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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**SCHEDULE 14A**  
(Rule 14a-101)  
**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No. )

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Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy statement
- Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

**MFA Financial, Inc.**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(4) Date Filed:

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**NOTICE OF 2022 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JUNE 7, 2022**

To the Stockholders of MFA Financial, Inc.:

You are cordially invited to attend the 2022 Annual Meeting of Stockholders (the "Annual Meeting") of MFA Financial, Inc., a Maryland corporation ("MFA," "we" or "our"), on Tuesday, June 7, 2022, at 2:00 p.m. Eastern Time. This year the Annual Meeting is being held for the following purposes:

- (1) To consider and vote on the election of the two (2) nominees named in the proxy statement to serve on MFA's Board of Directors (the "Board") until our 2025 Annual Meeting of Stockholders and until their successors are duly elected and qualify;
- (2) To consider and vote upon the ratification of the appointment of KPMG LLP as MFA's independent registered public accounting firm for the fiscal year ending December 31, 2022;
- (3) To consider and vote upon an advisory (non-binding) resolution to approve MFA's executive compensation as disclosed in the proxy statement;
- (4) To consider and vote upon an amendment to our Charter to decrease the number of authorized shares of stock; and
- (5) To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

This year's Annual Meeting will once again be a virtual meeting that will be held over the Internet. We believe the use of the Internet to host the Annual Meeting enables expanded stockholder participation. You will be able to attend the Annual Meeting, submit your questions and, if you are a record holder of our common stock or proxy for a record holder, vote your shares during the live webcast of the Annual Meeting by visiting [www.virtualshareholdermeeting.com/MFA2022](http://www.virtualshareholdermeeting.com/MFA2022) and entering your 16-digit control number.

The close of business on April 11, 2022, has been fixed by the Board as the record date for the determination of the stockholders entitled to notice of, and to vote at, the Annual Meeting or any postponement or adjournment thereof.

Whether or not you plan to virtually attend the Annual Meeting, in order to assure proper representation of your shares at the Annual Meeting, we urge you to submit your proxy voting instructions to MFA by using our dedicated Internet voting website, our toll-free telephone number or, if you prefer, the mail. By submitting your proxy voting instructions promptly, either by Internet, telephone or mail, you can help MFA avoid the expense of follow-up mailings and ensure the presence of a quorum at the Annual Meeting. If you virtually attend the Annual Meeting, you may, if so desired, revoke your prior proxy voting instructions given in advance of the meeting and vote your shares over the Internet at the virtual meeting.

**In order to submit proxy voting instructions prior to the Annual Meeting, you have the option of authorizing your proxy (a) through the Internet at [www.proxyvote.com](http://www.proxyvote.com) and following the instructions described on the notice and access card previously mailed to you or on your proxy card, (b) by toll-free telephone at 1-800-690-6903 and following the prompts on the automated voting system or (c) by completing, signing and dating your proxy card and returning it promptly in the postage-prepaid envelope provided.**

**Your proxy is being solicited by the Board.**

By Order of the Board

A handwritten signature in black ink, appearing to read "Harold E. Schwartz".

Harold E. Schwartz Secretary

New York, New York  
April 27, 2022

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**PROXY STATEMENT  
FOR THE 2022 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JUNE 7, 2022**

**GENERAL INFORMATION**

This Proxy Statement is being furnished to stockholders in connection with the solicitation of proxies by and on behalf of the Board of Directors (the "Board") of MFA Financial, Inc., a Maryland corporation ("MFA," the "Company," "we," "our" or "us"), for exercise at MFA's 2022 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Tuesday, June 7, 2022, at 2:00 p.m. Eastern Time, or at any postponement or adjournment thereof. The Annual Meeting will be a virtual meeting of stockholders to be held over the Internet. This means that you will be able to attend the Annual Meeting, submit questions and, if you are a record holder of our shares or a proxy for a record holder, vote your shares during the Annual Meeting via a live webcast by visiting [www.virtualshareholdermeeting.com/MFA2022](http://www.virtualshareholdermeeting.com/MFA2022).

If a proxy is properly authorized, submitted without specifying any instructions thereon and not revoked prior to the Annual Meeting, the shares of our common stock, par value \$0.01 per share (the "Common Stock"), represented by such proxy will be voted (i) **FOR** the election of the two (2) nominees for director named in this Proxy Statement to serve on the Board until our 2025 Annual Meeting of Stockholders and until their successors are duly elected and qualify, (ii) **FOR** the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2022, (iii) **FOR** the advisory (non-binding) resolution to approve our executive compensation as disclosed in this Proxy Statement ("Say-on-Pay"), and (iv) **FOR** the approval of an amendment to our Charter to decrease the number of authorized shares of stock. As to any other business that may properly come before the Annual Meeting or any postponement or adjournment thereof, the persons named as proxy holders on your proxy card will vote the shares of Common Stock represented by properly submitted proxies in their discretion.

This Proxy Statement, the Notice of Annual Meeting of Stockholders and the related proxy card are first being sent and made available to stockholders on or about April 27, 2022.

**ANNUAL REPORT**

This Proxy Statement is accompanied by our Annual Report to Stockholders for the year ended December 31, 2021 (the "2021 Annual Report to Stockholders"), which includes financial statements audited by KPMG LLP, our independent registered public accounting firm, and their report thereon, dated February 23, 2022.

**VOTING INFORMATION**

**Record Date and Outstanding Shares**

Stockholders will be entitled to one vote for each share of Common Stock held of record at the close of business on April 11, 2022 (the "Record Date"), with respect to (i) the election of the two (2) directors named in this Proxy Statement to serve on the Board until our 2025 Annual Meeting of Stockholders and until their successors are duly elected and qualify, (ii) the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2022, (iii) the advisory (non-binding) Say-on-Pay vote, (iv) the approval of an amendment to our Charter to decrease the number of authorized shares of stock and (v) any other proposal for stockholder action that may properly come before the Annual Meeting or any postponement or adjournment thereof.

As of the Record Date, we had issued and outstanding 104,921,700 shares of Common Stock.

**Ownership of Shares**

Stockholders may own shares of Common Stock in one or more of the following ways: (i) directly in their name as the stockholder of record, (ii) indirectly through a broker, bank or other intermediary in "street name" or (iii) indirectly through the Company's 401(k) Savings Plan (the "401(k) Plan").

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If shares of Common Stock are registered directly in the stockholder's name, we are sending proxy materials directly to the stockholder. As the holder of record, the stockholder has the right to give their proxy directly to our tabulating agent or to vote electronically during the virtual Annual Meeting via webcast. If the stockholder holds their shares in street name, the stockholder's broker, bank or other intermediary is sending proxy materials to them, and the stockholder may direct the intermediary how to vote on their behalf by completing the voting instruction form that accompanies the proxy materials or following the instructions in the notice they received. If the stockholder holds shares through the Company's 401(k) Plan, the proxy includes shares of Common Stock that the 401(k) Plan has credited to the participant's account.

### **Internet Availability of Proxy Materials**

We utilize a "notice and access" model rather than mailing full sets of proxy materials to all of our stockholders, as we believe, among other things, that the Company benefits from the reduced costs associated with this method of delivery, and it is more friendly to the environment. Thus, pursuant to rules of the Securities and Exchange Commission ("SEC"), we are making our proxy materials available to our stockholders electronically over the Internet rather than mailing the proxy materials to all our stockholders. Accordingly, we are sending a Notice Regarding the Availability of Proxy Materials to our stockholders. All stockholders will have the ability to access the proxy materials, including this Proxy Statement and our 2021 Annual Report to Stockholders, on the website referred to in the Notice or to request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed set of such materials can be found on the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

### **How to Vote**

In order to submit proxy voting instructions prior to the Annual Meeting, stockholders have the option to authorize their proxy by Internet, telephone or mail. Stockholders are requested to authorize a proxy to vote their shares of our Common Stock during the virtual Annual Meeting via webcast by using the dedicated Internet voting website or toll-free telephone number provided for this purpose. Specific instructions regarding the Internet and telephone voting options are described on the Notice Regarding the Availability of Proxy Materials previously mailed to you and/or on your proxy card. Alternatively, stockholders may authorize their proxy by completing, signing and dating their proxy card and returning it in the postage-prepaid envelope provided. Stockholders who authorize their proxy by using the Internet or telephone voting options do not need to also return a proxy card.

Internet and telephone voting are available through 11:59 p.m. Eastern Time on Monday, June 6, 2022, for all shares other than shares held through the 401(k) Plan. To allow sufficient time for the 401(k) Plan trustee to vote, the trustee must receive voting instructions for shares of Common Stock held through the plan by 11:59 p.m. New York City time on Thursday, June 2, 2022. If the trustee does not receive voting instructions from the 401(k) Plan participant by that date, the trustee will not vote the participant's shares. Accordingly, Internet and telephone voting are available through 11:59 p.m. Eastern Time on Thursday, June 2, 2022, for shares held in the 401(k) Plan.

Shares of Common Stock represented by properly submitted proxies received by us prior to the Annual Meeting will be voted according to the instructions specified on such proxies. Any stockholder submitting a proxy retains the power to revoke such proxy at any time prior to its exercise at the Annual Meeting by (i) delivering prior to the Annual Meeting a written notice of revocation to the attention of our Secretary at MFA Financial, Inc., One Vanderbilt Avenue, 48<sup>th</sup> Floor, New York, New York 10017, (ii) authorizing a later proxy by Internet or telephone or submitting a later-dated proxy card or (iii) voting electronically during the Annual Meeting via webcast. Attending the virtual Annual Meeting via webcast will not automatically revoke a stockholder's previously submitted proxy unless such stockholder votes electronically during the Annual Meeting.

### **Attending the Annual Meeting**

You may attend the virtual Annual Meeting via webcast if you are a stockholder of record, a proxy of a stockholder of record or a beneficial owner of our Common Stock with evidence of ownership.

### **Quorum and Required Vote**

The presence, in person or by proxy, of holders of Common Stock entitled to cast a majority of all the votes entitled to be cast at the Annual Meeting shall constitute a quorum.

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Assuming a quorum is present, the business scheduled to come before the Annual Meeting will require the following affirmative votes:

- (i) with respect to the election of directors, a majority of the total votes cast for and against the election of each nominee;
- (ii) with respect to the ratification of the appointment of our independent registered public accounting firm, a majority of the votes cast on the proposal;
- (iii) with respect to the advisory (non-binding) Say-on-Pay vote, a majority of the votes cast on the proposal; and
- (iv) with respect to the approval of the amendment to our Charter to decrease the number of authorized shares of stock, a majority of votes entitled to be cast on the proposal.

### **Abstentions and Broker Non-Votes**

Abstentions and broker non-votes are each included in the determination of the number of shares present at the Annual Meeting for the purpose of determining whether a quorum is present.

An abstention is the voluntary act of directing your proxy to abstain or attending the meeting in person and marking a ballot to abstain.

A broker non-vote occurs when a nominee (i.e., a broker) holding shares for a beneficial owner has not received instructions from the beneficial owner on a particular proposal for which the nominee is not permitted to exercise discretionary voting power under New York Stock Exchange (the "NYSE") rules, and therefore, the nominee does not cast a vote on the proposal.

Under NYSE rules, brokers are not permitted to vote shares held in their clients' accounts on elections of directors, the non-binding Say-on-Pay vote or the approval of the amendment to our Charter (each of which is considered a non-routine matter), unless, in each case, the client (as beneficial owner) has provided voting instructions to the broker. The ratification of the appointment of our independent registered public accounting firm is, however, a proposal for which brokers do have discretionary voting authority (although they may choose not to exercise such authority). If you hold your shares in "street name" (i.e., through a broker or other nominee), your broker or nominee will not vote your shares on non-routine matters unless you provide instructions on how to vote your shares. You can instruct your broker or nominee how to vote your shares by following the voting procedures provided by your broker or nominee.

Abstentions do not count as votes cast on the election of directors, the ratification of the appointment of KPMG LLP or the advisory (non-binding) Say-on-Pay vote and will have no effect on the results of such proposals.

Broker non-votes, if any, do not count as votes cast on the election of directors, the ratification of the appointment of KPMG LLP or the advisory (non-binding) Say-on-Pay vote.

Abstentions and broker non-votes will have the effect of votes against the approval of the amendment to our Charter to decrease the number of authorized shares of stock.

## CORPORATE GOVERNANCE

### **Role of the Board**

Pursuant to our Charter and Bylaws and the Maryland General Corporation Law, our business and affairs are managed under the direction of the Board. The Board is responsible for establishing broad corporate policies and for our overall performance and direction, but is not involved in our day-to-day operations. Members of the Board keep informed of our business by participating in meetings of the Board and its committees, by, among other things, reviewing analyses, reports and other materials provided to them and through discussions with our chief executive officer (“CEO”) and other executive officers.

### **Board Leadership Structure**

We currently separate the roles of the Board Chair and CEO, with the Board Chair held by a non-executive independent director. Under our Bylaws, the Board Chair does not automatically serve as CEO, and the Chair may be an executive or non-executive of the Company. At present, our Board believes that the separation of roles, while not required, fosters clear accountability and enhances the Board’s oversight of and independence from management, as well as assisting the Board’s ability to carry out its roles and responsibilities on behalf of stockholders. The Board also believes that the current leadership structure fosters effective decision-making and alignment on corporate strategy. In addition, the Board believes that separation of the Board Chair and CEO roles strengthens risk management and allows our CEO to focus more of his time and energy on day-to-day management and operations of the business.

### **Role of the Non-Executive Chairman**

Laurie S. Goodman, an independent director, currently serves as our Board Chair. Among other things, the Board Chair: (1) presides at all meetings of the Board; (2) has the authority to call, and will lead, meetings and executive sessions of our independent and non-management directors; (3) consults with the CEO and the Board committee chairs in establishing the agenda for Board and Board committee meetings; (4) helps facilitate communication between the CEO and the Board; (5) acts as a liaison between the Board and management; (6) confirms the Board has a process of periodically assessing the effectiveness of the Board, its committees and individual directors and management; and (7) performs such other functions as may be designated from time to time. The Board Chair is elected annually by a majority of the directors then serving on the Board at the first meeting of the Board following the annual meeting of stockholders.

### **Board’s Role in Risk Oversight**

The Board is responsible for the oversight of MFA’s risk management. The Board oversees and monitors MFA’s risk management framework and reviews risks that may be material to us. As part of this oversight process, the Board periodically receives reports from management on areas of material risk to MFA, including operational, financial, interest rate, liquidity, credit, market, legal and regulatory, accounting, strategic, cyber (i.e., data protection and information security) and personnel risks. The Board receives these reports from the appropriate sources within MFA to enable it to understand our risk identification, risk management and risk mitigation strategies. To the extent applicable, the Board and its committees coordinate their risk oversight roles. As part of its written charter, the Audit Committee of the Board periodically discusses guidelines and policies to govern the process by which risk assessment and risk management, including major financial risk exposures, are undertaken by MFA and its management, and the Compensation Committee of the Board oversees our compensation programs to ensure that they do not encourage unnecessary or excessive risk taking. The principal goal of these processes is to achieve thoughtful Board-level attention to (i) our risk management process and framework, (ii) the nature of the material risks we face, (iii) the adequacy of our risk management process and framework designed to identify, respond to and mitigate these risks and (iv) as necessary or appropriate, possible changes to our risk management process and framework to react to a fluid business environment.

### **Director Independence**

MFA’s Corporate Governance Guidelines (the “Governance Guidelines”), which have been adopted and are periodically reviewed by the Board, provide that a majority of the directors serving on the Board must be independent as affirmatively determined by the Board in accordance with the rules and standards established by the NYSE. In

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addition, as permitted under the Governance Guidelines, the Board has also adopted certain additional categorical standards (the “Independence Standards”) to assist it in making determinations with respect to the independence of directors. Based upon its review of all relevant facts and circumstances, the Board has affirmatively determined that seven of our eight current directors, James A. Brodsky, Laurie S. Goodman, Robin Josephs, Francis J. Oelerich III, Lisa Polsky, Sheila A. Stamps and Richard C. Wald, qualify as independent directors under the NYSE listing standards and the Independence Standards. Craig L. Knutson, by virtue of his position as our CEO and President, is not an independent director.

The Independence Standards can be found on our website at [www.mfafinancial.com](http://www.mfafinancial.com).

### **Code of Business Conduct and Ethics**

The Board has adopted a Code of Business Conduct and Ethics (the “Code of Conduct”) that applies to our directors, officers and employees. The Code of Conduct was designed to assist directors, officers and employees in complying with the law, in resolving certain moral and ethical issues that may arise in the performance of their duties and in complying with our policies and procedures. Among the areas addressed by the Code of Conduct are compliance with applicable laws, conflicts of interest, use and protection of our assets, confidentiality, communications with the public, internal accounting controls, improper influence on the conduct of audits, records retention, fair dealing, discrimination and harassment, and health and safety. The Board’s Nominating and Corporate Governance Committee is responsible for assessing and periodically reviewing the adequacy of the Code of Conduct and will recommend, as appropriate, proposed changes to the Code of Conduct to the Board.

The Code of Conduct can be found on our website at [www.mfafinancial.com](http://www.mfafinancial.com). We will also provide the Code of Conduct, free of charge, to stockholders who request it. Requests should be directed to the attention of our Secretary at MFA Financial, Inc., One Vanderbilt Avenue, 48<sup>th</sup> Floor, New York, New York 10017.

### **Corporate Governance Guidelines**

*General.* The Board has adopted the Governance Guidelines, which address significant issues of corporate governance and set forth procedures by which the Board carries out its responsibilities. Among the areas addressed by the Governance Guidelines are Board composition, Board functions and responsibilities, Board committees, director qualification standards, director resignations, director retirements, access to management and independent advisors, director compensation, management succession, director orientation and continuing education and Board and committee performance evaluations. The Board’s Nominating and Corporate Governance Committee is responsible for assessing and periodically reviewing the adequacy of the Governance Guidelines and will recommend to the Board, as appropriate, proposed changes to the Governance Guidelines.

The Governance Guidelines can be found on our website at [www.mfafinancial.com](http://www.mfafinancial.com). We will also provide the Governance Guidelines, free of charge, to stockholders who request them. Requests should be directed to the attention of our Secretary at MFA Financial, Inc., One Vanderbilt Avenue, 48<sup>th</sup> Floor, New York, New York 10017.

*Majority Voting for Directors/Director Resignation Policy.* Our Bylaws provide that a nominee for director will be elected by receiving the affirmative vote of a majority of the total votes cast for and against the election of such nominee in a non-contested election (i.e., where the number of nominees is the same as the number of directors to be elected).

Under the terms of our Governance Guidelines, if a nominee for director who is an incumbent director is not elected by the vote required in our Bylaws, the director is required to promptly tender to the Board his or her offer to resign from the Board. Upon recommendation of the Nominating and Corporate Governance Committee, the Board, excluding such individual, will decide whether or not to accept such offer to resign, and thereafter, it will promptly and publicly disclose its decision. If the Board determines not to accept the director’s offer to resign, the director will continue to serve on the Board until the next annual meeting of stockholders and until the director’s successor is duly elected and qualified or until the director’s earlier resignation or removal. The Board may consider any factors it deems relevant in deciding whether to accept a director’s resignation.

In a contested election, the director nominees who receive a plurality of votes cast are elected as directors. Under the plurality standard, the number of individuals equal to the number of directorships to be filled who receive more votes than other nominees are elected to the board, regardless of whether they receive a majority of votes cast.

*Director Retirement Policy.* The Governance Guidelines provide that no person who has reached the age of 75 at the time of their election or appointment may be elected or appointed as a director.



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### **Review and Approval of Transactions with Related Persons**

The Board has adopted written policies and procedures for review, approval and monitoring of transactions involving the Company and “related persons” (directors and executive officers, stockholders beneficially owning greater than 5% of our outstanding capital stock or immediate family members of any of the foregoing). The policy covers any related person transaction that meets the minimum threshold for disclosure in the Proxy Statement under the relevant rules of the SEC (generally, transactions involving amounts exceeding \$120,000 in which a related person has a direct or indirect material interest). A summary of these policies and procedures is set forth below:

#### ***Policies***

- Any covered related party transaction must be approved by the Board or by a committee of the Board consisting solely of disinterested directors. In considering the transaction, the Board or committee will consider all relevant factors, including, as applicable, (i) our business rationale for entering into the transaction; (ii) the available alternatives; (iii) whether the transaction is on terms comparable to those available to or from third parties; (iv) the potential for the transaction to lead to an actual or apparent conflict of interest; and (v) the overall fairness of the transaction to the Company.
- On at least an annual basis, the Board or committee will monitor the transaction to assess whether it is advisable for the Company to amend or terminate the transaction.

#### ***Procedures***

- Management or the affected director or executive officer will bring the matter to the attention of the Chair of the Audit Committee or, if the Chair of the Audit Committee is the affected director, to the attention of the Chair of the Nominating and Corporate Governance Committee.
- The appropriate committee Chair shall determine whether the matter should be considered by the Board or by a committee of the Board consisting solely of disinterested directors.
- If a director is involved in the transaction, he or she will be recused from all discussions and decisions about the transaction.
- The transaction must be approved in advance whenever practicable and, if not practicable, must be ratified as promptly as practicable.
- If a transaction that has been entered into without prior approval is not ratified, the Board or committee may consider additional action, in consultation with counsel, including, but not limited to, with respect to transactions that are pending or ongoing, termination of the transaction on a prospective basis or modification of the transaction in a manner that would permit it to be ratified by the Board or committee, and with respect to transactions that are completed, rescission of such transaction and/or disciplinary action.

### **Identification of Director Candidates**

In accordance with the Governance Guidelines and its charter, the Nominating and Corporate Governance Committee is responsible for identifying and evaluating director candidates for the Board and for recommending director candidates to the Board for consideration as nominees to stand for election at our annual meetings of stockholders. Director candidates are nominated to stand for election to the Board in accordance with the procedures set forth in the written charter of the Nominating and Corporate Governance Committee.

We seek highly-qualified director candidates from diverse business, professional and educational backgrounds who combine a broad spectrum of experience and expertise with a reputation for the highest personal and professional ethics, integrity and values. The Nominating and Corporate Governance Committee periodically reviews the appropriate skills and characteristics required of our directors in the context of the current composition of the Board, our operating requirements and the interests of the Company. In accordance with the Governance Guidelines, director candidates should have experience in positions with a high degree of responsibility and decision making, be able to exercise good business judgment, be able to provide practical wisdom and mature judgment and be leaders in the companies or institutions with which they are affiliated. The Nominating and Corporate Governance Committee reviews director candidates with the objective of assembling a slate of directors that can best fulfill and promote our goals, and recommends director candidates based upon contributions they can make to the Board and management and their ability to represent MFA’s long-term interests and those of its stockholders.

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Although we do not have a formal written diversity policy, the Nominating and Corporate Governance Committee considers diversity of race, ethnicity, gender, age, cultural background, professional experiences and expertise and education in evaluating director candidates for Board membership. We believe that director diversity is, and will continue to be, an important component relating to the Board's composition, as multiple and varied backgrounds and points of view contribute to a more informed and effective decision-making process.

Upon determining the need for additional or replacement Board members, the Nominating and Corporate Governance Committee identifies director candidates and assesses such director candidates based upon information it receives in connection with the recommendation or which it otherwise possesses, which may be supplemented by certain inquiries. In conducting this assessment, the Nominating and Corporate Governance Committee considers knowledge, experience, skills, diversity and such other factors as it deems appropriate in light of our current needs and those of the Board. If the Nominating and Corporate Governance Committee determines, in consultation with other directors, that a more comprehensive evaluation is warranted, the Nominating and Corporate Governance Committee may then obtain additional information about a director candidate's background and experience, including by means of personal interviews. The Nominating and Corporate Governance Committee will then re-evaluate the director candidate using its evaluation criteria. The Nominating and Corporate Governance Committee receives input on such director candidates from other directors, and recommends director candidates to the Board for nomination. The Nominating and Corporate Governance Committee may, in its sole discretion, engage one or more search firms and/or other consultants, experts or professionals to assist in, among other things, identifying director candidates or gathering information regarding the background and experience of director candidates. If the Nominating and Corporate Governance Committee engages any such third party, the Nominating and Corporate Governance Committee will have sole authority to approve any fees or terms of retention relating to these services.

The Nominating and Corporate Governance Committee accepts stockholder recommendations of director candidates and applies the same standards in considering director candidates submitted by stockholders as it does in evaluating director candidates recommended by members of the Board or management. Stockholders may make recommendations at any time, but recommendations of director candidates for consideration as director nominees at our next annual meeting of stockholders must be received not less than 120 days before the first anniversary of the date of the proxy statement for the prior year's annual meeting of stockholders. Accordingly, to submit a director candidate for consideration for nomination at our 2023 Annual Meeting of Stockholders, stockholders must submit the recommendation, in writing, by no later than the close of regular business hours on December 28, 2022. The written notice must demonstrate that it is being submitted by a stockholder of MFA and include information about each proposed director candidate, including name, age, business address, principal occupation, principal qualifications and other relevant biographical information. In addition, the stockholder must provide confirmation of each recommended director candidate's consent to serve as a director and contact information for each director candidate so that his or her interest can be verified and, if necessary, to gather further information.

### **Communications with the Board**

The Board has established a process by which stockholders and/or other interested parties may communicate in writing with our directors, a committee of the Board, the Board's non-employee directors as a group or the Board generally. Any such communications may be sent to the Board by U.S. mail or overnight delivery and should be directed to the attention of our Secretary at MFA Financial, Inc., One Vanderbilt Avenue, 48<sup>th</sup> Floor, New York, New York 10017, who will forward them to the intended recipient(s). Any such communications may be made anonymously. Unsolicited advertisements, invitations to conferences or promotional materials, in the discretion of our Secretary, are not required, however, to be forwarded to the directors. The Board has approved this communication process.

### **Executive Sessions of Independent Directors**

The independent directors serving on the Board meet in executive session at least four times per year at regularly scheduled meetings of the Board. These executive sessions of the independent directors are presided over by Laurie S. Goodman, in her capacity as the non-executive Chair of the Board.

### **Corporate Responsibility: Social and Environmental Considerations**

MFA understands the importance of incorporating environmental and social considerations into its business and day-to-day operations, and we appreciate the increased interest of our stockholders in these matters. We consider the interests of all our stakeholders — our stockholders, employees, lenders and other counterparties, vendors and community — in pursuing the long-term success and best interests of our business.

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### *Social Considerations*

MFA's primary social considerations and impacts relate to our investment activity and human capital management, both of which are critical to our success as an organization.

### Investment Activity

As a provider of private capital to the U.S. housing market through our investments in residential mortgages, our business enhances liquidity in the residential real estate mortgage markets and, in turn, facilitates homeownership in the United States. As of December 31, 2021, MFA had approximately \$8.0 billion in aggregate mortgage and mortgage-related investments.

### Human Capital Management

As an employer, we have a responsibility to our most important asset, our employees. We recognize the importance of ongoing communication and engagement with our employees through direct channels, facilitated by our small employee base. We are committed to providing our employees an engaging, supportive and inclusive atmosphere in which to grow professionally and contribute. We are also committed to promoting equality and further increasing diversity within our workforce. In this regard, we are proud to have been one of 418 companies across a variety of business sectors in 45 countries and regions that was included in the 2022 Bloomberg Gender-Equality Index, which recognizes companies committed to transparency in gender reporting and advancing gender equality. In addition, MFA was certified as a 2021 Great Place to Work™ by Great Place to Work® Institute based on the results of an anonymous survey of our employees. We have also been recognized and included in the 50/50 Women on Boards Gender Diversity and Directory Index since 2019, and women comprise half the number of directors on our Board.

Finally, we pride ourselves on providing a wide selection of resources to protect our employees' health, well-being, financial security and safety, and work-life balance, including:

#### **Compensation, Retirement and Income Protection**

- Competitive base salary and bonus potential
- Equity compensation plan
- 401(k) plan with company matching contribution
- Company-paid short-term and long-term disability insurance
- Company-paid group term life and accidental death & dismemberment insurance
- Student loan repayment assistance program
- Child care reimbursement program

#### **Health, Wellness and Community**

- Company-subsidized medical insurance
- Company-paid dental and vision insurance
- Flexible spending accounts for health, dependent care, commuting and parking expenses
- Paid parental leave
- Paid vacation, personal and sick days and Federal holidays
- Gym reimbursement program
- Employee assistance program
- Charitable contribution matching program
- W@M — Women at MFA employee network
- Paid time off for participation in volunteer activities
- Eldercare reimbursement
- Headquarters located in WELL-certified building
- Participation in Toys for Tots holiday toy drive with company match of all donations
- Financial support for the following:
  - Samuel Waxman Cancer Research Foundation
  - WIN (Women in Need), which provides family shelter and supportive housing in New York City
  - Kiva, which supports women-owned businesses in impoverished countries

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- Professional Education and Development**
- Tuition reimbursement for career-related college and continuing education courses
  - Reimbursement of costs for pursuing and maintaining job-related professional licenses, including prep course and exam fees
  - Reimbursement for membership in career-related professional organizations and associations
- Business Continuity and Disaster Recovery**
- Active business continuity and disaster recovery program to identify and remediate threats to our operations and employees
  - Company maintains a dedicated and fully functional co-location facility usable in the event our principal office is unusable
  - Annual company-wide disaster recovery drill

### *Environmental Considerations*

As a specialty finance company that invests in and finances residential mortgage assets, including originating and servicing business purpose mortgage loans, our business operations have a relatively modest impact on the environment. Nonetheless, we strive to use resources efficiently and responsibly.

Our efforts to reduce our environmental impact include:

- Headquarters building has earned the highest LEED, WELL and Wired Certifications
- Headquarters building incorporates a 90,000 gallon rainwater collection system that reduces demand for cooling tower water by one million gallons of water annually
- Office cleaning and pest control conducted with specific green products
- Street-to-desk touchless entry experience
- Headquarters location has a walkability score of 99 and facilitates the use of public transportation for nearly all employees
- Bike room within headquarters building
- Mandated recycling program for glass, metal, paper and plastic products
- Individual recycling containers in all common areas
- Commuter benefit program enables employees to use a pre-tax benefit account to pay for public transportation
- Cloud computing to reduce electricity footprint
- Recycling of electronic equipment and ink cartridges
- Energy Star® printers, monitors and other electronics
- Motion sensor control LED lighting
- Motion sensor faucets and toilets
- Filled water dispensers
- Compostable and recycled kitchen products

## BOARD AND COMMITTEE MATTERS

### Board of Directors

The Board is responsible for directing the management of our business and affairs. The Board conducts its business through meetings and actions taken by unanimous written consent in lieu of meetings. During the year ended December 31, 2021, the Board held ten meetings and acted 15 times by unanimous consent in lieu of a meeting. Each of our directors then serving on the Board attended at least 75% of the meetings of the Board (and of the Board's committees on which they then served) that were held in 2021. All directors then serving on the Board attended our 2021 Annual Meeting of Stockholders. The Board's policy, as set forth in our Governance Guidelines, is to encourage and promote the attendance by each director at all scheduled meetings of the Board and all meetings of our stockholders.

### Committees of the Board

The Board has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

*Audit Committee.* Francis J. Oelerich III (Chair), Laurie S. Goodman, Robin Josephs and Lisa Polsky are currently the members of the Audit Committee. The Board has determined that all of the members of the Audit Committee are independent as required by the NYSE listing standards, SEC rules governing the qualifications of audit committee members, the Governance Guidelines, the Independence Standards and the written charter of the Audit Committee. The Board has also determined, based upon its qualitative assessment of their relevant levels of knowledge and business experience (see "Election of Directors" beginning on page 16 of this Proxy Statement for a description of their respective backgrounds and experience), that each of Mr. Oelerich, Ms. Goodman, Ms. Josephs and Ms. Polsky qualifies as an "audit committee financial expert" for purposes of, and as defined by, SEC rules and has the requisite accounting or related financial management expertise required by the NYSE listing standards. In addition, the Board has determined that all of the members of the Audit Committee are financially literate as required by the NYSE listing standards. During 2021, the Audit Committee met eight times.

The Audit Committee is responsible for, among other things, engaging our independent registered public accounting firm, reviewing with the independent registered public accounting firm the plans and results of their audit engagement, approving professional services to be provided by the independent registered public accounting firm, reviewing the independence of the auditors, considering the range of audit and non-audit fees, reviewing the adequacy of our internal controls, accounting and reporting practices and assessing the quality and integrity of our consolidated financial statements. In accordance with its charter, the Audit Committee has a policy requiring that the terms of all auditing and non-auditing services to be provided by our independent registered public accounting firm be pre-approved by the Audit Committee. The Audit Committee also reviews and evaluates the scope of all non-auditing services to be provided by our independent registered public accounting firm in order to confirm that such services are permitted by the rules and/or regulations of the NYSE, the SEC, the Financial Accounting Standards Board or other similar governing bodies. The specific responsibilities of the Audit Committee are set forth in its charter, which can be found on our website at [www.mfainancial.com](http://www.mfainancial.com).

*Compensation Committee.* Robin Josephs (Chair), James A. Brodsky, Francis J. Oelerich III, Sheila A. Stamps and Richard C. Wald are currently the members of the Compensation Committee. The Board has determined that all of the members of the Compensation Committee are independent as required by the NYSE listing standards, the Governance Guidelines, the Independence Standards and the written charter of the Compensation Committee. During 2021, the Compensation Committee met seven times and acted six times by unanimous consent in lieu of a meeting.

The Compensation Committee is responsible for, among other things, overseeing the design, approval, administration and evaluation of MFA's compensation plans, policies and programs and reviewing and establishing the compensation of our directors and executive officers. The specific responsibilities of the Compensation Committee are set forth in its charter, which can be found on our website at [www.mfainancial.com](http://www.mfainancial.com).

*Compensation Committee Interlocks and Insider Participation.* There are no compensation committee interlocks and no insider participation in compensation decisions that are required to be reported under the rules and regulations of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

*Nominating and Corporate Governance Committee.* Lisa Polsky (Chair), James A. Brodsky, Laurie S. Goodman, Sheila A. Stamps and Richard C. Wald are currently the members of the Nominating and Corporate

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Governance Committee. The Board has determined that all of the members of the Nominating and Corporate Governance Committee are independent as required by the NYSE listing standards, the Governance Guidelines, the Independence Standards and the written charter of the Nominating and Corporate Governance Committee. During 2021, the Nominating and Corporate Governance Committee met seven times and acted two times by unanimous consent in lieu of meeting.

The Nominating and Corporate Governance Committee is responsible for, among other things, assisting the Board in identifying individuals qualified to become Board members, recommending to the Board the director nominees to stand for election by our stockholders, recommending to the Board the directors to serve on each of the Board's committees, developing and recommending to the Board the corporate governance principles and guidelines applicable to the Company and directing the Board in an annual review of its performance. The specific responsibilities of the Nominating and Corporate Governance Committee are set forth in its charter, which can be found on our website at [www.mfafinancial.com](http://www.mfafinancial.com).

We will provide the charter of any of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, free of charge, to stockholders who request them. Requests should be directed to the attention of our Secretary at MFA Financial, Inc., One Vanderbilt Avenue, 48th Floor, New York, New York 10017.

### **Report of the Audit Committee**

The Audit Committee of the Board is responsible for monitoring, on behalf of the Board, the integrity of MFA's consolidated financial statements, the Company's system of internal controls, the performance, qualifications and independence of its independent registered public accounting firm and its compliance with related legal and regulatory requirements. The Audit Committee has the sole authority and responsibility to select, determine the compensation of, evaluate the performance of and, when appropriate, replace MFA's independent registered public accounting firm. The Audit Committee operates under a written charter adopted by the Board.

Management has the primary responsibility for the Company's financial reporting process, including the system of internal controls, for the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States and for the report on the Company's internal control over financial reporting. KPMG LLP, the Company's independent registered public accounting firm, is responsible for performing an independent audit of (i) the Company's annual consolidated financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States and (ii) the effectiveness of the Company's internal control over financial reporting and expressing an opinion with respect thereto. The Audit Committee's responsibility is to oversee and review the financial reporting process and to review and discuss management's report on the Company's internal control over financial reporting. The Audit Committee is not, however, professionally engaged in the practice of accounting or auditing and does not provide any expert or other special assurance as to such financial statements concerning compliance with laws, regulations or accounting principles generally accepted in the United States or as to auditor independence. The Audit Committee relies, without independent verification, on the information provided to it and on the representations made by the Company's management and our independent registered public accounting firm.

During 2021, the Audit Committee held eight meetings. The meetings were designed, among other things, to facilitate and encourage communication among the Audit Committee, management, KPMG LLP, the Company's independent registered public accounting firm, and Grant Thornton LLP, the Company's internal auditing firm.

The Audit Committee reviewed and discussed the audited consolidated financial statements for the fiscal year ended December 31, 2021, and the related report prepared by KPMG LLP, with management and KPMG LLP. The Audit Committee discussed with KPMG LLP and Grant Thornton LLP the overall scope and plans for their respective audits, including internal control testing under Section 404 of the Sarbanes-Oxley Act of 2002. The Audit Committee also reviewed and discussed with management, KPMG LLP and Grant Thornton LLP management's annual report on MFA's internal control over financial reporting and the report prepared by KPMG LLP with respect to its audit of MFA's internal control over financial reporting. The Audit Committee met with KPMG LLP and Grant Thornton LLP, with and without management present, to discuss the results of their examinations, their evaluations of MFA's internal control environment and the overall quality of MFA's financial reporting.

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The Audit Committee reviewed and discussed with KPMG LLP its audit plan for MFA and their proposed implementation of this plan. The Audit Committee also discussed with KPMG LLP matters that independent accounting firms are required to communicate to audit committees under the rules of the SEC, generally accepted auditing standards and standards of the Public Company Accounting Oversight Board (“PCAOB”), including, among other things, matters related to the conduct of the audit of MFA’s consolidated financial statements and the matters required to be discussed by Auditing Standard No. 16, as adopted by the PCAOB, which included a discussion of KPMG LLP’s judgments about the quality (not just the acceptability) of MFA’s accounting principles as applied to financial reporting.

The Audit Committee also discussed with KPMG LLP its independence from the Company. KPMG LLP provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent accountant’s communications with the Audit Committee concerning independence and represented that it is independent from MFA. When considering the independence of KPMG LLP, the Audit Committee considered whether services provided by KPMG LLP, beyond those rendered in connection with its audit of MFA’s consolidated financial statements, its reviews of MFA’s interim condensed consolidated financial statements included in MFA’s quarterly reports on Form 10-Q and its audit of the effectiveness of MFA’s internal control over financial reporting, were compatible with maintaining its independence. The Audit Committee reviewed and approved the audit and other professional services performed by, and the amount of fees paid for such services to, KPMG LLP. The Audit Committee has adopted policies and procedures for the pre-approval of auditing and non-auditing services for the purpose of maintaining the independence of MFA’s independent registered public accounting firm. The Audit Committee received periodic updates on the amount of fees and scope of audit and other professional services provided.

Based on the Audit Committee’s review and the outcome of these meetings, discussions and reports, and subject to the limitations on the Audit Committee’s role and responsibilities referred to above and in its written charter, the Audit Committee recommended to the Board, and the Board has approved, that MFA’s audited consolidated financial statements for the fiscal year ended December 31, 2021, be included in the Company’s Annual Report on Form 10-K filed with the SEC and 2021 Annual Report to Stockholders. The Audit Committee has also selected and appointed KPMG LLP as MFA’s independent registered public accounting firm for the fiscal year ending December 31, 2022, and is presenting this appointment to the Company’s stockholders for ratification.

### **AUDIT COMMITTEE**

Francis J. Oelerich III, Chair      Robin Josephs

Laurie S. Goodman                      Lisa Polsky

*The foregoing Report of the Audit Committee shall not be deemed under the Securities Act of 1933, as amended, or the Exchange Act to be (i) “soliciting material” or “filed” or (ii) incorporated by reference by any general statement into any filing made by us with the SEC, except to the extent that we specifically incorporate such report by reference.*

## COMPENSATION OF NON-EMPLOYEE DIRECTORS

Pursuant to the terms of its charter, the Compensation Committee is responsible for reviewing and making recommendations to the Board with respect to the compensation of the non-employee directors (the “Non-Employee Directors”) on the Board.

At present, we have the following compensation program for Non-Employee Directors:

- an annual cash retainer of \$100,000, which retainer is payable in equal quarterly installments in arrears.
- an annual grant to each director under the Company’s Equity Compensation Plan of fully-vested shares of our Common Stock or fully-vested stock units (“RSUs”) with a grant value of \$150,000.
- an annual cash retainer for service on one or more committees of the Board pursuant to which each member of the Board’s (i) Audit Committee (other than the Audit Committee Chair) receives \$15,000 per year, (ii) Compensation Committee (other than the Compensation Committee Chair) receives \$15,000 per year and (iii) Nominating and Corporate Governance Committee (other than the Nominating and Corporate Governance Committee Chair) receives \$5,000 per year. These fees are payable in equal quarterly installments in arrears.
- an annual cash fee of (i) \$35,000 per year paid to the Chair of the Board’s Audit Committee, (ii) \$35,000 per year paid to the Chair of the Board’s Compensation Committee and (iii) \$15,000 per year paid to the Chair of the Board’s Nominating and Corporate Governance Committee, which fees are payable in equal quarterly installments in arrears.
- an additional annual grant to the non-executive Chair of the Board of fully-vested shares of our Common Stock or fully-vested RSUs with a grant date value of \$115,000.

Our Non-Employee Directors may also participate in our Fourth Amended and Restated 2003 Non-Employee Directors’ Deferred Compensation Plan (the “Non-Employee Directors Plan”), which allows participants to elect to defer receipt of 50% or 100% of their annual cash fees and to elect whether to receive their equity-based compensation in the form of fully-vested shares of our Common Stock or fully-vested RSUs. Under the Non-Employee Directors Plan, cash amounts that are deferred are deemed to be converted into hypothetical “stock units,” which do not represent our capital stock, but rather the right to receive a cash payment equal to the fair market value of an equivalent number of shares of Common Stock. Deferred amounts (and the resultant hypothetical stock units), together with any dividend equivalents credited to outstanding stock units, increase or decrease in value as would an equivalent number of shares of Common Stock and are settled in cash at the termination of the deferral period, based on the value of the stock units at that time. Cash amounts deferred are generally subject to an initial five-year deferral period, which may be extended for an additional five years if the Non-Employee Director so elects. To the extent a Non-Employee Director elects to take their equity compensation in the form of RSUs, such RSUs will settle, in shares of Common Stock on a one-for-one basis after an initial five-year deferral period (subject to an additional five year deferral if the director so elects).



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The following table summarizes the compensation of our Non-Employee Directors for the year ended December 31, 2021.

**2021 Non-Employee Director Compensation**

Name	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	Stock/RSU Awards (\$) <sup>(2)</sup>	Total (\$) <sup>(3)</sup>
James A. Brodsky	120,000	150,000	270,000
Laurie S. Goodman	130,000	265,000	395,000
Robin Josephs	150,000	150,000	300,000
George H. Krauss <sup>(4)</sup>	48,654	—	48,654
Francis J. Oelerich III	135,000	150,000	285,000
Lisa Polsky	122,500	150,000	272,500
Sheila A. Stamps <sup>(4)</sup>	30,000	—	30,000
Richard C. Wald	117,500	150,000	267,500

- (1) Amounts in this column represent, as applicable, the annual board retainer fees, annual committee chair fees and committee membership fees earned or paid to Non-Employee Directors for service in 2021. For Mr. Brodsky, Ms. Goodman, Ms. Polsky and Mr. Wald, amount includes cash fees that the director elected to defer under the Non-Employee Directors Plan.
- (2) Amounts in this column represent the aggregate grant date fair value of such stock or RSU awards computed in accordance with FASB ASC Topic 718. During 2021, each non-employee director (except Mr. Krauss and Ms. Stamps) was granted 7,978 fully-vested RSUs on June 8, 2021 (based on a price per share of \$18.80, which was the closing price of the Common Stock on such day). In addition, Ms. Goodman, our non-executive Board Chair, was granted an additional 6,117 fully-vested RSUs on June 8, 2021 (based on the same price). A discussion of the assumptions underlying the calculation of RSU values may be found in Note 12 to our Consolidated Financial Statements on pages 119 to 123 of our 2021 Annual Report on Form 10-K. The number of units and share price described in this note have been adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022.
- (3) Total compensation for Non-Employee Directors does not include dividend equivalents (which consist of a cash distribution equal to the cash dividend paid on a share of Common Stock) paid during 2021 in respect of the fully-vested RSUs granted to Messrs. Brodsky, Oelerich and Wald and Ms. Goodman, Ms. Josephs and Ms. Polsky.
- (4) Mr. Krauss retired from the Board effective June 2, 2021. Ms. Stamps was elected to the Board effective December 15, 2021.

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The following table summarizes certain additional information regarding cash amounts deferred by our Non-Employee Directors participating in the Non-Employee Directors Plan as of December 31, 2021.

Name	Fair Market Value of Deferred Amounts at Jan. 1, 2021 <sup>(1)</sup> (\$)	Cash Distribution Jan. 15, 2021 (\$)	Remaining Deferred Amount after Jan. 15, 2021 Distribution <sup>(2)</sup> (\$)	Fair Market Value of Deferred Amounts at Dec. 31, 2021 <sup>(3)</sup> (\$)
James A. Brodsky	569,546	—	569,546	855,222
Laurie S. Goodman	526,220	—	526,220	817,371
Robin Josephs	516,303	—	516,303	655,511
Lisa Polsky	149,983	—	149,983	320,676
Richard C. Wald	47,118	—	47,118	187,645

- (1) Amounts in this column represent the value of compensation deferred by the director (including dividend equivalents credited to hypothetical stock units) from the inception of the individual director's elected participation in the Non-Employee Directors Plan, less cash distributions, if any, made at the termination of any elected deferral and payment period before the effect of any distributions made during 2021. Amounts in this column represent the fair market value of stock units in the director's deferred compensation account (including dividend equivalents credited to hypothetical stock units) based on the closing price of the Common Stock of \$15.56 per share as reported on the NYSE on December 31, 2020 (as adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022).
- (2) Amounts in this column represent the value of the director's deferred compensation account under the Non-Employee Directors Plan following the distributions, if any, made on January 15, 2021.
- (3) Amounts in this column represent the fair market value at December 31, 2021, of hypothetical stock units in the director's deferred compensation account (including dividend equivalents credited to outstanding stock units) (based upon the closing price of the Common Stock of \$18.24 per share reported on the NYSE on December 31, 2021 (as adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022)) under the Non-Employee Directors Plan.

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The Non-Employee Directors are subject to a share retention/alignment requirement pursuant to which each Non-Employee Director is required to hold and maintain equity in MFA, which could include Common Stock and/or RSUs under the Non-Employee Directors Plan (collectively, the “Equivalent Shares”), in an amount equal to no less than 9,375 Equivalent Shares. Generally, this retention requirement must be met within five years after becoming a director. All of our directors (other than Ms. Stamps, who was elected to the Board in December 2021) have met this retention requirement.

The following table summarizes information regarding the number of Equivalent Shares owned by each of our current Non-Employee Directors as of the Record Date. The amounts reported reflect our 1-for-4 reverse stock split effected on April 4, 2022.

<u>Name</u>	<u>Shares of Common Stock Beneficially Owned (#)</u>	<u>Restricted Stock Units Owned (#)</u>	<u>Total Number of Equivalent Shares Owned (#)</u>
James A. Brodsky	23,708	45,301	69,009
Laurie S. Goodman	2,854	51,418	54,272
Robin Josephs	26,478	45,301	71,779
Francis J. Oelerich III	4,924	29,293	34,217
Lisa Polsky	-0-	24,142	24,142
Sheila A. Stamps(1)	-0-	-0-	-0-
Richard C. Wald	-0-	24,142	24,142

(1) Ms. Stamps was elected to the Board on December 15, 2021.

Non-employee directors are also eligible to receive other grants of Common Stock and phantom shares, as well as grants of stock options, under the Company’s Equity Compensation Plan. We also reimburse all Non-Employee Directors for reasonable travel and other expenses incurred in connection with attending Board, committee and stockholder meetings and other Company-sponsored events and/or other activities in which they engage or participate on our behalf. In addition, we provide all non-employee directors with up to \$500,000 of accidental death and dismemberment insurance while traveling to or attending Board, committee and stockholder meetings and other Company-sponsored events. Directors who are employees of the Company (currently, only Mr. Knutson) are not entitled to receive additional compensation for serving on the Board.

**1. ELECTION OF DIRECTORS**

**Board of Directors**

In accordance with our Charter and Bylaws, the Board is currently comprised of eight (8) directors, James A. Brodsky, Laurie S. Goodman, Robin Josephs, Craig L. Knutson, Francis J. Oelerich III, Lisa Polsky, Sheila A. Stamps and Richard C. Wald, and it is divided into three classes.

One class of directors is elected at each annual meeting of our stockholders for a term of three (3) years. Each director holds office until his or her successor has been duly elected and qualified or the director’s earlier resignation, death or removal. The term of the Board’s Class III directors expires at the Annual Meeting. The terms of the other two classes of directors expire at MFA’s 2023 annual meeting of stockholders (Class I directors) and MFA’s 2024 annual meeting of stockholders (Class II directors).

Upon the recommendation of the Nominating and Corporate Governance Committee of the Board, Mr. Oelerich and Ms. Polsky have been nominated by the Board to stand for election as Class III directors by the stockholders at the Annual Meeting to serve a term until our 2025 annual meeting of stockholders and until their respective successors are duly elected and qualify. Mr. Oelerich and Ms. Polsky are currently directors of MFA, and each has consented to stand for election at the Annual Meeting. Mr. Brodsky, a current Class III director, is not permitted to stand for re-election and is retiring from the Board as of the conclusion of the Annual Meeting in accordance with the Director Retirement Policy set forth in our Governance Guidelines (see page 5 of this Proxy Statement).

Upon recommendation of the Nominating and Corporate Governance Committee of the Board and the subsequent approval by the full Board, the Board determined in April 2022 to decrease the number of directors on the Board from eight (8) directors to seven (7), effective as of the retirement of Mr. Brodsky from the Board as of the conclusion of the Annual Meeting. The Board believes that it will be able to maintain effective governance and oversight of the Company following the decrease in the number of directors.

Following the expiration of Mr. Brodsky’s term at the Annual Meeting, the number of Class III directorships will be decreased from three (3) to two (2). Going forward, the number of Class I directors will be two (2), the number of Class II directors will be three (3), and the number of Class III directors will be two (2). As a result of the decrease in the size of the Board, the number of nominees for director to be elected at the Annual meeting has been decreased as described above.

If the candidacy of Mr. Oelerich or Ms. Polsky should, for any reason, be withdrawn prior to the Annual Meeting, the proxies will be voted by the proxy holders in favor of such substituted candidate or candidates (if any) as shall be nominated by the Board or the Board may determine to reduce its size.

The Board has no reason to believe that Mr. Oelerich or Ms. Polsky would be unable or unwilling to serve as Class III directors.

Set forth below is a summary of self-identified diversity characteristics for each of Mr. Oelerich and Ms. Polsky, the nominees for election at the Annual Meeting. We also provide the same for our continuing Class I and Class II directors.

	L. S. Goodman	R. Josephs	C. L. Knutson	F. J. Oelerich III	L. Polsky	S. A. Stamps	R. C. Wald
Gender							
Female	•	•			•	•	
Male			•	•			•
Ethnicity or Race							
Black or African American						•	
White/Caucasian	•	•	•	•	•		•

The Board has determined that all of our current directors are qualified to serve as directors of the Company. The biographies of each of the Board’s nominees standing for election or re-election and of our continuing directors,

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which follow below, contain information regarding each person's service as a director, business experience and education, director positions held currently or at any time during the last five years and the experience, qualifications, attributes or skills that caused the Board and the Nominating and Corporate Governance Committee to determine that the person should serve as a director.

In addition to the specific information set forth in their respective biographies, we believe that each of our directors also possesses the tangible and intangible attributes and skills that are important to being an effective director on the Board, including experience in areas of expertise relevant and beneficial to our business and industry, a willingness and commitment to assume the responsibilities required of a director of the Company and the character and integrity we expect of directors of the Company.

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**Class III Director Nominees**

The following information is furnished regarding the nominees for election as our Class III directors by the holders of Common Stock.

**Francis J. Oelerich III**, 61, has served as a director of MFA since May 2019. Mr. Oelerich has been a Managing Director of XMS Capital Partners, a global, independent financial services firm providing investment banking, asset management and merchant banking services, since 2018. Prior thereto, Mr. Oelerich was a Managing Director in the Mergers & Acquisitions Department of Deutsche Bank Securities, Inc. from 2008 to 2017. Prior to Deutsche Bank, Mr. Oelerich worked in investment banking for Morgan Stanley & Co. Incorporated from 1982 to 1984 and from 1986 to 2008, rising to the level of Managing Director. Mr. Oelerich received an M.B.A. from Harvard University, where he was elected a George F. Baker Scholar and named a Loeb, Rhoades Fellow, and a B.B.A. (with high honors) from the University of Notre Dame.

We believe that Mr. Oelerich's qualifications to serve on the Board include his extensive experience in the investment banking industry, including his expertise in corporate finance and his extensive experience advising public company boards of directors on mergers and acquisitions and other strategic matters.

**Lisa Polsky**, 65, has served as a director of MFA since January 2020. Ms. Polsky has served as a member of Deutsche Bank AG's U.S. Board since 2016, and she is a member of the Board of Trustees of Guardian Life's Variable Products Trust, where she chairs the audit committee. Ms. Polsky has also served since 2020 as a member of the Advisory Board of ConsenSYS Software, Inc., a blockchain software technology company. Since 2021, Ms. Polsky has also served as a member of the Board of Directors of Vertex Holdco, Inc., the privately-held parent of VeriFone, a provider of technology and services for point-of-sale electronic payment transactions. Ms. Polsky also served on the Board of Directors of Piper Jaffray from 2007 to 2016, where she chaired the audit committee and the compensation committee. She also recently served as a Senior Risk Advisor to each of AQR Capital Management LLC, an investment management firm, and Ultra Capital, a venture capital firm. Prior thereto, Ms. Polsky served as Chief Risk Officer at CIT, a financial holding company, from 2010 to 2016, and she was Chief Risk Officer of Morgan Stanley earlier in her career. Ms. Polsky began her career building derivative trading and hedge fund businesses at Citibank and Bankers Trust. Ms. Polsky holds a B.S. in International Business and Economics from New York University.

We believe that Ms. Polsky's qualifications to serve on the Board include her extensive risk management experience for sophisticated financial services firms and her substantial service on the boards and committees of other public and private companies in the financial services sector and her experience with corporate governance, finance and other related matters.

**THE BOARD RECOMMENDS A VOTE "FOR" THE ELECTION OF MR. OELERICH AND MS. POLSKY AS CLASS III DIRECTORS.**

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### **Continuing Class I Directors**

The following information is furnished regarding our Class I directors (who will continue to serve on the Board until our 2023 Annual Meeting of Stockholders and until their respective successors are duly elected and qualify).

**Laurie S. Goodman**, 66, has served as a director of MFA since July 2014. She is currently an Institute Fellow at the Housing Finance Policy Center at the Urban Institute, a Washington, D.C.-based nonprofit organization dedicated to elevating the debate on social and economic policy. Ms. Goodman founded the Housing Finance Policy Center in 2013, and served as its director or co-director from 2013 through 2021. Prior to joining the Urban Institute, she was with Amherst Securities Group, L.P., a boutique broker dealer specializing in securitized products, where she had been a Senior Managing Director since late 2008 leading a group known for its analysis of housing policy issues. Prior to her tenure at Amherst Securities, Ms. Goodman was head of Global Fixed Income Research and Manager of U.S. Securitized Products Research at UBS and its predecessor firms from July 1993 through November 2008. Prior to her tenure with UBS, Ms. Goodman spent ten years in senior fixed income research positions at Citicorp, Goldman Sachs, and Merrill Lynch. She was also a mortgage portfolio manager at Eastbridge Capital and a Senior Economist at the Federal Reserve Bank of New York. Ms Goodman also serves as a director of Arch Capital Group Ltd., a Bermuda-based insurance company, where she serves on its audit, underwriting oversight and nominating and governance committees, and Homepoint Capital Inc., a residential mortgage originator and servicer, where she serves as a member of its Audit Committee and Chair of its Nominating and Corporate Governance Committee. Ms. Goodman is also a member of the Consumer Financial Protection Bureau's Consumer Advisory Board. Ms. Goodman has an A.M. and Ph.D. in economics from Stanford University and a B.A. in mathematics from the University of Pennsylvania. She has published more than 200 articles in professional and academic journals and co-authored and co-edited five books. Ms. Goodman was inducted into the Fixed Income Analysts Hall of Fame in 2009.

We believe that Ms. Goodman's qualifications to serve on the Board include her extensive knowledge of mortgage finance, housing policy issues, the fixed income capital markets and, in particular, the mortgage-backed securities markets.

**Richard C. Wald**, 62, has served as a director of MFA since June 2020. Mr. Wald has served as Vice Chairman and a management (non-voting) member of the Board of Directors of Emigrant Bank, a privately held financial institution based in New York City, and its Vice Chairman, since 2012. In addition, Mr. Wald has served as Chief Regulatory Officer of Emigrant Bank since 2009 and Chairman and Chief Executive Officer of each of Emigrant Mortgage Company, and Emigrant Funding Corporation since 2011. Mr. Wald has also been an Adjunct Professor of Law at the Zicklin School of Business of Baruch College since 2013. Mr. Wald was an associate with the law firm of Fried, Frank, Harris, Shriver and Jacobson from 1986 to 1992 and was an Honors Program Attorney with the Federal Deposit Insurance Corporation from 1984 to 1986. Mr. Wald received a J.D. from the Boston University School of Law and a B.A. from the State University of New York at Stony Brook.

We believe that Mr. Wald's qualifications to serve on the Board include his extensive experience in mortgage banking and his extensive knowledge of legal, regulatory and compliance matters in the mortgage banking industry.

### **Continuing Class II Directors**

The following information is furnished regarding our Class II directors (who will continue to serve on the Board until our 2024 Annual Meeting of Stockholders and until their respective successors are duly elected and qualify).

**Robin Josephs**, 62, has served as a director of MFA since 2010. From 2005 to 2007, Ms. Josephs was a managing director of Starwood Capital Group L.P., a private equity firm specializing in real estate investments. From 1986 to 1996, Ms. Josephs was a senior executive with Goldman, Sachs & Co. serving in the real estate group of the investment banking division and, later, in the equity capital markets division. Ms. Josephs currently serves as a member of the board of directors of iStar Inc., where she is lead director, Chair of the nominating and governance committee and a member of the compensation committee, Safehold Inc., an investor in commercial real estate ground leases, and SVF Investment Corp. 2, a special purpose acquisition company sponsored by Softbank Investment Advisers, the investment manager to the Softbank Vision Funds. Ms. Josephs also served as a member of the Board of Directors of Plum Creek Timber Company, Inc. from 2003 until its sale to Weyerhaeuser Company in February 2016, and of Quinstreet, Inc. from 2013 to 2021. Ms. Josephs is a trustee of the University of Chicago Cancer Research Foundation. Ms. Josephs received her undergraduate degree from The Wharton School of the University of Pennsylvania and an M.B.A. from Columbia University.

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We believe that Ms. Josephs' qualifications to serve on the Board include her significant knowledge of the specialty finance and real estate industries, her extensive experience in the investment banking industry, including her expertise in public and private real estate finance and equity capital markets, her substantial service on the boards and committees of other public companies, her experience with corporate governance, finance and other related matters.

**Craig L. Knutson**, 62, has served as a director of MFA and as our Chief Executive Officer and President since August 2017. Mr. Knutson was appointed Co-CEO in July 2017 and President and Chief Operating Officer in January 2014 and served in those capacities prior to his appointment as CEO and President in August 2017. Mr. Knutson served as our Executive Vice President from 2008 to 2013. From 2004 to 2007, Mr. Knutson served as Senior Executive Vice President of CBA Commercial, LLC, an acquirer and securitizer of small balance commercial mortgages. From 2001 to 2004, Mr. Knutson served as President and Chief Operating Officer of ARIASYS Inc., a software development company specializing in custom solutions for small to midsize businesses. From 1986 to 1999, Mr. Knutson held various progressive positions in the mortgage trading and mortgage finance departments of First Boston Corporation (later Credit Suisse), Smith Barney and Morgan Stanley. From 1981 to 1984, Mr. Knutson served as an Analyst and then Associate in the Investment Banking Department of E.F. Hutton & Company Inc. Mr. Knutson holds an M.B.A. from Harvard University and an A.B. (magna cum laude) from Hamilton College.

We believe that Mr. Knutson's qualifications to serve on the Board include his position as our Chief Executive Officer as well as his prior senior-level positions with MFA, his extensive knowledge of mortgage-backed securities, residential mortgage loans and capital markets, his substantial knowledge of our business operations and investment strategies and his overall experience in the investment banking industry, including his expertise in corporate finance.

**Sheila A. Stamps**, 64, has served as a director of MFA since December 2021. Ms. Stamps currently serves on the Board of Directors of Atlas Air Worldwide Holdings, Inc., a leading global provider of outsourced aircraft and aviation operating services, where she also serves as Chair of the Audit and Finance Committee, Pitney Bowes Inc., a global shipping and mailing company that provides services to businesses and governments, where she also serves on the Audit and Executive Compensation Committees, and IQVIA Holdings Inc., a leading global provider of advanced analytics, technology solutions, and clinical research services to the life sciences industry, where she serves on the Audit Committee. Ms. Stamps also served on the Board of CIT Group, Inc., a financial holding company, from February 2014 to January 2022, where she served as a member of the Audit and Nominating & Governance Committees, as well as a member of the Board of CIT's subsidiary, CIT Bank, N.A. From 2014 to 2018 Ms. Stamps served as a Commissioner and Audit Committee Chair on the Board of the New York State Insurance Fund, the state's largest workers' compensation insurance provider. From 2011 to 2012 she served as Executive Vice President at DBI, LLC, a private mortgage investment company. From 2008 to 2011 Ms. Stamps served as Director of Pension Investments and Cash Management at the New York State Common Retirement Fund, and from 2004 to 2005 she was a Fellow at the Weatherhead Center for International Affairs at Harvard University. From 2003 to 2004, Ms. Stamps served as a Managing Director and Head of Relationship Management, Financial Institutions, at Bank of America Corp. (formerly FleetBoston). From 1982 to 2003, she held a number of executive positions with Bank One Corporation (now JPMorgan), including Managing Director and Head of European Asset-Backed Securitization and Managing Director and Senior Originator of Asset-Backed Securitization. Ms. Stamps has a B.S. in Management Sciences from Duke University and an MBA in Finance from the University of Chicago.

We believe that Ms. Stamps' qualifications to serve on the Board include her extensive experience in the banking and financial services industry, her significant knowledge of finance and the U.S. capital markets, her experience as a senior executive with strategy, risk and business development expertise, her substantial service on the boards and board committees of other public companies and her experience with corporate governance and other related matters.

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In accordance with our Charter and Bylaws, vacancies occurring on the Board as a result of death, resignation, retirement, disqualification, removal from office or other cause may be filled only by a majority of the remaining directors in office, and any director elected to fill a vacancy holds office for the remainder of the full term of the class of directors in which the vacancy occurred.

There is no familial relationship among any of the members of our Board or executive officers.

## 2. RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

On March 9, 2022, the Audit Committee of the Board appointed KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2022.

The Board is asking stockholders to ratify the Audit Committee's appointment of KPMG LLP for 2022. In the event that stockholders fail to ratify the appointment, the Audit Committee will consider it a direction to consider other accounting firms for the subsequent year. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company.

KPMG LLP first audited our financial statements beginning with the year ended December 31, 2011.

One or more representatives of KPMG LLP are expected to be present at the Annual Meeting and will be provided with an opportunity to make a statement if so desired and to respond to appropriate inquiries from stockholders.

### Independent Registered Public Accounting Firm Fees

The following table summarizes the aggregate fees (including related expenses) billed to us for professional services provided by KPMG LLP in respect of the fiscal years ended December 31, 2021 and 2020.

	Fiscal Year Ended December 31,	
	2021	2020
Audit Fees <sup>(1)</sup>	\$1,570,000	\$1,905,150
Audit-Related Fees <sup>(2)</sup>	—	—
Tax Fees <sup>(3)</sup>	—	—
All Other Fees <sup>(4)</sup>	1,938	1,938
<b>Total</b>	<b>\$1,571,938</b>	<b>\$1,907,088</b>

(1) 2021 and 2020 Audit Fees include, as applicable: (i) the audit of the consolidated financial statements included in our Annual Report on Form 10-K and services attendant to, or required by, statute or regulation; (ii) reviews of the interim consolidated financial statements included in our quarterly reports on Form 10-Q; (iii) the audits of the financial statements of certain subsidiaries of the Company; and (iv) comfort letters, consents and other services related to the SEC and other regulatory filings and communications. Audit Fees for 2021 and 2020 also include the audit of the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002.

(2) There were no Audit-Related Fees incurred in 2021 and 2020.

(3) No Tax Fees were paid to or earned by KPMG LLP during 2021 or 2020. The Company paid Ernst & Young LLP and \$410,025 in 2021 and \$237,800 in 2020 for tax compliance, tax planning, tax advisory and related tax services.

(4) During each of 2021 and 2020, the Company paid KPMG LLP \$1,938 for a subscription to certain GAAP technical reference materials. Except as described in the previous sentence and in the table and notes above, there were no other professional services rendered by KPMG LLP in 2021 and 2020.

All audit and other services provided to us were reviewed and pre-approved by the Audit Committee, which concluded that the provision of such services by KPMG LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

**THE BOARD RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2022.**

**INFORMATION ABOUT OUR EXECUTIVE OFFICERS**

The following table sets forth certain information with respect to each of our executive officers. The Board appoints or annually reaffirms the appointment of all of our executive officers:

<u>Officer</u>	<u>Age</u>	<u>Position Held</u>
Craig L. Knutson	62	Chief Executive Officer and President
Gudmundur Kristjansson	42	Co-Chief Investment Officer
Bryan Wulfsohn	39	Co-Chief Investment Officer
Stephen D. Yarad	52	Chief Financial Officer
Mei Lin	43	Senior Vice President and Co-Controller
Terence B. Meyers	67	Senior Vice President — Tax
Michael C. Roper	34	Senior Vice President and Chief Accounting Officer
Harold E. Schwartz	57	Senior Vice President, General Counsel and Secretary
Natasha Seemungal	37	Senior Vice President and Co-Controller

Biographical information on Mr. Knutson is provided in “Election of Directors” of this Proxy Statement.

**Gudmundur Kristjansson** serves as Co-Chief Investment Officer. Mr. Kristjansson joined MFA in 2007 and has served as a Senior Vice President since 2014 and Co-Chief Investment Officer since January 2019. From 2005 to 2007, Mr. Kristjansson served as an Associate in Trading and Analytics at Performance Trust Capital Partners where he focused on fixed income strategy and research as well as developing fixed income analytics. Mr. Kristjansson holds a Master of Engineering degree in Operations Research from Cornell University and a B.S. in Mechanical and Industrial Engineering from the University of Iceland (Reykjavik).

**Bryan Wulfsohn** serves as Co-Chief Investment Officer. Mr. Wulfsohn joined MFA in 2010 and has served as a Senior Vice President since 2015 and Co-Chief Investment Officer since January 2019. From 2008 to 2010, Mr. Wulfsohn served as a Senior Financial Analyst at Inland Western Real Estate Trust, Inc., where he focused on corporate strategy. From 2005 to 2007, Mr. Wulfsohn served as an associate in the capital markets group at CBA Commercial, LLC, an acquirer and securitizer of small balance commercial mortgages. Mr. Wulfsohn holds a B.A. from Franklin and Marshall College, and he is a CFA charterholder.

**Stephen D. Yarad** serves as our Chief Financial Officer. Mr. Yarad joined MFA in 2010. Prior to joining MFA, Mr. Yarad was a partner in the financial services audit practice of KPMG LLP, having been admitted to the partnership of the firm in 2005. He commenced his career with KPMG LLP in Australia in 1991 and held various progressive positions before relocating to the United States at the end of 2001. In addition to being a Chartered Accountant and Associate Member of the Institute of Chartered Accountants in Australia, he is also a Certified Public Accountant licensed in New York and New Jersey. Mr. Yarad holds a Bachelor of Commerce (Accounting and Finance) with merit from the University of New South Wales (Sydney, Australia) and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.

**Mei Lin** serves as Senior Vice President and Co-Controller. Ms. Lin was appointed Co-Controller in December 2021. Ms. Lin joined MFA in 2018 as a First Vice President. From 2014 to 2018, Ms. Lin served as Vice President of Product Control for U.S. Mortgages at Jefferies LLC. From 2009 to 2014, Ms. Lin served as Vice President of Finance for C12 Capital Management, a hedge fund. Ms. Lin began her career in the financial services industry in 2006 at Barclays Capital Inc., where she served as Vice President of Product Control for Principal Mortgage Trading Group. Ms. Lin holds a B.A. in Finance from Remin University of China, and an M.B.A. in Finance from University of Illinois - Urbana Champaign, and she is a CFA charterholder.

**Terence B. Meyers** serves as Senior Vice President and Director of Tax. Mr. Meyers joined MFA in 2013. Prior to joining MFA, Mr. Meyers was most recently a Director in the financial services tax practice of Deloitte Tax, LLP, where he held various positions from 1983 to 2013. While at Deloitte Tax, Mr. Meyers provided advice to clients regarding the tax and accounting treatment of mortgage loans, mortgage-backed securities and other debt instruments, mortgage banking activities and asset securitization, derivative and hedging transactions. Mr. Meyers is a Certified Public Accountant and holds an M.B.A. in Taxation and a B.S. from St. John’s University College of Business Administration. Mr. Meyers also has a J.D. from St. John’s University School of Law.

**Michael C. Roper** serves as Senior Vice President and Chief Accounting Officer. Mr. Roper joined MFA in 2014 and was appointed Chief Accounting Officer in December 2021. Mr. Roper previously served as our Controller. Prior



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to joining MFA, Mr. Roper was the Assistant Controller for Apollo Residential Mortgage, Inc. Mr. Roper began his career at Ernst & Young LLP primarily focusing on providing client services to publicly-traded mortgage REITs. Mr. Roper is a Certified Public Accountant and holds a B.S. from Bentley University and an M.S. from Pace University

**Harold E. Schwartz** serves as Senior Vice President, General Counsel and Secretary. Mr. Schwartz joined MFA in 2011. From 2001 to 2011, Mr. Schwartz served as a Vice President and Senior Counsel for American Express Company, where he specialized in corporate, securities, corporate governance and mergers and acquisitions matters. From 1996 to 2000, Mr. Schwartz served as Senior Vice President, General Counsel and Secretary of Caribiner International, Inc., a business communications services and audio visual equipment rental company. Mr. Schwartz began his career working for the law firm of Schulte Roth & Zabel LLP. Mr. Schwartz has a J.D. from Georgetown University and an A.B. from Duke University.

**Natasha Seemungal** serves as Senior Vice President and Co-Controller. Mrs. Seemungal was appointed Co-Controller effective December 2021. Mrs. Seemungal joined MFA in 2009 as an Accounting Analyst, and has served in various positions of progressive responsibility, including most recently as MFA's Assistant Controller. Prior to joining MFA, Mrs. Seemungal began her career at The Estee Lauder Companies. Mrs. Seemungal holds a B.S and M.S in Accounting from St. John's University College of Business Administration.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis (“CD&A”)

#### Introduction

The following section discusses the key features of our executive compensation program and the approach taken by the Compensation Committee of the Board in setting and determining compensation for 2021 for:

- Craig L. Knutson, our Chief Executive Officer and President;
- Gudmundur Kristjansson, one of our Senior Vice Presidents and Co-Chief Investment Officer;
- Bryan Wulfsohn, one of our Senior Vice Presidents and Co-Chief Investment Officer;
- Stephen D. Yarad, our Chief Financial Officer; and
- Harold E. Schwartz, one of our Senior Vice Presidents and our General Counsel and Secretary (collectively, our “Named Executive Officers”).

The Compensation Committee oversees the design and administration of our compensation programs and makes decisions relating to the compensation of our Named Executive Officers. The Compensation Committee intends that the compensation paid to the Named Executive Officers be consistent with our overall compensation philosophy and competitive with market practices.

The sections that follow describe:

- The Compensation Committee’s process for reviewing the components of the compensation of the Named Executive Officers.
- The reasons for paying each element of compensation to the Named Executives Officers, including the methodology for competitive benchmarking and the use of peer groups.
- How compensation levels are determined, including the performance measures used for performance-based compensation and factors taken into account in the Compensation Committee’s determination that those measures are appropriate.

#### 2021 Compensation Summary

It is the Compensation Committee’s role to review the Company’s executive compensation plans and programs and, after noting the outcome of the most recent stockholder advisory vote on executive compensation, make compensation decisions it believes are appropriate. Among other things, below is a summary of certain of the determinations made by the Compensation Committee with respect to 2021 compensation matters, and in particular with respect to Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn, our three most senior and most highly-compensated employees each of whom has an employment agreement with us. These items are discussed further within this CD&A and in the executive compensation tables and notes to the tables and other narratives regarding compensation matters, all of which follow.

- ***MFA’s 2021 business, financial performance and share price rebounded strongly from 2020 performance that had been adversely impacted by the effects of the COVID-19 pandemic.*** MFA’s business and financial performance rebounded strongly in 2021 following a difficult 2020 when performance was impacted, particularly in the first half of such year, by the significant volatility and disruption in the U.S. economy and financial markets from the onset of the COVID-19 pandemic. Although the first quarter of 2021 was a period marked by a relative lack of attractive investment opportunities, the actions that we began to take during 2020 to strengthen our liquidity and restructure our funding profile continued into 2021 and placed us in a position to take advantage of increased investment opportunities over the last three quarters of the year. Our strong 2021 performance was highlighted by the following:
  - We acquired approximately \$4.6 billion of new investment assets during the year (including approximately \$4.3 billion after the first quarter of the year) to grow our investment portfolio on a net basis by approximately \$2.4 billion. This growth included a 49% increase in our residential whole loan portfolio to approximately \$7.9 billion at the end of 2021 from approximately \$5.3 billion at the end of 2020.

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- We completed eight securitization transactions, across multiple mortgage loan types, totaling \$2.6 billion, which reflected the continued execution on our strategy to reduce our reliance on shorter-term, mark-to-market funding of our investments portfolio in favor of longer-term, non-mark-to-market funding.
- We increased net interest income 47% to \$241.9 million from \$164.1 million in 2020.
- We completed the acquisition of Lima One Capital, LLC (“Lima One Capital”), a leading nationwide business purpose loan (BPL) originator and servicer, in July 2021, which significantly enhanced our ability to purchase and service BPL loans.
- Our GAAP book value increased 5.3% during the year to \$19.12 per share (as adjusted for our 1-for-4 reverse stock split effected on April 4, 2022) at year-end.
- We achieved our performance using a low level of leverage (with a debt-to-equity ratio ranging from 1.6:1 to 2.5:1 during the course of the year) relative to other residential mortgage REITs.
- Our total stockholder return (“TSR”), which reflects stock price appreciation and dividends paid (and assumes reinvestment thereof), for the 2021 compensation performance period (December 1, 2020 to November 30, 2021) (the “2021 Performance Period”) was strong at 25.6% and 27.6% for calendar year 2021.
- ***In accordance with pay-for-performance principles, 2021 annual incentive compensation for Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn was primarily determined by MFA’s 2021 financial performance.*** Mr. Knutson was paid overall annual incentive compensation for the 2021 Performance Period of \$3,750,000. Mr. Knutson’s annual incentive compensation for 2021 reflected a payment to him of 187.5% of his overall “target” annual incentive award of \$2,000,000 for 2021, as compared to his overall annual incentive compensation of \$1,100,000 for the 2020 performance period, which reflected a payment to him of 50% of his \$2,200,000 overall “target” annual incentive award for that year.

In addition, Mr. Kristjansson and Mr. Wulfsohn were each paid overall annual incentive compensation for the 2021 Performance Period of \$1,781,250. Similar to Mr. Knutson’s annual incentive award, each of Mr. Kristjansson’s and Mr. Wulfsohn’s annual incentive compensation for 2021 reflected a payment to the executive of 187.5% of his overall “target” annual incentive award of \$950,000 for 2021, as compared to his overall annual incentive compensation for the 2020 performance period, which reflected a payment to him of approximately 50% of his overall “target” annual incentive award for that year (which “target” was also \$950,000).

The increase in annual incentive compensation for each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn for 2021 as compared to 2020 was a reflection of MFA’s strong financial performance during the year, including a level of adjusted return on equity that resulted in the maximum payout to each executive for the portion of his bonus that was formulaically determined (as more particularly described below).

Also, Mr. Yarad’s and Mr. Schwartz’s respective annual incentive awards of \$410,000 and \$470,000, respectively, for the 2021 Performance Period, which were solely discretionary as determined by the Compensation Committee, reflected an approximately 40% increase from the annual incentive compensation that each such executive received for the 2020 performance period.

- ***Year-end vesting and realized value of long-term incentive awards (“LTIs”) granted to Named Executive Officers in 2019 were adversely affected by the substantial decline price of MFA’s Common Stock over the course of the three-year vesting and performance period.*** Despite the 27.6% TSR of our Common Stock during 2021, the substantial decline in MFA’s Common Stock price suffered during 2020 had a pronounced negative impact on the realized value of the time-based restricted stock units (“TRSUs”) that had been granted to our Named Executive Officers in early 2019 and vested at the end of 2021. The decline in MFA’s stock price also had a significant impact on the vesting and realized value of the performance-based restricted stock units (“PRSUs”) granted in early 2019 with a three-year performance period that ended December 31, 2021. More specifically, at their vesting on December 31, 2021, the value of the TRSUs that had been granted to each Named Executive Officer in early 2019 had declined approximately 38.3% from TRSUs’ grant date value. In addition, as a result of the absolute and relative

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performance of MFA's Common Stock during the three-year period ended December 31, 2021, only 35.7% of the "target" number of PRSUs granted to the Named Executive Officers in early 2019 vested, such that the actual value realized on the PRSUs reflected a decline of 76.6% from the grant date value of the "target" number of PRSUs.

- ***Approximately 60% of 2021 long-term equity awards to Named Executive Officers were performance-based.*** Of the long-term equity-based incentive awards (granted in the form of TRSUs and PRSUs) granted to each of the Named Executive Officers in January 2021, approximately 60% were performance-based awards that will "cliff" vest based on MFA's absolute TSR (in the case of one-half of such awards) and MFA's TSR relative to a group of internally- and externally-managed residential mortgage REITs (in the case of the other half of such awards), in each case for the three-year period from January 1, 2021 to December 31, 2023, with the number of awards to ultimately vest ranging from zero to two times a "target" number. The remaining approximately 40% of the long-term equity-based incentive awards granted to our Named Executive Officers were time-based awards that "cliff" vest after three years. These long-term awards act to further align the interests of our management team and our stockholders over a multi-year period. The long-term equity awards granted to each of the Named Executive Officers during 2021 are further described on pages 32 to 33 and pages 35 to 36 of this Proxy Statement under the heading "2021 Long-Term Equity-Based Incentive Awards."
- ***Consistent with MFA's performance-based compensation philosophy, approximately 90% of the CEO's 2021 compensation was at-risk.*** As in past years, our Named Executive Officers' compensation for 2021 was allocated among base salary, annual incentive compensation comprised of a formulaically-determined bonus (ROAE Bonus) and a discretionary bonus (IRM Bonus), TRSUs and PRSUs. For 2021, Mr. Knutson received compensation aggregating approximately \$7.4 million, which was comprised of a base salary in the amount of \$800,000, an ROAE Bonus of \$3,000,000, an IRM Bonus in the amount of \$750,000, TRSUs with an aggregate grant date value of approximately \$1,040,000 and PRSUs with an aggregate grant date value of approximately \$1,810,000. Of the total compensation received by Mr. Knutson for 2021, approximately 61.5% was paid in cash and 38.5% was granted in the form of TRSUs and PRSUs, and approximately 90% of 2021 compensation at-risk.

### **Consideration of 2021 Advisory Vote on Executive Compensation**

At our Annual Meeting of Stockholders held in June 2021, 96.1% of the votes cast with respect to the say-on-pay proposal voted to approve our executive compensation for 2020. The Compensation Committee has reviewed the results of the 2021 say-on-pay vote and believes that the significant support of MFA stockholders in this vote reflects support for MFA's approach to executive compensation.

The Compensation Committee will continue to consider the outcome of future Say-on-Pay votes and other stockholder input, as well as available market data, in making future decisions regarding executive compensation.

### **Compensation Philosophy and Objectives**

Through our executive compensation programs, we seek to attract, motivate and retain top quality senior executives who are committed to our core values of excellence and integrity. The Compensation Committee's fundamental philosophy is to closely align these compensation programs with the achievement of annual and long-term performance goals tied to our financial success and the creation of stockholder value.

The Compensation Committee's principal objectives in developing and administering the executive compensation programs are to:

- Align the interests of the senior executive team with the interests of our stockholders by motivating executives to increase long-term stockholder value consistent with appropriate levels of leverage and risk;
- Retain, motivate and attract a highly-skilled senior executive team that will contribute to the successful performance of the Company;
- Provide compensation opportunities that are competitive within industry standards thereby reflecting the value of the executive's particular position in the marketplace;
- Support a culture committed to paying for performance where compensation is commensurate with the level of risk-adjusted returns that are achieved; and

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- Maintain a high degree of flexibility and discretion to allow us to recognize the unique characteristics of our operations and strategy and our prevailing business environment, as well as changing labor market dynamics.

The Compensation Committee periodically reviews and evaluates executive officer compensation levels and our compensation program. It is the Compensation Committee's view that compensation decisions are complex and best made after a deliberative review of Company and individual performance, as well as industry compensation levels. Consistent with this view, the Compensation Committee assesses our performance within the context of the industry's overall performance and internal performance standards and evaluates individual executive officer performance relative to the performance expectations for their respective position, role and responsibilities within MFA.

### **Compensation Benchmarking/Use of Peer Groups**

The Compensation Committee benchmarks from time to time the compensation levels and practices relating to our Named Executive Officers and other executive officers against industry-based compensation levels and practices. While it is the Compensation Committee's goal to provide compensation opportunities that reflect Company and individual performance and that are competitive within industry standards, the Compensation Committee has not established a specific target market percentile for executive officer pay levels, as pay practices and compensation levels among participants in our industry can vary significantly from one year to the next such that the use of a specific target market position would not necessarily reflect the Compensation Committee's assessment of performance as the primary driver of pay levels.

The Compensation Committee has, in general, undertaken an annual review of MFA's peer group methodology. The Compensation Committee has engaged in these reviews in part because it historically had been difficult to develop a peer group for executive compensation purposes in the residential mortgage REIT sector due to the significant number of companies in the sector that were, until the last few years, externally advised. These externally-advised companies had few, if any, employees that were compensated directly and/or fully by the REIT. Rather, such persons' compensation was paid by the external manager of the REIT, and as a result, the REIT itself was required to disclose publicly little to no compensation information regarding its executives. Furthermore, the Compensation Committee believed that any peer group for compensation purposes that was comprised solely of internally-advised residential mortgage REITs would not have been a large enough group to provide meaningful comparative information. In light of the "internalization" of several residential mortgage REITs over the past few years, additional compensation information has become more available for the Compensation Committee to consider as it makes decisions regarding the structure, design and pay levels of our executive compensation program. Nonetheless, a significant number of companies in the residential mortgage REIT sector continue to remain externally advised, which limits the amount of compensation information that is available to inform the Compensation Committee.

Because of the limited compensation information available for mortgage REITs, the Compensation Committee has developed a peer group that extends beyond mortgage REITs. This peer group also includes a number of other real estate-focused finance companies in both the residential and commercial sectors, the executives of which are required to have similar skills and experience as the executives of MFA, including the evaluation of credit risk, interest rate risk and allocation of capital (which are skills required in connection with the evaluation of residential whole loans, residential mortgage-backed securities and other residential mortgage-related assets). In addition, the Compensation Committee has also considered for inclusion in the peer group companies that identify MFA as a peer, that identify peers as peers in their own peer group, and companies that have, in prior years, been identified by the proxy advisory firms as being comparable to MFA in their evaluation of MFA in connection with developing their annual Say-on-Pay vote recommendation.

The Compensation Committee notes that the peer group does not include externally-managed mortgage REIT's because comprehensive compensation data for their executives are generally not publicly available. In addition, the Compensation Committee has not included generally higher paying private equity firms and hedge funds with which MFA must compete for executive talent. These organizations have not been included in the peer group because they have different business economics and pay models from ours and because comprehensive compensation data for these firms are generally not publicly available.

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With the above in mind, in the fall of 2021, the Compensation Committee identified the following companies against which Company performance would be compared and compensation practices would be reviewed (the majority of which are the same companies identified by the Compensation Committee to inform its 2020 compensation decisions):

AGNC Investment Corp. (AGNC)	Mr. Cooper Group, Inc. (COOP)
Arbor Realty Trust, Inc. (ABR)	New York Mortgage Trust, Inc. (NYMT)
Capstead Mortgage Corporation (now known as Franklin BSP Realty Trust, Inc.) (FBRT)	PennyMac Financial Services, Inc. (PFSI)
Chimera Investment Corporation (CIM)	Radian Group, Inc. (RDN)
Essent Group, Ltd. (ESNT)	Redwood Trust, Inc. (RWT)
Granite Point Mortgage Trust (GPMT)*	Two Harbors Investment Corp. (TWO)*
iStar Financial, Inc (STAR)	Virtus Investment Partners Inc. (VRTS)*
Ladder Capital Corp. (LADR)*	Walker & Dunlop, Inc. (WD)*
MGIC Investment Corporation (MTG)	

\* New peer company for 2021.

### **Components of Compensation**

The Compensation Committee believes that it is important to create compensation programs that appropriately balance short-term, cash-based compensation with long-term, equity-based compensation. Our executive officer compensation program includes the following primary components:

- *Base salaries* paid in cash, which are based on the scope of the executive's role, the responsibilities associated with the position and the individual's performance in that role, as well as competitive market practices;
- *Annual bonus awards*, which are paid in cash, are intended to motivate and reward the Company's short-term financial and operational performance, as well as short-term individual performance; and
- *Long-term incentive awards ("LTIs")*, which are designed to support our objectives of aligning the interests of executive officers with those of our stockholders, promote value creation and long-term performance and retain executive officers.

In addition to the primary components of the executive officer compensation program, we maintain our Senior Officers Deferred Bonus Plan (the "Senior Officers Plan"). The Senior Officers Plan (a description of which can be found on pages [37](#) and [45](#) of this Proxy Statement) permits our executive officers to defer, at their election, up to 100% of their annual bonus compensation in the form of hypothetical "stock units". The performance of the deferred stock units is tied to the performance of our Common Stock. At present, none of our executive officers has any amounts deferred under the Senior Officers Plan.

We do not provide perquisites or other benefits to our Named Executive Officers, as the Compensation Committee believes in prioritizing variable, at risk compensation. Our Named Executive Officers receive the same benefits available to our other salaried employees (a summary of which can be found on pages [8](#) to [9](#) of this proxy statement).

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The discussion below regarding our primary elements of compensation and the Compensation Committee's decisions for 2021 reflects the terms and conditions of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn's employment agreements that were in effect during 2021. Likewise, the discussion regarding Mr. Yarad and Mr. Schwartz reflects their compensation arrangements with the Company for 2021.

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**Key Elements of Compensation**

As indicated above, the compensation of our Named Executive Officers is comprised of three principal elements, summarized in the following chart:

<u>Element</u>	<u>Key Features</u>	<u>Purpose</u>
Base Salary	<ul style="list-style-type: none"><li>- Levels set periodically based on scope of the executive's role, responsibilities of the position, individual performance and competitive market practices</li><li>- Changes may be considered based on performance and other factors</li></ul>	<ul style="list-style-type: none"><li>- Provides a base level of guaranteed compensation</li></ul>
Annual Incentives	<ul style="list-style-type: none"><li>- For 2021, for Messrs. Knutson, Kristjansson and Wulfohn, per terms of their respective employment agreement, (a) portion of annual bonus based on the achievement of adjusted return on common equity targets and (b) portion based on the Compensation Committee's discretionary assessment of Company and individual performance</li><li>- For 2021, for Messrs. Yarad and Schwartz based on a discretionary determination of performance</li><li>- Annual incentive award paid in cash</li></ul>	<ul style="list-style-type: none"><li>- Provides an incentive to achieve annual financial and individual performance goals</li></ul>
Long-Term Incentive Awards	<ul style="list-style-type: none"><li>- Grants of stock-based awards with multi-year vesting requirements</li><li>- Vesting may be time-based or performance-based</li><li>- For 2021, LTIA's granted in the form of time-based and performance-based RSUs</li></ul>	<ul style="list-style-type: none"><li>- Performance-based awards provide long-term incentives tied to TSR on both an absolute basis and relative to a group of internally- and externally-managed mortgage REITs selected by the Compensation Committee at the time of grant</li><li>- Further aligns executive's interests with stockholders and encourages retention of key executives</li></ul>

The following discussion provides additional explanation about each of the elements of compensation described above.

**Base Salary.** We provide the Named Executive Officers with annual base salaries to provide them with a base level of guaranteed compensation for their services provided during the term of their employment. From time to time, the Compensation Committee reviews market analyses and considers the advice of its independent compensation consultant in setting base salaries.

Consistent with the Compensation Committee's overall philosophy, the compensation program for the Named Executive Officers is expected to continue to emphasize incentive compensation over base salary. However, the Compensation Committee does not have a pre-set mix or target of base salary to incentive compensation awards for the Named Executive Officers.

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**Annual Incentives.** For 2021, we had the following types of annual incentive programs for our Named Executive Officers:

- Pursuant to the terms of his employment agreement, a portion of each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn's annual incentive award was formulaically determined based on the level of Adjusted ROAE (as described below) and a lesser portion of his annual incentive award was determined based on the discretion of the Compensation Committee. As described below, each component of Messrs. Knutson, Kristjansson and Wulfsohn's respective annual incentive award has a "target" level and the amount of the award that is ultimately paid could be higher or lower than the target.
- Messrs. Yarad and Schwartz were eligible for a discretionary annual incentive award based on a subjective assessment by the Compensation Committee, in consultation with Mr. Knutson, of MFA's annual performance and the annual performance of each individual executive. For Mr. Yarad and Mr. Schwartz, no pre-set "target" level for their respective annual incentive award was established. For 2021, the Compensation Committee believed that a discretionary incentive opportunity for these Named Executive Officers provided the committee with flexibility in assessing and rewarding individual performance and individual contributions.

### *Annual Incentive Award for Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn.*

Pursuant to the terms of the employment agreements that we have in place with each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn, each executive was eligible to receive an annual performance-based bonus based on the Company's and his individual performance during the 12-month period beginning on December 1, 2020, and ending on November 30, 2021. Under the terms of his employment agreement Mr. Knutson's "target" annual bonus (the "Overall Target Bonus") for the 2021 Performance Period was \$2,000,000 (a decrease of \$200,000 as compared to the Overall Target Bonus of \$2,200,000 for the 2020 Performance Period), and each of Mr. Kristjansson and Mr. Wulfsohn's Overall Target Bonus for the 2021 Performance Period was \$950,000 (which was unchanged from the Overall Target Bonus of \$950,000 for the 2020 Performance Period).

Each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn's respective employment agreement provides that his annual bonus is comprised of two components:

- the major portion of the bonus is payable based on MFA's return on average total common stockholders' equity (as adjusted as described below) during the applicable performance period (hereinafter referred to as the "ROAE Bonus"); and
- a lesser portion of the bonus is payable based on the executive's individual performance, Company performance and the Company's risk management (hereinafter referred to as the "IRM Bonus").

### *ROAE Bonus*

With respect to the ROAE Bonus, for each executive under his employment agreement, for each 12-month performance period, the target amount of the ROAE Bonus (the "Target ROAE Bonus") for Messrs. Knutson, Kristjansson and Wulfsohn is equal to 75% of his Overall Target Bonus. Based on his Overall Target Bonus, for the 2021 Performance Period, Mr. Knutson's Target ROAE Bonus was \$1,500,000, and each of Mr. Kristjansson and Mr. Wulfsohn's Target ROAE Bonus was \$712,500. Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn's employment agreement provides that he is eligible to receive from zero to 200% of his Target ROAE Bonus.

Calculation of Adjusted ROAE. For the 2021 Performance Period, the determination of the ROAE Bonus was based on a methodology that is set forth in each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn's employment agreement and reflects certain adjustments to GAAP net income and GAAP stockholders' equity. For purposes of determining the 2021 ROAE Bonus, return on average stockholders' equity was calculated by dividing (i) our net income for the applicable performance period as determined in accordance with GAAP (but *excluding* non-cash, non-operating expense items such as depreciation and amortization expense) by (ii) our average total stockholders' equity (based on stockholders' equity as of the last day of each month during the performance period) as determined in accordance with GAAP (but *excluding* accumulated other comprehensive income or loss, stockholders' equity attributable to preferred stock and such other items as may be determined by the Compensation Committee of the Board). We refer to such calculation in this Proxy Statement as our "Adjusted ROAE."

Determination of ROAE Target Hurdles under ROAE Bonus. As set forth under the terms of each executive's employment agreement, for the 2021 Performance Period the actual amount of ROAE Bonus that could have been



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paid to Messrs. Knutson, Kristjansson and Wulfsohn was structured to be based on our Adjusted ROAE for the 2021 Performance Period relative to a “target” ROAE (the “ROAE Target”) established by the Compensation Committee in early 2021.

Use of Adjusted ROAE. The Compensation Committee has, from time to time, reviewed the appropriateness of return on common equity as a principal financial metric on which to evaluate Company performance and, in turn, on which to determine the annual bonuses for our CEO and certain other senior executives. The Compensation Committee believes that return on common equity is an appropriate measure to evaluate annual Company performance and to serve as the basis for determining Mr. Knutson’s annual bonus, as well as the annual bonus of each of Mr. Kristjansson and Mr. Wulfsohn (but with the adjustments to the calculation of such measure as described above). As a company whose primary source of earnings is income from real estate-related debt investments, the Compensation Committee believes that return on common equity generally provides an appropriate measurement of our financial performance.

The Compensation Committee, with the assistance of its former independent consultant, reviewed the overall structure of the annual incentive component of our most senior executives’ compensation in connection with the negotiation of employment agreements for Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn, which were entered into in the fall of 2019 and became effective in January 2020. As a result of its review, the Compensation Committee determined that it continued to be appropriate to use, in large part, a formulaic approach for the determination of our most senior executives’ bonuses with a methodology continuing to be based on our return on common equity. This decision was premised in large part on the nature of MFA’s business model, which has continued to focus on investing in residential mortgages and mortgage-related debt instruments. Returns that MFA can earn on new real estate-related debt investments are, to a certain extent, correlated with the market-driven interest rates for these and other types of debt instruments (which rates depend, among other factors, on the perceived risk of these investments). These market-driven interest rates are typically analyzed as the risk-free interest rate for investment in U.S. Treasury obligations (or other debt backed by the full faith and credit of the United States) with a comparable duration (which is a measure of the price sensitivity of an asset to changes in interest rates) plus an incremental risk premium above the risk-free rate.

Changes in Determination of ROAE Target Hurdles for 2021. In the fall of 2020, the Compensation Committee, with the assistance of its current independent consultant, Frederic W. Cook & Co., Inc. (“FW Cook”), undertook a further review of our executive compensation program. The Compensation Committee determined to undertake the review notwithstanding that new multi-year employment agreements for each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn had, as indicated above, gone into effect in January 2020. The Compensation Committee recognized that the significant changes to the Company resulting from the Covid-19 pandemic, including the significant decrease in the size of the Company’s balance sheet and the composition of its investment portfolio, as well as the significant decrease in its stock price in the first half of 2020, created a disconnect and misalignment of the interests of the Company’s management and its stockholders because, among other things, the performance levels to achieve threshold, target and maximum payouts under the annual incentive award program, which were embedded in the executives’ respective employment agreements then in effect, were no longer relevant going forward in light of the Company’s smaller balance sheet, change in investment mix and changes in the Company’s operating and funding environment. Using publicly available information, as well as other information provided by FW Cook, the Compensation Committee reviewed the compensation opportunity and level of compensation for Messrs. Knutson, Kristjansson and Wulfsohn and the structure and design of our executive compensation programs with a focus on the retention and motivation aspects of our executive compensation program, particularly in light of the dynamics discussed above. As a result of this review (as previously reported), the Compensation Committee made modifications to certain of the terms of each of Mr. Knutson’s, Mr. Kristjansson’s and Mr. Wulfsohn’s employment agreements, which became effective January 1, 2021.

The Compensation Committee continues to believe that the portion of Mr. Knutson’s, Mr. Kristjansson’s and Mr. Wulfsohn’s annual incentive award tied to Adjusted ROAE remains appropriate. However, in light of year-to-year changes in the Company’s operating environment and changes in the mix of its investment assets, and in an effort to retain flexibility to refine Adjusted ROAE goals to respond to changes in financial conditions and the Company’s operating environment, the Compensation Committee determined that it was no longer appropriate to embed directly into each executive’s employment agreement the Adjusted ROAE performance goals for the payment of threshold, target and maximum payouts in respect of the ROAE Bonus for a particular performance period. With the foregoing in mind, Mr. Knutson’s, Mr. Kristjansson’s and Mr. Wulfsohn’s employment agreements were amended to provide

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that, beginning with the 2021 Performance Period, the Overall Target Bonus (including the allocation of the ROAE Target Bonus and the IRM Target Bonus) for each executive would be determined by the Compensation Committee on an annual basis and the actual amount of the ROAE Bonus to be earned by each executive would be based on the Company's Adjusted ROAE for the applicable performance period relative to threshold, target, and maximum Adjusted ROAE performance goals established by the Compensation Committee on an annual basis.

Consistent with the terms of Messrs. Knutson, Kristjansson and Wulfsohn's respective employment agreements, as amended, in early 2021 the Compensation Committee established the following levels of Adjusted ROAE for the purpose of determining the amount of the ROAE Bonus that could be earned by each executive for the 2021 Performance Period:

- The ROAE Target (i.e., the level of Company financial performance at which the "target" ROAE Bonus would be earned) for the 2021 Performance Period would be 5.5%.
- No ROAE Bonus would be earned if Adjusted ROAE (as calculated under the terms of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn's employment agreements) was less than 3.0% (the "threshold" Adjusted ROAE level) for the 2021 Performance Period.
- The maximum ROAE Bonus (i.e., 200% of the ROAE Target Bonus) for each executive would be earned to the extent that Adjusted ROAE was in excess of 10.0% for the 2021 Performance Period.

To the extent that MFA's Adjusted ROAE for the 2021 Performance Period were to be greater than the threshold Adjusted ROAE level of 3.0% but less than 10%, then the executive would be paid a multiple of between zero and two (2) times his Target ROAE Bonus, with the executive being paid the Target ROAE Bonus to the extent that MFA's Adjusted ROAE equaled the 5.5% ROAE Target for the 2021 Performance Period.

The Compensation Committee considered several factors in establishing the ROAE Target of 5.5% for the 2021 Performance Period. In particular, it considered the investing and interest rate environment in the first quarter of 2021 when it adopted the Adjusted ROAE levels for threshold, target and maximum ROAE Bonus payouts, which were marked by intense competition for residential mortgage finance assets as a result of the disruption in the residential mortgage market arising from the COVID-19 pandemic and the consequent slowdown in the activity of mortgage originators (which slowdown did not abate in a meaningful way until the second half of 2021). The intense competition for such assets (which resulted in spread tightening in relation to yields on risk-free assets of similar duration and lower yields on residential mortgage assets), together with the funding environment for the financing of such assets, acted to suppress the net interest margin on residential mortgage assets and the returns that could be achieved on investments in such assets. As a result, the Compensation Committee believed that the prior year's ROAE Target of 8.0% was no longer appropriate and that a lower ROAE Target was merited in order to properly incent management, while at the same time not encouraging it to undertake undue risks to achieve "target" performance. Accordingly, based on the information available to the Compensation Committee at the time, it determined to establish the ROAE Target at 5.5% for the 2021 Performance Period.

### *IRM Bonus*

The Compensation Committee continues to believe that it is also important for the committee to retain a discretionary component of the annual incentive award process in order to be able to factor non-objective and non-quantifiable measures into the bonus decision-making process. With this in mind under the terms of Mr. Knutson's, Mr. Kristjansson's and Mr. Wulfsohn's employment agreements, for each performance period, the target amount of each executive's IRM Bonus (the "Target IRM Bonus") is equal to 25% of his Overall Target Bonus. For the 2021 Performance Period, the Target IRM Bonus for Mr. Knutson was \$500,000 (reflecting a decrease of \$50,000 as compared to his Target IRM Bonus of \$550,000 for the 2020 Performance Period), and the Target IRM Bonus for each of Mr. Kristjansson and Mr. Wulfsohn was \$237,500 (which was unchanged from each executive's Target IRM Bonus of \$237,500 for the 2020 Performance Period). Each executive's employment agreement provided that he is eligible to receive from zero to 200% of his respective Target IRM Bonus.

The actual amount of the IRM Bonus to be paid to each of Messrs. Knutson, Kristjansson and Wulfsohn is determined by the Compensation Committee in its discretion based upon factors it deems relevant and appropriate, including, without limitation, MFA's leverage strategy relative to other similarly situated companies as well as relative to its own business plan, MFA's total stockholder return (both on an absolute basis, as well as relative to relevant indices and other similarly situated companies), overall management of risk and asset selection in generating our returns and the executive's individual performance.

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**Long-Term Incentive Awards.** Under our Equity Compensation Plan the Compensation Committee has available to it a portfolio of equity compensation vehicles, including shares of Common Stock, RSUs, dividend equivalent rights, stock options and other stock-based awards. The Compensation Committee uses this incentive compensation program to award Named Executive Officers with long-term incentives, including in connection with entering into or extending the term of employment agreements or other employment arrangements. The Compensation Committee makes these awards in its discretion without any pre-set target levels; however, in determining LTIA's, the Compensation Committee may consider the advice of its compensation consultant.

### *LTIA's to Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn*

Under the terms of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn's employment agreement as in effect during the 2021 Performance Period, each executive was entitled to a grant of RSUs, consisting of TRSUs and a "target" amount of PRSUs. More specifically, for 2021, Mr. Knutson was granted TRSUs with a grant date value of \$1,040,000 and a "target" number of PRSUs with a grant date value of \$1,810,000, and each of Mr. Kristjansson and Mr. Wulfsohn was granted TRSUs with a grant date value of \$320,000 and a "target" number of PRSUs with a grant date value of \$480,000. The grant date value of TRSUs and PRSUs granted to each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn in 2021 was commensurate with the grant date value of the TRSUs and PRSUs granted to each executive in 2020.

*TRSUs.* Subject to exceptions in certain circumstances described below in "Potential Payments upon Termination of Employment or Change in Control" found on pages 50 to 53 of this Proxy Statement, each grant of TRSUs to each executive will vest on the third December 31<sup>st</sup> to occur following the date of grant, subject to his continued employment with the Company. In addition, subject to exceptions in certain circumstances, unvested TRSUs will be forfeited as of the date of his termination of employment with the Company. Upon vesting, each executive will receive one share of our Common Stock for each TRSU that vests. To the extent that dividends are paid on our Common Stock during the period in which the TRSUs are outstanding, he will receive a dividend equivalent in the form of a cash payment in respect of the outstanding TRSUs. Beginning with grants of TRSUs made in 2021, the executives no longer receive dividend equivalent payments in respect of the TRSUs as and when dividends are paid on our Common Stock during the period in which TRSUs are outstanding. Rather, to further the retention value of such awards, each executive is credited with an amount, per TRSU, equal to the amount of dividends declared, which will be paid in cash following the vesting of the TRSU at the end of the three-year vesting period.

*PRSUs.* Subject to exceptions in certain circumstances described below in "Potential Payments upon Termination of Employment or Change in Control," each grant of PRSUs to each executive will vest on the last day of the applicable three-year performance period, subject to the achievement of the TSR-based objectives described below and his continued employment with the Company.

Of the target amount of PRSUs granted to each executive under his employment agreement, one-half of such target amount will vest based on the Company's level of absolute TSR during the applicable three-year performance period (such PRSUs referred to as the "Absolute TSR PRSUs") and one-half of such target amount will vest based on the Company's level of TSR during the applicable three-year performance period relative to the TSR of a peer group of companies designated by the Compensation Committee at the time of each grant (such PRSUs referred to as the "Relative TSR PRSUs").

With respect to the Absolute TSR PRSUs, the actual number of PRSUs that will be earned and that will vest will be based on the level of our cumulative total stockholder return (*i.e.*, share price appreciation or depreciation, as the case may be, plus dividends divided by initial share price) relative to an 8% per annum simple TSR (assuming no reinvestment of dividends) for the three-year performance period beginning on January 1<sup>st</sup> of the year of grant (*e.g.*, the performance period for the PRSUs granted in 2021 is January 1, 2021 through December 31, 2023). To determine the actual number of PRSUs that will be earned and will vest, the "target" amount of each grant of PRSUs will be adjusted up or down at the end of the applicable three-year performance period based on the Company's cumulative TSR relative to an 8% per annum simple TSR objective from 0% of the target amount (reflecting 0% per annum TSR during the performance period) to 200% of the target amount (reflecting 16% per annum (or higher) TSR during the performance period), with 100% of the target amount being earned and vesting if TSR of 8% per annum is achieved during the performance period.

With respect to the Relative TSR PRSUs, the actual number of PRSUs that will be earned and that will vest will be based on the Company's cumulative TSR during the applicable three-year performance period beginning on

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January 1<sup>st</sup> of the year of grant as compared to the cumulative TSR of designated peer group companies for such performance period. To the extent that the Company's TSR rank is less than or equal to the 25<sup>th</sup> percentile when compared to the TSR of the members of the peer group, each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn will vest in 0% of the target number of Relative TSR PRSUs awarded to him in respect of the applicable performance period. To the extent that the Company's TSR rank is in the 50<sup>th</sup> percentile, each executive will vest in 100% of the target number of Relative TSR PRSUs awarded to him in respect of the applicable performance period. To the extent that the Company's TSR rank is greater than or equal to the 80<sup>th</sup> percentile, each executive will vest in 200% of the target number of Relative TSR PRSUs awarded to him in respect of the applicable performance period. To the extent that the Company's TSR ranking falls in between the percentiles identified above, the number of Relative TSR PRSUs that vest will be interpolated. Regardless of the Company's TSR rank, in no event will an executive vest in more than 100% of the target number of Relative TSR PRSUs to the extent the Company's absolute TSR for the applicable performance period shall be less than zero.

PRSUs that do not vest at the end of an applicable performance period will be forfeited. Upon vesting, each executive will receive one share of the Company's common stock for each PRSU that vests, provided that the fair market value of the shares of Common Stock delivered upon settlement may not exceed 400% of the grant date value of the PRSUs granted in respect of the completed performance period. Any PRSUs that vest are subject to an additional one year deferral prior to settlement, subject to accelerated payout under certain circumstances.

Dividend equivalents are not paid in respect of the PRSUs during the performance period. Rather, dividend equivalents accrue with respect to the PRSUs during the performance period, and to the extent that the underlying PRSUs vest, an amount equal to the accrued dividend equivalents related to the vested PRSUs will be paid to each executive in the form of additional shares of our Common Stock based on the closing price of the Common Stock on the vesting date.

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### ***2021 Compensation Decisions***

The following discussion addresses the actions taken by the Compensation Committee during 2021 regarding the base salaries, annual incentives and long-term equity awards for the Named Executive Officers.

#### Base Salary

The Compensation Committee believes that the annual base salary paid in 2021 to each of the Named Executive Officers appropriately reflected the scope of the role and responsibilities of the applicable position, individual performance and experience and competitive market practices. The annual base salary for each of the Named Executive Officers during 2021 was as follows (which reflected no adjustments to the base salaries paid to each of the Named Executive Officers during 2020):

<u>Executive</u>	<u>2021 Base Salary</u>
Craig L. Knutson	\$800,000
Gudmundur Kristjansson	\$400,000
Bryan Wulfsohn	\$400,000
Stephen D. Yarad	\$475,000
Harold E. Schwartz	\$455,000

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Annual Incentives

Messrs. Knutson, Kristjansson and Wulfsohn. The annual incentive award opportunity for each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn consisted of both the formulaic ROAE Bonus and the discretionary IRM Bonus. A discussion of the Compensation Committee’s determination of each of these components is set forth below.

ROAE Bonus. Under the ROAE Bonus methodology set forth in Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn’s respective employment agreement, which is described on pages 29 to 31 of this Proxy Statement, Adjusted ROAE for the 2021 Performance Period (December 1, 2020 to November 30, 2021) was approximately 15.33%\*, which was greater than the Adjusted ROAE level of 10.0% that was established by the Compensation Committee for purposes of determining the maximum payout under the ROAE Bonus for the 2021 Performance Period.

The ROAE Bonus component of each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn’s annual bonus for 2021 was determined by applying the Adjusted ROAE of 15.33% to the previously established bonus formula, with the result that each executive earned an ROAE Bonus that was above his “target” amount for the ROAE Bonus. The target amount of this component of annual bonus, the percentage of that target amount earned and the total amount of the 2021 ROAE Bonuses earned by Messrs. Knutson, Kristjansson and Wulfsohn are set forth in the table below:

<u>Executive</u>	<u>Target ROAE Bonus</u>	<u>% of ROAE Bonus Earned</u>	<u>2021 ROAE Bonus Earned (\$)</u>
Mr. Knutson	\$1,500,00	200%	\$3,000,000
Mr. Kristjansson	\$ 712,500	200%	\$1,425,000
Mr. Wulfsohn	\$ 712,500	200%	\$1,425,000

\* Adjusted ROAE is a non-GAAP financial measure. On a GAAP basis, for the 2021 Performance Period net income available to common stockholders was approximately \$303.1 million and average total common stockholders’ equity was approximately \$2.09 billion (which reflects the exclusion of approximately \$459.4 million of equity attributable to preferred stock). Return on average total common stockholders’ equity on a GAAP basis for the period from December 1, 2020 to November 30, 2021, was approximately 14.49%. The calculation of return on average total common stockholders’ equity for purposes of determining Adjusted ROAE reflects (i) the exclusion of approximately \$66.1 million of accumulated other comprehensive income (unrealized mark-to-market gains and/or losses) from the calculation of average total common stockholders’ equity on a GAAP basis and (ii) the add-back of approximately \$7.4 million of depreciation expense to GAAP net income for the 2021 Performance Period.

IRM Bonus. The actual amount of the IRM Bonus paid to each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn was determined by the Compensation Committee in its discretion based upon its review of each executive’s individual performance and overall company performance. In considering these factors, the Compensation Committee did not assign specific weightings to each, but instead considered them together as part of a comprehensive review.

Based on the above-described review, the Compensation Committee determined that an IRM Bonus for each executive that was in excess of the Target IRM Bonus was merited. The target amount of this component of annual bonus, the percentage of that target amount earned and the total amount of the 2021 IRM Bonus earned by Messrs. Knutson, Kristjansson and Wulfsohn is set forth in the following table:

<u>Executive</u>	<u>Target IRM Bonus</u>	<u>% of IRM Bonus Earned</u>	<u>2021 IRM Bonus Earned</u>
Mr. Knutson	\$500,000	150%	\$750,000
Mr. Kristjansson	\$237,500	150%	\$356,250
Mr. Wulfsohn	\$237,500	150%	\$356,250

In determining the amount of Mr. Knutson’s, Mr. Kristjansson’s and Mr. Wulfsohn’s respective IRM Bonuses and its decision to pay out such bonuses at a level that was 150% of each such executive’s Target IRM Bonus for the 2021 Performance Period, the Compensation Committee recognized the leadership of each executive in continuing to steer the Company and its employees through the unprecedented operating and financial environment triggered by the COVID-19 pandemic, which resulted in the most disruptive and dislocating period in MFA’s history. In particular, the Compensation Committee recognized Mr. Knutson’s, Mr. Kristjansson’s and Mr. Wulfsohn’s efforts to successfully identify and source new investment assets, to continue executing on a funding structure for the Company that was less reliant on shorter-term, mark-to-market repurchase arrangements and more reliant on

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longer-term, generally lower cost, non-mark-to-market securitization financing. The Compensation Committee also recognized management's success in maintaining the Company's relationships with its most important lending counterparties during the year and establishing relationships with new counterparties to finance the Company's growth in BPL assets.

Further, the Compensation Committee noted management's success in negotiating and completing the Company's acquisition of Lima One Capital. And finally, the Compensation Committee recognized Mr. Knutson's, Mr. Kristjansson's and Mr. Wulfsohn's successful efforts in leading MFA's employees and maintaining the unity and focus of its workforce during a year that continued to be defined largely by a remote work environment due to the ongoing COVID-19 pandemic.

*Mr. Yarad and Mr. Schwartz.* Mr. Yarad and Mr. Schwartz are eligible to receive an annual performance bonus in such amount as approved by the Compensation Committee after receiving the input of our CEO. Annual incentive compensation for Mr. Yarad and Mr. Schwartz is based upon subjective assessments and evaluation of MFA's annual performance and each executive's individual performance. After receiving the input of Mr. Knutson, the Compensation Committee approved an annual incentive bonus to Mr. Yarad of \$410,000 for 2021 and an annual incentive bonus to Mr. Schwartz of \$470,000 for 2021, all of which was paid in cash. Mr. Yarad's and Mr. Schwartz's bonuses were based on, among other things, their integral roles in the various financing and other transactions undertaken by the Company during 2021 and their leadership in directing the activities performed by our legal, finance and accounting staffs in support of our business activities.

### **2021 Long-Term Equity-Based Incentive Awards**

Under the terms of his employment agreement, Mr. Knutson was granted RSUs, consisting of 69,149 TRSUs (with a grant date value of approximately \$1,040,000) and a target amount of 155,083 PRSUs (with a grant date value of approximately \$1,810,000), respectively, in January 2021. In addition, in order to further align the interests of the other Named Executive Officers and foster their retention (and, in the case of Messrs. Kristjansson and Wulfsohn, in accordance with their employment agreements), the Compensation Committee also made awards of TRSUs and PRSUs to Messrs. Kristjansson, Wulfsohn, Yarad and Schwartz in January 2021. For each Named Executive Officer, with respect to the target number of PRSUs, one-half of such target amount is comprised of Absolute TSR PRSUs and one-half is comprised of Relative TSR PRSUs.

- The TRSUs will "cliff" vest on December 31, 2023, subject solely to continued employment through the vesting date. Upon vesting, the executive will receive one share of our Common Stock for each TRSU that vests. Beginning with grants of TRSUs made in 2021, the executives no longer receive dividend equivalent payments in respect of the TRSUs as and when dividends are paid on our Common Stock during the period in which TRSUs are outstanding. Rather, to further the retention value of such awards, each executive is credited with an amount, per TRSU, equal to the amount of dividends declared, which will be paid in cash following the vesting of the TRSU at the end of the three-year vesting period.
- The Absolute TSR PRSUs will "cliff" vest on December 31, 2023, subject to the achievement of the average TSR objective described below and the executive's continued employment with the Company. The actual number of PRSUs that will be earned and will vest will be based on the level of the Company's cumulative total stockholder return (*i.e.*, share price appreciation or depreciation, as the case may be, plus dividends divided by initial share price) relative to an 8% per annum simple TSR (assuming no reinvestment of dividends) for the three-year performance period beginning on January 1, 2021 and ending on December 31, 2023. To determine the actual number of Absolute TSR PRSUs that will be earned and will vest, the target amount of each grant of Absolute TSR PRSUs will be adjusted up or down at the end of the applicable three-year performance period based on the Company's cumulative TSR relative to an 8% per annum simple TSR objective from 0% of the target amount (reflecting 0% per annum TSR during the performance period) to 200% of the target amount (reflecting 16% per annum (or higher) TSR during the performance period), with 100% of the target amount being earned and vesting if TSR of 8% per annum is achieved during the performance period.
- The actual number of Relative TSR PRSUs that will be earned and that will vest will be based on the Company's cumulative TSR during the applicable performance period beginning on January 1, 2021 and ending on December 31, 2023, as compared to the cumulative TSR of designated peer group companies (listed below) for such performance period. To the extent that the Company's TSR rank is less than or equal to the 25<sup>th</sup> percentile when compared to the TSR of the members of the peer group, the executive will vest

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in 0% of the target number of Relative TSR PRSUs awarded to him in respect of the applicable performance period. To the extent that the Company's TSR rank is in the 50<sup>th</sup> percentile, the executive will vest in 100% of the target number of Relative TSR PRSUs awarded to him in respect of the applicable performance period. To the extent that the Company's TSR rank is greater than or equal to the 80<sup>th</sup> percentile, the executive will vest in 200% of the target number of Relative TSR PRSUs awarded to him in respect of the applicable performance period. To the extent that the Company's TSR ranking falls in between the percentiles identified above, the number of Relative TSR PRSUs that vest will be interpolated. Regardless of the Company's TSR rank, in no event will an executive vest in more than 100% of the target number of Relative TSR PRSUs to the extent the Company's absolute TSR for the applicable performance period shall be less than zero.

In choosing the companies for the Relative TSR PRSUs against whose TSR the Company's TSR will be measured over the course of the three-year performance period, the Compensation Committee selected the internally- and externally-managed residential mortgage REITs listed below. (We note that the companies selected by the Compensation Committee for the purposes of the Relative TSR PRSUs are not the same as the companies identified on page 27 of this proxy statement because TSR can be determined without regard to the availability of compensation information, which the Company's externally-managed peers do not report.)

AG Mortgage Investment Trust, Inc. (MITT)	Dynex Capital, Inc. (DX)
AGNC Investment Corp. (AGNC)	Invesco Mortgage Capital Inc. (IVR)
Annaly Capital Management, Inc. (NLY)	New York Mortgage Trust Inc. (NYMT)
Arlington Asset Investment Corp. (AAIC)	PennyMac Mortgage Investment Trust (PMT)
Armour Residential REIT, Inc. (ARR)	Redwood Trust, Inc. (RWT)
Capstead Mortgage Corporation (CMO)	Two Harbors Investment Corp. (TWO)
Chimera Investment Corporation (CIM)	Western Asset Mortgage Capital Corp. (WMC)

PRSUs that do not vest at the end of the performance period will be forfeited. Upon vesting, the executive will receive one share of the Company's Common Stock for each PRSU that vests, provided that the fair market value of the shares of Common Stock delivered upon settlement may not exceed 400% of the grant date value of the PRSUs granted in respect of the completed performance period. Any PRSUs that vest are subject an additional one year deferral prior to settlement, subject to accelerated payout under certain circumstances.

Dividend equivalents will not be paid on a current basis in respect of the PRSUs during the performance period. Rather, dividend equivalents will accrue with respect to the PRSUs during the performance period, and to the extent that the underlying PRSUs vest, an amount equal to the accrued dividend equivalents related to the vested PRSUs will be paid to the executive in the form of additional shares of Common Stock based on the closing price of the Common Stock on the vesting date.

The number and grant date fair value of TRSUs and PRSUs comprising the 2021 long-term equity-based awards granted to each of the Named Executive Officers are set forth in the table below:

Executive	TRSUs		PRSUs	
	#	Aggregate Grant Date Fair Value <sup>(1)</sup>	#	Aggregate Grant Date Fair Value <sup>(1)</sup>
Mr. Knutson	69,149	\$1,040,001	155,083	\$1,810,003
Mr. Kristjansson	21,277	\$ 320,002	41,127	\$ 480,000
Mr. Wulfsohn	21,277	\$ 320,002	41,127	\$ 480,000
Mr. Schwartz	9,974	\$ 150,001	19,279	\$ 225,001
Mr. Yarad	9,974	\$ 150,001	19,279	\$ 225,001

(1) Determined at the time the grant was made (January 4, 2021) in accordance with FASB Accounting Standards Codification Topic 718.

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Other Elements of Compensation. The following briefly summarizes the other elements of compensation that we provide to our Named Executive Officers beyond salary, annual incentives and long-term equity awards.

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Deferred Compensation and Retirement Benefits. In 2002, the Board adopted the Senior Officers Plan, which gives executive officers the ability to elect to defer up to 100% of their annual cash incentive compensation. Amounts deferred under this plan are subject to a five-year deferral period and can be paid in a lump sum or in installment payments at the termination of the deferral period. The Senior Officers Plan is intended to provide executive officers with an opportunity to defer certain compensation. Amounts deferred under the plan are deemed to be converted into hypothetical “stock units” of MFA, which do not represent our capital stock, but rather the right to receive a cash payment equal to the fair market value of an equivalent number of shares of Common Stock. Deferred amounts (and the resultant hypothetical stock units), together with any cash dividend equivalents credited to outstanding stock units, increase or decrease in value as would an equivalent number of shares of Common Stock and are settled in cash at the termination of the deferral period, based on the value of the stock units at that time. Prior to the time that the deferred accounts are settled, participants are unsecured creditors of MFA.

The Named Executive Officers are also eligible to participate in our tax qualified retirement savings plan (the “401(k) Plan”) under which all full time employees, subject to certain restrictions, are able to contribute compensation up to the limit prescribed by the Internal Revenue Service on a before tax basis. We match 100% of the first 3% of eligible compensation deferred by our employees and 50% of the next 2%, subject to a maximum (\$11,600 for 2021) as provided by Section 401(k) of the Internal Revenue Code of 1986, as amended (the “Code”). We have elected to operate this plan under applicable safe harbor provisions of the Code, whereby, among other things, we must make contributions for all participating employees, and all matches contributed by us vest immediately.

No Perquisites and Other Benefits. The Compensation Committee provides no perquisites and other benefits to the Named Executive Officers (other than those provided to all employees more generally). We do not provide a perquisite allowance to the Named Executive Officers, nor do we reimburse the Named Executive Officers for automobiles, clubs, financial planning, tax preparation, personal or home security or items of a similar nature. The Compensation Committee periodically reviews the appropriateness of perquisites in light of market practices, an individual executive’s particular facts and circumstances and within the context of the total compensation program. No actions were taken during 2021 regarding perquisites.

The Named Executive Officers are eligible to participate in our employee health and welfare benefit programs that are generally available to all employees. Further, in accordance with the Code of Conduct, we do not make any loans to, or guarantee any personal loans of, the Named Executive Officers.

### ***Other Features of Our Executive Compensation Program***

Use of Employment Agreements. We have historically used written employment agreements with certain of our executive officers to evidence our mutual understanding regarding the key terms of employment, including the employment term, level of base salary, other elements of compensation, reasons for termination of employment before the end of the term, severance payments and post-employment covenants. At present, we have written employment agreements with three executive officers (Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn). The Compensation Committee believes that the use of employment agreements in certain instances helps the Company to retain key personnel responsible for the execution of MFA’s strategies and the management of its operations and provides certain protections for MFA in the form of covenants restricting employment with a competitor and solicitation of our employees. Although the Compensation Committee has used written employment agreements to provide the Company and certain of its executives with certainty regarding the terms of employment and to encourage stability of key management, the Compensation Committee periodically discusses their merit in achieving these objectives and may, in its discretion, determine not to use written employment agreements in the future for certain or all of our employees. For additional details regarding the employment agreements of Messrs. Knutson, Kristjansson and Wulfsohn, including the circumstances in which severance is payable and the amount of such severance benefits, see “Employment Contracts” on pages [46](#) to [50](#) and “Potential Payments upon Termination of Employment or Change in Control” on pages [50](#) to [53](#) of this Proxy Statement.

The Compensation Committee believes that the written employment agreements have been responsibly structured, including as follows:

- Employment terms are renewable and may otherwise be terminated on an annual basis;
- Severance arrangements individually tailored for each executive depending on his role and for the applicable termination scenario;



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- No “single trigger” or “modified single trigger” vesting of severance benefits and/or outstanding equity awards upon a change in control of the Company; and
- No tax gross-up payments.

Clawback Policy. We have a policy pursuant to which we seek to recover, to the extent practicable and as may be permitted by applicable law, incentive compensation payments that were paid or awarded to our executive officers and certain other members of management when:

- the payment of such compensation was based on the achievement of financial results that were subsequently the subject of a material restatement; and
- in the Board’s view, the employee engaged in fraud or misconduct that caused or partially caused the need for the restatement, and a smaller amount would have been paid to the employee based on our restated financial results.

Further, pursuant to the requirements of the Dodd-Frank law, in July 2015 the SEC proposed rules to require the clawback of certain types of incentive-based compensation in the event a company is required to restate previously-issued financial statements (regardless of whether such restatement was the result of misconduct) that would have resulted in a lower amount of incentive compensation being earned or paid. We will take appropriate steps to implement the requirements under these rules when they are finalized.

We also have included in Messrs. Knutson’s, Kristjansson’s and Wulfsohn’s respective employment agreements, as well as in the TRSU and PRSU award agreements relating to awards made to Mr. Yarad and Mr. Schwartz in 2019, 2020 and 2021, provisions requiring the forfeiture of unvested awards and permitting the recoupment of the after-tax value of vested awards in the event that that employee breaches certain covenants regarding, among other matters, confidentiality of Company information and solicitation of employees for a period of time after termination of employment.

Stock Retention and Ownership Requirements. Equity awards received by certain of our Named Executive Officers are subject to a stock retention and ownership policy intended to further encourage significant long-term share ownership. Messrs. Knutson, Kristjansson and Wulfsohn are not permitted to sell or otherwise transfer shares received from equity awards granted pursuant to their employment agreements during the executive’s employment or for a period of six months following the termination of the executive’s employment, unless the value of the executive’s stock holdings (inclusive of shares of common stock and restricted stock units) in MFA exceeds four times the executive’s annual base salary.

Anti-Hedging Policy; No Pledging of Securities. Our Insider Trading Policy prohibits our employees, including our executive officers, from engaging in short sales or in transactions in puts, calls or other derivative securities in respect of MFA’s equity and debt securities, whether on an exchange or in any other organized market. In addition, we prohibit our employees from engaging in other forms of hedging transactions involving MFA’s equity and debt securities, such as zero cost collars and forward sale contracts. We also prohibit our employees from holding MFA equity or debt securities in a margin account or pledging MFA securities as collateral for a loan.

Advice from Independent Compensation Consultant. The Compensation Committee has historically retained an independent compensation consultant to assist it in reviewing the competitiveness of our executive compensation program, considering the overall design of the compensation program and providing compensation advice independent of company management. In the fall of 2020, the Compensation Committee directly retained FW Cook, a nationally-recognized compensation consulting firm, in this role. The Compensation Committee retained FW Cook once again in the fall of 2021. One or more representatives from FW Cook meet, from time to time, with the Compensation Committee and provide assistance to the Compensation Committee with respect to various matters, including: (i) a benchmarking review of peer company executive compensation; (ii) the awards of annual incentive compensation; (iii) evaluating the elements and design of various aspects of our compensation program in light of current executive compensation practices for companies in our industry and public companies more generally; (iv) assisting in the development of an appropriate peer group; and (v) assisting in the design and review of employment agreements and other employment arrangements for certain of our senior executives.

Under the terms of its engagement, FW Cook does not provide any other services to us, except as may be pre-approved by the Chair of the Compensation Committee.

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Compensation Committee Conflicts of Interest Analysis. The Compensation Committee assessed the independence of FW Cook pursuant to the factors set forth in its Charter and Rule 10c-1(b)(4) under the Exchange Act. Based on this assessment, the Compensation Committee concluded that FW Cook’s work for the Board of Directors did not raise any conflicts of interest.

Use of Tally Sheets. The Compensation Committee periodically examines the components of our compensation programs offered to the Named Executive Officers, including, among other things, base salary, annual incentives, equity and long-term compensation, dividend and dividend equivalent payments, the dollar value (and the cost to us) of any perquisites and other personal benefits, the earnings and accumulated payout obligations under the Senior Officers Plan (as may be applicable) and the actual projected payout obligations under several potential severance and change in control scenarios. In connection with such review, a compensation tally sheet setting forth these components of our executive compensation program typically is prepared with respect to our most senior executives and reviewed by the Compensation Committee for this purpose.

Role of Executive Officers in Compensation Decisions. The Compensation Committee, which is comprised entirely of independent directors, makes recommendations to the independent directors of the Board on all compensation decisions relating to our CEO, and it determines and approves all compensation decisions related to our other Named Executive Officers. When making compensation recommendations for Named Executive Officers other than the CEO, the Compensation Committee will typically seek and consider the advice and counsel of the CEO in light of his direct day-to-day working relationship with these senior executives. Taking this feedback into consideration, the Compensation Committee engages in discussions and makes final determinations related to compensation paid to the Named Executive Officers. All decisions regarding the compensation of our CEO are ratified and confirmed independently by the independent directors of the Board.

Deductibility of Executive Compensation. Section 162(m) of the Code generally provides that, for federal tax purposes, a public company may not deduct compensation in excess of \$1 million paid in any fiscal year to any of certain executive officers (who are referred to as “covered employees”). For taxable years beginning on or after January 1, 2018, (i) the Company’s “covered employees” are our chief executive officer, chief financial officer and our three other most highly compensated executives, (ii) an individual who is a “covered employee” in any year after 2016 will remain a “covered employee” under Section 162(m) regardless of the individual’s officer status or level of compensation and (iii) the exception for compensation that qualifies as “performance-based” is eliminated.

The Compensation Committee considers the Section 162(m) deduction limit when it assesses the Company’s executive compensation practices. However, in order to maintain flexibility in compensating the Company’s executive officers in a manner designed to promote our corporate goals, including retaining and providing incentives to the executive officers, the Compensation Committee has not adopted a policy that all compensation must be deductible and may, as it has in prior years (including 2021), authorize payments to executives that may not be fully deductible if the Compensation Committee believes that such payments are in the Company’s interests.

### **Compensation Risk Considerations**

The Compensation Committee monitors the risks and rewards associated with our compensation programs and considers, in establishing our compensation programs, whether they encourage unnecessary or excessive risk taking.

The Compensation Committee designs our compensation programs with features that are intended to mitigate risk without diminishing the incentive nature of the compensation. We believe our compensation programs encourage and reward prudent business judgment and appropriate risk taking over the long term.

With respect to the primary elements of our compensation programs, we use a number of practices designed to help mitigate unnecessary risk taking, including:

- annual base salaries for all employees, including the Named Executive Officers, which are fixed in amount and determined or approved in advance by the Compensation Committee and/or the Board;
- annual incentive compensation, which for 2021 was partly or wholly discretionary and subjectively determined for all employees (including the IRM Bonus for Messrs. Knutson, Kristjansson and Wulfsohn), is determined or approved by the Compensation Committee and/or the Board; and
- long-term incentive compensation is determined or approved in advance by the Compensation Committee and/or the Board and typically vests over a multi-year time period and/or is subject to the achievement of one or more performance criteria. Such compensation may also, in certain instances, be subject to forfeiture upon termination of service and subject to retention requirements.

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With respect to the IRM-determined bonus used in 2021 for Messrs. Knutson, Kristjansson and Wulfsohn, mitigating factors included in the use of this element of compensation consisted of the Compensation Committee's right to apply, in any given year, a discretionary adjustment to adjust this component of each such executive's annual incentive award based upon the Compensation Committee's assessment of certain company-related, market-related and individual performance factors.

Based on the foregoing, we believe that our compensation programs for 2021 were appropriately balanced, did not motivate or encourage unnecessary or excessive risk taking and did not create risks that were reasonably likely to have a material adverse effect on the Company.

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**Report of the Compensation Committee**

While MFA's management has the primary responsibility for our financial reporting process, including the disclosure of executive compensation, the Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis set forth in this Proxy Statement. Based on such review and discussions, the Compensation Committee is satisfied that the Compensation Discussion and Analysis fairly represents the philosophy, intent and actions of the Compensation Committee with regard to executive compensation. The Compensation Committee recommended to the Board, and the Board approved, that the Compensation Discussion and Analysis be included in this Proxy Statement.

**COMPENSATION COMMITTEE**

Robin Josephs, Chair      Sheila A. Stamps  
James A. Brodsky         Richard C. Wald  
Francis J. Oelerich III

*The foregoing Compensation Committee Report shall not be deemed under the Securities Act of 1933, as amended, or the Exchange Act, to be (i) "soliciting material" or "filed" or (ii) incorporated by reference by any general statement into any filing made by us with the SEC, except to the extent that we specifically incorporate such report by reference.*

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**Compensation of Named Executive Officers**

The following table summarizes the compensation of our Named Executive Officers for the years ended December 31, 2021, 2020 and 2019.

**Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(2)(3)	Non-equity Incentive Plan Compensation (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
C. L. Knutson Chief Executive Officer and President	2021	800,000	750,000	2,850,004	3,000,000	11,600	7,411,604
	2020	800,000	1,100,000	2,668,552	—	11,400	4,579,952
	2019	700,000	533,911	2,701,570	1,404,764	11,200	5,351,455
G. Kristjansson Co-Chief Investment Officer and Senior Vice President	2021	400,000	356,250	800,002	1,425,000	11,600	2,992,852
	2020	400,000	475,000	850,269	—	11,400	1,736,669
	2019	350,000	235,155	1,005,598	585,315	11,200	2,187,268
B. Wulfsohn Co-Chief Investment Officer and Senior Vice President	2021	400,000	356,250	800,002	1,425,000	11,600	2,992,852
	2020	400,000	475,000	850,269	—	11,400	1,736,669
	2019	350,000	235,155	1,005,598	585,315	11,200	2,187,268
S. D. Yarad Chief Financial Officer	2021	475,000	410,000	375,002	—	11,600	1,271,602
	2020	475,000	290,000	319,850	—	11,400	1,096,250
	2019	475,000	292,000	287,057	—	11,200	1,065,257
H. E. Schwartz Senior Vice President and General Counsel	2021	455,000	470,000	375,002	—	11,600	1,311,602
	2020	455,000	330,000	319,850	—	11,400	1,116,250

(1) Amounts in this column represent the cash component of the discretionary portion (in the case of Messrs. Knutson, Kristjansson and Wulfsohn, the IRM Bonus) of the annual incentive awards that were paid to each of the Named Executive Officers in respect of the years presented. Per SEC rules, the stock component, if any, of the discretionary portion of the annual incentive awards is included under “Stock Awards” in this table. See note 3 below.

(2) Amounts in this column represent the aggregate grant date fair value of awards granted in the year indicated computed in accordance with stock-based compensation accounting rules (FASB ASC Topic 718). For 2021 and 2020, amounts included in this column are comprised of TRSUs and PRSUs granted to each of the Named Executive Officers in January 2021 and February 2020, respectively. See the Grants of Plan-Based Awards for 2021 table on pages 42 to 43 of this Proxy Statement for further information on awards made in 2021. A discussion of the assumptions underlying the calculation of the RSU values may be found in Note 2(k) and Note 12 to our 2021 Consolidated Financial Statements on page 87 and pages 119 to 123, respectively, of our 2021 Annual Report to Stockholders on Form 10-K.

For 2019, amounts included in this column are comprised of (i) TRSUs and PRSUs granted to each of the Named Executive Officers and (ii) fully-vested shares of Common Stock granted to each of the Named Executive Officers as a component of his annual incentive award (for Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn, their respective ROAE Bonus and IRM Bonus).

As indicated above, the amounts in this column for 2021 include the grant date fair value of, among other awards, PRSUs granted to each of the Named Executive Officers during the year. For purposes of the Summary Compensation Table, the grant date fair value of these PRSUs that is included in the amount reported in this column assumes that “target” performance is achieved during the three-year performance period. The target value of these PRSUs (which is included in the column) is as follows: for Mr. Knutson, \$1,810,003; for Mr. Kristjansson, \$480,000; for Mr. Wulfsohn, \$480,000; for Mr. Yarad, \$225,001; and for Mr. Schwartz, \$225,001. The maximum value of these PRSUs as of the grant date assuming the highest level of performance is achieved is as follows: for Mr. Knutson, \$3,920,006; for Mr. Kristjansson, \$960,000; for Mr. Wulfsohn, \$960,000; for Mr. Yarad, \$450,002; and for Mr. Schwartz, \$450,002. A description of these PRSU awards, including the vesting and performance conditions of such awards, can be found in note 5 to the Grants of Plan-Based Awards for 2021 table below.

(3) Amounts in this column exclude dividend equivalents paid during the year in respect of outstanding TRSUs (both vested and unvested). Dividend equivalents consist of a cash distribution in respect of each RSU equal to the cash dividend paid on a share of Common Stock. For 2021, the Company paid dividend equivalents on unvested TRSUs that were granted in 2019 and 2020. (In connection with a change in the terms of the TRSUs granted under the Company’s long-term incentive award program, it did not pay dividend equivalents on unvested TRSUs that were granted in 2021.) The Company does not pay dividend equivalents on unvested PRSUs. The right to receive dividend equivalents was factored into the grant date fair value of the TRSUs and PRSUs reported for each year in the column. The following table sets forth the value of dividend equivalents, paid to the Named Executive Officers in 2021 in respect of TRSU awards granted in each of 2019 and 2020 as described above.

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Name	Cash Dividend Equivalents (\$)
C. L. Knutson	84,437
G. Kristjansson	29,807
B. Wulfsohn	29,807
S. D. Yarad	12,100
H.E. Schwartz	12,100

- (4) Amounts in this column represent the cash payment, if any, made to each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn in respect of the portion of his respective annual incentive award that was based on Adjusted ROAE (i.e., the ROAE Bonus) as determined in accordance with his respective employment agreement. Per SEC rules, the stock component, if any, of the ROAE Bonus awards is included under “Stock Awards” in this table. For 2020, no ROAE Bonus was earned or paid (either in cash or stock) to any of such executives. See pages 29 to 31 and 34 of this Proxy Statement for additional information regarding the ROAE Bonus.
- (5) Amounts in this column represent the employer matching contributions under the 401(k) Plan in the amount of \$11,600 for 2021, \$11,400 in respect of 2020 and \$11,200 in respect of 2019, in each case credited to each of the Named Executive Officers.

**Grants of Plan-Based Awards**

The following table summarizes certain information regarding all plan-based awards granted to the Named Executive Officers during the year ended December 31, 2021.

*Grants of Plan-Based Awards for 2021*

Name	Type of Award <sup>(1)</sup>	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (\$)			Estimated Future Payouts Under Equity Incentive Plan Awards Target <sup>(2)</sup> (#)	All Other Stock Awards: Number of Shares of Stock or Units <sup>(2)</sup> (#)	Grant Date Fair Value of Stock and Option Awards <sup>(3)</sup> (\$)
			Threshold	Target	Maximum			
C. L. Knutson	ROAE Bonus	—	-0-	1,500,000	3,000,000	—	—	—
	TRSU	01/04/2021 <sup>(4)</sup>	—	—	—	—	69,149	1,040,001
	PRSU	01/04/2021 <sup>(5)</sup>	—	—	—	155,083	—	1,810,003
G. Kristjansson	ROAE Bonus	—	-0-	712,500	1,425,000	—	—	—
	TRSU	01/04/2021 <sup>(4)</sup>	—	—	—	—	21,277	320,002
	PRSU	01/04/2021 <sup>(5)</sup>	—	—	—	41,127	—	480,000
B. Wulfsohn	ROAE Bonus	—	-0-	712,500	1,425,000	—	—	—
	TRSU	01/04/2021 <sup>(4)</sup>	—	—	—	—	21,277	320,002
	PRSU	01/04/2021 <sup>(5)</sup>	—	—	—	41,127	—	480,000
S. D. Yarad	TRSU	01/04/2021 <sup>(4)</sup>	—	—	—	—	9,974	150,001
	PRSU	01/04/2021 <sup>(5)</sup>	—	—	—	19,279	—	225,001
H. E. Schwartz	TRSU	01/04/2021 <sup>(4)</sup>	—	—	—	—	9,974	150,001
	PRSU	01/04/2021 <sup>(5)</sup>	—	—	—	19,279	—	225,001

(1) Type of Award:

ROAE Bonus = Formulaically-determined cash award paid as part of annual incentive award (see note 4 to Summary Compensation Table for additional information)

TRSU = Time-based RSUs

PRSU = Performance-based RSUs

(2) These columns show the number of TRSUs and “target” number of PRSUs granted to each of the Named Executive Officers (adjusted in each case for our 1-for-4 reverse stock split effected on April 4, 2022). The number of PRSUs that will ultimately vest is based upon the level of total shareholder return (“TSR”) of our Common Stock for the three-year performance period beginning January 1, 2021, and ending December 31, 2023. See note 5 below for further discussion regarding the applicable TSR goal and other material terms of these PRSU awards.

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(3) Amounts in this column represent the aggregate grant date fair value of such awards computed in accordance with stock-based compensation accounting rules (FASB ASC Topic 718). For PRSUs, the grant date fair value is based on the assumption that the vesting condition for “target” performance will be achieved. See note 2 to the Summary Compensation Table for additional information. The closing price per share of our Common Stock on the grant date of the TRSU and PRSU awards was \$15.04 (as adjusted for our 1-for-4 reverse stock split effected on April 4, 2022).

(4) In accordance with the terms of the applicable award agreements, these TRSU awards “cliff” vest on December 31, 2023, subject generally to the executive’s continued employment with MFA through such date. Dividend equivalents will not be paid in respect of the TRSUs during the period in which TRSUs are outstanding. Rather, to further the retention value of such awards, each executive will be credited with an amount, per TRSU, equal to the amount of dividends declared, which will be paid in cash following the vesting of the TRSU at the end of the three-year vesting period.

Each vested and outstanding TRSU will be settled in one share of Common Stock within 30 days following the date that such TRSU vests.

(5) The number of PRSUs shown represents the “target” number of PRSUs granted. The number of underlying shares that the Named Executive Officer will become entitled to receive at the time of vesting will range from 0% to 200% of the target number of PRSUs granted, subject to the achievement of a pre-established performance metric tied to TSR. One-half of the target number of PRSUs granted will vest based on our level of absolute TSR during the three-year performance period ending December 31, 2023 (the “Absolute TSR PRSUs”), and one-half of the target number of PRSUs will vest based on our level of TSR for the three-year performance period ending December 31, 2023, relative to the TSR of a peer group of companies designated by the Compensation Committee of the Board at the time of grant (the “Relative TSR PRSUs”). For the Absolute TSR PRSUs, to determine the actual number of PRSUs that will vest, the target number will be adjusted up or down at the end of the three-year performance period, based on our cumulative TSR relative to an 8% per annum simple TSR objective from 0% of the target amount (reflecting 0% per annum TSR during the performance period) to 200% of the target amount (reflecting 16% per annum (or higher) TSR during the performance period), with 100% of the target amount being earned and vesting if TSR of 8% per annum is achieved during the performance period (i.e., cumulative TSR of 24% during the performance period). PRSUs that do not vest at the end of the performance period will be forfeited.

With respect to the Relative TSR PRSUs, to the extent that our TSR rank is less than or equal to the 25<sup>th</sup> percentile when compared to the TSR of the members of the peer group, 0% of the target number of Relative TSR PRSUs will vest. To the extent that our TSR rank is in the 50<sup>th</sup> percentile, 100% of the target number of Relative TSR PRSUs will vest, and to the extent that our TSR rank is greater than or equal to the 80<sup>th</sup> percentile, 200% of the target number of Relative TSR PRSUs will vest. PRSUs that do not vest at the end of the performance period will be forfeited.

Dividend equivalents will not be paid in respect of the PRSUs during the performance period. Rather, dividend equivalents will accrue with respect to the PRSUs during the performance period, and to the extent that the underlying PRSUs vest, an amount equal to the accrued dividend equivalents related to the vested PRSUs will be paid to the Named Executive Officer in the form of additional shares of Common Stock based on the closing price of the Common Stock on the vesting date.

The PRSUs will be settled in an equivalent number of shares of our Common Stock in January 2025.

Information regarding the vesting of the awards set forth in the table above upon termination of employment or change in control of MFA can be found under “Potential Payments upon Termination of Employment or Change in Control” on pages [50](#) to [53](#) of this Proxy Statement.

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**Outstanding Equity Awards**

The following table summarizes all outstanding equity awards held by the Named Executive Officers on December 31, 2021 (number of shares or units reported has been adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022).

Outstanding Equity Awards at Fiscal 2021 Year End				
Name	Stock Awards			
	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(1)</sup>	Equity Incentive Plan Awards: Number of Shares or Units of Stock That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) <sup>(1)</sup>
C. L. Knutson	35,268 <sup>(2)</sup>	643,288	—	—
	—	—	71,668 <sup>(4)</sup>	1,307,224
	69,149 <sup>(3)</sup>	1,261,278	—	—
	—	—	155,083 <sup>(5)</sup>	2,828,714
G. Kristjansson	12,184 <sup>(2)</sup>	222,236	—	—
	—	—	21,501 <sup>(4)</sup>	392,178
	21,277 <sup>(3)</sup>	388,092	—	—
	—	—	41,127 <sup>(5)</sup>	750,156
B. Wulfsohn	12,184 <sup>(2)</sup>	222,236	—	—
	—	—	21,501 <sup>(4)</sup>	392,178
	21,277 <sup>(3)</sup>	388,092	—	—
	—	—	41,127 <sup>(5)</sup>	750,156
S.D. Yarad	5,000 <sup>(2)</sup>	91,200	—	—
	—	—	7,500 <sup>(4)</sup>	136,800
	9,974 <sup>(3)</sup>	181,926	—	—
	—	—	19,279 <sup>(5)</sup>	351,649
H. E. Schwartz	5,000 <sup>(2)</sup>	91,200	—	—
	—	—	7,500 <sup>(4)</sup>	136,800
	9,974 <sup>(3)</sup>	181,926	—	—
	—	—	19,279 <sup>(5)</sup>	351,649

(1) For purposes of this table, the market value of the unvested RSUs is deemed to be \$18.24 per share, the closing price of the Company's Common Stock on December 31, 2021 (as adjusted to reflect the Company's 1-for-4 reverse stock split effected on April 4, 2022).

(2) In accordance with the terms of the applicable award agreements, dated February 10, 2020, these TRSU awards "cliff" vest on December 31, 2022, assuming continued employment with us through such date (subject to earlier vesting in the event of termination of employment under certain circumstances). These TRSUs provide for the current payment of dividend equivalents in cash (to the extent dividends are paid in respect of the Common Stock) during the vesting period.

(3) In accordance with the terms of the applicable award agreements, dated January 4, 2021, these TRSU awards "cliff" vest on December 31, 2023, assuming continued employment with us through such date (subject to earlier vesting in the event of termination of employment under certain circumstances). To further the retention value of these TRSU awards, each executive will be credited with an amount, per TRSU, equal to the dividends declared, which will be paid in cash following the vesting of the TRSUs at the end of the vesting period.

(4) In accordance with the terms of the applicable award agreements, dated February 10, 2020, these PRSU awards "cliff" vest on December 31, 2022, assuming continued employment with us through such date (except in the event of termination of employment under certain circumstances). The number of PRSUs to ultimately vest is subject to the level of TSR achieved in respect of the Common Stock for the three-year period from January 1, 2020, to December 31, 2022. The number of units reported reflects the number of PRSUs that will vest assuming "target" level TSR performance (both on an absolute basis and relative to a designated group of peer companies) is achieved. Dividend equivalents will not be paid during the performance period, but rather will accrue during such period and will be paid out at the end of the performance period in the form of additional shares of Common Stock based on the number of PRSUs to ultimately vest.

(5) In accordance with the terms of the applicable award agreements, dated January 4, 2021, these PRSU awards "cliff" vest on December 31, 2023, assuming continued employment with us through such date (except in the event of termination of employment under certain circumstances). The number of PRSUs to ultimately vest is subject to the level of TSR achieved in respect of the Common Stock for the three-year period from January 1, 2021, to December 31, 2023. The number of units reported reflects the number of PRSUs that will vest assuming "target" level TSR performance (both on an absolute basis

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and relative to a designated group of peer companies) is achieved. Dividend equivalents will not be paid during the performance period, but rather will accrue during such period and will be paid out at the end of the performance period in the form of additional shares of Common Stock based on the number of PRSUs to ultimately vest.

**Options Exercised and Stock Vested in 2021**

The following table summarizes certain information regarding options exercised and stock awards vested with respect to the Named Executive Officers during the year ended December 31, 2021.

Name	Option Exercises and Stock Vested in 2021			
	Option Awards		Stock Awards <sup>(1)</sup>	
	Number of Shares Acquired on Exercise (#)	Value Realized Upon Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) <sup>(2)</sup>
C. L. Knutson	—	—	31,561	575,677
G. Kristjansson	—	—	11,517	210,077
B. Wulfsohn	—	—	11,517	210,077
S. D. Yarad	—	—	4,607	84,032
H. E. Schwartz	—	—	4,607	84,032

- (1) Number of shares acquired on vesting has been adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022. Vested awards include TRSUs and PRSUs granted in February 2019, which vested in December 2021 (and which were settled in the form of Common Stock in January 2022). Number of shares acquired excludes the following shares issued to each executive in respect of dividend equivalents (“DEs”) accrued during the three-year performance period on the vested PRSUs referred to in the preceding sentence, which were settled in shares of Common Stock in January 2022: for Mr. Knutson, 3,142 shares with a value at issuance of approximately \$57,310; for each of Mr. Kristjansson and Mr. Wulfsohn, 1,154 shares with a value at issuance of approximately \$21,049; and for each of Mr. Yarad and Mr. Schwartz, 461 shares with a value at issuance of approximately \$8,409.
- (2) Amount is determined by reference to the closing price per share of our Common Stock on the date on which the applicable TRSUs or PRSUs vested.

The table below provides additional information regarding the grants of TRSUs and PRSUs referred to in Note 1 to the above table, including the number and value of the shares issued to each executive following vesting of the TRSUs and PRSUs on December 31, 2021. Number of units granted and vested has been adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022.

Executive	2019 TRSUs				2019 PRSUs			
	# Units Granted	Grant Date Value/Target Value	# Units Vested	Value Realized <sup>(1)</sup>	“Target” # Units Granted	Grant Date Value/Target Value	# Units Vested	Value Realized <sup>(1)</sup>
C. L. Knutson	20,625	\$609,675	20,625	\$376,200	30,625	\$853,212	10,936	\$199,477
G. Kristjansson	7,500	\$221,700	7,500	\$136,800	11,250	\$313,425	4,017	\$ 73,279
B. Wulfsohn	7,500	\$221,700	7,500	\$136,800	11,250	\$313,425	4,017	\$ 73,279
S. D. Yarad	3,000	\$ 88,680	3,000	\$ 54,720	4,500	\$125,370	1,607	\$ 29,312
H. E. Schwartz	3,000	\$ 88,680	3,000	\$ 54,720	4,500	\$125,370	1,607	\$ 29,312

- (1) Value realized excludes cash dividend equivalents paid during or in respect of the vesting period.

**Deferred Plans**

On December 19, 2002, the Board adopted the Senior Officers Plan, which is intended to provide our executive officers with an opportunity to defer up to 100% of certain compensation, as delineated in the Senior Officers Plan. Under the Senior Officers Plan, amounts deferred are deemed to be converted into hypothetical “stock units,” which do not represent our capital stock, but rather the right to receive a cash payment equal to the fair market value of an equivalent number of shares of Common Stock. Deferred amounts (and the resultant hypothetical stock units), together with any cash dividend equivalents credited to outstanding stock units, increase or decrease in value as would an equivalent number of shares of Common Stock and are settled in cash at the termination of the deferral period, based on the value of the stock units at that time. The Senior Officers Plan is a non-qualified plan under the



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Employee Retirement Income Security Act of 1974, as amended, and is not funded. Prior to the time that the deferred accounts are settled, participants are unsecured creditors of MFA. At present, none of our executive officers have any amounts deferred under the Senior Officers Plan.

### **Pension Benefits**

The Named Executive Officers received no benefits in 2021 from us under defined benefit pension plans. Our only retirement plan in which the Named Executive Officers were eligible to participate, apart from the Senior Officers Plan, is the 401(k) Plan.

### **Employment Contracts**

We have employment agreements with the following Named Executive Officers: Craig L. Knutson, Gudmundur Kristjansson and Bryan Wulfsohn. As described below, these employment agreements provide Messrs. Knutson, Kristjansson and Wulfsohn with, among other things, base salary, bonus and certain payments at, following and/or in connection with certain terminations of employment.

***Craig L. Knutson, Gudmundur Kristjansson and Bryan Wulfsohn.*** On November 26, 2019, we entered into an employment agreement with Mr. Knutson, effective as of January 1, 2020, which was amended and restated on February 22, 2021, effective as of January 1, 2021 (as amended and restated, the “Knutson Employment Agreement”). Also on November 26, 2019, we entered into an employment agreement with each of Mr. Kristjansson and Mr. Wulfsohn, each of which became effective as of January 1, 2020, and each of which was amended and restated on February 22, 2021, effective as of January 1, 2021 (as amended and restated, the “Kristjansson/Wulfsohn Employment Agreements” and together with the Knutson Employment Agreement, the “Employment Agreements”). Set forth below is a summary of the material terms and conditions of the Knutson Employment Agreement and the Kristjansson/Wulfsohn Employment Agreements. We filed a copy of the Knutson Employment Agreement and copies of the Kristjansson/Wulfsohn Employment Agreements with the SEC on February 23, 2021.

#### Term

The Knutson Employment Agreement and the Kristjansson/Wulfsohn Employment Agreements each had an initial fixed term running through December 31, 2021, provided that the agreement automatically renews for an additional one-year period at the end of the initial term and each year thereafter, unless either MFA or the executive gives the other party written notice of its or his intent not to renew the term of the applicable employment agreement at least 90 days prior to the end of the then-current term. Neither the Company, on the one hand, nor any of Mr. Knutson, Mr. Kristjansson or Mr. Wulfsohn, on the other hand, delivered a notice of intent not to renew at least 90 days prior to December 31, 2021. Accordingly, each of the Knutson Employment Agreement and the Kristjansson/Wulfsohn Employment Agreements currently remain in effect until December 31, 2022 (subject to any further renewal).

#### Base Salary

The Knutson Employment Agreement provides for each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn to receive a base salary. For 2021, Mr. Knutson was paid a base salary of \$800,000 per annum, and each of Mr. Kristjansson and Mr. Wulfsohn was paid a base salary of \$400,000. Each of the Employment Agreements provides that the Compensation Committee of the Board shall review the executive’s base salary annually to determine whether an increase or decrease is appropriate. Generally, the executive’s base salary may be increased, but not be decreased unless in connection with an overall reduction of base salaries for the Company’s senior executives. Based on a review of each market data and other factors, the Compensation Committee of the Board determined to leave Mr. Knutson’s base salary unchanged for 2022 and to increase each of Mr. Kristjansson’s and Mr. Wulfsohn’s base salary to \$500,000 per annum.

#### Annual Performance-Based Bonus

The Knutson Employment Agreement and the Kristjansson/Wulfsohn Employment Agreements provide that each executive is eligible to receive an annual performance-based bonus (the “Annual Bonus”) based on the Company’s and each executive’s individual performance during the 12-month period beginning each December 1<sup>st</sup> during the term and ending on November 30<sup>th</sup> of the next succeeding year (each 12-month period being a performance period). Pursuant to the terms of their respective employment agreements, For the 2021 performance

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period Mr. Knutson's 2021 target annual bonus (the "Overall Target Bonus") was \$2,000,000 and each of Mr. Kristjansson's and Mr. Wulfsohn's Overall Target Bonus was \$950,000. Generally, the executive's Overall Target Bonus may be increased, but not be decreased unless in connection with an overall reduction in target bonuses for the Company's senior executives.

The Employment Agreements provide that each executive's Annual Bonus is comprised of two components. In the case of each executive (i) a portion of his Annual Bonus is payable based on Adjusted ROAE during the applicable performance period (i.e., the ROAE Bonus) and (ii) a portion of his Annual Bonus is based on the executive's individual performance and the Company's performance and risk management (i.e., the IRM Bonus). The Employment Agreements provide that each executive's Annual Bonus shall be paid in the form of cash.

*ROAE Bonus.* With respect to the ROAE Bonus, for each Performance Period, the target amount of the ROAE Bonus (the "Target ROAE Bonus") for each executive is equal to 75% of such executive's Overall Target Bonus. Based on his Overall Target Bonus for the 2021 performance period, Mr. Knutson's Target ROAE Bonus was \$1,500,000, and Messrs. Kristjansson and Wulfsohn's Target ROAE Bonus was \$712,500. The Employment Agreements provide that each executive is eligible to receive from zero to 200% of his respective Target ROAE Bonus (i.e., for the 2021 performance period, up to \$3,000,000 in the case of Mr. Knutson and up to \$1,425,000 in the case of each of Mr. Kristjansson and Mr. Wulfsohn).

For purposes of determining the ROAE Bonus for the 2021 Performance Period, Adjusted ROAE was calculated by dividing (i) MFA's net income as determined in accordance with GAAP (but excluding non-cash, non-operating expense items, such as depreciation and amortization expense, life-of-loan loss reserves at acquisition under the Current Expected Credit Loss accounting standard, the write-off of offering expenses incurred in connection with the redemption of equity and/or debt, in certain circumstances, gains or losses from hedging instruments and other non-cash expense items as determined by the Compensation Committee in its sole discretion for the applicable Performance Period) by (ii) MFA's average stockholders' equity (based on stockholders' equity as of the last day of each month during the performance period) as determined in accordance with GAAP (but excluding accumulated other comprehensive income or loss, stockholders' equity attributable to preferred stock and such other items as may be determined by the Compensation Committee of the Board).

The actual amount of the ROAE Bonus to be paid to each executive is based on the Company's adjusted ROAE for the applicable performance period relative to threshold, target, and maximum ROAE performance goals established by the Compensation Committee for each performance period. If performance is between threshold and target goals or between target and maximum goals, the amount of the ROAE Bonus will be determined by straight line interpolation.

*IRM Bonus.* With respect to the IRM Bonus, for each performance period the target amount of the IRM Bonus (the "Target IRM Bonus") for each executive is equal to 25% of such executive's Overall Target Bonus. Based on his Overall Target Bonus for the 2021 performance period, Mr. Knutson's Target IRM Bonus was \$500,000, and Messrs. Kristjansson and Wulfsohn's Target IRM Bonus was \$237,500. The Employment Agreements provide that each executive will be eligible to receive from zero to 200% of his Target IRM Bonus (i.e., for the 2021 performance period, up to \$1,000,000 in the case of Mr. Knutson and up to \$475,000 in the case of each of Mr. Kristjansson and Mr. Wulfsohn).

The actual amount of the IRM Bonus to be paid to the executive is determined by the Compensation Committee in its discretion based upon any factors it deems relevant and appropriate, including, without limitation, MFA's leverage strategy relative to other similarly situated companies as well as relative to its own business plan, MFA's total stockholder return ("TSR") (both on an absolute basis, as well as relative to relevant indices and other similarly situated companies), overall management of risk and asset selection in generating our returns and the executive's individual performance.

### Equity Awards (LTIA's)

Under his respective Employment Agreement, each of Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn. is entitled to receive an annual grant of each of TRSUs and PRSUs.

*TRSUs.* For 2021, the Compensation Committee granted to Mr. Knutson TRSUs with an aggregate grant date value of \$1,040,000, with the number of TRSUs granted determined by the quotient of 1,040,000 divided by the closing price of MFA common stock on the date of grant (the "Grant Date Share Price"). For 2021, the Compensation Committee granted to each of Mr. Kristjansson and Mr. Wulfsohn TRSUs with an aggregate grant date value of

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\$320,000, with the number of TRSUs granted determined by the quotient of 320,000 divided by the Grant Date Share Price. Subject to exceptions in certain circumstances described below in “Potential Payments upon Termination of Employment or Change in Control,” each grant of TRSUs to be granted to Messrs. Knutson, Kristjansson and Wulfsohn will vest on the third December 31<sup>st</sup> to occur following the date of grant, subject to the executive’s continued employment with the Company. In addition, subject to exceptions in certain circumstances described below (see “Potential Payments upon Termination of Employment or Change in Control”), unvested TRSUs will be forfeited as of the date of the executive’s termination of employment with the Company. Upon vesting, each executive will receive one share of MFA Common Stock for each TRSU that vests. Under the terms of the Employment Agreements, the Compensation Committee may increase or decrease the aggregate grant date value for any annual grant of TRSUs as compared to a grant made in a prior year. (In January 2022, the Compensation Committee granted to Mr. Knutson TRSUs with an aggregate grant date value of \$1,280,000 and granted to each of Mr. Kristjansson and Mr. Wulfsohn TRSUs with an aggregate grant date value of \$400,000.)

Beginning with grants of TRSUs made in 2021, the executives no longer receive dividend equivalent payments in respect of the TRSUs as and when dividends are paid on our Common Stock during the period in which TRSUs are outstanding. Rather, to further the retention value of such awards, each executive is credited with an amount, per TRSU, equal to the amount of dividends declared, which will be paid in cash following the vesting of the TRSU at the end of the three-year vesting period.

*PRSUs.* For 2021, the Compensation Committee granted to Mr. Knutson PRSUs with an aggregate grant date value of \$1,810,000 and granted to each of Mr. Kristjansson and Mr. Wulfsohn PRSUs with an aggregate grant date value of \$480,000 (for each executive, the “PRSU Grant Date Value”). Under the terms of the Employment Agreements, the Committee may increase or decrease the PRSU Grant Date Value for any annual grant of PRSUs as compared to a grant made in a prior year. (In January 2022, the Compensation Committee granted to Mr. Knutson PRSUs with an aggregate grant date value of \$1,920,000 and granted to each of Mr. Kristjansson and Mr. Wulfsohn PRSUs with an aggregate grant date value of \$600,000.)

A portion of each annual PRSU award vests based on the Company’s level of absolute TSR during the applicable three-year performance period and a portion vests based on the Company’s level of TSR during the applicable three-year performance period relative to the TSR during such period of a peer group of companies designated by the Compensation Committee at the time of each grant. (The PRSUs that vest based on the Company’s level of absolute TSR are hereinafter referred to as the “Absolute TSR PRSUs,” and the PRSUs that vest based on the Company’s level of relative TSR are hereinafter referred to as the “Relative TSR PRSUs.”) Subject to certain exceptions described below in “Potential Payments upon Termination of Employment and Change in Control,” each grant of PRSUs to be granted to the executives will vest on the last day of the applicable performance period, subject to the level of performance achieved and the executive’s continued employment with the Company.

Each annual grant of PRSUs provides for a “target” grant of Absolute TSR PRSUs (the “Absolute TSR Target Award”) and a “target” grant of Relative TSR PRSUs (the “Relative TSR Target Award”). For each executive, the Absolute TSR Target Award is a number of PRSUs equal to the quotient of (a) 50% of the Executive’s PRSU Grant Date Value divided by (b) the grant date fair value per unit of one Absolute TSR PRSU. Similarly, the Relative TSR Target Award for each Executive is a number of PRSUs equal to (a) 50% of the Executive’s PRSU Grant Date Value divided by (b) the grant date fair value per unit of one Relative TSR PRSU.

With respect to the Absolute TSR PRSUs, the actual number of Absolute TSR PRSUs that will vest is based on the level of the Company’s cumulative TSR (i.e., share price appreciation or depreciation, as the case may be, plus dividends divided by initial share price) relative to an 8% per annum simple TSR (assuming no reinvestment of dividends) for the three-year performance period beginning on January 1<sup>st</sup> of the year of grant (e.g., the performance period for the PRSUs granted in January 2021 is January 1, 2021 through December 31, 2023). To determine the actual number of Absolute TSR PRSUs that vests, the target number of units of each grant of Absolute TSR PRSUs will be adjusted up or down at the end of the applicable three-year performance period based on the Company’s cumulative TSR relative to an 8% per annum simple TSR objective from 0% of the target number (reflecting 0% per annum TSR during the performance period) to 200% of the target number (reflecting 16% per annum (or higher) TSR during the performance period), with 100% of the target number vesting if TSR of 8% per annum is achieved during the performance period.

With respect to the Relative TSR PRSUs, the actual number of Relative TSR PRSUs that will vest is based on the Company’s cumulative TSR during the applicable three-year performance period (beginning on January 1<sup>st</sup> of the

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year of grant) as compared to the cumulative TSR of a designated group of peer companies for such performance period. To the extent that the Company's TSR rank is less than or equal to the 25<sup>th</sup> percentile when compared to the TSR of the members of the peer group, the executive will vest in 0% of the target number of Relative TSR PRSUs awarded to him in respect of the applicable performance period. To the extent that the Company's TSR rank is in the 50<sup>th</sup> percentile, the executive will vest in 100% of the target number of Relative TSR PRSUs awarded to him in respect of the applicable performance period. To the extent that the Company's TSR rank is greater than or equal to the 80<sup>th</sup> percentile, the executive will vest in 200% of the target number of Relative TSR PRSUs awarded to him in respect of the applicable performance period. (To the extent that the Company's TSR ranking falls in between the percentiles identified in the preceding sentences, the number of Relative TSR PRSUs that vest will be interpolated.) Regardless of the Company's TSR rank, in no event will an executive vest in more than 100% of the target number of Relative TSR PRSUs to the extent the Company's absolute TSR for the applicable performance period shall be less than zero.

PRSUs that do not vest at the end of an applicable performance period will be forfeited. Upon vesting, the executive will receive one share of MFA Common Stock for each PRSU that vests, provided that the fair market value of the shares of Common Stock delivered upon settlement may not exceed 400% of the PRSU Grant Date Value of the PRSUs granted in respect of the completed performance period. Any PRSUs that vest are subject to an additional one year deferral prior to settlement, subject to accelerated payout under certain circumstances.

Dividend equivalents are not paid in respect of the PRSUs during the performance period. Rather, dividend equivalents will accrue with respect to the PRSUs during the performance period, and to the extent that the underlying PRSUs vest, an amount equal to the accrued dividend equivalents related to the vested PRSUs will be paid to the executive in the form of additional shares of MFA Common Stock based on the closing price of MFA Common Stock on the vesting date.

### Notice of Resignation by Executive/Termination by Company

Each executive must provide 90 days' notice prior to his resignation, and the Company must provide 90 days' notice prior to any termination by the Company without cause (in either case, except upon termination in connection with a change in control). During this period, the executive will continue to receive base salary and benefits, but will be ineligible to receive an Annual Bonus for any performance period that was not completed as of the beginning of the 90-day period.

### Other Terms and Provisions

Each Mr. Knutson's, Mr. Kristjansson's and Mr. Wulfsohn's respective employment agreement provides that if any payments or benefits provided to the executive would constitute excess parachute payments within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and would be subject to the excise tax imposed under Section 4999 of the Code, the payments or benefits will be reduced by the amount required to avoid the excise tax, if such reduction would give the executive a better after-tax result than if he received the full payments and benefits and paid the excise tax. In addition, the Knutson Employment Agreement provides for the vesting of Mr. Knutson's outstanding unvested equity awards in the event he should retire from the Company in certain circumstances.

**Stephen D. Yarad.** Mr. Yarad's employment is not governed by an employment agreement, and consequently, Mr. Yarad is an "at will" employee. For 2021, Mr. Yarad was paid a base salary of \$475,000. Mr. Yarad's annual performance bonus is determined in the discretion of the Compensation Committee, in consultation with our CEO. On May 5, 2021, the Company and Mr. Yarad entered into an amended and restated agreement regarding payments to be made to him upon the termination of his employment under certain circumstances, a copy of which was filed with the SEC on May 6, 2021.

**Harold E. Schwartz.** Mr. Schwartz's employment is not governed by an employment agreement, and consequently, Mr. Schwartz is an "at will" employee. For 2021, Mr. Schwartz was paid a base salary of \$455,000. Mr. Schwartz's annual performance bonus is determined in the discretion of the Compensation Committee, in consultation with our CEO. On May 5, 2021, the Company and Mr. Schwartz entered into an amended and restated agreement regarding payments to be made to him upon the termination of his employment under certain circumstances, a copy of which was filed with the SEC on May 6, 2021.

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Each of the employment agreements of Messrs. Knutson, Kristjansson and Wulfsohn includes limitations on (a) providing services to, or acquiring certain interests in, other mortgage REITs and (b) soliciting our employees, in either case without our consent, for a period of time following a termination of employment and require each executive to maintain the confidentiality of our confidential and proprietary information. Mr. Yarad's and Mr. Schwartz's terms of employment prohibit them from soliciting our employees without our consent for a period of time following a termination of employment and require them to maintain the confidentiality of our confidential and proprietary information.

**Potential Payments upon Termination of Employment or Change in Control (CIC)**

The tables below show certain potential payments that would have been made to a Named Executive Officer under his then-current employment agreement or award agreement(s) assuming such person's employment had terminated at the close of business on December 31, 2021, under various scenarios, including a change in control.

The tables include only the value of the incremental amounts payable to the Named Executive Officer arising from the applicable scenario and do not include the value of vested or earned, but unpaid, amounts owed to the applicable Named Executive Officer as of December 31, 2021 (including, for example, any annual bonus earned but not yet paid as of such date, dividend equivalents relating to dividends declared but not paid as of such date, vested but not settled TRSUs or PRSUs, or the employer 401(k) match of \$11,600 for the Named Executive Officers).

The footnotes to the tables describe the assumptions used in estimating the amounts shown in the tables.

As used below, the terms "Cause," "Change in Control," "Disability," and "Good Reason" shall have the respective meanings set forth in the applicable employment agreement, each of which has been filed with the SEC, or award agreement(s), forms of which have been filed with the SEC.

Because the payments to be made to a Named Executive Officer depend on several factors, the actual amounts to be paid out upon a Named Executive Officer's termination of employment can only be determined at the time of the executive's separation from the Company.

**Potential Payments upon Termination of Employment/CIC: C. L. Knutson**

	Death (a)	Disability (a)	Termination Without Cause/ Resignation for Good Reason (b)	Voluntary Resignation (c)	Change in Control (d)
<b><i>Incremental Benefits Due to Termination Event</i></b>					
Severance/Payment to Representative or Estate	\$ 3,977,350	\$ 3,977,350	\$ 7,954,700	\$200,000	\$ 7,954,700
Value of Accelerated Equity Awards <sup>(1)</sup>	6,550,864	6,550,864	2,714,004	—	6,550,864
Deferred Compensation	—	—	—	—	—
Other Benefits	—	71,815	—	—	71,815
<b>Total Value of Incremental Benefits</b>	<b>\$10,528,214</b>	<b>\$10,600,029</b>	<b>\$10,668,704</b>	<b>\$200,000</b>	<b>\$14,577,379</b>

**Potential Payments upon Termination of Employment/CIC: G. Kristjansson**

	Death (a)	Disability (a)	Termination Without Cause/ Resignation for Good Reason (b)	Voluntary Resignation (c)	Change in Control (d)
<b><i>Incremental Benefits Due to Termination Event</i></b>					
Severance/Payment to Representative or Estate	\$1,690,940	\$1,690,940	\$2,536,410	\$100,000	\$2,536,410
Value of Accelerated Equity Awards <sup>(1)</sup>	1,898,987	1,898,987	808,025	—	1,898,987
Deferred Compensation	—	—	—	—	—

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	Death (a)	Disability (a)	Termination Without Cause/ Resignation for Good Reason (b)	Voluntary Resignation (c)	Change in Control (d)
<b>Other Benefits</b>	—	71,815	—	—	71,815
<b>Total Value of Incremental Benefits</b>	<b>\$3,589,927</b>	<b>\$3,661,742</b>	<b>\$3,344,435</b>	<b>\$100,000</b>	<b>\$4,507,212</b>

**Potential Payments upon Termination of Employment/CIC: B. Wulfsohn**

	Death (a)	Disability (a)	Termination Without Cause/ Resignation for Good Reason (b)	Voluntary Resignation (c)	Change in Control (d)
<b><i>Incremental Benefits Due to Termination Event</i></b>					
<b>Severance/Payment to Representative or Estate</b>	\$1,690,940	\$1,690,940	\$2,536,410	\$100,000	\$2,536,410
<b>Value of Accelerated Equity Awards<sup>(1)</sup></b>	1,898,987	1,898,987	808,025	—	1,898,987
<b>Deferred Compensation</b>	—	—	—	—	—
<b>Other Benefits</b>	—	71,815	—	—	71,815
<b>Total Value of Incremental Benefits</b>	<b>\$3,589,927</b>	<b>\$3,661,742</b>	<b>\$3,344,435</b>	<b>\$100,000</b>	<b>\$4,507,212</b>

**Potential Payments upon Termination of Employment/CIC: S. D. Yarad**

	Death (a)	Disability (a)	Termination Without Cause/ Resignation for Good Reason (b)	Voluntary Resignation (c)	Change in Control (d)
<b><i>Incremental Benefits Due to Termination Event</i></b>					
<b>Severance/Payment to Representative or Estate</b>	—	—	950,000	—	—
<b>Value of Accelerated Equity Awards<sup>(1)</sup></b>	\$824,582	\$824,582	526,539	—	\$824,582
<b>Deferred Compensation</b>	—	—	—	—	—
<b>Other Benefits</b>	—	—	28,558	—	—
<b>Total Value of Incremental Benefits</b>	<b><u>\$824,582</u></b>	<b><u>\$824,582</u></b>	<b><u>\$1,505,097</u></b>	<b><u>—</u></b>	<b><u>\$824,582</u></b>

**Potential Payments upon Termination of Employment/CIC: H. Schwartz**

	Death (a)	Disability (a)	Termination Without Cause/ Resignation for Good Reason (b)	Voluntary Resignation (c)	Change in Control (d)
<b><i>Incremental Benefits Due to Termination Event</i></b>					
<b>Severance/Payment to Representative or Estate</b>	\$ —	\$ —	\$ 910,000	—	\$ —
<b>Value of Accelerated Equity Awards<sup>(1)</sup></b>	824,582	824,582	526,539	—	824,582
<b>Deferred Compensation</b>	—	—	—	—	—
<b>Other Benefits</b>	—	—	47,877	—	—
<b>Total Value of Incremental Benefits</b>	<b><u>\$824,582</u></b>	<b><u>\$824,582</u></b>	<b><u>\$1,484,416</u></b>	<b><u>—</u></b>	<b><u>\$824,582</u></b>

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(1) *Value of Accelerated Equity Awards.* For purposes of these tables, values for restricted shares, TRSUs and PRSUs are based on \$18.24 per share (as adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022), the closing price of our stock on December 31, 2021. For purposes of these tables, we have assumed that “target” performance metrics with respect to the PRSUs have been achieved.

### **(a) Death and Disability**

The following incremental benefits would be paid to a Named Executive Officer or his estate or legal representative in the event of his death or Disability:

(i) *Severance/Payment to Representative or Estate:* For Messrs. Knutson, Kristjansson and Wulfsohn, a payment equal to 100% of the sum of his (a) base salary and (b) the median of the annual bonuses paid to him for the three calendar years preceding such termination (the “Median Bonus”).

(ii) *Value of Accelerated Equity Awards:* For Messrs. Knutson, Kristjansson and Wulfsohn, amounts represent the aggregate value resulting from the (i) immediate full vesting and settlement of all outstanding TRSUs (and any unpaid dividend equivalents in respect thereof) and (ii) full vesting of outstanding PRSUs as though the executive had remained employed through the end of the applicable performance period, subject to the achievement of applicable performance goals measured through the end of the applicable performance period (including the value of any shares issued in respect of dividends accrued in respect thereof during the applicable performance period).

For Messrs. Yarad and Schwartz, represents the aggregate value resulting from the (i) immediate full vesting and settlement of all outstanding TRSUs (and any unpaid dividend equivalents in respect thereof) and (ii) full vesting of outstanding PRSUs as though the executive had remained employed through the end of the applicable performance period, subject to the achievement of applicable performance goals measured through the end of the applicable performance period (including the value of any shares issued in respect of dividends accrued in respect thereof during the applicable performance period).

For purposes of the above tables, we have assumed that the “target” performance metric with respect to outstanding PRSUs has been achieved.

(iii) *Other Benefits:* For Messrs. Knutson, Kristjansson and Wulfsohn, in the event of Disability only, the continued participation, at MFA’s expense, in MFA’s health insurance for himself and his eligible dependents for the 18-month period following the executive’s termination.

### **(b) Termination Without Cause/Resignation for Good Reason**

The following incremental benefits would be paid to a Named Executive Officer in the event he is terminated without Cause not in connection with a Change in Control or resigns for Good Reason, in either event, not in connection with a Change in Control:

(i) *Severance:* For Mr. Knutson, a payment equal to 200% of the sum of (a) his base salary and (b) the Median Bonus. For Messrs. Kristjansson and Wulfsohn, a payment equal to 150% of the sum of (x) his base salary and (y) the Median Bonus. For Messrs. Yarad and Schwartz, a payment equal to the greater of (i) 100% of the sum of (a) his base salary and (b) the Median Bonus and (ii) 200% of his base salary.

(ii) *Value of Accelerated Equity Awards:* For Messrs. Knutson, Kristjansson and Wulfsohn, amounts represent the aggregate value resulting from the (i) immediate full vesting of all outstanding time-based equity-based awards that would have otherwise vested within 12 months from the date of the executive’s termination (and any unpaid dividend equivalents in respect thereof) and (ii) pro rata vesting of outstanding PRSUs, subject to the achievement of applicable performance goals measured through the end of the applicable performance period (including the value of any shares issued in respect of dividends accrued in respect thereof during the applicable performance period).

For Messrs. Yarad and Schwartz, amount represents the aggregate value resulting from the (i) immediate full vesting and settlement of all outstanding TRSUs (and any unpaid dividend equivalents in respect thereof) and (ii) pro rata vesting of outstanding PRSUs, subject to the achievement of applicable performance goals measured through the end of the applicable performance period (including the value of any shares issued in respect of dividends accrued in respect thereof during the applicable performance period).

For purposes of the above tables, we have assumed that the “target” performance metric with respect to outstanding PRSUs has been achieved and a pro rata portion of the “target” number of PRSUs would vest.

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(iii) *Other Benefits*: For Messrs. Yarad and Schwartz, the continued participation, at MFA's expense, in MFA's health insurance for himself and his eligible dependents for the 12-month period following the executive's termination.

### **(c) Voluntary Resignation**

The following incremental benefits would be paid to Mr. Knutson, Mr. Kristjansson or Mr. Wulfsohn in the event he resigns without Good Reason: three months' base salary pursuant to the "Garden Leave" provisions set forth in each executive's respective employment agreement.

### **(d) Termination/Resignation upon Change in Control**

The following incremental benefits would be paid to a Named Executive Officer in the event he resigns or is terminated under certain circumstances in connection with a Change in Control:

*"Double Trigger."* For each of Messrs. Knutson, Kristjansson, Wulfsohn, Yarad and Schwartz, benefits would be payable only in the event the executive's employment is terminated by MFA (other than for Cause), or he resigns for Good Reason, within 12 months following a Change in Control.

(i) *Severance*: For Mr. Knutson, 200% of the sum of his (a) base salary and (b) Median Bonus. For Mr. Kristjansson and Mr. Wulfsohn, 150% of the sum of his (a) base salary and (b) Median Bonus.

(ii) *Value of Accelerated Equity Awards*: Amounts represent the aggregate value resulting from the immediate full vesting of all outstanding equity-based awards (assuming the achievement of "target" performance in the case of outstanding PRSUs) (and the payment of all dividends and dividend equivalents, including accrued dividends and dividend equivalents, on such awards).

(iii) *Other Benefits*: For Mr. Knutson, Mr. Kristjansson and Mr. Wulfsohn, the continued participation, at MFA's expense, in MFA's health insurance plan for himself and his eligible dependents for the 18-month period following the executive's termination.

### **Pay Ratio Disclosure**

The annual total compensation of our CEO for the year ended December 31, 2021, as reported in the Summary Compensation Table included in this Proxy Statement, was \$7,411,604. The median of the annual total compensation of all employees, excluding our CEO, for fiscal year 2021 was \$254,800. As a result, we estimate that the ratio of the annual total compensation of our CEO to the annual total compensation of the median employee for fiscal year 2021 was approximately 29.1 to 1.

We identified the median employee by annual total compensation, for all employees excluding our CEO, as of December 31, 2021, except for employees of our Lima One Capital subsidiary, which was acquired by the Company on July 1, 2021 (and which employed 238 people as of December 31, 2021). (SEC rules permit companies to exclude employees of acquired businesses when determining the pay ratio for the year in which the acquisition was completed.) We calculated annual total compensation for those employees whose compensation is included in the pay ratio calculation using the same methodology used for calculating the annual total compensation of our named executive officers as set forth in the Summary Compensation Table.



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**Securities Authorized for Issuance under Equity Compensation Plans**

The following table presents certain information with respect to our Existing Plan under which our Common Stock may be issued to employees or non-employees (such as directors) as of December 31, 2021, which was approved by our stockholders. Our stockholders have approved all of our equity compensation plans. The amounts reported in the table and the accompanying notes have been adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022.

Award <sup>(1)</sup>	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column of this table)
Stock Options	-0-	N/A	
Restricted Stock Units (RSUs)	<u>1,617,810</u>	<u>N/A<sup>(2)</sup></u>	
Total	<u>1,617,810</u>	<u>N/A<sup>(2)</sup></u>	<u>2,633,800<sup>(3)</sup></u>

(1) All equity-based compensation is granted pursuant to plans that have been approved by our stockholders.

(2) RSUs include unvested TRSUs and PRSUs and vested but not settled stock units, TRSUs and PRSUs. A weighted average exercise price is not applicable for our RSUs, as such equity awards result in the issuance of shares of our Common Stock provided that such awards vest and, as such, do not have an exercise price. As of December 31, 2021, 398,475 RSUs were vested, and 426,412 RSUs were subject to time-based vesting, and 792,923 RSUs will vest subject to achieving a market condition based on total stockholder return as measured on an absolute basis and relative to the TSR of a group of peer companies.

(3) Number of securities remaining available for future issuance under equity compensation plans excludes RSUs presented in the table, which were granted prior to December 31, 2021, and remained outstanding at such date. In addition, the number of securities remaining available for issuance does not reflect 222,118 TRSUs and 381,366 PRSUs, which were granted after December 31, 2021.

**3. ADVISORY (NON-BINDING) RESOLUTION TO APPROVE EXECUTIVE COMPENSATION**

Pursuant to Section 14A of the Exchange Act, and in accordance with the Board's determination, based on the recommendation of the Compensation Committee, we are seeking an advisory (non-binding) vote on the compensation of our Named Executive Officers (as defined in "Compensation Discussion and Analysis" of this Proxy Statement) as disclosed on pages [23](#) to [45](#) of this Proxy Statement. Stockholders are being asked to vote on the following advisory resolution at the Annual Meeting:

"RESOLVED, that the stockholders of MFA Financial, Inc. approve, on an advisory basis, the compensation of MFA's Named Executive Officers as disclosed in the Proxy Statement for the 2022 Annual Meeting, including the Compensation Discussion and Analysis, Summary Compensation Table and other related tables and disclosures."

This proposal, commonly known as a Say-on-Pay proposal, gives our stockholders the opportunity to express their views on the compensation of our Named Executive Officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the principles, policies and practices described in this Proxy Statement. As this is an advisory vote, the result will not be binding on the Company, the Board or the Compensation Committee, although the Compensation Committee will consider the outcome of the vote when evaluating our compensation principles, program design and practices.

You are encouraged to consider the description of the Compensation Committee's executive compensation philosophy and its decisions in the "Compensation Discussion and Analysis" section of this Proxy Statement.

**THE BOARD RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE APPROVAL OF THE ADVISORY (NON-BINDING) RESOLUTION TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS DISCLOSED IN THIS PROXY STATEMENT.**

#### **4. AMENDMENT TO OUR CHARTER TO DECREASE THE NUMBER OF AUTHORIZED SHARES OF STOCK**

The Board has approved and declared advisable an amendment to our Charter that reduces the number of authorized shares of Common Stock from 874,300,000 to 218,575,000, eliminates 3,840,000 shares of undesignated preferred stock, eliminates 1,160,000 shares of the Company's previously redeemed Series A preferred stock and reduces, consistent with the foregoing, the number of overall shares of capital stock from 1,000,000,000 to 339,275,000. The proposed amendment is subject to approval by the holders of our Common Stock.

The Board has determined that it is advisable and in the best interests of the Company to amend the Charter to reduce the number of authorized shares of Common Stock in a manner that is proportional to the 1-for-4 reverse stock split of our outstanding Common Stock, which was completed on April 4, 2022.

If the proposal is approved, the Charter would be amended by deleting the first two sentences of Article SIXTH(a) thereof and inserting the following two sentences in lieu thereof:

SIXTH: (a) The total number of shares of stock of all classes which the Corporation has authority to issue is 339,275,000 shares of capital stock, par value \$0.01 per share, amounting in the aggregate par value of \$3,392,750. Of these shares of capital stock, 218,575,000 shares are classified as "Common Stock," 8,050,000 shares are classified as "7.50% Series B Cumulative Redeemable Preferred Stock," 12,650,000 shares are classified as "6.50% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock" and 100,000,000 shares are classified as "Excess Stock."

The Board believes that, even after such amendment, we will continue to have sufficient authorized but unissued shares of stock in an amount adequate to provide for our future needs, which may include possible future equity financings, future opportunities for expanding our business through investments or acquisitions, management incentives and employee benefit plans, stock dividends or stock splits, and for other general corporate purposes. The proposed amendment does not impact the number of authorized shares of our outstanding preferred stock or the number of authorized shares of our Excess Stock, which Excess Stock is authorized for issuance in conjunction with the restrictions on ownership and transfer that are in our Charter to assist us in qualifying as a real estate investment trust under the Internal Revenue Code of 1986, as amended.

As of April 11, 2022, 104,921,700 shares of our Common Stock were issued and outstanding and approximately 58,500,000 shares of Common Stock were reserved for issuance under various Company plans, including our dividend reinvestment plan and our Equity Compensation Plan, and shares to be issued upon conversion of outstanding senior notes and exchange of outstanding preferred stock.

If the amendment is approved, we will file articles of amendment to the Charter containing the amendment with the State Department of Assessments and Taxation of Maryland, which will become effective upon its acceptance for record of the articles of amendment. If the amendment is not approved, our current authorized stock will remain unchanged.

**THE BOARD RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE APPROVAL OF THE AMENDMENT TO OUR CHARTER TO DECREASE THE NUMBER OF AUTHORIZED SHARES OF STOCK.**

#### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Since the beginning of our last fiscal year, we have not been a party to any transaction or proposed transaction with any related person who is (i) one of our directors or executive officers, (ii) a director nominee, (iii) a beneficial owner of more than 5% of the Common Stock or (iv) any member of the immediate family of any of the foregoing persons that involves an amount exceeding \$120,000 and in which any such related person had or will have a direct or indirect material interest.

TABLE OF CONTENTS**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information known to us as of the Record Date, regarding the beneficial ownership of our Common Stock by (i) each person known to us to be the beneficial owner of 5% or more of the Common Stock, (ii) the Named Executive Officers, (iii) our directors and (iv) all of our directors and executive officers as a group.

Name and Business Address <sup>(1)</sup>	Common Stock Beneficially Owned Shares <sup>(2)</sup>	Percent of Class
<b>Directors and Officers</b>		
Craig L. Knutson	347,211	*
Gudmundur Kristjansson	93,074	*
Bryan Wulfsohn	60,350	*
Stephen D. Yarad	20,252	*
Harold E. Schwartz	32,440	*
James A. Brodsky	23,708	*
Laurie S. Goodman	2,854	*
Robin Josephs	26,478	*
Francis J. Oelerich III	4,924	*
Lisa Polsky	-0-	*
Sheila A. Stamps	-0-	*
Richard C. Wald	-0-	*
All directors and executive officers as a group (16 persons)	660,682	*
<b>5% Beneficial Owners</b>		
Affiliates of Starwood Capital Group Global II, L.P. <sup>(3)</sup> 591 West Putnam Avenue Greenwich, CT 06830	10,638,544	9.65%
The Vanguard Group <sup>(4)</sup> 100 Vanguard Boulevard Malvern, PA 19355	10,339,512	9.38%
BlackRock, Inc. <sup>(5)</sup> 55 East 52 <sup>nd</sup> Street New York, NY 10055	9,645,877	8.8%
FMR LLC <sup>(6)</sup> 245 Summer Street Boston, MA 02210	6,809,799	6.12%

(\*) Represents less than 1% of issued and outstanding shares of Common Stock.

(1) The business address of each director and Named Executive Officer is c/o MFA Financial, Inc., One Vanderbilt Avenue, 48<sup>th</sup> Floor, New York, New York 10017.

(2) Each director and Named Executive Officer has sole or shared voting and investment power with respect to these shares. Amounts exclude any TRSUs and PRSUs that do not settle within 60 days of the Record Date.

(3) On its Schedule 13D/A (Amendment No. 1) filed with the SEC on February 7, 2022, entities affiliated with Starwood Capital Group Global II, L.P. reported beneficially owning an aggregate 10,638,544 shares of Common Stock (as adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022). The Schedule 13D/A reports a beneficial ownership percentage of shares of Common Stock of 9.65%, which does not include any shares issued or repurchased by MFA since such percentage was calculated for purposes of Schedule 13D/A, or subsequent sales or purchases by the reporting entity.

(4) On its Schedule 13G/A (Amendment No. 9) filed with the SEC on February 10, 2022, The Vanguard Group reported beneficially owning 10,339,512 shares of Common Stock, comprised of the following: (i) shared voting power with respect to 88,084 shares of Common Stock beneficially owned by it, (ii) sole dispositive power with respect to 10,159,461 shares of Common Stock beneficially owned by it and (iii) shared dispositive power with respect to 180,051 shares of Common Stock beneficially owned by it. (Share amounts in the preceding sentence have been adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022.) The Schedule 13G/A reports a beneficial ownership percentage of shares of Common Stock of 9.38%, which does not include any shares issued or repurchased by MFA since such percentage was calculated for purposes of the Schedule 13G, or subsequent sales or purchases by the reporting entity.

(5) On its Schedule 13G/A (Amendment No. 11) filed with the SEC on February 1, 2022, Blackrock, Inc. reported beneficially owning 9,645,877 shares of Common Stock, comprised of the following: (i) sole voting power with respect to 9,463,974 shares of Common Stock beneficially owned by it and (ii) sole dispositive power with respect to 9,645,877 shares of Common Stock beneficially owned by it.

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- (Share amounts in the preceding sentence have been adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022.) The Schedule 13G/A reports a beneficial ownership percentage of shares of Common Stock of 8.8%, which does not include any shares issued or repurchased by MFA since such percentage was calculated for purposes of the Schedule 13G/A, or subsequent sales or purchases by the reporting entity.
- (6) On its Schedule 13G/A (Amendment No. 9) filed with the SEC on February 9, 2022, FMR LLC reported beneficially owning 6,809,799 shares of Common Stock, comprised of the following: (i) sole voting power with respect to 1,445 shares of Common Stock beneficially owned by it and (ii) sole dispositive power with respect to all 6,809,799 shares of Common Stock beneficially owned by it. (Share amounts in the preceding sentence have been adjusted to reflect our 1-for-4 reverse stock split effected on April 4, 2022.) The Schedule 13G/A reports a beneficial ownership percentage of shares of Common Stock of approximately 6.12%, which does not include any shares issued or repurchased by MFA since such percentage was calculated for purposes of the Schedule 13G/A, or subsequent sales or purchases by the reporting entity.

## **OTHER MATTERS**

The Board knows of no other business to be presented at the Annual Meeting. If other matters should properly come before the Annual Meeting, the persons named as proxy holders on your proxy card will vote the shares of Common Stock represented by properly submitted proxies in their discretion.

## **SUBMISSION OF STOCKHOLDER PROPOSALS**

Any stockholder intending to present a proposal at our 2023 Annual Meeting of Stockholders and have the proposal included in the proxy statement for such meeting in accordance Rule 14a-8 of the SEC's proxy rules must, in addition to complying with the applicable laws and regulations governing submissions of such proposals, submit the proposal in writing to us no later than December 28, 2022.

Pursuant to our current Bylaws, any stockholder intending to nominate a director or present a proposal at an annual meeting of our stockholders, which is not intended to be included in the proxy statement for such annual meeting, must notify us in writing not earlier than the 150<sup>th</sup> day nor later than 5:00 p.m. Eastern Time on the 120<sup>th</sup> day prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting. Accordingly, any stockholder who intends to submit such a nomination or such a proposal at our 2023 Annual Meeting of Stockholders must notify us in writing of such proposal by 5:00 p.m. Eastern Time December 28, 2022, but in no event earlier than November 28, 2022.

Any such nomination or proposal should be sent to the attention of our Secretary at MFA Financial, Inc., One Vanderbilt Avenue, 48<sup>th</sup> Floor, New York, New York 10017 and must include the applicable information required by our Bylaws.

## **HOUSEHOLDING OF PROXY MATERIALS**

The SEC permits companies and intermediaries (such as banks and brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single set of proxy materials (i.e., the proxy statement and annual report) addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

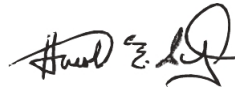
A number of brokers with account holders who are our stockholders will be "householding" our proxy materials. A single set of proxy materials may be delivered to multiple stockholders sharing the same address unless contrary instructions have been received from the affected stockholders. Once a stockholder has received notice from its broker that it will be "householding" communications to such stockholder's address, "householding" will continue until such stockholder revokes consent to "householding" or is notified otherwise. If, at any time, a stockholder no longer wishes to participate in "householding" and would prefer to receive a separate set of our proxy materials, such stockholder should so notify us by directing written requests to: MFA Financial, Inc., One Vanderbilt Avenue, 48<sup>th</sup> Floor, New York, New York 10017, Attention: Secretary, or by calling our investor relations phone line at (212) 207-6488. In addition, if so requested, we will also undertake to promptly deliver a separate set of proxy materials to any stockholder for whom such proxy materials were subject to "householding." Stockholders who currently receive multiple copies of our proxy materials at their address and would like to request "householding" of their communications should contact us as specified above or their respective brokers.

**MISCELLANEOUS**

We are bearing all costs associated with the solicitation of proxies in connection with the Annual Meeting. This solicitation is being made primarily through the internet and by mail, but may also be made by our directors, executive officers, employees and representatives by telephone, facsimile transmission, electronic transmission, internet, mail or in person. No additional compensation will be given to our directors, executive officers or employees for this solicitation. We have retained Saratoga Proxy Consulting, LLC, 520 Eighth Avenue, 14<sup>th</sup> Floor, New York, New York 10018, a proxy soliciting firm, to assist in the solicitation of proxies for an estimated fee of \$11,000 plus reimbursement of certain out-of-pocket expenses. We will request brokers and nominees who hold shares of Common Stock in their names to furnish proxy materials to beneficial owners of such shares and will reimburse such brokers and nominees for their reasonable expenses incurred in forwarding solicitation materials to such beneficial owners.

**A COPY OF OUR ANNUAL REPORT ON FORM 10-K (FILED WITH THE SEC), WHICH CONTAINS ADDITIONAL INFORMATION ABOUT US, IS AVAILABLE FREE OF CHARGE TO ANY STOCKHOLDER. REQUESTS SHOULD BE DIRECTED TO THE ATTENTION OF OUR SECRETARY AT MFA FINANCIAL, INC., ONE VANDERBILT AVENUE, 48TH FLOOR, NEW YORK, NEW YORK 10017.**

By Order of the Board



Harold E. Schwartz  
Secretary

New York, New York  
April 27, 2022

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**VOTE BY INTERNET**

*Before The Meeting* - Go to [www.proxyvote.com](http://www.proxyvote.com) or scan the QR Barcode above

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on June 6, 2022 (June 2, 2022, for participants in the MFA Financial, Inc. 401(k) Savings Plan). Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

*During The Meeting* - Go to [www.virtualshareholdermeeting.com/MFA2022](http://www.virtualshareholdermeeting.com/MFA2022)

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on June 6, 2022 (June 2, 2022, for participants in the MFA Financial, Inc. 401(k) Savings Plan). Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

D82395-P71055

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

**MFA FINANCIAL, INC.**

The Board of Directors recommends you vote FOR the following:

1. Election of Directors

**Nominees:**

**For Against Abstain**

- |                             |                          |                          |                          |
|-----------------------------|--------------------------|--------------------------|--------------------------|
| 1a. Francis J. Oelerich III | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1b. Lisa Polsky             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Board of Directors recommends you vote FOR proposals 2, 3 and 4.

**For Against Abstain**

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| 2. Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2022. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Approval of the advisory (non-binding) resolution to approve the Company's executive compensation.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Approval of an amendment to the Company's Charter to decrease the number of authorized shares of stock.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**NOTE:** The proxies are authorized to vote in their discretion upon any other business that may properly come before the meeting or any adjournment(s) or postponement(s) thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Date

Signature (Joint Owners)	Date

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and 2021 Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

D82396-P71055

**MFA FINANCIAL, INC.  
THIS PROXY IS BEING SOLICITED ON BEHALF OF THE  
BOARD OF DIRECTORS**

The undersigned stockholder of MFA Financial, Inc., a Maryland corporation (the "Company"), hereby authorizes and appoints Laurie S. Goodman, Craig L. Knutson and/or Harold E. Schwartz, or any of them or their respective successors, as proxies for the undersigned, with full power of substitution in each of them, to attend the 2022 Annual Meeting of Stockholders (the "Annual Meeting") of the Company to be held via a live webcast on Tuesday, June 7, 2022, at 2:00 p.m., Eastern Time, and at any adjournment or postponement thereof, to cast on behalf of the undersigned all votes that the undersigned is entitled to cast, and otherwise to represent the undersigned, at the Annual Meeting with all powers possessed by the undersigned if personally present at the meeting. The undersigned hereby acknowledges receipt of the Notice of the Annual Meeting and of the accompanying Proxy Statement, the terms of each of which are incorporated by reference, and revokes any proxy heretofore given with respect to such meeting.

**THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST AS INSTRUCTED. IF THIS PROXY IS EXECUTED BUT NO INSTRUCTION IS GIVEN, THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST (i) "FOR" EACH NOMINEE FOR DIRECTOR, (ii) "FOR" THE RATIFICATION OF KPMG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2022, (iii) "FOR" THE APPROVAL OF THE ADVISORY (NON-BINDING) RESOLUTION TO APPROVE THE COMPANY'S EXECUTIVE COMPENSATION AND (iv) "FOR" THE APPROVAL OF AN AMENDMENT TO THE COMPANY'S CHARTER TO DECREASE THE NUMBER OF AUTHORIZED SHARES OF STOCK, EACH AS DESCRIBED IN THE PROXY STATEMENT. THIS PROXY IS REVOCABLE. THE VOTES ENTITLED TO BE CAST BY THE UNDERSIGNED WILL BE CAST IN THE DISCRETION OF THE PROXY HOLDER ON ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF. THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS A VOTE "FOR" EACH NOMINEE FOR DIRECTOR AND "FOR" PROPOSALS 2, 3 AND 4.**

(Continued and to be marked, dated and signed on the reverse side)