

DYNEX CAPITAL, INC.

Compensation Committee Charter

Organization

The Compensation Committee shall be appointed by the Board of Directors and shall consist of at least three directors. A person may serve on the Compensation Committee only if the Board of Directors determines that he or she (i) is “independent” in accordance with the rules and regulations of the New York Stock Exchange, and (ii) has the experience and expertise to serve. The Board shall designate a member of the Committee as Chairperson of the Committee.

If at any time the Compensation Committee includes a member who is not a “non-employee director” (“Non-Employee Director”) within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the “Exchange Act”), then either a subcommittee comprised entirely of two or more Compensation Committee members who are Non-Employee Directors or the Board of Directors of the Company shall approve any grants made to any individual who is subject to liability under Section 16 of the Exchange Act.

Statement of Purpose and Responsibilities

The purpose of the Compensation Committee is to discharge the responsibilities of the Board of Directors relating to compensation of the Company’s executive officers and recommend to the Board compensation for non-employee directors. The Committee’s direct responsibilities include:

- reviewing and approving corporate goals and objectives relevant to compensation of the Company’s chief executive officer, evaluating the chief executive officer’s performance annually in light of those goals and objectives, presenting an oral or written report to the Board of Directors regarding such performance evaluation, and, either as a Committee or together with the other independent directors (as directed by the Board), determining and approving the chief executive officer’s compensation level based on this evaluation;
- reviewing and approving the compensation for executive officers, including their corporate goals and objectives, and evaluating the performance of the executive officers;
- reviewing and discussing the Compensation Discussion and Analysis required by the rules of the Securities and Exchange Commission with senior management and, based upon such review and discussion, recommending to the Board that the Compensation Discussion and Analysis be included in the Company’s Annual Report on Form 10-K or proxy statement, as applicable;

- producing a Compensation Committee report on executive compensation as required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement;
- overseeing an annual review of the Company's policies and practices of compensating its employees, including non-executive officers, as they relate to risk management practices and risk-taking incentives, and, based on the review, making any changes to such policies and practices that the Committee deems to be appropriate;
- reviewing and approving any employment-related agreement or other compensation arrangement with senior management;
- making recommendations to the Board with respect to annual and long-term incentive compensation and equity-based plans;
- administering the Company's equity-based plans, welfare plans, tax-qualified retirement plans, nonqualified deferred compensation plans, and other compensation plans approved by the Board from time to time;
- reviewing any significant changes in the Company's compensation and benefit plans which may materially increase the Company's financial obligations under such plans;
- reviewing and recommending to the Board for approval the compensation of the Company's non-employee directors;
- administering the Company's stock ownership guidelines for executive officers and non-employee directors, including periodically reviewing such guidelines and approving such revisions as the Committee deems appropriate; and
- performing any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

Resources

Management shall assist the Compensation Committee in discharging its responsibilities and shall provide the Committee full access to all books, records, facilities and personnel of the Company. The Committee shall have the authority, in its sole discretion and without obtaining the prior authorization of the Board of Directors, to retain or obtain the advice of a compensation consultant, outside legal counsel or other expert or adviser (each, a "Committee Adviser") as it deems necessary or appropriate and shall be directly responsible for the appointment, compensation and oversight of the work of any such Committee Adviser. The Company shall provide appropriate funding, as determined by

the Committee, for the payment of reasonable compensation to any Committee Adviser retained by the Committee.

To the extent required by New York Stock Exchange listing standards, the Compensation Committee may select a Committee Adviser only after taking into consideration all factors relevant to the Committee Adviser's independence from management, including the following:

- the provision of other services to the Company by the firm that employs the Committee Adviser;
- the amount of fees received from the Company by the firm that employs the Committee Adviser, as a percentage of the total revenue of the firm that employs the Committee Adviser;
- the policies and procedures of the firm that employs the Committee Adviser that are designed to prevent conflicts of interest;
- any business or personal relationship of the Committee Adviser with a member of the Compensation Committee;
- any stock of the Company owned by the Committee Adviser; and
- any business or personal relationship of the Committee Adviser or the firm that employs the Committee Adviser with an executive officer of the Company.

Unless otherwise required by applicable law, regulations or exchange requirements, nothing in this Charter is intended to require the Compensation Committee to conduct an independence assessment for a Committee Adviser that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of the Securities and Exchange Commission's Regulation S-K:

- consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company and that is available generally to all salaried employees; and/or
- providing information that is either not customized for the Company or that is customized based on parameters that are not developed by the Committee Adviser, and about which the Committee adviser does not provide advice.

The Committee shall also have the authority to delegate one or more of its responsibilities to a subcommittee that consists of at least two members of the Committee. In addition, consistent with applicable law, regulations, exchange requirements and the Company's equity-based plans, welfare plans, tax-qualified retirement plans, nonqualified deferred compensation plans, and other compensation plans, the Committee may delegate certain of

its authority to a management benefits committee, the chief executive officer, a designee, or other appropriate members of management.

Meetings, Reports and Records

The Compensation Committee shall meet at such times as it deems necessary to fulfill its responsibilities. The Committee shall regularly report its activities to the Board, which reports may be oral or written, and shall maintain adequate minutes and records thereof. The operation of the Committee, including with respect to actions without meetings, notice of meetings and waiver of notice, quorums and voting requirements, shall be as set forth in the Company's Bylaws.

Appointment and Removal

Each member of the Compensation Committee shall serve at the pleasure of the Board of Directors. The Board of Directors retains the right to remove any member from the Compensation Committee at any time by an affirmative vote of a majority of the Board.

Annual Performance Evaluation of the Compensation Committee and Review of Charter

On an annual basis, the Compensation Committee shall review and evaluate its own performance. The Committee will also review and assess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.

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This Charter shall not be construed in a manner that imposes, upon the Compensation Committee or its members, additional duties and responsibilities or a higher standard of conduct or care than that imposed upon directors or committees of boards of directors generally, pursuant to applicable law.

Originally approved on June 2, 2004 and last amended and approved June 8, 2018, in each case by the Board of Directors of Dynex Capital, Inc.