

## MFA FINANCIAL, INC.

### AUDIT COMMITTEE CHARTER (as amended and restated through December 12, 2019)

#### I. Purposes of the Audit Committee

The principal purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of MFA Financial, Inc. (the “Company”) in fulfilling its responsibilities relating to the corporate accounting and reporting practices of the Company and its subsidiaries, the quality and integrity of the Company’s consolidated financial statements, the Company’s compliance with applicable legal and regulatory requirements, the performance, qualifications and independence of the Company’s external auditors and the performance of the Company’s internal audit function.

In discharging its oversight role, the Committee is granted the authority to adopt policies and procedures to ensure that the accounting and reporting practices of the Company are of the highest quality and integrity, including the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Company, and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

It shall also be the responsibility of the Committee to maintain free and open means of communication among the Board and the Company’s external auditors, internal auditors and personnel. Through these lines of communication, the Committee shall monitor any issues or areas that fall within the scope of its duties, purposes or responsibilities that require special attention. The Company’s internal and external auditors are ultimately accountable to the Committee and the Board.

#### II. Composition of the Audit Committee

1. The Committee will have at least three members, each of whom shall be appointed by the Board. Each member of the Committee shall be financially literate (*i.e.*, able to read and understand financial statements, in general, and the Company’s financial statements, in particular, and aware of the functions of internal and external auditors for a public company) as affirmatively determined by the Board in connection with such member’s appointment to the Committee and have such other experience and expertise as required by the Corporate Governance Listing Standards of the New York Stock Exchange and other applicable laws and regulations.

2. The Committee shall be composed solely of “independent” directors who have no employment or professional relationship with the Company, who are independent of the Company’s management and who comply with the requirements for serving on audit committees as set forth in the corporate governance standards, as amended from time to time, of the New York Stock Exchange (“NYSE”) and all applicable laws, rules and regulations, as amended from time to time, of the Securities and Exchange Commission (the “SEC”) or other similar governing bodies. The definition of “independent” requires that the Board affirmatively determine that a director to be appointed to the Committee not have any material relationship with the Company or any of its subsidiaries. In addition, the independence of each member of the Committee shall be reviewed on an annual basis by the Board or more frequently as the circumstances dictate.

3. A director appointed to the Committee may not serve on more than two additional audit committees for publicly listed companies, unless the Board has made an affirmative determination that such contemporaneous service would not impair the ability of such director to serve effectively on the Committee.

4. The Board shall appoint one member of the Committee to serve as the Chairperson and shall affirmatively determine at the time of such appointment that such member possesses accounting or related financial management expertise and is an “audit committee financial expert,” as such term is defined by the SEC.

### **III. Responsibilities and Duties of the Audit Committee**

#### **A. Financial and Related Reporting**

1. The Committee shall, prior to each filing by the Company of a Quarterly Report on Form 10-Q (the “Form 10-Q”) with the SEC, review with the Company’s management and external auditors, and approve, the interim financial information to be included in the Form 10-Q and review the applicable standards established from time to time by the Public Company Accounting Oversight Board. In connection therewith, the Committee shall review any matters of significance, including significant adjustments, management judgments and accounting estimates, significant reserves and/or accruals, significant new accounting principles, disagreements between management and the external auditors and their effect, if any, on the Company’s consolidated financial statements and recent or proposed requirements of the SEC, the Financial Accounting Standards Board (“FASB”) or other similar governing bodies, and the disclosure set forth under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Form 10-Q.

2. The Committee shall, prior to each filing by the Company of an Annual Report on Form 10-K (the “Form 10-K”) with the SEC, review with the Company’s management and external auditors, and approve, the audited financial statements to be included in the Form 10-K and in the Company’s annual report to stockholders (the “Annual Report”) and review and consider the applicable standards established from time to time by the Public Company Accounting Oversight Board. In connection therewith, the Committee shall review significant adjustments, management judgments and accounting estimates, significant reserves and/or accruals, significant new accounting principles, disagreements between management and the external auditors and their effect, if any, on the Company’s consolidated financial statements and recent or proposed requirements of the SEC, FASB or other similar governing bodies, and the disclosure set forth under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Form 10-K. Following such review, the Committee shall recommend to the Board whether the audited financial statements should be included in the Annual Report or the Form 10-K.

3. The Committee shall discuss with the Company’s Chief Executive Officer, Chief Financial Officer and/or any other officer of the Company responsible for certifying the Company’s Form 10-K or Form 10-Qs filed with the SEC, prior to any such certification, and review with such officers their disclosures relating to (a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company’s ability to record, process, summarize and report financial data and the identification of any material weakness in internal controls and (b) any fraud, whether or not material, that involves the Company’s management or other employees who have a significant role relating to the Company’s internal controls.

4. In connection with its review of each Form 10-Q and Form 10-K and prior to issuance of any earnings press release by the Company, the Committee shall review with the Company's management and external auditors the consolidated statements of operations, earnings guidance and other financial information to be included in such earnings press release. Prior to issuance of any release of financial information or earnings guidance to analysts or rating agencies, the Committee shall review with the Company's management and external auditors the financial information or earnings guidance to be included in such release to be provided to analysts or rating agencies.

5. The Committee shall annually issue a written report to the Board, a copy of which shall be included in the Company's proxy statement related to the annual meeting of stockholders, stating whether the Committee has (a) reviewed and discussed the audited financial statements with the Company's management, (b) discussed with the Company's external auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as it may be modified or supplemented, of the American Institute of Certified Public Accountants, Communication with Audit Committees, (c) received from the Company's external auditors disclosures regarding such auditors' independence required by Public Company Accounting Oversight Board Rule 3526 and discussed with such auditors their independence, (d) recommended to the Board that the audited financial statements of the Company be included in the Annual Report and the Form 10-K and (e) such other information as may be required, from time to time, by the rules and/or regulations of the NYSE, the SEC, FASB or other similar governing bodies.

6. The Committee shall periodically discuss with the Company's external auditors, such auditors' judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its consolidated financial statements. The discussion should include such issues as the clarity of the Company's financial disclosures, the degree of aggressiveness or conservatism of the Company's accounting principles and the underlying estimates and other significant decisions made by the Company's management in preparing the financial disclosures.

7. The Committee shall obtain and review, on an annual basis, a report prepared by the Company's management and/or external auditors setting forth all significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including an analysis of the effects on the financial statements of the Company of any alternative generally accepted accounting principle ("GAAP") methods adopted by the Company, any regulatory and/or accounting initiatives and any off-balance sheet structures and all critical accounting policies and practices the Company uses or expects to use.

## **B. Controls and Compliance**

1. The Committee shall periodically review with the Company's management, external auditors and internal auditors (a) the adequacy and effectiveness of the Company's system of internal accounting controls, (b) any recommendations of such external and/or internal auditors with respect to any significant deficiencies or material weaknesses in the Company's system of internal controls, (c) any material matters or problems with respect to accounting, EDP records, procedures or operations of the Company which have not been resolved to such external and/or internal auditors' satisfaction after having been brought to the attention of management and (d) any material matters or problems with respect to the safeguarding of the Company's assets and limitations on authority of the Company's management relating to, among other things, investments, borrowings and derivative instruments. Such review should also consider the impact of the adequacy and

effectiveness of the Company's system of internal accounting controls on the Company's financial reporting on both an annual and quarterly basis.

2. The Committee shall discuss guidelines and policies to govern the process by which risk assessment and risk management, including major financial risk exposures, is undertaken by the Company and its management.

3. The Committee shall review with the Company's management and tax advisors the status of all tax returns, including open years and potential disputes. The Committee shall review with the Company's external auditors the adequacy of tax reserves included in the Company's consolidated financial statements.

4. On at least an annual basis, the Committee shall review with the Company's legal counsel, (a) any legal or regulatory matters that could have a significant impact on the Company's financial statements, (b) the Company's compliance with applicable laws and regulations and (c) inquiries received from regulators or governmental agencies.

5. The Committee shall review the status of significant litigation with the Company's legal counsel and external auditors, if appropriate, and whether reserves, if any, in connection with actual and/or potential litigation are appropriate.

6. The Committee shall monitor and review the Company's compliance with applicable SEC and NYSE rules and regulations relating to, among other things, the Company's corporate accounting and reporting practices, the quality and integrity of the Company's consolidated financial statements, the performance, qualifications and independence of the Company's external auditors and the performance of the Company's internal audit function.

### **C. Internal Audit**

1. The Committee shall review the appointment, replacement, function and activities of the Company's third party internal auditors and the coordination of such activities with the Company's external auditors. The Committee shall also review the budget related to the Company's internal auditors, authority of its reporting obligations and compliance by the Company's internal auditors with applicable Institute of Internal Auditors standards. To the extent applicable, the Committee shall review the Company's internal audit charter, if any, the organization, activities and independence of the Company's internal audit department and the appointment and replacement of the Company's senior internal auditing executive.

2. The Committee shall meet regularly, but in no event less than once every six months, with the Company's internal auditors in executive sessions without the Company's management present.

### **D. External Audit**

1. The Committee shall have sole responsibility for the appointment, compensation, evaluation, retention, termination and oversight of the external auditors to be used to audit the consolidated financial statements of the Company. The Committee shall reconsider the future appointment of the external auditors if such appointment is submitted to the stockholders and not ratified by the stockholders. The external auditors shall report directly to the Committee.

2. The Committee shall review and pre-approve the engagement fees and the terms of all auditing and non-auditing services to be provided by the Company's external auditors and evaluate the effect thereof on the independence of the external auditors. The Committee shall also review

and evaluate the scope of all non-auditing services to be provided by the Company's external auditors in order to confirm that such services are permitted by the rules and/or regulations of the NYSE, the SEC, FASB or other similar governing bodies. As necessary, the Committee shall consult with the Company's management regarding the engagement fees or terms of any such auditing or non-auditing services.

3. The Committee shall, at least annually, evaluate the Company's external auditors' qualifications, performance and independence and present a written report to the Board of its conclusions with respect to such evaluation. In connection with this evaluation, the external auditors shall provide a written annual report to the Committee describing: (a) such external auditors' internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of such external auditors or by any inquiry or investigation by government or professional authorities within the preceding five years, respecting one or more independent audits carried out by such external auditors, and any steps taken to deal with any such issues; and (c) in order to assess such external auditors' independence, all relationships between such external auditors and the Company. The Committee shall consult with the Company's management, its external auditors and/or personnel responsible for its internal audit function, as necessary, regarding this evaluation.

4. The Committee shall review and evaluate the qualifications, performance and independence of the lead partner of the external auditors, ensure that neither the lead partner nor the concurring partner of the external auditors serves, respectively, in that capacity for more than five years (or such other period as may be prescribed by rules and/or regulations of the NYSE, the SEC, FASB or other similar governing bodies) and present its conclusions with respect to the independent auditors, including whether the audit firm itself should be changed periodically, to the Board.

5. The Committee shall meet with the Company's management and external auditors prior to commencement of the annual audit by such external auditors for the purpose of reviewing the scope and audit procedures of such audit, including special audit risk areas and materiality. The Committee shall also meet with the Company's external auditors subsequent to completion of that audit for the purpose of reviewing the results.

6. The Committee shall obtain and review any written reports issued by the Company's external auditors regarding all critical accounting policies and practices the Company uses or expects to use, all alternative treatments of financial information within GAAP that have been discussed with the Company's management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors.

7. The Committee shall meet regularly, but in no event less than once every six months, with the Company's external auditors in executive sessions without the Company's management present. Among the items to be discussed at these meetings are the auditors' evaluation of the Company's financial, accounting and internal auditing personnel and the cooperation that the auditors received during the course of the audit, including any audit problems or difficulties, together with the responses of the Company's management thereto, any restrictions on the scope of such external auditors' activities or on access to requested information and any significant disagreements with the Company's management. If applicable, such review may also include any accounting adjustments that were noted or proposed by such auditors but were "passed" (including similar adjustments that were passed because individually they were not material), any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the

engagement, any “management” or “internal control” letter issued, or proposed to be issued, by such auditors to the Company and all other material written communications between the external auditors and the management of the Company.

#### **E. Other Committee Activities**

1. The Committee shall report to the Board on a regular basis.
2. The Committee shall serve as access for the Company’s management, external auditors and internal auditors to the Board with respect to all matters within the scope of the Committee’s duties.
3. In accordance with the applicable rules and/or regulations of the NYSE, the SEC, FASB or other similar governing bodies, the Committee shall set clear policies for the Company’s hiring of employees or former employees of the Company’s external auditors. In addition, the Committee may, in its discretion, conduct exit interviews with departing executive officers in order to evaluate the Company’s corporate accounting and reporting practices.
4. The Committee shall conduct an annual evaluation of its own performance. The results of the annual evaluation shall be discussed with the full Board. The Committee shall establish the criteria for the annual performance evaluation and it shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chairman of the Committee or any other member of the Committee designated by the Committee to make this report.
5. The Committee shall annually review and assess this Charter. This Charter may be amended by the recommendation of the Committee and the approval of the independent members of the Board. All amendments will be reported to the Board.

#### **IV. Complaint Procedures**

Any issue of significant financial misconduct shall be brought to the attention of the Committee for its consideration. In this regard, the Committee shall establish procedures for (a) the receipt, retention and treatment of complaints received by the Company’s employees and stockholders regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable or unethical accounting or auditing matters. The Committee shall investigate all matters brought to its attention within the scope of its duties, including the review of any significant fraudulent or illegal activities that may be discovered and any preventative action taken in response to such activities.

#### **V. Additional Committee Powers**

In the course of fulfilling its responsibilities and duties, the Committee shall be empowered (a) to initiate, if warranted, an investigation of any special situation, (b) to retain outside legal, accounting or other advisors and consultants without seeking approval from the Board if, in the Committee’s judgment, it is appropriate and (c) to delegate to one or more of its members any responsibility or duty of the Committee, which by its nature is not required to be performed by the entire Committee, to the extent permissible under this Charter, the Company’s bylaws, laws, rules, regulations and listing standards, and subject to any limitations imposed by the Board from time to time. The Company shall provide appropriate funding, as determined by the Committee, in its capacity as

a committee of the Board, for payment of compensation to any external auditors employed to audit the Company's consolidated financial statements, any legal, accounting or other advisors and consultants employed by the Committee and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

## **VI. Meetings**

The Committee shall meet at least four times annually or more frequently as the circumstances dictate. For each Committee meeting, the Committee will appoint a secretary to keep minutes of such meeting. After approval of each set of minutes by the Committee, the Committee will submit such minutes to the Board for review and will cause such minutes to be filed with the minutes of the Board. Notwithstanding any other provision of this Charter, the Committee may for so long as it deems reasonably necessary maintain the confidentiality of its proceedings from some or all of the other members of the Board, if the Committee determines that such confidentiality is in the best interests of the Company.

## **VII. Limitations on Scope**

The Committee members shall serve on the Committee subject to the understanding on their part and the part of the Company's management, external auditors and internal auditors that:

1. The Committee members are not employees or officers of the Company and are not directly involved in the Company's daily operations and they will not serve as members of the Committee on a full-time basis.

2. The Committee members expect the Company's management, external auditors and internal auditors to provide the Committee with prompt and accurate information, so that the Committee can discharge its duties properly.

3. To the extent permitted by law, the Committee shall be entitled to rely on the information and opinions of the persons and entities noted above in carrying out its responsibilities.

The Committee members, in adopting this Charter and in agreeing to serve on the Committee, do so in reliance on, among other things, the provisions of the Company's Articles of Incorporation, as amended, which:

1. Together with the Company's Bylaws, provide indemnification for their benefit; and,
2. To the fullest extent permitted by law, provide that no current or former director shall be personally liable to the Company or its stockholders for monetary damages.