

**Dynex Capital, Inc.**

**Whistleblower Policy**

**I. PURPOSE**

To establish “whistleblower” procedures pursuant to Section 301 of the Sarbanes-Oxley Act of 2002, Section 10A of the Securities Exchange Act of 1934, as amended, Rule 10A-3 thereunder and the Charter of the Audit Committee (the “Committee”) of the board of directors of Dynex Capital, Inc. (the “Company”). Specifically, the whistleblower procedures set forth herein are intended to facilitate disclosures, encourage proper individual conduct and alert the Audit Committee to potential issues before encountering serious consequences.

**II. POLICY**

It is the policy of the Company to establish and maintain a structured and formal process to facilitate (1) the receipt, retention and treatment of complaints received by the Company regarding its accounting, internal accounting controls, auditing matters or violations of the Company’s Code of Business Conduct and Ethics, and (2) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

In furtherance of this policy, the Company shall forward to all employees a notice (the “Notice”) in the form as attached hereto as Exhibit A that, among other things, (i) advises employees of their ability to make confidential and anonymous complaints regarding the Company’s accounting, internal accounting controls, auditing matters, or violations of the Company’s Code of Business Conduct and Ethics, and (ii) provides employees with the contact information for making such complaints. Such Notice shall be distributed in a manner designed to reach all employees. Finally, the Company shall publish its whistleblower policy with contact information on the Company’s website to provide an avenue for confidential and anonymous complaints, regardless of the source, regarding the Company’s accounting, internal accounting controls, auditing matters, or violations of the Company’s Code of Business Conduct and Ethics.

**III. PROCEDURES**

Employees or other persons with concerns regarding the matters in the Policy section above may report their concerns and/or complaints (referred to below as “complaints”) to the following address, e-mail address and/or phone number or any other entity designated by the Company to receive such concerns and/or complaints.

Troutman Pepper Hamilton Sanders LLP (Corporate Counsel):

**Phone Number**

1-804-697-1861

or

1-800-697-1200

(ext. 15-1861)

**Address**

Troutman Pepper Hamilton  
Attn: Susan Stoops Ancarrow  
1001 Haxall Point  
P.O. Box 1122  
Richmond, Virginia 23218-1122

**E-mail Address**

susan.ancarrow@troutman.com

Alternate Internal Points of Contact:

**Phone Number**

1-804-217-5837

**Address**

Dynex Capital, Inc.  
Attn: Stephen J. Benedetti  
Chief Financial Officer  
4991 Lake Brook Drive, Suite 100  
Glen Allen, Virginia 23060-924

**E-mail Address**

stephen.benedetti@dynexcapital.com

1-510 418-3489

Dynex Capital, Inc.  
Attn: Michael R. Hughes  
Audit Committee Chairperson  
4991 Lake Brook Drive, Suite 100  
Glen Allen, Virginia 23060-9245

[1mikehughes@comcast.net](mailto:mikehughes@comcast.net)

Troutman Pepper Hamilton serves as the Company's corporate counsel and is the primary point of contact for confidential, anonymous submissions by employees. Immediately upon receipt of a complaint, the individual receiving the complaint will forward the complaint to the Committee chairperson (or other designated member of the Committee), with a copy to the Company's senior officer in charge of Internal Audit/Compliance, who will serve as Administrator of this whistleblower policy. Such written complaint or written description of the verbal complaint will be initially evaluated by the Administrator with the assistance of the Company's corporate counsel to determine if the complaint involves accounting, internal accounting controls, auditing matters, or violations of the Company's Code of Business Conduct and Ethics. The Administrator and the Company's corporate counsel will advise the Committee chairperson or designee of their conclusions with respect to the complaint.

If the complaint does not appear to involve accounting, internal accounting controls, auditing matters, or violations of the Company's Code of Business Conduct and Ethics, the complaint will be referred by the Committee chairperson or other designated member to the Company's corporate counsel to handle such complaint in a manner in which it deems appropriate.

If the complaint appears to involve accounting, internal accounting controls, auditing matters, or violations of the Company's Code of Business Conduct and Ethics, the complaint will be reviewed by the Committee chairperson, who will conduct an initial inquiry into the allegation. A formal Committee meeting will be scheduled within 20 days of receipt of the complaint if the Committee chairperson deems the complaint to rise to the level of a potential problem that may result in a serious consequence of an immediate nature.

One or more members of the Committee or the Company's corporate counsel may be delegated the authority to investigate the complaint. In conducting any such investigation, the Committee or designee shall maintain the confidentiality of any party making a complaint or submission on a confidential basis, to the fullest extent possible consistent with the need to conduct an adequate review thereof. If the Committee so requests, a written report to the Committee of all findings of fact, conclusions and proposed recommendation for remedial action, if any, will be submitted within the timeframe set by the Committee.

Delegation decisions will be made on a case-by-case basis, depending on the nature and significance of the complaint.

For complaints reviewed by the Committee chairperson that do not appear to rise to the level of a potential problem that may result in a serious consequence of an immediate nature, the Committee will convene as appropriate to review both written and verbal complaints and their impact on the Company's financial statements and public reports. Such meetings to review complaints will be held without the Company's independent auditors or internal personnel being present unless requested by the Committee.

Those conducting an investigation on behalf of the Committee are vested with all of the authority and power of the Committee, including the power to retain advisors and independent counsel.

The proceedings of the Committee and investigation will be documented and retained for a period of at least seven (7) years. All records will be treated as confidential information.

To the fullest extent practicable consistent with the need to conduct an adequate review thereof, the Committee shall involve outside counsel in such investigation in order to maintain, to the extent possible, attorney-client privilege with respect to any documents or other materials received or prepared in connection with the investigation of any complaint.

The status of all pending complaints will be reviewed at each regularly scheduled Committee meeting and any and all complaints that involve accounting, internal accounting controls, auditing matters, or violations of the Company's Code of Business Conduct and Ethics and have not previously been presented to the Committee will be reviewed.

The Committee will provide a regular update of the status of the investigation of any pending complaint to the Company's corporate counsel not less than once each fiscal quarter for the evaluation of whether any disclosure is required with respect to such complaint in the Company's filings with the SEC. In addition, in the case of any complaint or development with respect to a pending complaint that may be material to the Company, the Committee will immediately notify the Company's corporate counsel as to such complaint or development.

For record-keeping purposes, within 10 days following the end of each fiscal quarter, the Administrator shall forward to the Company's corporate counsel a list of each complaint forwarded to the Committee chairperson or other designated member of the Committee, along with a notation as to the current status of any investigation or resolution of such complaint.

Nothing in this policy prohibits employees from reporting possible violations of federal law or regulation to any government official or agency, or reporting on other matters that are protected under the whistleblower provisions of federal law or regulation. Employees do not need prior authorization from the Company to make a report to a government official or agency and are not required to notify the Company upon making any such report.

The Company will not permit retaliation of any kind by or on behalf of the Company and its employees, including discharge, demotion, suspension, threats, harassment, or any other manner of discrimination against an employee in the terms and conditions of employment, for participating or assisting in an investigation or for good faith reports or complaints regarding the Company's accounting and auditing matters, violations of the Company's Code of Business Conduct and Ethics, or other illegal or unethical behavior, whether reported to the Company or to a proper government official or agency. Anyone who

attempts to retaliate against an employee in violation of this policy will be subject to disciplinary action, up to and including dismissal.

The Committee will review these whistleblower procedures annually.

#### **IV. ADMINISTRATION**

The Audit Committee has responsibility for administration of this policy.

Approved: By the Audit Committee of the Board of Directors

Date of Last Revision: December 8, 2015

**Exhibit A**

**DYNEX CAPITAL, INC.**

**Procedures for Submitting Complaints or Concerns Relating  
to the Company's Accounting, Internal Accounting Controls,  
Auditing Matters or Violations of the Company's Code of Business Conduct and Ethics**

Pursuant to the requirements of the Sarbanes-Oxley Act of 2002, the Audit Committee (the "Committee") of the board of directors of Dynex Capital, Inc. (the "Company") has established procedures for:

- the receipt, retention and treatment of complaints received by the Company regarding its accounting, internal accounting controls, auditing matters or violations of the Company's Code of Business Conduct and Ethics; and
- the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

If you have any good faith complaints or concerns about the Company's accounting, internal accounting controls, auditing matters or violations of the Company's Code of Business Conduct and Ethics, we encourage you take advantage of these procedures to make us aware of your complaint or concern.

Employees or other persons with concerns regarding the above matters may report their concerns and/or complaints (referred to below as "complaints") to the following address, e-mail address and/or phone number or any other entity designated by the Company to receive such complaints.

Troutman Pepper Hamilton (Corporate Counsel):

<b>Phone Number</b>	<b>Address</b>	<b>E-mail Address</b>
1-804-697-1861	Troutman Pepper Hamilton	susan.ancarrow@troutman.com
or	Attn: Susan Stoops Ancarrow	
1-800-697-1200	1001 Haxall Point	
(ext. 15-1861)	P.O. Box 1122	
	Richmond, Virginia 23218-1122	

Alternate Internal Points of Contact:

<b>Phone Number</b>	<b>Address</b>	<b>E-mail Address</b>
1-804-217-5837	Dynex Capital, Inc.	stephen.benedetti@dynexcapital.com
	Attn: Stephen J. Benedetti	
	Chief Financial Officer	
	4991 Lake Brook Drive, Suite 100	
	Glen Allen, Virginia 23060-9245	
1-510 418-3489	Dynex Capital, Inc.	<a href="mailto:1mikehughes@comcast.net">1mikehughes@comcast.net</a>
	Attn: Michael R. Hughes	
	Audit Committee Chairperson	
	4991 Lake Brook Drive, Suite 100	
	Glen Allen, Virginia 23060-9245	

Immediately upon receipt of a complaint, the individual receiving the complaint will forward such complaint to the Committee chairperson or other designated member of the Committee, with a copy to the Administrator of this policy. Such written complaint or written description of the verbal complaint will be initially evaluated by the Administrator with the assistance of the Company's corporate counsel to determine if the complaint involves accounting, internal accounting controls, auditing matters, or violations of the Company's Code of Business Conduct and Ethics. If the complaint appears to involve accounting, internal accounting controls, auditing matters, or violations of the Company's Code of Business Conduct and Ethics, the complaint will be reviewed by the Committee chairperson or other designated member of the Committee, for review by the Committee. If the complaint does not appear to involve accounting, internal accounting controls, auditing matters, or violations of the Company's Code of Business Conduct and Ethics, the complaint will be referred by the Committee chairperson or other designated member to the Company's corporate counsel to handle such complaint in a manner in which it deems appropriate.

In submitting a complaint, an employee of the Company may request that such complaint be treated in a confidential manner (including the identity of the employee making the complaint to remain anonymous). The Company's corporate counsel is the primary point of contact for confidential, anonymous submissions by employees.

Nothing in this policy prohibits employees from reporting possible violations of federal law or regulation to any government official or agency, or reporting on other matters that are protected under the whistleblower provisions of federal law or regulation. Employees do not need prior authorization from the Company to make a report to a government official or agency and are not required to notify the Company upon making any such report.

The Company will not permit retaliation of any kind by or on behalf of the Company and its employees, including discharge, demotion, suspension, threats, harassment, or any other manner of discrimination against an employee in the terms and conditions of employment, for participating or assisting in an investigation or for good faith reports or complaints regarding the Company's accounting and auditing matters, violations of the Company's Code of Business Conduct and Ethics, or other illegal or unethical behavior, whether reported to the Company or to a proper government official or agency. Anyone who attempts to retaliate against an employee in violation of this policy will be subject to disciplinary action, up to and including dismissal.