TO SHAREHOLDERS OF RECORD AS OF JUNE 30, 2021. SUCH DECLARATION REPRESENTED AN INCREASE OF ITS PRIOR CASH DIVIDENDS OF \$0.03 PER SHARE. PURSUANT TO SECTION 5.04 OF THE INDENTURE, DATED APRIL 13, 2020, THE CONVERSION RATE ON THE 7.00% CONVERTIBLE SENIOR NOTES DUE 2023 ("CONVERTIBLE NOTES") WAS INCREASED EFFECTIVE IMMEDIATELY AFTER THE CLOSE OF BUSINESS ON THE RECORD DATE. THE ADJUSTMENT TO THE CONVERSION RATE UNDER IRC SECTIONS 305(b)(2) AND 305(c) IS TREATED AS A DEEMED DISTRIBUTION TO THE HOLDER OF THE CONVERTIBLE NOTES ("NOTE HOLDER").**

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15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **EFFECTIVE AFTER THE CLOSE OF BUSINESS DAY ON JUNE 30, 2021, THE CONVERSION RATE ON THE CONVERTIBLE NOTES INCREASED FROM 153.8461 TO 154.1546 PER \$1,000 PRINCIAL OF CONVERTIBLE NOTES. CIM EXPECTS THAT IT WILL HAVE SUFFICIENT CURRENT OR ACCUMULATED EARNINGS AND PROFITS TO TREAT THE DEEMED DISTRIBUTION OF PROPERTY TO THE NOTE HOLDER AS A DIVIDEND FOR U.S. FEDERAL INCOME TAX PURPOSES AND INCREASE THE BASIS OF THE CONVERTIBLE NOTES BY THE FAIR MARKET VALUE OF THE DEEMED DISTRIBUTION. AS A RESULT OF THE CONVERSION RATE ADJUSTMENT EACH NOTE HOLDER IS REQUIRED TO INCLUDE \$4.7172 IN GROSS INCOME AS A DIVIDEND PER \$1,000 PRINCIPAL AMOUNT OF CONVERTIBLE NOTES AND INCREASE ITS BASIS IN THE CONVERTIBLE NOTES BY THE SAME AMOUNT.**

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16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **A NOTE HOLDER INCREASES ITS BASIS IN THE CONVERTIBLE NOTES BY \$4.7172 PER \$1,000 OF PRINCIPAL AMOUNT OF CONVERTIBLE NOTES HELD. THIS AMOUNT IS EQUAL TO THE PRODUCT OF THE INCREASE IN THE CONVERSION RATE AND THE DAILY AVERAGE OF THE PER SHARE VOLUME WEIGHTED AVERAGE PRICE OF CIM'S COMMON STOCK ON THE TRADING DAY IMMEDIATELY PRECEDING THE EX-DIVIDEND DATE.**

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**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTIONS 305(b)(2), 305(c), 301(c), 312, 316 and 301(d).


**18** Can any resulting loss be recognized? ▶ THIS IS NOT A LOSS TRANSACTION.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ REPORTABLE TAX YEAR: 2021.

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶  Date ▶ 1/27/2022

Print your name ▶ TIMOTHY KIM Title ▶ DIRECTOR OF TAX

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>PAUL GRUOSSO</u>		<u>1/27/2022</u>		<u>P00354981</u>
	Firm's name ▶ <u>ERNST &amp; YOUNG U.S. LLP</u>	Firm's EIN ▶ <u>34-6565596</u>		Phone no. <u>212-773-3000</u>	
Firm's address ▶ <u>ONE MANHATTAN WEST, NEW YORK, NY 10001</u>					