

# CHIMERA INVESTMENT CORP

## **FORM 8-K** (Current report filing)

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 8, 2020

Chimera Investment Corporation

(Exact Name of Registrant as Specified in Its Charter)

Maryland  
(State or other jurisdiction of  
incorporation or organization)

001-33796  
(Commission  
File Number)

26-0630461  
(I.R.S. Employer  
Identification No.)

520 Madison Avenue, 32nd Floor  
New York, New York  
(Address of principal executive offices)

10022  
(Zip Code)

(212) 626-2300  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbols:	Name of each exchange on which registered:
Common Stock, par value \$0.01 per share	CIM	New York Stock Exchange
8.00% Series A Cumulative Redeemable Preferred Stock	CIM PRA	New York Stock Exchange
8.00% Series B Cumulative Fixed-to-Floating Rate Redeemable Preferred Stock	CIM PRB	New York Stock Exchange
7.75% Series C Cumulative Fixed-to-Floating Rate Redeemable Preferred Stock	CIM PRC	New York Stock Exchange
8.00% Series D Cumulative Fixed-to-Floating Rate Redeemable Preferred Stock	CIM PRD	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.



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On June 8, 2020, Chimera Investment Corporation (the “**Company**”) and certain of its affiliates entered into a Credit Agreement (“**Credit Agreement**”) with an affiliate of Ares Management Corporation as the Administrative Agent and Collateral Agent for a syndicate of lenders (the “**Lenders**”), and also issued warrants to purchase shares of the Company’s common stock (each, a “**Warrant**” and collectively, the “**Warrants**”) to affiliates of each of the Lenders.

**Item 3.02. Unregistered Sales of Equity Securities.**

The information pertaining to the Warrants set forth in Item 8.01 is incorporated by reference into this Item 3.02.

**Item 7.01. Regulation FD.**

On June 10, 2020, the Company issued a press release related to the Credit Agreement, a copy of which is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information provided pursuant to this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 8.01. Other Events.**

*Credit Facility*

On June 8, 2020, the Company and the Lenders entered into a \$400 million senior secured, non-mark-to-market Credit Agreement. Pursuant to the Credit Agreement, the Company pledged approximately \$550 million of existing assets, including approximately \$482 million of securities from Company sponsored mortgage loan securitizations, related risk retention securities, and resecuritizations. The net funds, after paying off any related financing facilities, are expected to be used by the Company to finance the acquisition of mortgage assets, including residential mortgage loans and mortgage-backed securities within the Company’s targeted asset classes.

Term loans under the Credit Facility in a principal amount of \$400 million were funded on June 10, 2020. Interest on the outstanding principal amount of the term loans accrues at an annual rate of 7%, which may be increased by up to 3% upon the occurrence of certain events of defaults. The Company may pledge additional assets to maintain the \$400 million borrowed amount and, subject to certain conditions, may substitute assets. The representation, warranties, and covenants in the Credit Agreement are similar to those in the Company’s other secured financing facilities. The maturity date for the term loans under the Credit Agreement is June 8, 2023.

*Warrants*

In connection with the Credit Agreement, on June 8, 2020, the Company issued Warrants to affiliates of each of the Lenders, which provides the Lenders the right to purchase up to an aggregate of 20,300,000 shares (the “**Warrant Shares**”) of the Company’s common stock, at a price of \$0.01 per share, representing approximately 7.7% of the Company’s common stock after giving effect to the issuance of the Warrant Shares. The number of Warrant Shares may be proportionally adjusted for stock distributions, stock splits, cash distributions above specified threshold amounts, mergers, reorganizations, spin-offs and other customary events, as well issuances by the Company of common stock below specified levels (subject to certain exceptions). The Warrants have an exercise price of \$0.1 per share and are exercisable generally on the earlier of (i) June 8, 2023; (ii) the date on which the amounts financed under the Credit Agreement are discharged in full, and (iii) an event of default is declared under the Credit Agreement and all amounts are then due, and are exercisable for one year. The Company is permitted to settle any exercise of the Warrants in cash at a price of 90% of the fair market value of the Company’s common stock at the time of exercise. In addition, the Company granted the Lenders certain pre-emptive rights with respect to future offerings of the Company’s common stock (or securities convertible into common stock).

The Warrants and the Warrant Shares issuable upon exercise thereof have not been registered under the Securities Act of 1933, as amended, and are being issued in a private placement pursuant to Section 4(a)(2) thereof. The Company relied on this exemption from registration based in part on representations made by the Lenders in the Warrant.

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*Registration Rights Agreement*

In connection with the issuance of the Warrants, the Company and affiliates of each of the Lenders entered into a Registration Rights Agreement, dated June 8, 2020, pursuant to which the Company has agreed to provide customary demand and piggyback registration rights to each of the Lenders. Pursuant to the terms of the Registration Rights Agreement, the Company has agreed, upon request, to prepare and file a resale registration statement with the Securities and Exchange Commission as promptly as reasonably practicable with respect to the shares of common stock for which the Warrants may be exercised (but in no event within specified time frames set forth therein).

Copies of the form of Warrant and the Registration Rights Agreement are attached hereto as Exhibit 4.1 and Exhibit 4.2, respectively, and are incorporated herein by reference. The foregoing summaries do not purport to be complete and are qualified in their entirety by reference to the form of Warrant and the Registration Rights Agreement attached hereto.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
4.1	<a href="#">Form of Warrant</a>
4.2	<a href="#">Registration Rights Agreement, dated June 8, 2020, by and among the Company and certain affiliates of the Lenders named therein</a>
99.1	<a href="#">Press Release of the Company, dated June 10, 2020</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CHIMERA INVESTMENT CORPORATION**

Date: June 10, 2020

By: /s/ Rob Colligan

Name: Rob Colligan

Title: Chief Financial Officer

## WARRANT

THE OFFER AND SALE OF THIS WARRANT AND THE SECURITIES, IF ANY, ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS WARRANT AND THE SECURITIES, IF ANY, ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER (1) REPRESENTS THAT IT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D AS PROMULGATED UNDER THE SECURITIES ACT, AND (2) AGREES FOR THE BENEFIT OF CHIMERA INVESTMENT CORPORATION (THE "COMPANY") THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS WARRANT AND THE SECURITIES, IF ANY, ISSUABLE UPON EXERCISE OF THIS WARRANT OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN EXCEPT: (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR (C) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Warrant Certificate No.: W-[•]

Original Issue Date: June 8, 2020

FOR VALUE RECEIVED, Chimera Investment Corporation, a Maryland corporation (the "Company"), hereby certifies that [•], a [•], or its registered assigns (the "Holder") is entitled to purchase from the Company a number of duly authorized, validly issued, fully paid and non-assessable shares of Common Stock equal to the Warrant Share Number as set forth in the electronic, book-entry records of Computershare Inc. and Computershare Trust Company, N.A., collectively in their capacity as warrant agent for the warrants (the "Warrant Agent") at a purchase price per share of \$0.01 (the "Exercise Price"), all subject to the terms, conditions and adjustments set forth below in this Warrant and in the Warrant Agency Agreement, dated June 8, 2020 (the "Warrant Agreement"), by and between the Company and the Warrant Agent. Certain capitalized terms used herein are defined in Section 1.

1. Definitions. As used in this Warrant, the following terms have the respective meanings set forth below:

"Affiliate" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that Person, whether through the ability to exercise voting power, by contract or otherwise.

“Aggregate Exercise Price” means an amount equal to the product of (a) the number of Warrant Shares in respect of which this Warrant is then being exercised pursuant to Section 3 hereof, *multiplied by* (b) the Exercise Price.

“Allocated Public Offering” means a firm commitment underwritten offering of Subject Securities registered under the Securities Act.

“Applicable Law” means, with respect to a Person, collectively all laws, regulations, ordinances, decrees, judicial and administrative orders (and any license, franchise, permit or similar right granted under any of the foregoing) and any policies and other requirements of any applicable Governmental Authority that govern or otherwise apply to such Person’s activities in connection with this Warrant.

“Applicable Ownership Percentage” at any time, means the number of shares of Common Stock equal to the product of (a) a fraction, the numerator of which is the Warrant Share Number in effect at such time, and the denominator of which is the aggregate number of shares of Common Stock which are issuable upon exercise of all Credit Agreement Warrants (including without limitation this Warrant) at such time (without regard to any limitations on exercise herein or elsewhere and without regard to whether a sufficient number of shares of Common Stock are authorized and reserved to effect any such exercise and issuance) and (b) a number of shares of Common Stock equal to [•]% of all Common Stock outstanding at such time, on a fully-diluted basis.

“Board” means the board of directors of the Company.

“Benefit Plan Shares” has the meaning set forth in the definition of “fully diluted basis.”

“Business Day” means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in New York City are authorized or required by law or other governmental action to close.

“Cash Settlement Price” means the product of (x) the Fair Market Value of the Company’s Common Stock calculated as of the Exercise Date and (y) 0.9.

“Charter” means the Articles of Amendment and Restatement of the Company, as may be amended or supplemented from time to time.

“Credit Agreement” means the Credit Agreement, dated as of June 8, 2020, by and among Kali Funding LLC, as borrower, the Company, as guarantor and as seller, the lenders party thereto from time to time, and Ares Agent Services, L.P., as administrative agent and collateral agent, as in effect on the Original Issue Date.

“Credit Agreement Warrants” means all warrants issued pursuant to the Credit Agreement, including without limitation, this Warrant, any similar warrants issued contemporaneously with this Warrant pursuant to the Credit Agreement, and any warrants issued upon division or combination of, or in substitution for, any of such warrants.



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“Common Stock” means the common stock, par value \$0.01 per share, of the Company, and any capital stock into which such Common Stock shall have been converted, exchanged or reclassified following the date hereof.

“Company” has the meaning set forth in the preamble.

“Company Competitor” means, for the purposes of this Warrant, any Person that is a residential mortgage real estate investment trust, a competitor of the Company (i.e., bidding on or investing in similar assets as the Company), primarily engaged in similar business or activities as the Company, or any Affiliate thereof. Company Competitors shall include New Residential Investment Corp., OneMain Holdings, Inc., and any of their respective Affiliates. Notwithstanding the foregoing, Company Competitors shall not include any Competitor Affiliate identified on the list of Persons delivered by the Holder to the Company prior to the Original Issue Date.

“Competitor Affiliate” means, with respect to any Company Competitor or any Affiliate thereof, any fund, investment vehicle, regulated bank entity, unregulated lending entity or other Person that is managed, sponsored or advised by any person that is controlling, controlled by or under common control with the relevant Company Competitor or Affiliate thereof, but only to the extent that no personnel involved with the investment decisions of the relevant Company Competitor (i) makes (or has the right to make or participate with others in making) investment decisions on behalf of, or otherwise cause the direction of the investment policies of, such debt fund, investment vehicle, regulated bank entity or unregulated entity or (ii) has access to any information (other than information that is publicly available) relating to the Company or any subsidiary thereof.

“Convertible Securities” means any securities (directly or indirectly) convertible into or exchangeable for Common Stock, but excluding Options.

“Dividend Threshold Amount” means (i) \$0.30 per share of Common Stock per fiscal quarter, or (ii), \$0.50 per share of Common Stock per fiscal quarter if none of Company’s 7.00% Convertible Senior Notes due 2023 are outstanding at the close of business on the date immediately preceding the record date for such dividend, in each case as adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction and as further adjusted to account for any change in the frequency of payment by the Company of its regular cash dividend; provided that the dividend threshold amount shall be deemed to be zero if such dividend or distribution on the Company’s Common Stock is not a regularly scheduled dividend by the Company.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Excluded Issuances” shall have the meaning set forth in clause (iii) of Section 5(e).

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“Ex-Dividend Date” means the first date on which shares of the Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Common Stock on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market; *provided* that if the Common Stock does not trade on an exchange or market, the “Ex-Dividend Date” shall mean the record date for such issuance, dividend or distribution.

“Exercise Date” means, (i) for an exercise of this Warrant pursuant to Section 3(a), the Business Day on which the conditions to such exercise as set forth in Section 3(a) shall have been satisfied, (ii) for an exercise of this Warrant pursuant to Section 3(b), the Expiration Date, and (iii) for an exercise of this Warrant pursuant to Section 3(d)(iii), the Exercise Commencement Date.

“Exercise Commencement Date” means the earliest of (i) June 10, 2023, (ii) the date on which the aggregate principal amount of all outstanding loans under the Credit Agreement have been repaid, prepaid, cancelled or otherwise discharged in full, (iii) the first date on which all outstanding loans under the Credit Agreement are owned or held by one or more lenders that are the Company or any of its Affiliates, and (iv) the first date on which any Event of Default (as defined in the Credit Agreement) has occurred and in connection with such Event of Default the aggregate principal amount of all outstanding loans under the Credit Agreement have been declared due and payable.

“Exercise Commencement Date Cash-Out” has the meaning set forth in Section 3(d)(iii).

“Exercise Period” means the period from, and including, the Exercise Commencement Date to, and including, the Expiration Time.

“Exercise Price” has the meaning set forth in the preamble.

“Expiration Date” means the date of the Expiration Time.

“Expiration Time” means 5:30 p.m., New York time, on the first anniversary of the Exercise Commencement Date.

“Fair Market Value” means, as of any particular date: (a) the last reported sales price per share of the Common Stock for each Business Day referred to below on the principal domestic securities exchange on which the Common Stock may at the time be listed; (b) if there have been no sales of the Common Stock on any such exchange on any such Business Day referred to below, the average of the highest bid and lowest asked prices for the Common Stock on such exchange at the end of such Business Day referred to below; (c) if on any such Business Day referred to below the Common Stock is not listed on a domestic securities exchange, the closing sales price of the Common Stock as quoted on the OTC Bulletin Board, the Pink OTC Markets or similar quotation system or association for such Business Day referred to below; or (d) if there have been no sales of the Common Stock on the OTC Bulletin Board, the Pink OTC Markets or similar

quotation system or association on any such Business Day referred to below, the average of the highest bid and lowest asked prices for the Common Stock quoted on the OTC Bulletin Board, the Pink OTC Markets or similar quotation system or association at the end of such Business Day referred to below; in each case, averaged over thirty (30) consecutive Business Days ending on the Business Day immediately prior to the day as of which “Fair Market Value” is being determined; provided, that if the Common Stock is listed on any domestic securities exchange, the term “Business Day” as used in this sentence means Business Days on which such exchange is open for trading. If at any time the Common Stock is not listed on any domestic securities exchange or quoted on the OTC Bulletin Board, the Pink OTC Markets or similar quotation system or association, the “Fair Market Value” of the Common Stock shall be the fair market value per share as determined by the Board in good faith.

“fully-diluted basis” means, all (i) outstanding shares of Common Stock and (ii) shares of Common Stock that may be issuable upon conversion of the Company’s 7.00% Convertible Senior Notes due 2023 (which as of the Original Issue Date, such shares referred to in clause (i) and (ii) above shall initially be equal to [ ] shares of Common Stock), it being understood that the calculation of “fully-diluted basis” for all purposes of this Warrant shall not include any issuance of shares of any equity securities (whether or not such equity securities are outstanding on the date hereof) pursuant to an employee stock option plan, management incentive plan, restricted stock plan, stock purchase plan, stock deferral plan, stock ownership plan or similar benefit plan, similar program or similar agreement in each case as is approved by the Board (collectively, “Benefit Plan Shares”, regardless of whether such Benefit Plan Shares are then vested, exercisable, convertible or exchangeable in accordance with their terms).

“Governmental Authority” means any federal, state, national, state, provincial or local government, or political subdivision thereof, or any multinational organization or any authority, agency or commission entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power, or any court or tribunal (or any department, bureau or division thereof, or any governmental arbitrator or arbitral body).

“Holder” has the meaning set forth in the preamble; *provided* that for purposes of Section 6 “Holder” shall also include any Affiliate of the Holder that is designated to purchase the applicable Subject Securities pursuant to Section 6.

“Issuance Notice” means a written notice provided by the Company to the Holder with respect to a Triggering Event or an Allocated Public Offering, as applicable.

“Notice of Exercise” has the meaning set forth in Section 3(a).

“Options” means any warrants or other rights or options to subscribe for or purchase Common Stock or Convertible Securities.

“Ordinary Cash Dividends” means regularly scheduled cash dividends on shares of Common Stock that do not exceed the Dividend Threshold Amount.

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“Original Issue Date” means June 8, 2020.

“OTC Bulletin Board” means the Financial Industry Regulatory Authority OTC Bulletin Board electronic inter-dealer quotation system.

“Ownership Limitations” means the limitations on beneficial or constructive ownership of shares of Common Stock contained in the Charter.

“Person” means and includes any natural person, corporation, limited partnership, general partnership, limited liability company, limited liability partnership, joint stock company, joint venture, association, company, trust, bank, trust company, land trust, business trust, statutory trust, series trust, other organization, whether or not a legal entity, Governmental Authority or other entity.

“Pink OTC Markets” means the OTC Markets Group Inc. electronic inter-dealer quotation system, including OTCQX, OTCQB and OTC Pink.

“Pre-Emptive Right” means, with respect to each Triggering Event, the right of the Holder to purchase from the Company, in accordance with the provisions of Section 6, up to the Holder’s Pro Rata Portion of the Subject Securities to be issued in such Triggering Event.

“Pre-Emptive Right Closing” means, for each Triggering Event with respect to which the Holder has exercised its Pre-Emptive Right to purchase a portion of the Subject Securities to be issued pursuant to such Triggering Event, the closing of the purchase of such Subject Securities pursuant to such exercise of the Holder’s Pre-Emptive Right.

“Pro Rata Portion” means, with respect to the Subject Securities to be issued pursuant to an Allocated Public Offering or a Triggering Event, as applicable, a number of such Subject Securities equal to the product of the total number of such Subject Securities multiplied by a fraction, (x) the numerator of which shall be the Warrant Share Number in effect immediately prior to such Allocated Public Offering or Triggering Event (without regard to any limitations on exercise herein or elsewhere and without regard to whether a sufficient number of shares of Common Stock are authorized and reserved to effect any such exercise and issuance), and (y) the denominator of which shall be the total number of shares of Common Stock outstanding on a fully-diluted basis on the date of the Issuance Notice pertaining to such Allocated Public Offering or Triggering Event.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Special Option” means an option or other security granted by the Company that is convertible or exercisable into or exchangeable for Common Stock for nominal or indeterminate consideration, and includes an over-allotment option or similar option granted to one or more underwriters in connection with a public offering of securities of the Company.

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“Subject Securities” means, with respect to each Allocated Public Offering and each Triggering Event, the shares of Common Stock, Options and/or Convertible Securities to be issued pursuant thereto.

“Triggering Event” means the issue of Common Stock, Options and/or Convertible Securities by the Company, whether by way of public offering or private placement, including any issue of Common Stock on the exercise, conversion or exchange of any Special Option, but excluding any issue of Common Stock, Options and/or Convertible Securities pursuant to a Triggering Event Excluded Issuance or an Allocated Public Offering.

“Triggering Event Closing Date” means the date on which a Triggering Event occurs.

“Triggering Event Price” means, (i) in respect of an issue of Common Stock, Options and/or Convertible Securities by the Company for cash consideration pursuant to a Triggering Event, the purchase price per share of Common Stock, Options and/or Convertible Security to be paid for such Common Stock, Options and/or Convertible Securities by purchasers other than the Holder and (ii) in respect of an issue of Common Stock, Options and/or Convertible Securities for consideration other than cash consideration pursuant to a Triggering Event, the price per share of Common Stock, Options and/or Convertible Security, as determined by the Board acting in good faith, that would have been received by the Company had such Common Stock, Options and/or Convertible Securities been issued for cash consideration.

“Triggering Event Excluded Issuance” means (i) any Excluded Issuances, (ii) any issuance of Common Stock in a transaction registered under the Securities Act pursuant to an at-the-market Common Stock offering program of the Company, and (iii) any issuance of Subject Shares in connection with *bona fide* debt, equipment financing or non-equity financing transactions with lenders to the Company.

“Warrant” means this Warrant and all warrants represented and outstanding under this Warrant and in the records of the Warrant Agent issued upon division or combination of, or in substitution for, this Warrant.

“Warrant Share Number” means, at any time, the aggregate number of Warrant Shares as listed in the records of the Warrant Agent which are issuable upon exercise of this Warrant at such time (without regard to any limitations on exercise herein or elsewhere and without regard to whether a sufficient number of shares of Common Stock are authorized and reserved to effect any such exercise and issuance), as such number may be adjusted from time to time pursuant to the terms hereof. The Warrant Share Number shall initially be [•].

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“Warrant Shares” means the shares of Common Stock or other capital stock of the Company which are issuable upon exercise of this Warrant in accordance with the records of the Warrant Agent and the terms of this Warrant.

2. Exercise Period. Subject to the terms and conditions hereof and in the Warrant Agreement, this Warrant may be exercised, in whole or in part, at any time and from time to time during the Exercise Period, subject to the Company’s option pursuant to Section 3(d)(iii) to cause all or a portion of the Warrant to be exercised for cash on the Exercise Commencement Date.
3. Exercise of Warrant.
  - (a) Cashless Exercise by Holder. Subject to the Company’s option pursuant to Section 3(d)(iii) to cause all or a portion of the Warrant to be exercised for cash on the Exercise Commencement Date, the Holder may exercise this Warrant for any or all unexercised Warrant Shares upon surrender of this Warrant to the Warrant Agent at the office of the Warrant Agent designated for such purposes (or the indemnification undertaking set forth in the Warrant Agreement with respect to this Warrant in the case of its loss, theft or destruction), together with a notice of exercise substantially in the form attached hereto as Exhibit A (each a “Notice of Exercise”), properly completed (including specifying the number of Warrant Shares to be purchased) and duly executed. As promptly as practicable following the receipt by the Warrant Agent of the Notice of Exercise and the Warrant, the Warrant Agent shall transmit an acknowledgment of confirmation of receipt of the Exercise Notice and Warrant to the Company. Subject to the terms and conditions hereof and in the Warrant Agreement, including the option of the Company to settle exercises of this Warrant for cash, on the Exercise Date, this Warrant shall be deemed cashlessly exercised for the number of Warrant Shares specified in the Notice of Exercise executed and delivered by the Holder. In connection therewith, the Company is hereby directed and authorized to withhold a number of Warrant Shares then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the Exercise Date equal to the Aggregate Exercise Price, and all the Warrant Shares so withheld by the Company shall be deemed irrevocably surrendered by the Holder to the Company in satisfaction of the payment by the Holder of the Aggregate Exercise Price. Within two (2) Business Days of the Exercise Date, the Company shall issue to the Holder the Warrant Shares that the Holder is entitled to receive pursuant to such exercise (net of the Warrant Shares so withheld by the Company); *provided* that the Company, at its option, shall have the right to settle any exercise in cash pursuant to clause (ii) of Section 3(d).
  - (b) Automatic Cashless Exercise upon Expiration Date. Subject to the terms and conditions hereof and in the Warrant Agreement, including the option of the Company to settle exercises of this Warrant for cash, if on the Expiration Date any Warrant Shares remain unissued, then without any action by the Holder, the Warrant Agent or the Company whatsoever, on the Expiration Date, this Warrant shall be automatically, fully and cashlessly exercised for any remaining Warrant

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Shares in accordance with this Section 3(b) ; *provided* that the Company, at its option, shall have the right to settle such exercise in cash pursuant to clause (ii) of Section 3(d). In connection therewith, the Company is hereby directed and authorized to withhold a number of Warrant Shares then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the Expiration Date equal to the Aggregate Exercise Price, and all the Warrant Shares so withheld by the Company shall be deemed irrevocably surrendered by the Holder to the Company in satisfaction of the payment by the Holder of the Aggregate Exercise Price.

- (c) In the event of the withholding of Warrant Shares pursuant to Section 3(a) or Section 3(b), as applicable, where the number of Warrant Shares to be withheld by the Company would not be a whole number, the number of Warrant Shares withheld by and surrendered to the Company as provided above shall be rounded up to the nearest whole number of Warrant Shares and the Company shall make a cash payment to the Holder (by delivery of a certified or official bank check or by wire transfer of immediately available funds) based on the incremental fraction of a Warrant Share being so withheld by or surrendered to the Company in an amount equal to the product of (x) such incremental fraction of a Warrant Share being so withheld or surrendered multiplied by (y) the Fair Market Value of one Warrant Share as of the Exercise Date.
- (d) Delivery of Stock Certificates and/or Book-Entry Shares or Cash; Exercise Commencement Date Cash-Out; Cancelled Warrants.
- (i) Subject to clause (ii) of this Section 3(d), upon receipt by the Warrant Agent of a Notice of Exercise and surrender of this Warrant, the Company shall, as promptly as practicable, and in any event within two (2) Business Days thereafter, at the option of the Holder, either (A) execute (or cause to be executed) and deliver (or cause to be delivered) to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, (B) cause to be issued to the Holder by entry on the books of the Company (or the Company's transfer agent, if any) or (C) credit the account of the Holder's prime broker with the Depository Trust Company through its Deposit/Withdrawal at Custodian system if the Company is then a participant in such system, the Warrant Shares issuable upon such exercise, in each case, together with cash in lieu of any fraction of a Warrant Share, as provided in Section 3(c). The Warrant Shares so delivered or issued, as the case may be, shall be in such denomination or denominations as the exercising Holder shall request in the Notice of Exercise and shall be registered in the name of the Holder or, subject to compliance with Section 8 below, such other Person's name as shall be designated in the Notice of Exercise. This Warrant shall be deemed to have been exercised and the Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date.

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- (ii) The Company shall have the right, at its option, to settle any exercise of this Warrant in whole or in part in cash in lieu of the issuance of Warrant Shares. If the Company elects to settle all or a portion of an exercise of this Warrant in cash, upon surrender of this Warrant to the Warrant Agent at the office of the Warrant Agent designated for such purposes (or the indemnification undertaking set forth in the Warrant Agreement with respect to this Warrant in the case of its loss, theft or destruction) in conformity with the foregoing provisions, the Company shall, as promptly as practicable and in any event within two (2) Business Days thereafter pay an amount in cash equal to the product of (x) the Warrant Shares to which the Holder is entitled pursuant to Section 3(a) or Section 3(b), as applicable, (net of the Warrant Shares withheld by the Company pursuant to such clause) for which the Company elects to settle in cash and (y) the Cash Settlement Price, such amounts to be paid, in the sole discretion of the Holder, by wire transfer of immediately available funds to a bank account designated by the Holder or by certified or official bank check or bank cashier's check payable to the order of such Holder or by any combination of such wire transfer or check. If the Company elects to settle an exercise of the Warrant in part in cash, the Company shall deliver the remaining Warrant Shares in accordance with clause (i) of this Section 3(d).
- (iii) Notwithstanding the foregoing, the Company shall have the option to cause all or a portion of the Warrant to be exercised for cash on the Exercise Commencement Date ("Exercise Commencement Date Cash-Out"). Upon the determination of the Exercise Commencement Date, the Company shall provide the Warrant Agent notice as promptly as practicable after such determination is made. If the Company exercises the Exercise Commencement Date Cash-Out, it shall provide the Holder and the Warrant Agent at least ten (10) Business Days advance notice prior to the Exercise Commencement Date, and such notice shall include the portion of the Warrant to be exercised on the Exercise Commencement Date. The parties shall effect any Exercise Commencement Date Cash-Out pursuant to the processes and procedures set forth in Section 3(d)(ii), including without limitation with respect to the calculation and payment of the Cash Settlement Price. Any portion of the Warrant not exercised on the Exercise Commencement Date pursuant to this Section 3(d)(iii) shall continue to subject to the terms and conditions of this Warrant.
- (iv) Notwithstanding the foregoing, each of the Company and Holder acknowledge that, under certain circumstances, a specified number of Warrants issued to a Holder (or allocated to an Affiliate thereof) designated as a "Specified Increased-Cost Lender" (as defined in the Credit Agreement), shall be cancelled, and such Specified Increased-Cost Lender shall deliver such Warrants, or cause such Warrants to be delivered, to the Company for cancellation pursuant to the terms and conditions of the Credit Agreement. The Company shall be permitted to



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instruct such Specified Increased-Cost Lender to deliver any such cancelled Warrants to the Warrant Agent (and shall provide the Warrant Agent commercially reasonable advance notice of any such cancellation, and other instructions and information as reasonably requested by the Warrant Agent). Each of the Company and Holder further agree that, to the extent that the Holder funds or otherwise makes a Loan (as defined in the Credit Agreement) to the Company in an amount less than such Holder's Commitment (as defined in the Credit Agreement), a specified number of Warrants issued to such Holder shall be cancelled in an amount commensurate with such lesser funded amount (and any such cancelled Warrants shall be delivered to the Warrant Agent with appropriate instructions for cancellation from the Company). The Warrant Agent shall be fully protected in relying on such instructions from the Company and effecting the cancellation of the Warrants in the electronic, book-entry records of the Warrant Agent as instructed thereby, and shall have no duty or liability with respect to, and shall not be deemed to have knowledge of any such failure of the Holder to fund or otherwise make a Loan and/or the cancellation of any number of Warrants issued to the Holder unless and until it shall have received such instructions from the Company.

- (v) If the initial Commitment (as defined in the Credit Agreement) of the Holder (or, if the Holder does not have an initial Commitment, the initial Commitment of its applicable Lending Affiliate (as defined in the Credit Agreement) in respect of which this Warrant has been delivered) has not been funded in the amount requested by Kali Funding LLC, as borrower, pursuant to the Credit Agreement at or prior to 5:00 p.m., New York City time, on June 12, 2020 (the "Funding Deadline"), the Company shall have the right to deliver a written instruction to the Warrant Agent immediately after the Funding Deadline, accompanied by a certificate executed by two officers of the Company (one of whom shall be the chief executive officer or the chief financial officer of the Company) certifying that the Holder (or Lending Affiliate thereof) has failed to fund such initial Commitment at or prior to the Funding Deadline and instructing the Warrant Agent to cancel this Warrant issued to the Holder on the Original Issue Date. In such event, the Company shall deliver copies of such instruction and certificate to the Holder substantially concurrently with such delivery to the Warrant Agent. Upon receipt of such written instruction and certificate, the Warrant Agent shall promptly cancel this Warrant. The Warrant Agent shall be fully protected in relying on such instruction and certificate and effecting the cancellation of the Warrants in the electronic, book-entry records of the Warrant Agent as instructed thereby, and shall have no duty or liability with respect to, and shall not be deemed to have knowledge of any such failure of the Holder to fund such initial Commitment and/or the cancellation of this Warrant unless and until it shall have received such instruction and certificate from the Company.

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- (e) Valid Issuance of Warrant and Warrant Shares; Payment of Taxes. The Company hereby represents, warrants, covenants and agrees as follows:
- (i) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued. This Warrant constitutes, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.
  - (ii) All Warrant Shares issuable upon exercise of this Warrant pursuant to the terms hereof shall be, upon issuance, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Shares are, validly issued, fully paid and non-assessable, issued without violation of any preemptive or similar rights of any stockholder of the Company and free and clear of all taxes, liens and charges in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).
  - (iii) The Company shall use commercially reasonable efforts to ensure that all such Warrant Shares are issued without violation by the Company of any Applicable Law or governmental regulation or any requirements of any domestic securities exchange upon which shares of Common Stock or other securities constituting Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance). The Company shall use best efforts to (A) procure, at its sole expense, the listing of the Warrant Shares issuable upon exercise of this Warrant, subject to issuance or notice of issuance, on all principal stock exchanges on which the Common Stock is then listed or traded and (B) maintain such listings of such Warrant Shares at all times after issuance.
- (f) Reservation of Shares. The Company shall at all times from the date hereof and for so long as any portion of this Warrant remains unexercised reserve and keep available out of its authorized but unissued Common Stock or treasury shares constituting Warrant Shares, solely for the purpose of issuance upon exercise of this Warrant, the maximum number of Warrant Shares issuable upon exercise of this Warrant, and the par value per Warrant Share shall at all times be less than or equal to the applicable Exercise Price. The Company shall not increase the par value of any Warrant Shares receivable upon exercise of this Warrant above the Exercise Price then in effect, and shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon exercise of this Warrant.

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- (g) Delivery of New Warrant. Unless the purchase rights represented by this Warrant shall have been fully exercised, the Warrant Agent shall, at the time of delivery of the Warrant Shares being issued in accordance with Section 3(d) or as promptly as practicable thereafter, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unexpired and unexercised Warrant Shares called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.
4. Participation in Dividends. The Holder, as the holder of this Warrant, prior to exercise of this Warrant shall not be entitled to receive any dividends paid and distributions of any kind (including (x) cash or any other property or securities, or (y) any rights, options or warrants to subscribe for or purchase any of the foregoing) made to the holders of Common Stock.
5. Adjustments. In order to prevent dilution of the purchase rights granted under this Warrant, the Warrant Share Number issuable upon exercise of this Warrant shall be subject to adjustment (an "Adjustment") from time to time as provided in this Section 5 (in each case, after taking into consideration any prior Adjustments pursuant to this Section 5).
- (a) Adjustment to Number of Warrant Shares Upon Share Dividend, Subdivision or Combination of Common Stock. If the Company shall, at any time or from time to time after the Original Issue Date, (i) pay a dividend or make any other distribution upon Common Stock or any other capital stock of the Company payable in shares of Common Stock, in Convertible Securities or in Options to all or substantially all the holders of the Common Stock, or (ii) subdivide (by any stock split, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, in each case other than any such transaction covered by Section 5(b), Section 5(c), Section 5(d) or Section 5(e), the Warrant Share Number immediately prior to any such dividend, distribution or subdivision shall be proportionately increased so that the Holder shall be entitled to receive upon exercise of this Warrant the number of shares of Common Stock or other securities of the Company that the Holder would have owned or would have been entitled to receive upon or by reason of any event described above, had this Warrant been exercised immediately prior to the occurrence of such event. If the Company at any time combines (by combination, reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares, the Warrant Share Number immediately prior to such combination shall be proportionately decreased so that the Holder shall be entitled to receive upon exercise of this Warrant the number of shares of Common Stock or other securities of the Company that the Holder would have owned or would have been entitled to receive upon or by reason of any event described above, had this Warrant been exercised immediately prior to the occurrence of such event. Any Adjustment under this Section 5(a) shall become effective on the Ex-Dividend Date for such dividend or at the close of business on the effective date for such subdivision or combination, as applicable.

(b) Adjustment Upon Other Distributions.

- (i) In case the Company shall fix a record date for the making of a distribution to any or all holders of shares of its Common Stock of securities, evidences of indebtedness, assets, cash, rights, warrants or other property (excluding Ordinary Cash Dividends and other dividends or distributions referred to in Section 5(a) and Section 5(d)), in each such case; then the Warrant Share Number will be adjusted based on the following formula:

$$NS' = NS \times \frac{SP}{SP - FMV}$$

where,

- NS' = the Warrant Share Number in effect immediately after the close of business on such record date
- NS = the Warrant Share Number in effect immediately prior to the close of business on the record date fixed for such distribution
- SP = the Fair Market Value per share of Common Stock on the last Business Day immediately preceding the first date on which the Common Stock trades regular way without the right to receive such distribution
- FMV = the amount of the cash and the fair market value (as determined in good faith by the Board) of the securities, evidences of indebtedness, assets, rights, warrants or other property distributed with respect to each outstanding share of Common Stock on the record date for such distribution
- (ii) Such adjustment shall become effective immediately prior to 9:00 a.m., New York City time, on the Business Day following the date fixed for the determination of stockholders entitled to receive such distribution. Such adjustment shall be made successively whenever such a record date is fixed with respect to a subsequent event.
- (iii) In the case of adjustment for a cash dividend that is a regularly scheduled cash dividend, the "SP" in the numerator would be reduced by the per share amount of the portion of the cash dividend that would constitute an Ordinary Cash Dividend.
- (iv) In the event that such distribution is not so made, the Warrant Share Number issuable upon exercise of this Warrant then in effect shall be readjusted, effective as of the date when the Board determines not to distribute such shares, evidences of indebtedness, assets, rights, cash, warrants or other property, as the case may be, to the Warrant Share Number that would then be issuable upon exercise of this Warrant if such record date had not been fixed.

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- (c) Adjustment Upon Reorganization, Reclassification, Consolidation or Merger. In the event of any (A) liquidation or dissolution of the Company in accordance with the terms and subject to the conditions set forth in the Charter, whether occurring directly or indirectly, in one or more related transactions, (B) capital reorganization of the Company, (C) reclassification of the stock of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (D) consolidation or merger of the Company with or into another Person, (E) sale of all or substantially all of the Company's assets to another Person or (F) other similar transaction, in each case which entitles all or substantially all of the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities, cash or other assets or consideration with respect to or in exchange for Common Stock, each Warrant shall, immediately prior to the time of such liquidation, dissolution, reorganization, reclassification, consolidation, merger, sale or similar transaction, be canceled (without any action of the Holder and regardless of any limitation or restriction on the exercisability of this Warrant that may otherwise be applicable) with the Holder entitled to receive the kind and number of shares of stock, securities, cash or other assets or consideration resulting from such transaction to which the Holder would have been entitled as a holder of the applicable number of Warrant Shares then issuable hereunder as a result of such exercise if the Holder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale or similar transaction and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant). The Company shall make provision for compliance with this Section 5(c) in the agreements, if any, relating to such transactions, if necessary to give effect to this Section 5(c).
- (d) Adjustment of Warrant Upon Spin-off. If, at any time from the date hereof and for so long as any portion of this Warrant remains unexercised, the Company shall spin-off another Person (the "Spin-Off Entity"), then the Company (A) shall cause the Spin-Off Entity to issue to the Holder a new warrant to purchase, at the Exercise Price, the number of shares of common stock or other proprietary interest in the Spin-Off Entity (and any other consideration) that the Holder would have owned had the Holder exercised this Warrant immediately prior to the consummation of such spin-off and (B) shall make (or cause the Spin-Off Entity to make) provision therefor in the agreement, if any, relating to such spin-off. Such new warrant shall provide for rights and obligations which shall be as nearly equivalent as may be practicable to the rights and obligations provided for in this Warrant. The provisions of this Section 5(d) (and any equivalent thereof in any such new warrant) shall apply to successive transactions.

(e) Certain Issuances of Common Stock or Convertible Securities.

- (i) If the Company shall issue shares of Common Stock, Options or Convertible Securities (other than in Excluded Issuances) without consideration or at a consideration per share (or having a conversion price per share) that is less than \$8.00 then, in such event, the Warrant Share Number will be adjusted based on the following formula:

$$NS' = NS \times \frac{A + B}{A + C}$$

where,

- NS' = the adjusted Warrant Share Number in effect immediately after such issuance
- NS = the Warrant Share Number in effect immediately prior to such issuance
- A = the number of shares of Common Stock on a fully-diluted basis outstanding immediately prior to such issuance
- B = the number of additional shares of Common Stock issued (or into which Convertible Securities or Options may be exercised, converted or exchanged)
- C = the number of shares equal to the quotient of (i) the sum of the aggregate consideration received for the issuance of such Common Stock, Options or Convertible Securities and the aggregate minimum consideration receivable by the Company for issuance of Common Stock upon conversion or in exchange for, or upon exercise of, such Options or Convertible Securities divided by (ii) \$8.00
- (ii) For purposes of this Section 5(e), such aggregate consideration so received or receivable by the Company shall be deemed to be equal to the sum of the amount of cash plus the fair market value (as determined in good faith by the Board) of any consideration that consists, in whole or in part, of property other than cash. Any adjustment made pursuant to this Section 5(d) shall become effective immediately upon the date of such issuance.
- (iii) “Excluded Issuances” means (A) any issuance of shares of Common Stock, Options or any Convertible Securities issued in connection with a merger or other business combination or an acquisition of the securities or assets of another Person, business unit, division or business, other than in connection with the broadly marketed offering and sale of equity, Options or Convertible Securities for third-party financing of such transaction, (B) any issuance of shares of any equity securities (including upon

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exercise of Options) to directors, officers, employees, consultants or other agents of the Company or any of its subsidiaries as approved by the Board or its designee(s) other than for *bona fide* capital raising purposes, (C) any issuance of shares of any equity securities pursuant to a dividend reinvestment plan, employee stock option plan, management incentive plan, restricted stock plan, employee stock purchase plan or stock, ownership plan or similar benefit plan, similar program or similar agreement as approved by the Board, (D) any issuance of shares of equity securities in connection with a *bona fide* third-party strategic partnership, joint venture arrangement, or commercial arrangement with a Person that is not an Affiliate of the Company or any of its subsidiaries (other than (x) any such strategic partnership, joint venture arrangement or commercial arrangement with a private equity firm or similar financial institution or (y) an issuance the primary purpose of which is a *bona fide* capital raise), (E) any issuance of shares of any equity securities pursuant to any Convertible Security or Options not described in clauses (B) or (C) of this sentence and outstanding as of the Original Issue Date (including any such issuance of shares of any equity securities pursuant to (1) this Warrant or any other warrants issued in connection with the Credit Agreement or (2) the Company's 7.00% Convertible Senior Notes due 2023), (F) any issuance of shares pursuant to Section 5(a), Section 5(b), Sections 5(c) or Sections 5(d) above, (G) any issuance of Subject Securities for which the Holder exercises its right to purchase a portion of such Subject Securities pursuant to Section 6 or Section 7, and (H) any issuance of additional warrants to the Holders or other lenders in an additional tranche of financing as contemplated by the Agency Side Letter dated June 8, 2020, between the Company and certain Affiliates of the Holders.

- (iv) Upon the expiration or termination of any unexercised, unconverted or unexchanged Convertible Security which resulted in an adjustment to the Warrant Share Number pursuant to the terms of this Section 5(d), the Warrant Share Number then in effect shall be readjusted to such number of Warrant Shares that would be issuable upon exercise of this Warrant if such Convertible Security or Options had never been issued.
- (f) Calculations. All adjustments made to the Warrant Share Number issuable upon exercise of each Warrant pursuant to this Section 5 shall be calculated by the Company to the nearest one-hundredth of a Warrant Share (0.01). The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company. The Company will not pay any dividend or make any distribution on any shares of Common Stock held in the treasury of the Company.

(g) Certificate as to Adjustment.

- (i) As promptly as practicable following any adjustment of the Warrant Share Number pursuant to the provisions of this Section 5, but in any event not later than five (5) Business Days thereafter, the Company shall furnish to the Holder and the Warrant Agent a certificate of an officer of the Company setting forth in reasonable detail such Adjustment and the facts upon which it is based and certifying the calculation thereof.
- (ii) As promptly as practicable following the receipt by the Company of a written request by the Holder, but in any event not later than five (5) Business Days thereafter, the Company shall furnish to the Holder a certificate of an officer of the Company certifying the Warrant Share Number or the amount, if any, of other shares of stock, securities or assets then issuable upon exercise of the Warrant.

(h) Notices. In the event:

- (i) that the Company shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon exercise of the Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution (including any spin-off); or
- (ii) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another Person, or sale of all or substantially all of the Company's assets to another Person; or
- (iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company; or
- (iv) any other event that may cause an Adjustment; then, and in each such case, the Company shall send or cause to be sent to the Holder at least ten (10) Business Days or, if less, as soon as practicable, prior to the applicable Ex-Dividend Date, record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the Ex-Dividend Date, the record date for such dividend or distribution, and a description of such dividend or distribution, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, winding-up or other event is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company shall close or a record shall be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon exercise of the Warrant) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, winding-up or other event, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.



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- (i) In the event that more than one Adjustment is required to be made in connection with an event or series of events, the Adjustments pursuant to this Section 5 shall be applied in such order as to provide the holders of the Warrants with the benefits to which they would have been entitled had the Warrants been exercised immediately prior to the earliest record date for such events.

6. Pre-Emptive Right.

- (a) From the date hereof and for so long as any portion of this Warrant remains unexercised, subject to the terms and conditions set forth in this Section 6, the Company hereby grants to the Holder the right to purchase, directly or indirectly through any of its Affiliates, from time to time upon the occurrence of each Triggering Event up to a number of the Subject Securities to be issued pursuant to such Triggering Event equal to the lesser of (i) such number that when added to the Warrant Share Number then in effect (including any Warrant Shares that may be withheld by the Company upon such exercise) would equal the Applicable Ownership Percentage and (ii) such Holder's Pro Rata Portion of the Subject Securities to be issued pursuant to such Triggering Event on the same terms and conditions as those applicable to all other Subject Securities to be issued in connection with the Triggering Event. In the event that a Triggering Event consists of an issue of one or more of Common Stock, Options and Convertible Securities, the Subject Securities shall be allocated to the Holder between Common Stock, Options and Convertible Securities on the same *pro rata* basis as are allocated to subscribers of the Triggering Event.
- (b) In respect of each exercise of the Pre-Emptive Right, the purchase price per Subject Security shall be equal to the greater of the Triggering Event Price and such price as may be prescribed by any securities regulator or stock exchange having jurisdiction over the issue of the Subject Securities to the Holder.
- (c) Except as otherwise specifically provided in this Section 6, the Company and the Holder shall each bear its own expenses incurred in connection with this Section 6 and in connection with all obligations required to be performed by each of them under this Section 6.
- (d) From the date hereof and for so long as any portion of this Warrant remains unexercised, the Company shall provide to the Holder an Issuance Notice as soon as practicable (i) following a determination by the Company to effect a Triggering Event, other than a Triggering Event that arises as a result of the exercise of a Special Option and (ii) following the exercise of a Special Option. Each Issuance Notice with respect to a Triggering Event shall include the number of Subject Securities that the Holder shall be entitled to purchase as a result of the applicable Triggering Event, a calculation demonstrating how such number was determined, the Triggering Event Price and the anticipated Triggering Event Closing Date and the terms and conditions of the Subject Securities, if other than Common Stock. The Company shall also give the Holder notice as promptly as practicable following the grant of a Special Option.

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- (e) Subject to the provisions of this Warrant, the Pre-Emptive Right shall, in each instance, be exercisable by the Holder at any time during a period of five (5) days following receipt of an Issuance Notice in accordance with Section 3(d); *provided* that if the Holder wishes to exercise the Pre-Emptive Right, the Holder shall deliver an irrevocable notice (a “Pre-Emptive Right Exercise Notice”) in writing addressed to the Company confirming that it wishes to exercise the Pre-Emptive Right in respect of such Triggering Event, specifying the number of Subject Securities that it will purchase and whether such Subject Securities are to be issued to the Holder or any of its Affiliates. If the Company does not receive a Pre-Emptive Right Exercise Notice in respect of an Issuance Notice within the applicable period set forth above, the Holder shall be deemed to have not exercised the Pre-Emptive Right in respect of the Triggering Event to which such Issuance Notice relates and the Pre-Emptive Right shall be deemed to have expired in respect of such Triggering Event.
- (f) Subject to Applicable Law, the Pre-Emptive Right Closing of the issue of the Subject Securities shall occur on the Triggering Event Closing Date or such later date as the Company and the Holder may agree upon.
- (g) The Company and the Holder shall each use all commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done as promptly as practicable, all things necessary, proper or advisable under Applicable Law to consummate and make effective the transactions contemplated by this Section 6, including obtaining any governmental, regulatory, stock exchange or other consents, transfers, orders, qualifications, waivers, authorizations, exemptions and approvals, providing all notices and making all registrations, filings and applications necessary or desirable for the consummation of the transactions contemplated by this Section 6, including any filings with governmental or regulatory agencies and stock exchanges. The Company shall forthwith notify the Holder if as a condition of obtaining any applicable regulatory approvals, including securities regulatory and stock exchange approval, the purchase price must be an amount greater than the Triggering Event Price, and shall keep the Holder fully informed and allow the Holder to participate in any communications with such stock exchange regarding the exercise of the Holder’s rights under this Section 6.
- (h) The obligation of the Company to consummate an issue of Subject Securities, as the case may be, under this Section 6 is subject to the fulfilment, prior to or at the applicable closing date, of each of the following conditions, any of which may be waived by the Company in writing:

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- (i) there shall not be in effect any injunction or restraining order issued by a court of competent jurisdiction which prohibits the consummation of the transactions contemplated by this Section 6 nor shall there be any investigation or proceeding pending before any court or governmental authority seeking to prohibit the consummation of the transactions contemplated by this Section 6;
  - (ii) no Applicable Law shall have been enacted by any Governmental Authority which prohibits the consummation of the transactions contemplated by this Section 6 or makes such consummation illegal;
  - (iii) the closing of the issue and sale of the securities constituting the Triggering Event shall have occurred prior to, or shall occur concurrently with, the Pre-Emptive Right Closing;
  - (iv) the Holder shall execute substantially the same definitive agreements as other purchasers of securities pursuant to the applicable Triggering Event; and
  - (v) any stock exchange upon which Common Stock is then listed and any other securities regulator having jurisdiction and whose approval is required, shall have approved the issue and sale of such securities.
- (i) The obligation of the Holder to consummate a purchase of Subject Securities under this Section 6 is subject to the fulfilment, prior to or at the applicable closing, of each of the following conditions, any of which may be waived by the Holder in writing:
- (i) there shall not be in effect any injunction or restraining order issued by a court of competent jurisdiction which prohibits the consummation of the transactions contemplated by this Section 6, nor shall there be any investigation or proceeding pending before any Governmental Authority seeking to prohibit the consummation of the transactions contemplated by this Section 6;
  - (ii) no Applicable Law shall have been enacted by any Governmental Authority which prohibits the consummation of the transactions contemplated by this Section 6 or makes such consummation illegal;
  - (iii) the closing of the issue and sale of the securities constituting the Triggering Event shall have occurred prior to, or shall occur concurrently with, the Pre-Emptive Right Closing; and
  - (iv) any stock exchange upon which Common Stock is then listed and any other securities regulatory having jurisdiction and whose approval is required, shall have approved of the issue and sale of such securities.

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- (j) At or prior to the closing of any issuance of securities to the Holder under this Section 6:
- (i) the Company shall deliver, or cause to be delivered, to the Holder the applicable securities registered in the name of or otherwise credited to the Holder;
  - (ii) the Holder shall deliver or cause to be delivered to the Company payment of the applicable purchase price by certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company; and
  - (iii) the Company and the Holder, as applicable, shall deliver any documents required to evidence the requirements set forth in this Section 6.
- (k) Nothing herein contained or done pursuant hereto shall obligate the Holder to purchase or pay for, or shall obligate the Company to issue, the Subject Securities, except upon exercise by the Holder of the Pre-Emptive Right in accordance with the provisions of this Section 6 and compliance with all other conditions precedent to such issue and purchase contained in this Section 6.
- (l) The Holder shall not have any rights whatsoever as a holder of any of the Subject Securities (including any right to receive dividends or other distributions therefrom or thereon) until the Holder shall have acquired the Subject Securities.

7. Participation in Allocated Public Offering.

- (a) From the date hereof and for so long as any portion of this Warrant remains unexercised, at least two (2) Business Days prior to first publication of its intention to conduct an Allocated Public Offering, the Company acting in good faith (or the managing underwriter as the Company's representative) shall provide the Holder with an Issuance Notice; provided, that with respect to an Allocated Public Offering that is an offering of Common Stock, if the Company reasonably determines in good faith that it is not possible to give two (2) Business Days' notice, the Company (or the managing underwriter as the Company's representative) shall use best efforts and act in good faith to provide the Holder with an Issuance Notice as promptly as reasonably practicable under the circumstances. If the Holder provides written notice of its intention to purchase securities in such offering at the public offering price prior to the pricing of such Allocated Public Offering, the Company shall instruct the managing underwriter of such offering, and shall use commercially reasonable efforts to cause such managing underwriter, to make available for purchase by such Holder, in such offering and at the public offering price, a number of Subject Securities to be sold in such offering equal to the lowest of (i) such Holder's Pro Rata Portion of all Subject Securities being sold in such offering, (ii) the number of Subject Securities for which such Holder places a buy order with such managing underwriter and (iii) the number of Subject Securities that when added to the Warrant Share Number then in effect (including any Warrant Shares that may be withheld by the Company upon such exercise) would equal the Applicable Ownership Percentage.

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- (b) Each Issuance Notice with respect to an Allocated Public Offering shall include the number of Subject Securities that the Holder shall be entitled to purchase as a result of such Allocated Public Offering, the Company's good faith estimate of when the Company's first expects to make publication of such offering, a calculation demonstrating how such number was determined, the anticipated pricing and closing date, and the terms and conditions of the Subject Securities, if other than Common Stock. Such Issuance Notice need not include a particular price, and instead may state that the Company intends to sell Subject Securities to the managing underwriter at a customary discount to the public offering price that will be determined upon pricing of such offering.
8. Transfer of Warrant. Subject to applicable federal and state securities laws and the transfer conditions referred to in the legend endorsed hereon and in Section 12, this Warrant may only be transferred by the Holder to an Affiliate of the Holder; *provided* that the Holder shall not be permitted to transfer this Warrant to any Company Competitor. For a transfer of this Warrant as an entirety by the Holder, upon surrender of this Warrant to the Warrant Agent at the office of the Warrant Agent designated for such purposes, the Warrant Agent shall issue a new Warrant of the same denomination to the assignee. For a transfer of this Warrant with respect to a portion of the Warrant Share Number, upon surrender of this Warrant to the Warrant Agent at the office of the Warrant Agent designated for such purposes, the Warrant Agent shall issue a new Warrant to the assignee, in such denomination as shall be requested by the Holder, and shall issue to the Holder a new Warrant covering the number of shares in respect of which this Warrant shall not have been transferred.
9. Limitation on Shares Deliverable Upon Exercise of Warrant. Notwithstanding anything to the contrary in this Warrant, the Holder will not be entitled to receive shares of Common Stock upon exercise of this Warrant to the extent (but only to the extent) that such receipt would result in a violation of the Ownership Limitations (unless the Company provides an exemption from the Ownership Limitations as permitted by the Charter). To the extent that the Holder would not be entitled to receive shares pursuant to the prior sentence, the Company shall be required to settle the exercise in cash pursuant to clause (ii) of Section 3(d). Any purported delivery of shares of Common Stock upon exercise of this Warrant will be void and have no effect to the extent (but only to the extent) that such delivery would result in violation of the Ownership Limitations (unless the Company provides an exemption from the Ownership Limitations as permitted by the Charter).
10. Holder Not Deemed a Stockholder; Limitations on Liability. Except as expressly set forth herein, this Warrant does not entitle the Holder to any voting rights or other rights as a stockholder of the Company until the Holder has received Warrant Shares issuable upon exercise of this Warrant pursuant to the terms hereof, nor shall anything contained in this Warrant be construed to confer upon the Holder, as such, any of the rights of a

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stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

11. Replacement on Loss; Division and Combination.

- (a) Replacement of Warrant on Loss. Upon receipt by the Warrant Agent of evidence reasonably satisfactory to the Company and the Warrant Agent of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to the Company and the Warrant Agent and, in case of mutilation, upon surrender of such Warrant for cancellation to the Warrant Agent at the office of the Warrant Agent designated for such purposes, the Company at its own expense shall execute and deliver to the Warrant Agent for delivery to the Holder, in lieu of the Warrant so lost, stolen, mutilated or destroyed, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed.
- (b) Division and Combination of Warrant. Subject to compliance with the applicable provisions of this Warrant as to any transfer or other assignment which may be involved in such division or combination, including the provisions of Section 12, this Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant or Warrants to the Warrant Agent at the office of the Warrant Agent designated for such purposes, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the respective Holders or their agents or attorneys. Subject to compliance with the applicable provisions of this Warrant as to any transfer or assignment which may be involved in such division or combination, the Company shall at its own expense execute and deliver to the Warrant Agent for delivery to the Holder or such other persons specified in the Holder's notice, a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for an equivalent number of Warrant Shares as the Warrant or Warrants so surrendered in accordance with such notice.

12. Compliance with the Securities Act.

- (a) Agreement to Comply with the Securities Act; Legend. The Holder, by acceptance of this Warrant, agrees to comply in all respects with the provisions of this Section 12 and the restrictive legend requirements set forth on the face of this Warrant and further agrees that such Holder shall not offer, sell or otherwise dispose of this Warrant or any Warrant Shares to be issued upon exercise hereof, except under circumstances that will not result in a violation of the Securities Act. This Warrant and all Warrant Shares issued upon exercise of this Warrant shall be stamped or imprinted with a legend in substantially the following form:

“THE OFFER AND SALE OF THIS WARRANT AND THE SECURITIES, IF ANY, ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THIS WARRANT AND THE SECURITIES, IF ANY, ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER (1) REPRESENTS THAT IT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D AS PROMULGATED UNDER THE SECURITIES ACT, AND (2) AGREES FOR THE BENEFIT OF CHIMERA INVESTMENT CORPORATION (THE “COMPANY”) THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS WARRANT AND THE SECURITIES, IF ANY, ISSUABLE UPON EXERCISE OF THIS WARRANT OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN EXCEPT: (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR (C) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.”

The requirement imposed by this Section 12 shall cease and terminate as to this Warrant or any particular Warrant Share when, in the written opinion of counsel reasonably acceptable to the Company, such legend is no longer required in order to assure compliance by the Company with the Securities Act. Wherever such requirement shall cease and terminate as to this Warrant or any Warrant Share, the Holder or the holder of such Warrant Share, as the case may be, shall be entitled to receive from the Company, without expense, a new warrant or a new stock certificate, as the case may be, not bearing the legend set forth in this Section 12.

- (b) Representations of the Holder. In connection with the issuance of this Warrant, the Holder specifically represents, as of the date hereof, to the Company by acceptance of this Warrant as follows:
- (i) The Holder is an “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. The Holder is acquiring this Warrant and the Warrant Shares to be issued upon exercise hereof for investment for its own account and not with a view towards, or for resale in connection with, the public sale or distribution of this Warrant or the Warrant Shares, except pursuant to sales registered or exempted under the Securities Act.

- (ii) The Holder understands and acknowledges that this Warrant and the Warrant Shares to be issued upon exercise hereof are “restricted securities” under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that, under such laws and applicable regulations, such securities may be resold without registration under the Securities Act only in certain limited circumstances. In addition, the Holder represents that it is familiar with Rule 144 under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.
- (iii) The Holder acknowledges that it can bear the economic and financial risk of its investment for an indefinite period, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Warrant and the Warrant Shares. The Holder has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Warrant and the business, properties, prospects and financial condition of the Company.

13. Tax Treatment.

- (a) The Company shall, subject to Applicable Law, pay any and all documentary, stamp and similar issue or transfer tax due on (x) the issue of Warrants and (y) the issue of Warrant Shares pursuant to exercise of the Warrant; *provided, however*, that in the event certificates for Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by a properly completed and duly executed assignment agreement in form and substance reasonably satisfactory to the Company, and the Company may require as a condition thereto the payment of a sum sufficient to reimburse the Company for any stamp, documentary or other transfer taxes incidental thereto which are payable or are otherwise discharged by the Company.
- (b) The Company and its paying agent shall be entitled to deduct and withhold taxes on all payments and distributions (or deemed distributions) with respect to the Warrants (or upon the exercise thereof) to the extent required by Applicable Law. To the extent that any amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of this Warrant as having been paid to the Person in respect of which such deduction or withholding was made. In the event the Company previously remitted any amounts to a Governmental Authority on account of taxes required to be deducted or withheld in respect of any payment or distribution (or deemed distribution) with respect to a Warrant or upon the exercise thereof, the Company shall be entitled (i) to offset any such amounts against any amounts otherwise payable in respect of such Warrant, any Warrant Shares otherwise required to be issued upon the exercise of such Warrant or any amounts otherwise payable in respect of Warrant Shares received upon the exercise of such Warrant, or (ii) to require the Person in respect of whom such



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deduction or withholding was made to reimburse the Company for such amounts. The Company shall take commercially reasonable steps to minimize or eliminate any withholding or deduction described in this Section 13(b), including by giving the Person in respect of whom such deduction or withholding may be made (i) notice of the proposed withholding and the amounts proposed to be withheld and (ii) an opportunity to provide additional information or to apply for an exemption from, or a reduced rate of, withholding

14. Warrant Register. The Warrant Agent shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Warrant Agent and the Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Warrant Agent and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.
15. Rule 144 Information. The Company covenants that it shall use its commercially reasonable efforts to timely file all reports and other documents required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations promulgated by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Holder, make publicly available such information as necessary to permit sales pursuant to Rule 144 or Regulation S under the Securities Act), and it shall use commercially reasonable efforts to take such further action as any Holder may reasonably request, in each case to the extent required from time to time to enable such holder to, if permitted by the terms of this Warrant, sell this Warrant without registration under the Securities Act within the limitation of the exemptions provided by (A) Rule 144 or Regulation S under the Securities Act, as such rules may be amended from time to time, or (B) any successor rule or regulation hereafter adopted by the SEC. Upon the written request of any Holder, the Company will deliver to such Holder a written statement that it has complied with such requirements.
16. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 16).

If to the Company:

Chimera Investment Corporation  
520 Madison Avenue, 32nd Floor  
New York, NY 10022  
Attn: Philip J. Kardis II  
Tel: (212) 626-2300  
Email: phillip.kardis@chimerareit.com

with a copy to (which shall not constitute notice):

Hunton Andrews Kurth LLP  
2200 Pennsylvania Avenue NW  
Washington, DC 20037  
Attn: Robert K. Smith  
Tel: (202) 955-1611  
Email: rsmith@huntonAK.com

If to the Warrant Agent:

Computershare Inc.  
Computershare Trust Company, N.A.  
c/o Voluntary Corporate Actions  
150 Royall Street Suite V  
Canton, MA 02021

If to the Holder:

[•]  
[•]  
Attn: [•]  
Tel: [•]  
Email: [•]

with a copy to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP  
One Manhattan West  
New York, New York 10001  
Attn: Michael J. Schwartz  
Tel: (212) 735-3694  
Email: michael.schwartz@skadden.com

17. Entire Agreement. This Warrant and the forms attached hereto together with the Warrant Agreement, contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or undertakings with respect thereto.
18. Successor and Assigns. This Warrant and the rights evidenced hereby shall be binding upon and shall inure to the benefit of the successors of the Company and the successors and permitted assigns of the Holder. Such successors and/or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder.

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19. No Third-Party Beneficiaries. This Warrant is for the sole benefit of the Company, the Warrant Agent and the Holder and their respective successors and, in the case of the Holder, permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Warrant.
20. Headings. The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant.
21. Amendment and Modification; Waiver. Except as otherwise provided herein, this Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holder of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
22. Severability. If any term or provision of this Warrant is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Warrant or invalidate or render unenforceable such term or provision in any other jurisdiction.
23. Governing Law; Specific Enforcement; Submission to Jurisdiction; Waiver of Jury Trial.
- (a) This Warrant shall be governed by and construed in accordance with the laws of the State of New York.
  - (b) The parties hereto acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Warrant were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed to the fullest extent permitted by Applicable Law that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this Warrant and to enforce specifically the terms and provisions of this Warrant in any court of competent jurisdiction, in each case without proof of damages or otherwise (and each party hereto hereby waives any requirement for the securing or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. The parties hereto agree to the fullest extent permitted by Applicable Law not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to law or inequitable for any reason, nor to assert that a remedy of monetary damages would provide an adequate remedy.

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- (c) Each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the state of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, for the purposes of any action or legal proceeding arising out of this Warrant and the rights and obligations arising hereunder, and irrevocably and unconditionally waives any objection to the laying of venue of any such action or legal proceeding in any such court, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action or legal proceeding has been brought in an inconvenient forum. Each party hereto agrees that service of any process, summons, notice or document by registered mail to such party's respective address set forth in Section 15 shall be effective service of process for any such action or legal proceeding.
- (d) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, CLAIM OR LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS WARRANT. EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, CLAIM OR LEGAL PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS WARRANT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 23.
24. Counterparts. This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant.
25. No Strict Construction. This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.
26. Exchange of Warrants. Within seventy-five (75) days of the date of this Warrant, the Company, the Warrant Agent and the Holder shall send to the Company such signature pages as may be necessary to construct a signed, original Warrant. Such signed, original Warrant (except for the signature pages provided by the Company, the Warrant Agent and the Holder) shall be printed on security paper and shall be identical to this Warrant in all material respects. The Company shall, as soon as practicable, deliver such signed, original Warrant to the Holder. The Company shall, as soon as practicable, also provide the Warrant Agent with an electronic copy of the signed, original Warrant. Upon such delivery to Holder, only the signed, original Warrant shall represent the "Warrant" and the applicable "Warrant Certificate" (as defined in this Warrant and the Warrant Agreement) and any electronically executed version of this Warrant issued on the Original Issuance Date shall be deemed cancelled and exchanged for the signed, original Warrant.

IN WITNESS WHEREOF, the Company has issued this Warrant as of the Original Issue Date.

CHIMERA INVESTMENT CORPORATION

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

Countersigned:

COMPUTERSHARE, INC. and  
COMPUTERSHARE TRUST COMPANY N.A.,  
as Warrant Agent

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

Accepted and agreed,  
[HOLDER]

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

EXHIBIT A

NOTICE OF EXERCISE

Computershare Inc.  
Computershare Trust Company, N.A.  
c/o Voluntary Corporate Actions  
150 Royall Street Suite V  
Canton, MA 02021

Date: [•]

Pursuant to the provisions set forth in the Warrant (Warrant Certificate No.: W-[•]), dated as of June 8, 2020 (the "Warrant"), attached hereto as Annex I, the undersigned hereby [irrevocably elects to exercise such Warrant and notifies you of such election to purchase [•] Warrant Shares][notifies you that such Warrant was automatically, fully and cashlessly exercised for the unissued Warrant Shares remaining upon the Expiration Date]. Payment of the Aggregate Exercise Price is being made on a cashless basis in accordance with the Warrant. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Warrant.

Number of Warrant Shares (check the box that applies).

This Notice of Exercise involves \_\_\_\_\_ Warrant Shares that are issuable under the Warrant and I retain the right to exercise my Warrant for the balance of the Warrant Shares remaining in accordance with the terms and subject to the conditions of the Warrant. I hereby request that the Warrant Agent deliver to me a new Warrant evidencing my rights to purchase the unexpired and unexercised Warrant Shares.

This Notice of Exercise involves all of the Warrant Shares that are issuable under the Warrant, which Warrant is hereby enclosed herewith and surrendered to the Company and the Warrant Agent hereby (or, in the case of its loss, theft or destruction, the undersigned undertakes to indemnify the Company from any loss as a result thereof).

[HOLDER]

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

(Signature must conform in all respects to name of the Holder as specified on the face of the Warrant)

REGISTRATION RIGHTS AGREEMENT

by and among

CHIMERA INVESTMENT CORP.,

and

The Lenders Set Forth on Schedule I Hereto

Dated as of June 8 , 2020

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## **REGISTRATION RIGHTS AGREEMENT**

This REGISTRATION RIGHTS AGREEMENT is entered into as of June 8, 2020 (this "Agreement"), by and among Chimera Investment Corp., a Maryland corporation (the "Company"), and each of the parties set forth on Schedule I hereto (collectively, the "Lenders"). Capitalized terms used but not defined elsewhere herein are defined in Exhibit A. The Lenders and any other party that may become a party hereto pursuant to Section 5.1 are referred to collectively as the "Investors" and individually each as an "Investor".

WHEREAS, pursuant to the Credit Agreement, dated as of June 8, 2020 (as it may be amended from time to time, the "Credit Agreement"), by and among Kali Funding LLC, a Delaware limited liability company, as borrower (the "Borrower"), the Company, as guarantor, the lenders party thereto and Ares Agent Services, L.P., as administrative agent and collateral agent, pursuant to which the Borrower will borrow from the lenders party thereto \$400 million aggregate principal amount;

WHEREAS, in connection with the Credit Agreement, the Company is issuing to the lenders party thereto or their Affiliates warrants (the "Warrants") to purchase an aggregate of 20,300,000 shares of the Company's common stock, par value \$0.01 per share ("Common Stock"); and

WHEREAS, as a condition to the obligations of the Company and the lenders under the Credit Agreement, the Company and the Lenders are entering into this Agreement for the purpose of granting certain registration rights to the Investors.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

### **ARTICLE I**

#### **RESALE SHELF REGISTRATION**

Section 1.1 Resale Shelf Registration Statement. Subject to any applicable restrictions on transfer under applicable law, at any time when the Company is eligible to use Form S-3, any of the Ares Lenders and the Fortress Lender, acting as Holders, may request, by providing written notice to the Company (a "Resale Shelf Registration Request"), that the Company file a Registration Statement on Form S-3 (or at the Company's option if then permitted, an amendment, or supplement to an existing registration statement on Form S-3) for a public offering of all or such portion of the Registrable Securities designated by such Holder pursuant to Rule 415 promulgated under the Securities Act or otherwise (any such registration statement, the "Resale Shelf Registration Statement"). Both the Ares Lenders and the Fortress Lender, acting as Holders, shall each be entitled to deliver one (1) Resale Shelf Registration Request for the filing of a Registration Statement on Form S-3 pursuant to this Section 1.1, as applicable (which, for the avoidance of doubt, shall be separate requests from those related to the Shelf Offerings (Section 1.6), Piggyback Registration (Section 1.7) and Demand Registrations (Section 2.1). As promptly as is reasonably practicable after receipt of a Resale Shelf Registration Request, the Company shall use its commercially reasonable efforts to register all Registrable Securities that have been requested to be registered in the Resale Shelf Registration

Request; provided that the Company shall not be required to file a Resale Shelf Registration Statement pursuant to this Section 1.1 (i) within sixty (60) days following the effective date of any prior Resale Shelf Registration Statement or Demand Registration Statement by any Holder or (ii) if the number of Registrable Securities proposed to be included therein does not either (a) equal or exceed the Minimum Amount (as defined below) (calculated on the basis of the average closing price of a share of the Common Stock on the New York Stock Exchange over the five trading days preceding such Resale Shelf Registration Request) or (b) represent all of the remaining Registrable Securities. Promptly (but in no event later than five (5) Business Days) after receipt by the Company of a Resale Shelf Registration Request, the Company shall give written notice of such Resale Shelf Registration Request to all other Holders and shall include in such Resale Shelf Registration all Registrable Securities with respect to which the Company received written requests for inclusion therein within ten (10) Business Days after the delivery of such written notice of a Resale Shelf Registration Request to such Holders. Subject to Section 3.2, the Company shall use commercially reasonable efforts (i) to file a Resale Shelf Registration Statement within ten (10) Business Days following the expiration of the ten (10) Business Day period specified in the immediately preceding sentence, and (ii) if necessary, to cause such Resale Shelf Registration Statement to become effective as soon as is reasonably practicable thereafter. If permitted under the Securities Act, such Registration Statement shall be one that is automatically effective upon filing.

Section 1.2 Effectiveness Period. Once declared effective, the Company shall, subject to the other applicable provisions of this Agreement, use its commercially reasonable efforts to cause the Resale Shelf Registration Statement to be continuously effective and usable until such time as there are no longer any Registrable Securities (the "Effectiveness Period").

Section 1.3 Subsequent Shelf Registration Statement. If any Shelf Registration Statement ceases to be effective under the Securities Act for any reason at any time during the Effectiveness Period, the Company shall use its commercially reasonable efforts to, as promptly as is reasonably practicable, cause such Shelf Registration Statement to again become effective under the Securities Act (including obtaining the prompt withdrawal of any order suspending the effectiveness of such Shelf Registration Statement), and shall use its commercially reasonable efforts to promptly as is reasonably practicable amend such Shelf Registration Statement in a manner reasonably expected to result in the withdrawal of any order suspending the effectiveness of such Shelf Registration Statement or file an additional registration statement (a "Subsequent Shelf Registration Statement") for an offering to be made on a delayed or continuous basis pursuant to Rule 415 of the Securities Act registering the resale from time to time by the Holders thereof of all securities that are Registrable Securities as of the time of such filing. If a Subsequent Shelf Registration Statement is filed, the Company shall use its commercially reasonable efforts to (a) cause such Subsequent Shelf Registration Statement to become effective under the Securities Act as promptly as is reasonably practicable after the filing thereof (it being agreed that the Subsequent Shelf Registration Statement shall be an automatic shelf registration statement that shall become effective upon filing with the SEC pursuant to Rule 462(e) if Rule 462(e) is then available to the Company) and (b) keep such Subsequent Shelf Registration Statement continuously effective and usable until the end of the Effectiveness Period. Any such Subsequent Shelf Registration Statement shall be a registration statement on Form S-3 to the extent that the Company is eligible to use such form. Otherwise, such Subsequent Shelf Registration Statement shall be on another appropriate form and shall provide for the registration of such Registrable Securities for resale by the Holders in accordance with any reasonable method of distribution elected by the Holders.

Section 1.4 Supplements and Amendments. The Company shall supplement and amend any Shelf Registration Statement if required by the Securities Act or the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement.

Section 1.5 Subsequent Holder Notice. If a Person entitled to the benefits of this Agreement becomes a Holder of Registrable Securities after a Shelf Registration Statement becomes effective under the Securities Act, the Company shall, promptly, following delivery of written notice to the Company of such Person becoming a Holder and requesting for its name to be included as a selling securityholder in the prospectus related to the Shelf Registration Statement (a "Subsequent Holder Notice"):

(a) if required and permitted by applicable law, file with the SEC a supplement to the related prospectus or a post-effective amendment to the Shelf Registration Statement so that such Holder is named as a selling securityholder in the Shelf Registration Statement and the related prospectus in such a manner as to permit such Holder to deliver a prospectus to purchasers of the Registrable Securities in accordance with applicable law; provided, however, that the Company shall not be required to file more than one post-effective amendment or supplement to the related prospectus for such purpose with respect to the Ares Lenders or their Permitted Transferees (collectively, the "Ares Group"), more than one post-effective amendment or supplement to the related prospectus for such purpose with respect to the Fortress Lender or its Permitted Transferees (the "Fortress Group") or more than one post-effective amendment or supplement to the related prospectus for such purpose with respect to the D Capital Lender or its Permitted Transferees (the "D Capital Group"), in each case within any fiscal quarter.

(b) if, pursuant to Section 1.5(a), the Company shall have filed a post-effective amendment to the Shelf Registration Statement that is not automatically effective, use its commercially reasonable efforts to cause such post-effective amendment to become promptly effective under the Securities Act; and

(c) promptly notify such Holder after the effectiveness under the Securities Act of any post-effective amendment filed pursuant to Section 1.5(a).

Section 1.6 Shelf Take-Downs.

(a) Subject to any applicable restrictions on transfer under applicable law, at any time that any Shelf Registration Statement is effective, if a Holder delivers a notice to the Company stating that it intends to effect a sale or distribution of all or part of its Registrable Securities included by it on any Shelf Registration Statement (a "Shelf Offering") and stating the number of the Registrable Securities to be included in such Shelf Offering, then the Company shall, subject to the other applicable provisions of this Agreement, amend or supplement the

Shelf Registration Statement as may be reasonably necessary in order to enable such Registrable Securities to be sold and distributed pursuant to the Shelf Offering. Both the Ares Lender and the Fortress Lender, acting as Holders, shall each be entitled to deliver two (2) notices to the Company of its intention to effect a sale or distribution of all or part of its Registrable Securities in a Shelf Offering pursuant to this Section 1.6(a) (including an Underwritten Shelf Take-Down pursuant to Section 1.6(b) below).

(b) Subject to any applicable restrictions on transfer under applicable law, a Holder may, after any Shelf Registration Statement becomes effective, deliver a written notice to the Company (the “Underwritten Shelf Take-Down Notice”) specifying that a Shelf Offering is intended to be conducted through an Underwritten Offering (such Underwritten Offering, an “Underwritten Shelf Take-Down”), which shall specify the number of Registrable Securities intended to be included in such Underwritten Shelf Take-Down; provided, however, that the Holders of Registrable Securities may not, without the Company’s prior written consent, (i) launch an Underwritten Shelf Take-Down the anticipated gross proceeds of which shall be less than \$35 million (the “Minimum Amount”) or (ii) launch an Underwritten Shelf Take-Down within the period commencing 20 days prior to the date of the Company’s scheduled earnings release for any fiscal quarter or year and ending one (1) day following the Company’s filing of its annual report on Form 10-K or quarterly reports on Form 10-Q for such fiscal year or quarter, respectively. To the extent an Underwritten Shelf Take-Down is a Marketed Underwritten Offering, the Company shall deliver the Underwritten Shelf Take-Down Notice to the other Holders of Registrable Securities that have been included on such Shelf Registration Statement and permit such Holders to include their Registrable Securities included on the Shelf Registration Statement in such Underwritten Shelf Take-Down that is a Marketed Underwritten Offering if such Holder notifies the Holder delivering the Underwritten Shelf Take-Down Notice and the Company within three (3) Business Days after delivery of the Underwritten Shelf Take-Down Notice to such Holder.

(c) In the event of an Underwritten Shelf Take-Down, the Holder delivering the related Underwritten Shelf Take-Down Notice shall (in the case of a Marketed Underwritten Offering, in consultation with other Holders participating in the Underwritten Shelf Take-Down) select the managing underwriter(s) to administer the Underwritten Shelf Take-Down; provided that the choice of such managing underwriter(s) shall be subject to the consent of the Company, which is not to be unreasonably withheld. The Company and the Holders of Registrable Securities participating in an Underwritten Shelf Take-Down will enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such offering.

(d) The Company will not include in any Underwritten Shelf Take-Down pursuant to this Section 1.6 any securities that are not Registrable Securities without the prior written consent of the Holder(s) participating in such Underwritten Shelf Take-Down. In the case of an Underwritten Shelf Take-Down that is a Marketed Underwritten Offering, if the managing underwriter or underwriters advise the Company and the Holders in writing that in its or their opinion the number of Registrable Securities (and, if permitted hereunder, other securities) requested to be included in such offering exceeds the number of securities which can be sold in such offering in light of market conditions or otherwise is such so as to adversely affect the success of such offering, the Company will include in such offering only such number of

securities that can be sold without adversely affecting the success of the offering, which securities will be so included in the following order of priority: (i) first, the Registrable Securities of the Holders that have requested to participate in such Underwritten Shelf Take-Down that is a Marketed Underwritten Offering, allocated *pro rata* among such Holders on the basis of the percentage of the Registrable Securities owned by such Holders, and (ii) second, any other securities of the Company that have been requested to be so included.

#### Section 1.7 Piggyback Registration.

(a) Except with respect to a Demand Registration (as defined below), the procedures for which are addressed in Article II, if the Company proposes to file a registration statement under the Securities Act with respect to an offering of Common Stock or securities convertible into, or exchangeable or exercisable for, Common Stock, whether or not for sale for its own account (other than a registration statement (i) on Form S-4, Form S-8 or any successor forms thereto or (ii) filed to effectuate an exchange offer or any employee benefit or dividend reinvestment plan), in a manner that would permit registration of the Registrable Securities for sale for cash to the public under the Securities Act, then the Company shall give prompt written notice of such filing, which notice shall be given, no later than seven (7) Business Days prior to the filing date (the "Piggyback Notice") to the Holders of Registrable Securities. The Piggyback Notice shall offer such Holders the opportunity to include (or cause to be included) in such registration statement the number of shares of Registrable Securities as each such Holder may request (each, a "Piggyback Registration Statement"). Subject to Section 1.7(b), the Company shall include in each Piggyback Registration Statement all Registrable Securities with respect to which the Company has received written requests for inclusion therein (each, a "Piggyback Request") within three (3) Business Days after the date of the Piggyback Notice. The Company shall not be required to maintain the effectiveness of a Piggyback Registration Statement beyond the earlier of (x) 120 days after the effective date thereof and (y) consummation of the distribution by the Holders of the Registrable Securities included in such registration statement. The Company may withdraw a Piggyback Registration Statement at any time prior to any sales being made pursuant to the Piggyback Registration Statement without incurring any liability to the Holders.

(b) If any of the securities to be registered pursuant to the registration giving rise to the rights under this Section 1.7 are to be sold in an Underwritten Offering, the Company shall use commercially reasonable efforts to cause the managing underwriter or underwriters of a proposed Underwritten Offering to permit Holders of Registrable Securities who have timely submitted a Piggyback Request in connection with such offering to include in such offering all Registrable Securities included in each Holder's Piggyback Request on the same terms and subject to the same conditions as any other shares of capital stock, if any, of the Company included in the Underwritten Offering. Notwithstanding the foregoing, if the managing underwriter or underwriters of such offering advise the Company in writing that in its or their opinion the number of securities exceeds the number of securities which can be sold in such offering in light of market conditions or otherwise is such so as to adversely affect the success of such offering, the Company will include in such Underwritten Offering only such number of securities that can be sold without adversely affecting the success of the offering, which securities will be so included in the following order of priority: (i) first, the securities proposed to be sold by the Company for its own account; (ii) second, the number of Registrable Securities

requested to be included in such registration by the Holders, which, in the opinion of such underwriters, can be sold without any such adverse effect, if necessary *pro rata* among each Holder on the basis of the number of such Registrable Securities requested to be included therein by such Holder; and (iii) third, the Registrable Securities of any other persons with piggyback registration rights who have the right to participate and that have requested to participate in such offering, allocated *pro rata* among the selling shareholders according to the total amount of securities entitled to be included therein owned by each selling shareholder and its Affiliates (other than the Company) or in such other proportions as shall mutually be agreed to by such selling shareholders.

## ARTICLE II

### **DEMAND REGISTRATION RIGHTS**

Section 2.1 Right to Demand Registrations. Subject to any applicable restrictions on transfer under applicable law, a Holder may (but only if there is no Shelf Registration Statement then in effect covering all of the Registrable Securities held by such Holder of the class of securities sought to be registered) request, by providing written notice to the Company, that the Company effect the registration under the Securities Act of all or part of the Registrable Securities (a “Demand Registration”). A request for a Demand Registration (a “Demand Registration Request”) shall specify the number of Registrable Securities intended to be offered and sold pursuant to the Demand Registration and the intended method of distribution thereof, including whether it is intended to be an Underwritten Offering. As promptly as is reasonably practicable after receipt of a Demand Registration Request, the Company shall, subject to Section 2.3, use commercially reasonable efforts to register all Registrable Securities that have been requested to be registered in the Demand Registration Request; provided that the Company shall not be required to file a registration statement pursuant to this Section 2.1 (a “Demand Registration Statement”) (i) within sixty (60) days following the effective date of any prior Demand Registration Statement for the same class of Registrable Securities by any Holder or (ii) if the number of Registrable Securities proposed to be included therein does not either (a) equal or exceed the Minimum Amount (calculated on the basis of the average closing price of a share of the Common Stock on the New York Stock Exchange over the five trading days preceding such Demand Registration Request in the case of a demand for the registration of offers and sales of Common Stock) or (b) represent all of the remaining Registrable Securities. Promptly (but in no event later than five (5) Business Days) after receipt by the Company of a Demand Registration Request, the Company shall give written notice of such Demand Registration Request to all other Holders and shall include in such Demand Registration all Registrable Securities with respect to which the Company received written requests for inclusion therein within ten (10) Business Days after the delivery of such written notice of a Demand Registration to such Holder. Subject to Section 3.2, the Company shall use reasonable best efforts (i) to file a Demand Registration Statement within 30 days after such Holder’s written request therefor and (ii) to cause such Demand Registration Statement to become effective as soon as practical thereafter.

Section 2.2 Number of Demand Registrations. Each of the Ares Group and the Fortress Group shall be entitled to deliver one (1) Demand Registration Request for the registration of offers and sales of Common Stock held by members of the Ares Group or the Fortress Group, as applicable (which, for the avoidance of doubt, shall be separate requests from those related to Shelf Registration Statement, Shelf Offerings and Underwritten Shelf Take-Downs pursuant to Article I).

Section 2.3 Underwritten Offerings Pursuant to Demand Registrations. In the event of an Underwritten Offering pursuant to a Demand Registration, the Holder delivering the Demand Registration Request (in consultation with other Holders participating in such Underwritten Offering) shall select the managing underwriter(s) to administer such Underwritten Offering; provided that the choice of such managing underwriter(s) shall be subject to the consent of the Company, which is not to be unreasonably withheld. If the managing underwriter or underwriters advise the Company and the Holders in writing that in its or their opinion the number of Registrable Securities (and, if permitted hereunder, other securities) requested to be included in such offering exceeds the number of securities which can be sold in such offering in light of market conditions or otherwise is such so as to adversely affect the success of such offering, the Company will include in such offering only such number of securities that can be sold without adversely affecting the success of the offering, which securities will be so included in the following order of priority: (i) first, the Registrable Securities of the Holders that have requested to participate in such Underwritten Offering, allocated pro rata among such Holders on the basis of the percentage of the Registrable Securities owned by such Holders, and (ii) second, any other securities of the Company to be sold for its account.

Section 2.4 Withdrawal. A Holder may, by written notice to the Company, withdraw its Registrable Securities from a Demand Registration at any time prior to the effectiveness of the applicable registration statement (it being understood that, with respect to any such Holder who also requested the Demand Registration pursuant to Section 2.1, such Holder shall be entitled to an additional Demand Registration Request; provided that such Holder pays for any expenses incurred by such Holder with respect to any exercise of the Holder's withdrawal right pursuant to this Section 2.4 (including, without limitation, legal fees)). Upon receipt of notices from all applicable Holders to such effect, the Company shall cease all efforts to seek effectiveness of the applicable registration statement with respect to any Registrable Securities.

### ARTICLE III

#### ADDITIONAL PROVISIONS REGARDING REGISTRATION RIGHTS

Section 3.1 Registration Procedures. Subject to the other applicable provisions of this Agreement, in the case of each registration of Registrable Securities effected by the Company pursuant to Article I or Article II, the Company will:

(a) prepare and, as promptly as is reasonably practicable, file with the SEC a registration statement with respect to such securities and use commercially reasonable efforts to cause such registration statement to become and remain effective for the period of the distribution contemplated thereby, in accordance with the applicable provisions of this Agreement;



(b) prepare and file with the SEC such amendments (including post-effective amendments) and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to keep such registration statement effective for the period specified in paragraph (a) above and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement in accordance with the Holders' intended method of distribution set forth in such registration statement for such period;

(c) furnish to the Holders copies of the registration statement and the prospectus included therein (including each preliminary prospectus) proposed to be filed and provide such legal counsel a reasonable opportunity to review and comment on such registration statement;

(d) if requested by the managing underwriter or underwriters, if any, or the Holder(s), as promptly as is reasonably practicable, include in any prospectus supplement or post-effective amendment such information as the managing underwriter or underwriters, if any, or the Holder(s) may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such prospectus supplement or post-effective amendment as soon as reasonably practicable after the Company has received such request; provided, however, that the Company shall not be required to take any actions under this Section 3.1(d) that are not, in the opinion of counsel for the Company, in compliance with applicable law;

(e) in the event that the Registrable Securities are being offered in an Underwritten Offering, furnish to the Holder(s) and to the underwriters of the securities being registered such reasonable number of copies of the registration statement, preliminary prospectus and final prospectus as the Holder(s) or such underwriters may reasonably request in order to facilitate the public offering or other disposition of such securities;

(f) as promptly as is reasonably practicable, notify the Holder(s) at any time when a prospectus relating thereto is required to be delivered under the Securities Act or of the Company's discovery of the occurrence of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing, and, subject to Section 3.2, at the request of the Holder(s), as promptly as is reasonably practicable prepare and furnish to the Holder(s) a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the Holder(s) of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing;

(g) use commercially reasonable efforts to register and qualify (or exempt from such registration or qualification) the securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions within the United States as shall be reasonably requested in writing by the Holder(s); provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (i) qualify to do business in any jurisdictions or file a general consent to service of process in any such jurisdictions where it would not otherwise be required to qualify but for this subsection, (ii) take any action that would subject it to general service of process in any such jurisdictions or (iii) take any action that would subject it to taxation in any such jurisdictions;

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(h) in the event that the Registrable Securities are being offered in an underwritten public offering, enter into an underwriting agreement, a placement agreement or equivalent agreement, in each case in accordance with the applicable provisions of this Agreement;

(i) in connection with an Underwritten Offering, the Company shall cause its officers to use their commercially reasonable efforts to support the marketing of the Registrable Securities covered by such offering, including, but not limited to, management presentations (including “electronic road shows” in the nature of management presentations) or investor calls to the extent reasonably necessary to support the proposed sale of Registrable Securities pursuant to such Underwritten Offering (it being understood that the Company and its officers shall not be obligated to participate in any in-person road show presentations);

(j) use commercially reasonable efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion dated such date of the legal counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, (ii) a “negative assurances letter,” dated such date of the legal counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and (iii) “comfort” letters dated the date of pricing of such offering and dated such date from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters;

(k) in the event that the Registrable Securities covered by such registration statement are shares of Common Stock, use commercially reasonable efforts to list the Registrable Securities covered by such registration statement with any securities exchange on which the Common Stock is then listed;

(l) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(m) in connection with a customary due diligence review, make available for inspection by the Holder(s), any underwriter participating in any such disposition of Registrable Securities, if any, and any counsel or accountants retained by the Holder(s) or underwriter (collectively, the “Offering Persons”), at the offices where normally kept or electronically, during reasonable business hours, all pertinent financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and cause the officers, directors and employees of the Company and its subsidiaries to supply all information and participate in customary due diligence sessions in each case reasonably requested by any such representative, underwriter, counsel or accountant in connection with such registration statement and/or offering; provided, however, that any information that is not generally publicly available at the time of delivery of such information shall be kept confidential by such Offering Persons. Parties a

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gree to enter into a customary confidentiality or non-disclosure agreement with respect to confidential information provided by the Company pursuant to this Section 3.1(m). Notwithstanding the foregoing, under no circumstances shall a Holder be permitted to provide any confidential information supplied by the Company to a Credit Party Competitor, even if such Credit Party Competitor is an Affiliate of the Holder.

(n) cooperate with the Holder(s) and each underwriter or agent participating in the disposition of Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA, including the use of commercially reasonable efforts to obtain FINRA's pre-clearance or pre-approval of the registration statement and applicable prospectus upon filing with the SEC;

(o) promptly, as is reasonably practicable, notify the Holder(s) (i) when the prospectus or any prospectus supplement or post-effective amendment has been filed and, with respect to such registration statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC or other federal or state governmental authority for amendments or supplements to such registration statement or related prospectus or to amend or to supplement such prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for such purpose, (iv) if at any time the Company has reason to believe that the representations and warranties of the Company contained in any agreement contemplated by Section 3.1(f) above relating to any applicable offering cease to be true and correct or (v) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose;

(p) The Holders agree that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3.1(f), 3.1(o)(ii) or 3.1(o)(iii), the Holders shall discontinue disposition of any Registrable Securities covered by such registration statement or the related prospectus until receipt of the copies of the supplemented or amended prospectus, which supplement or amendment shall, subject to the other applicable provisions of this Agreement, be prepared and furnished as soon as reasonably practicable, or until the Holders are advised in writing by the Company that the use of the applicable prospectus may be resumed, and have received copies of any amended or supplemented prospectus or any additional or supplemental filings which are incorporated, or deemed to be incorporated, by reference in such prospectus (such period during which disposition is discontinued being an "Interruption Period") and, if requested by the Company, the Holders shall use commercially reasonable efforts to return to the Company all copies then in their possession, of the prospectus covering such Registrable Securities at the time of receipt of such request. As soon as practicable after the Company has determined that the use of the applicable prospectus may be resumed, the Company will notify the Holders thereof. In the event the Company invokes an Interruption Period hereunder and in the sole discretion of the Company the need for the Company to continue the Interruption Period ceases for any reason, the Company shall, as soon as reasonably practicable, provide written notice to the Holders that such Interruption Period is no longer applicable; and

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(q) shall take all other reasonable steps, at the written request of the Holders, necessary to effect the registration and offer and sale of the Registrable Securities as required hereby.

Section 3.2 Suspension. (a) The Company shall be entitled, by providing written notice to the Holders, no more than two (2) times in any twelve (12) month period for a period of time not to exceed 90 days in the aggregate, to postpone the filing or effectiveness of a registration statement to sell Registrable Securities or to require the Holders of Registrable Securities to suspend any offerings or sales of Registrable Securities pursuant to a registration statement, if the Company delivers to the Holders a certificate signed by an executive officer certifying that such registration and offering would (i) require the Company to make an Adverse Disclosure or (ii) materially interfere with any bona fide material financing, acquisition, disposition or other similar transaction involving the Company or any of its subsidiaries then under consideration. Such certificate shall contain a statement of the reasons for such suspension and an approximation of the anticipated length of such suspension, in accordance with the specifications set forth in this Section 3.2. Parties agree to enter into a customary confidentiality or non-disclosure agreement with respect to confidential information provided by the Company pursuant to this Section 3.2. If the Company postpones registration of Registrable Securities in response to an Underwritten Shelf Take-Down Notice or a Demand Registration Request or requires the Holders to suspend any Underwritten Offering, the Lenders shall be entitled to withdraw such Underwritten Shelf Take-Down Notice or a Demand Registration Request, as applicable, and if they do so, such request shall not be treated for any purpose as the delivery of an Underwritten Shelf Take-Down Notice pursuant to Section 1.6 or a Demand Registration Request pursuant to Section 2.1.

Section 3.3 Expenses of Registration. All Registration Expenses incurred in connection with any registration pursuant to Article I or Article II shall be borne by the Company. All Selling Expenses in connection with the sale of Registrable Securities by the Holders of the Registrable Securities shall be borne, pro rata, by such Holders included in such registration.

Section 3.4 Cooperation by Holders. The Holder or Holders of Registrable Securities included in any registration shall furnish to the Company the number of shares of Common Stock (or any securities convertible, exchangeable or exercisable for Common Stock within 60 days of any such filing) owned by such Holder or Holders, the number of such Registrable Securities proposed to be sold, the name and address of such Holder or Holders proposing to sell, and the distribution proposed by such Holder or Holders as shall be required in connection with any registration, qualification or compliance referred to in this Agreement. It is understood and agreed that the obligations of the Company under Article I and Article II are conditioned on the timely provisions of the foregoing information by such Holder or Holders and, without limitation of the foregoing, will be conditioned on compliance by such Holder or Holders with the following:

(a) such Holder or Holders will, and will cause their respective Affiliates to, cooperate with the Company in connection with the preparation of the applicable registration statement and prospectus and, for so long as the Company is obligated to keep such registration statement effective, such Holder or Holders will and will cause their respective Affiliates to, provide to the Company, in writing and in a timely manner, for use in such registration statement (and expressly identified in writing as such), all information regarding themselves and their respective Affiliates and such other information as may be required by applicable law to enable the Company to prepare or amend such registration statement, any related prospectus and any other documents related to such offering covering the applicable Registrable Securities owned by such Holder or Holders and to maintain the currency and effectiveness thereof; and

(b) during such time as such Holder or Holders and their respective Affiliates may be engaged in a distribution of the Registrable Securities, such Holder or Holders will, and they will cause their Affiliates to, comply with all laws applicable to such distribution, including Regulation M promulgated under the Exchange Act, and, to the extent required by such laws, will, and will cause their Affiliates to, among other things (i) not engage in any stabilization activity in connection with the securities of the Company in contravention of such laws; (ii) distribute the Registrable Securities acquired by them solely in the manner described in the applicable registration statement and (iii) if required by applicable law, cause to be furnished to each agent or broker-dealer to or through whom such Registrable Securities may be offered, or to the offeree if an offer is made directly by such Holder or Holders or their respective Affiliates, such copies of the applicable prospectus (as amended and supplemented to such date) and documents incorporated by reference therein as may be required by such agent, broker-dealer or offeree.

Section 3.5 Rule 144 Reporting. With a view to making available the benefits of Rule 144 to the Holders, the Company agrees that, for so long as a Holder owns Registrable Securities, the Company will use its commercially reasonable efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the date of this Agreement; and

(b) so long as a Holder owns any Restricted Securities, furnish to the Holder upon request given in accordance with Section 6.8 (i) a written statement by the Company as to its compliance with the reporting requirements of the Exchange Act; (ii) a copy of the most recent periodic report of the Company and any other such reports and documents filed by the Company that may be requested by the Holder; and (iii) any other such information or documentation as may be requested by a Holder pursuant to an SEC rule or regulation that permits the sale of securities without registration or pursuant to Form S-3, whichever is applicable (provided, however, that the Company shall not be obligated to provide any document that is publicly filed with the SEC on EDGAR).

Section 3.6 Holdback Agreement. If the Company shall file a registration statement (other than in connection with the registration of securities issuable pursuant to an employee stock option, stock purchase or similar plan or pursuant to a merger, exchange offer or a transaction of the type specified in Rule 145(a) under the Securities Act) with respect to an underwritten public offering of Common Stock or securities convertible into, or exchangeable or exercisable for, such securities or otherwise informs the Lenders that it intends to conduct such an offering utilizing an effective registration statement or pursuant to an underwritten Rule 144A and/or Regulation S offering and provides the Lenders and each Holder the opportunity to participate in such offering in accordance with and to the extent required by Section 1.7, each

Holder participating in such offering shall, if requested by the managing underwriter or underwriters, enter into a customary “lock-up” agreement relating to the sale, offering or distribution of Registrable Securities, in the form reasonably requested by the managing underwriter or underwriters, covering the period commencing on the date of the prospectus pursuant to which such offering may be made and continuing until up to 90 days from the date of such prospectus.

## ARTICLE IV

### INDEMNIFICATION

Section 4.1 Indemnification by Company. The Company shall, with respect to any Registrable Securities covered by a registration statement or prospectus, or as to which registration, qualification or compliance under applicable “blue sky” laws has been effected pursuant to this Agreement, indemnify and hold harmless each Holder, each Holder’s current and former officers, directors, partners, members, managers, shareholders, agents, employees and Affiliates, and each Person controlling such Holder within the meaning of Section 15 of the Securities Act, and each underwriter thereof, if any, and each Person who controls any such underwriter within the meaning of Section 15 of the Securities Act (collectively, the “Company Indemnified Parties”), from and against any and all expenses, claims, losses, damages, costs (including costs of preparation, reasonable attorney’s fees and expenses and any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding), judgments, fines, penalties, charges, amounts paid in settlement and other liabilities, joint or several, (or actions or proceedings, whether commenced or threatened, in respect thereof) (collectively, “Losses”) to the extent arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, preliminary prospectus, offering circular, “issuer free writing prospectus” (as such term is defined in Rule 433 under the Securities Act) or other document, in each case related to such registration statement, or any amendment or supplement thereto, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or any violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rules or regulations thereunder applicable to the Company and (without limiting the preceding portions of this Section 4.1), the Company will reimburse each of the Company Indemnified Parties for any reasonable and documented out-of-pocket legal expenses and any other reasonable and documented out-of-pocket expenses actually incurred in connection with investigating, defending or, subject to the last sentence of this Section 4.1, settling any such Losses or action, as such expenses are incurred; provided that the Company’s indemnification obligations shall not apply to amounts paid in settlement of any Losses or action if such settlement is effected without the prior written consent of the Company (which consent shall not be unreasonably withheld or delayed), nor shall the Company be liable to a Holder in any such case for any such Losses or action to the extent that it arises out of or is based upon a violation or alleged violation of any state or federal law (including any claim arising out of or based on any untrue statement or alleged untrue statement or omission or alleged omission in the registration statement or prospectus) which occurs in reliance upon and in conformity with written information furnished by or on behalf of any Holder expressly for use in connection with such registration.

Section 4.2 Indemnification by Holders. Each Holder shall, if Registrable Securities held by such Holder are included in the securities as to which registration or qualification or compliance under applicable “blue sky” laws is being effected, indemnify, severally and not jointly with any other Holders of Registrable Securities, the Company and each of its current and former officers, directors, partners, members, managers, shareholders, agents, employees and Affiliates, and each Person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act (collectively, the “Holder Indemnified Parties”), against all Losses (or actions in respect thereof) to the extent arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, preliminary prospectus, offering circular, “issuer free writing prospectus” or other document, in each case related to such registration statement, or any amendment or supplement thereto, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and will reimburse each of the Holder Indemnified Parties for any reasonable and documented out-of-pocket legal expenses and any other reasonable and documented out-of-pocket expenses actually incurred in connection with investigating, defending or, subject to the last sentence of this Section 4.2, settling any such Losses or action, as such expenses are incurred, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular, “issuer free writing prospectus” or other document in reliance upon and in conformity with written information regarding such Holder furnished to the Company by such Holder or its authorized representatives and stated to be specifically for use therein; provided, however, that in no event shall any indemnity under this Section 4.2 payable by the Lenders and any Holder exceed an amount equal to the net proceeds received by such Holder in respect of the sale of the Registrable Securities giving rise to such indemnification obligation. The indemnity agreement contained in this Section 4.2 shall not apply to amounts paid in settlement of any Losses or action if such settlement is effected without the prior written consent of the applicable Holder (which consent shall not be unreasonably withheld or delayed).

Section 4.3 Notification. If any Person shall be entitled to indemnification under this Article IV (each, an “Indemnified Party”), such Indemnified Party shall give notice as promptly as is reasonably practicable to the party required to provide indemnification (each, an “Indemnifying Party”) of any claim or of the commencement of any proceeding as to which indemnity is sought. The Indemnifying Party shall have the right, exercisable by as promptly as is reasonably practicable giving written notice to the Indemnified Party after the receipt of written notice from such Indemnified Party of such claim or proceeding, to assume, at the Indemnifying Party’s expense, the defense of any such claim or litigation, with counsel reasonably satisfactory to the Indemnified Party and, after notice from the Indemnifying Party to such Indemnified Party of its election to assume the defense thereof, the Indemnifying Party will not (so long as it shall continue to have the right to defend, contest, litigate and settle the matter in question in accordance with this paragraph) be liable to such Indemnified Party hereunder for any legal expenses and other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof; provided, however, that an Indemnified Party shall have the right to employ separate counsel in any such claim or litigation, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present such counsel

with a conflict of interest; (ii) such action includes both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it and/or other Indemnified Parties that are different from or additional to those available to the Indemnifying Party; (iii) the Indemnifying Party shall have failed within a reasonable period of time to employ counsel reasonably satisfactory to the Indemnified Party and assume such defense and the Indemnified Party is or would reasonably be expected to be materially prejudiced by such delay or (iv) the Indemnifying Party agrees to pay such fees and expenses. The failure of any Indemnified Party to give notice as provided herein shall relieve an Indemnifying Party of its obligations under this Article IV only to the extent that the failure to give such notice is materially prejudicial or harmful to such Indemnifying Party's ability to defend such action. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the prior written consent of each Indemnified Party (which consent shall not be unreasonably withheld or delayed), consent to entry of any judgment or enter into any settlement which (A) does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation and (B) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party. The indemnity agreements contained in this Article IV shall not apply to amounts paid in settlement of any Losses or action if such settlement is effected without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed. The indemnification set forth in this Article IV shall be in addition to any other indemnification rights or agreements that an Indemnified Party may have. An Indemnifying Party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel (in addition to appropriate local counsel) for all parties indemnified by such Indemnifying Party with respect to such claim, unless in the reasonable judgment of any Indemnified Party a conflict of interest may exist between such Indemnified Party and any other Indemnified Parties with respect to such claim.

Section 4.4 Contribution. If the indemnification provided for in this Article IV is held by a court of competent jurisdiction to be unavailable to an Indemnified Party, other than pursuant to its terms, with respect to any Losses or action referred to therein, then, subject to the limitations contained in this Article IV, the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses or action in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and the Indemnified Party, on the other, in connection with the actions, statements or omissions that resulted in such Losses or action, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party, on the one hand, and the Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made (or omitted) by, or relates to information supplied by such Indemnifying Party, on the one hand, or such Indemnified Party, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such action, statement or omission. The Company and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 4.4 was determined solely upon pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding sentence of this Section 4.4. Notwithstanding the



provisions of this Section 4.4, an Indemnifying Party that is a Holder shall not be required to contribute to any amount in excess of the amount by which the net proceeds to the Indemnifying Party from the sale of the Registrable Securities sold in a transaction that resulted in Losses in respect of which contribution is sought in such proceeding pursuant to this Section 4.4 exceed the amount of any damages such Indemnifying Party has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission (including as a result of any indemnification obligation hereunder). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

## ARTICLE V

### TRANSFER AND TERMINATION OF REGISTRATION RIGHTS

Section 5.1 Transfer of Registration Rights. Any rights to cause the Company to register securities granted to a Holder under this Agreement may be transferred or assigned only to an Affiliate of such Holder in connection with a transfer of Warrants or Common Stock, as applicable, to such Affiliate; provided, however, that (i) prior written notice of such assignment of rights is given to the Company and (ii) such Affiliate agrees in writing to be bound by, and subject to, this Agreement as a “Holder” pursuant to a written instrument in form and substance reasonably acceptable to the Company; provided, further, that no transfer is permitted to a Credit Party Competitor, even if such Credit Party Competitor is an Affiliate of the Holder.

Section 5.2 Termination of Registration Rights. The rights of any particular Holder to cause the Company to register securities under Article I or Article II shall terminate with respect to such Holder upon the date upon which such Holder no longer holds any Registrable Securities.

## ARTICLE VI

### MISCELLANEOUS

Section 6.1 Amendments and Waivers. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and is signed by the Company and the Holder(s) with respect to which such amendment or waiver is applicable.

Section 6.2 [Intentionally Omitted].

Section 6.3 Extension of Time, Waiver, Etc. The parties hereto may, subject to applicable law, (a) extend the time for the performance of any of the obligations or acts of the other party or (b) waive compliance by the other party with any of the agreements contained herein applicable to such party or, except as otherwise provided herein, waive any of such party’s conditions. Notwithstanding the foregoing, no failure or delay by the parties hereto in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

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Section 6.4 Assignment. Except as provided in Section 5.1, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise, by any of the parties hereto without the prior written consent of the other party hereto.

Section 6.5 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or electronic mail), each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

Section 6.6 Entire Agreement; No Third Party Beneficiary. This Agreement constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, among the parties and their Affiliates, or any of them, with respect to the subject matter hereof. No provision of this Agreement shall confer upon any Person other than the parties hereto and their permitted assigns any rights or remedies hereunder.

Section 6.7 Governing Law; Jurisdiction.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed entirely within that State, regardless of the laws that might otherwise govern under any applicable conflict of laws principles.

(b) All legal or administrative proceedings, suits, investigations, arbitrations or actions (“Actions”) arising out of or relating to this Agreement shall be heard and determined in the State or Federal courts in the State of New York and the parties hereto hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action and irrevocably waive the defense of an inconvenient forum or lack of jurisdiction to the maintenance of any such Action. The consents to jurisdiction and venue set forth in this Section 6.6 shall not constitute general consents to service of process in the State of New York and shall have no effect for any purpose except as provided in this paragraph and shall not be deemed to confer rights on any Person other than the parties hereto. Each party hereto agrees that service of process upon such party in any Action arising out of or relating to this Agreement shall be effective if notice is given by overnight courier at the address set forth in Section 6.8 of this Agreement. The parties hereto agree that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law; provided, however, that nothing in the foregoing shall restrict any party’s rights to seek any post-judgment relief regarding, or any appeal from, a final trial court judgment.

Section 6.8 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING

OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (C) IT MAKES SUCH WAIVER VOLUNTARILY AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 6.7.

Section 6.9 Notices. All notices, requests and other communications to any party hereunder shall be in writing and shall be deemed given if delivered personally, emailed (which is confirmed) or sent by overnight courier (providing proof of delivery) to the parties at the following addresses:

- (a) If to the Company, to it at:

Chimera Investment Corp.  
520 Madison Avenue, 32<sup>nd</sup> Floor  
New York, NY 10022  
Attn: Philip J. Kardis II  
Tel: (212) 626-2300  
Email: [phillip.kardis@chimerareit.com](mailto:phillip.kardis@chimerareit.com)

with a copy (which shall not constitute notice) to:

Hunton Andrews Kurth LLP  
2200 Pennsylvania Avenue NW  
Washington, DC 20037  
Attn: Robert K. Smith  
Tel: (202) 955-1611  
Email: [rsmith@huntonAK.com](mailto:rsmith@huntonAK.com)

- (b) If to the Ares Lenders at:

APF Holdings I, L.P.  
Ares ICOF III Fund (Delaware) LP  
Ares ICOF III Mini Master Fund (Cayman) LP  
Sonoran Cactus Private Asset Backed Fund, LLC  
Ares Credit Strategies Insurance Dedicated Fund Series Interests of the Sali Multi-Series Fund, L.P.  
c/o Ares Management LLC  
245 Park Avenue, 42<sup>nd</sup> Floor  
New York, NY 10167

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Attn: Kevin Alexander  
Craig Cortright  
Ankur Patel  
Brian Hogan  
Email: [kralexander@aresmgmt.com](mailto:kralexander@aresmgmt.com)  
[ccortright@aresmgmt.com](mailto:ccortright@aresmgmt.com)  
[akpatel@aresmgmt.com](mailto:akpatel@aresmgmt.com)  
[bhogan@aresmgmt.com](mailto:bhogan@aresmgmt.com)

with a copy (which shall not constitute notice) to:

Ares Management LLC  
245 Park Avenue, 42nd Floor  
New York, NY 10167

Attn: Joshua Bloomstein  
Matthew Jill  
Alex Smit

Email: [jbloomstein@aresmgmt.com](mailto:jbloomstein@aresmgmt.com)  
[mjill@aresmgmt.com](mailto:mjill@aresmgmt.com)  
[dsmit@aresmgmt.com](mailto:dsmit@aresmgmt.com)

Skadden, Arps, Slate, Meagher & Flom LLP

One Manhattan West  
New York, NY 10001

Attn: Michael J. Schwartz

Phone: (212) 735-3694

Fax: (212) 777-3694

Email: [Michael.Schwartz@skadden.com](mailto:Michael.Schwartz@skadden.com)

(c) If to the Fortress Lender at:

CF CIC-E LLC

1345 Avenue of the Americas, 46<sup>th</sup> Floor

New York, NY 10105

Telephone 212-798-6100

Attention: David N. Brooks, General Counsel / David Sharpe, Credit Operations

Email: [gccredit@fortress.com](mailto:gccredit@fortress.com) / [creditoperations@fortress.com](mailto:creditoperations@fortress.com)

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with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP  
One Manhattan West  
New York, NY 10001  
Attn: Michael J. Schwartz  
Phone: (212) 735-3694  
Fax: (212) 777-3694  
Email: Michael.Schwartz@skadden.com

(d) If to the D Capital Lender at:

D Capital Investors LLC  
c/o D Capital LLC  
61 Morningside Drive  
Greenwich, CT 06830  
Attn: Patrick Downes  
Telephone: (917) 640-4070  
Email: pdownes@dcapital.com

with a copy (which shall not constitute notice) to:

Verrill Law  
355 Riverside Avenue  
Westport, CT 06880  
Attn: Cheryl Johnson  
Telephone: (203) 299-6775  
Email: cjohnson@verrill-law.com

or such other address, email address or facsimile number as such party may hereafter specify by like notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of actual receipt by the recipient thereof if received prior to 5:00 p.m. local time in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 6.10 Severability. If any term, condition or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, provisions and conditions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term, condition or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law.

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Section 6.11 Expenses. Except as provided in Section 3.3, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 6.12 Interpretation. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word “include” or “including,” when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The words “hereof,” “herein,” “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless the context requires otherwise, (a) reference to any Person includes that Person’s successors and assignees and (b) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified or supplemented from time to time.

*[Signature pages follow]*

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IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first above written.

**CHIMERA INVESTMENT CORP.**

By: /s/ Choudhary Yarlagadda

Name: Choudhary Yarlagadda

Title: Chief Operating Officer

*[Signature Page to Registration Rights Agreement]*

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**APF HOLDINGS I, L.P.**

By: APF Management, L.P., its general partner

By: APF Management GP LLC, its general partner

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

**ARES ICOF III FUND (DELAWARE) LP**

By: Ares ICOF III Management LP,  
its Investment Manager

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

**ARES ICOF III MINI MASTER FUND (CAYMAN) LP**

By: Ares ICOF III Management LP,  
its Investment Manager

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

*[Signature Page to Registration Rights Agreement]*



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**SONORAN CACTUS PRIVATE ASSET BACKED  
FUND, LLC**

By: Ares Cactus Operating Manager, L.P.,  
its Manager

By: /s/ Joshua Bloomstein  
Name: Joshua Bloomstein  
Title: Authorized Signatory

**ARES CREDIT STRATEGIES INSURANCE  
DEDICATED FUND SERIES INTERESTS OF THE  
SALI MULTI-SERIES FUND, L.P.**

By: Ares Management LLC, its Investment Subadvisor

By: /s/ Matthew G. Jill  
Name: Matthew G. Jill  
Title: Authorized Signatory

*[Signature Page to Registration Rights Agreement]*

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**CF CIC-E LLC**

By: /s/ Scott Silvers

Name: Scott Silvers

Title: Authorized Signatory

*[Signature Page to Registration Rights Agreement]*

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**D CAPITAL INVESTORS LLC**

By: /s/ Patrick Downes

Name: Patrick Downes

Title: Managing Member

*[Signature Page to Registration Rights Agreement]*

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## EXHIBIT A

### DEFINED TERMS

I. The following capitalized terms have the meanings indicated:

“Adverse Disclosure” means public disclosure of material non-public information that, in the good faith judgment of the Company (after consultation with legal counsel): (i) would be required to be made in any registration statement filed with the SEC by the Company; (ii) would not be required to be made at such time but for the filing, effectiveness or continued use of such registration statement; and (iii) the Company has a bona fide business purpose for not disclosing publicly.

“Affiliates” means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that Person, whether through the ability to exercise voting power, by contract or otherwise.

“Ares Lenders” means, collectively, the lenders identified on Schedule I as the Ares Lenders.

“Business Day” means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in New York City are authorized or required by law or other governmental action to close.

“Closing Date” means June 8, 2020.

“Common Stock” means all shares currently or hereafter existing of the Company’s common stock, par value \$0.01 per share.

“Competitor Affiliate” means, with respect to any Credit Party Competitor or any Affiliate thereof, any fund, investment vehicle, regulated bank entity, unregulated lending entity or other Person that is managed, sponsored or advised by any person that is controlling, controlled by or under common control with the relevant Credit Party Competitor or Affiliate thereof, but only to the extent that no personnel involved with the investment decisions of the relevant Credit Party Competitor (i) makes (or has the right to make or participate with others in making) investment decisions on behalf of, or otherwise cause the direction of the investment policies of, such debt fund, investment vehicle, regulated bank entity or unregulated entity or (ii) has access to any information (other than information that is publicly available) relating to any Credit Party or any Subsidiary thereof.

“Credit Party Competitor” means, for purposes of this Agreement, any Person that is a residential mortgage real estate investment trust, a competitor of the Company (*i.e.*, bidding on or investing in similar assets as the Company), primarily engaged in similar business or activities as the Company, or any Affiliate thereof. Credit Party Competitors shall include New Residential Investment Corp., OneMain Holdings, Inc., and any of their respective Affiliates. Notwithstanding the foregoing, Credit Party Competitors shall not include any Competitor Affiliate identified on the list of Persons delivered by one or more of the initial lenders party to the Credit Agreement to the Borrower prior to the Closing Date in connection herewith.

“D Capital Lender” means the lender identified on Schedule I as the D Capital Lender.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

“FINRA” means the Financial Industry Regulatory Authority, Inc.

“Form S-3” means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

“Fortress Lender” means the lender identified on Schedule I as the Fortress Lender.

“Holder” means any Investor holding Registrable Securities.

“Marketed Underwritten Offering” means any Underwritten Offering that includes a customary “electronic road show” or other marketing efforts by the Company and the underwriters, which for the avoidance of doubt, shall not include block trades (it being understood that nothing in this Agreement shall require the Company to participate in any in-person road show).

“Permitted Transferee” means any transferee of a Warrant permitted by such Warrant.

“Person” means and includes any natural person, corporation, limited partnership, general partnership, limited liability company, limited liability partnership, joint stock company, joint venture, association, company, trust, bank, trust company, land trust, business trust, statutory trust, series trust, other organization, whether or not a legal entity, Governmental Authority or other entity.

“register”, “registered” and “registration” refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement or the automatic effectiveness of such registration statement, as applicable.

“Registrable Securities” means, as of any date of determination, any shares of Common Stock issued or issuable upon the exercise of the Warrants, acquired pursuant to the rights set forth in Sections 6 and 7 of the Warrants and, in each case, any other equity securities issued or issuable with respect to any such shares of Common Stock by way of share split, share dividend, distribution, recapitalization, merger, exchange, replacement, reorganization, conversion or similar event; provided, however, that any particular Registrable Securities shall cease to be Registrable Securities when (i) such securities are sold or otherwise transferred pursuant to an effective registration statement under the Securities Act, (ii) such securities are held by the Company or any of its direct or indirect Subsidiaries, (iii) such securities have been transferred in a transaction in which the transferor’s rights under this Agreement are not assigned to the transferee of the securities in accordance with the terms of this Agreement, (iv) such securities are sold or disposed of (excluding transfers or assignments by a Holder to an Affiliate of such Holder) pursuant to Rule 144 (or any successor or similar provision adopted by the SEC then in effect) under circumstances in which all of the applicable conditions of Rule 144 (as then in effect) are met, or (v) as to any Registrable Securities that are Common Stock, at any time such Holder and its Affiliates own less than 1% of the outstanding shares of Common Stock (assuming all Warrants of such Holder and its Affiliates have been exercised).

“Registration Expenses” means all (a) expenses incurred by the Company in complying with Article I or Article II, including all registration, qualification, listing and filing fees, printing expenses, escrow fees, and fees and disbursements of counsel for the Company, fees and disbursements of the Company’s independent public accountants, fees and disbursements of the transfer agent, blue sky fees and expenses; and (b) reasonable, documented out-of-pocket fees and expenses (not to exceed \$75,000) of one outside legal counsel for all Holders retained in connection with any registration contemplated hereby.

“Restricted Securities” means any Common Stock required to bear the legend set forth in Section 11 of the Warrant.

“Rule 144” means Rule 144 promulgated under the Securities Act and any successor provision.

“Rule 462(e)” means Rule 462(e) promulgated under the Securities Act and any successor provision.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

“Selling Expenses” means all underwriting discounts, selling commissions and stock transfer taxes applicable to the securities registered by the Holders and the fees and expenses of any auditor of any Holders or any counsel to any Holders (other than such fees and expenses included in Registration Expenses).

“Shelf Registration Statement” means the Resale Shelf Registration Statement, a Subsequent Shelf Registration Statement or any other shelf registration statement pursuant to which any Registrable Securities are registered, as applicable.

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a “qualifying share” of the former Person shall be deemed to be outstanding.

“Underwritten Offering” means a registered offering in which securities of the Company are sold to one or more underwriters on a firm-commitment basis for reoffering to the public.

2. The following terms are defined in the Sections of the Agreement indicated:

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<u>Term</u>	<u>Section</u>
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Underwritten Shelf Take-Down Notice	Section 1.6(b)
Warrants	Preamble
	<u>Schedule I</u>

### LENDERS

#### Ares Lenders

APF Holdings I, L.P.  
Ares ICOF III Fund (Delaware) LP  
Ares ICOF III Mini Master Fund (Cayman) LP  
Sonoran Cactus Private Asset Backed Fund, LLC  
Ares Credit Strategies Insurance Dedicated Fund Series Interests of the Sali Multi-Series Fund, L.P.

#### D Capital Lender

D Capital Investors LLC

#### Fortress Lender

CF CIC-E LLC





NYSE: CIM

**CHIMERA INVESTMENT CORPORATION**  
**520 Madison Avenue, 32nd Floor**  
**New York, New York 10022**

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FOR FURTHER INFORMATION

Investor Relations  
888-895-6557  
[www.chimerareit.com](http://www.chimerareit.com)

**FOR IMMEDIATE RELEASE**

**Chimera Closes \$400 Million Capital Commitment Led by Funds Managed by Ares Management Corporation**

Company Release - 6/10/2020

NEW YORK—(06/10/2020) – Chimera Investment Corporation (NYSE: CIM) (“Chimera”) today announced the closing of a three-year \$400 million secured loan commitment led by funds managed by the Alternative Credit Strategy at Ares Management Corporation (“Ares”).

“This commitment led by Ares further enhances our strong liquidity position and diversifies our financing sources away from traditional bank repo markets and gives us the ability to seek new investment opportunities,” said Matt Lambiase, President/CEO at Chimera.

The lenders in the Chimera/Ares transaction will receive a 7% coupon on the term loan and price appreciation warrants that can be settled in cash at a discount to the market value.

“Recent market volatility has created turbulence across the spectrum of asset markets. This has led to opportunities for Ares Alternative Credit to have constructive conversations with borrowers about the capital solutions we can offer,” said Kevin Alexander, Partner in Alternative Credit at Ares. “We believe Chimera is well positioned in its industry and we are pleased to support the company in its next phase of growth.”

About Chimera Investment Corporation

Chimera is a publicly traded REIT that is primarily engaged in the business of investing directly or indirectly through our subsidiaries, on a leveraged basis, in a diversified portfolio of mortgage assets, including residential mortgage loans, Non-Agency RMBS, Agency CMBS, Agency RMBS, and other real estate related securities. Please visit [chimerareit.com](http://chimerareit.com) for additional information.

About Ares Management Corporation

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager operating integrated businesses across Credit, Private Equity and Real Estate. Ares Management’s investment groups collaborate to deliver innovative investment solutions and consistent and attractive investment returns for fund investors throughout market cycles. Ares Management’s global platform had \$149 billion of assets under management as of March 31, 2020 with approximately 1,200 employees in over 20 offices in more than 10 countries. Please visit [aresmgmt.com](http://aresmgmt.com) for additional information.

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## About Ares Alternative Credit

Ares' Alternative Credit strategy focuses on direct lending and investing in assets that generate contractual cash flows and fills gaps in the capital markets between credit, private equity and real estate. Ares Alternative Credit targets investments across the capital structure in specialty finance, lender finance, loan portfolios, equipment leasing, structured products, net lease, cash flow streams (royalties, licensing, management fees), fund secondaries and other asset-focused investments. Co-Headed by Keith Ashton and Joel Holsinger, Ares Alternative Credit leverages a broadly skilled and cohesive team of approximately 40 investment professionals as of March 31, 2020.

### **Contacts**

Investor Relations

888-895-6557

[www.chimerareit.com](http://www.chimerareit.com)