

# Weil, Gotshal & Manges LLP

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December 30, 2020

**Lyuba Goltser**  
+1 (212) 310-8048  
lyuba.goltser@weil.com

VIA E-MAIL ([shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov))

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: *Annaly Capital Management, Inc. – Exclusion of Stockholder Proposal of John Chevedden Securities Exchange Act of 1934 – Rule 14a-8*

Ladies and Gentlemen:

This letter is submitted on behalf of Annaly Capital Management Inc., a Maryland corporation (the “Company” or “Annaly”), pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Corporation respectfully requests that the staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) advise the Company that it will not recommend any enforcement action if the Company excludes from its proxy materials (the “2021 Proxy Materials”) for the Company’s 2021 Annual Meeting of Stockholders (the “2021 Annual Meeting”) the proposal described below for the reasons set forth herein.

## GENERAL

The Company received a proposal and supporting statement (the “Proposal”) along with a cover letter dated December 7, 2020, from John Chevedden (the “Proponent”), for inclusion in the 2021 Proxy Materials.

This letter provides an explanation of why the Company believes it may exclude the Proposal and includes the attachment required by Rule 14a-8(j). Pursuant to Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), the Company is submitting this letter and its attachments to the Commission by email. In accordance with Rule 14a-8(j) of the Exchange Act, the Company is submitting this letter to the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2021 Proxy Materials with the Commission and

is simultaneously sending today a copy of this letter and its attachments to the Proponent as notice of the Company's intention to omit the Proposal from the 2021 Proxy Materials. The Company will promptly forward to the Proponent any response from the Staff to this letter that the Staff transmits only to the Company.

Rule 14a-8(k) and SLB 14D provide that stockholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

### **SUMMARY OF THE PROPOSAL**

The Proposal states:

Shareholders request that our board of directors take the steps necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent.

A copy of the Proposal, the supporting statement and related correspondence from the Proponent are attached to this letter as Exhibit A.

### **BASIS FOR EXCLUSION**

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(h)(3) because, as discussed below, neither the Proponent nor his qualified representative attended the Company's 2020 Annual Meeting of Stockholders (the "2020 Annual Meeting") to present the Proponent's stockholder proposal (the "2020 Proposal") that was included in the Company's 2020 Proxy Statement.

### **ANALYSIS**

*The Proposal May Be Excluded Under Rule 14a-8(h)(3) Because Neither the Proponent nor His Qualified Representative Attended the Company's 2020 Annual Meeting of Stockholders To Present the Proponent's Proposal Contained in the Company's 2020 Proxy Statement.*

Under Rule 14a-8(h)(1), a proponent must attend the stockholders' meeting to present his proposal or must send a representative who is qualified under state law to present the proposal on the proponent's behalf. In addition, Rule 14a-8(h)(3) provides that if a stockholder or his

qualified representative fails, without good cause, to appear and present a proposal included in a company's proxy materials, the company will be permitted to exclude all of such stockholder's proposals from the company's proxy materials for any meetings held in the following two calendar years.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal under Rule 14a-8(h)(3) if, for either of the company's previous two annual meetings, neither the proponent nor his or her representative appeared to present a submitted proposal and did not state a "good cause" for the failure to appear. See, e.g., *Deere & Company* (October 22, 2020); *Quest Diagnostics Incorporated* (Jan. 24, 2020); *The Allstate Corporation* (Jan. 9, 2020); *United Technologies Corporation* (March 8, 2019); *TheStreet, Inc.* (March 8, 2019); *Aetna Inc.* (Feb. 1, 2017); *The Dow Chemical Co.* (Jan. 24, 2017); *Expeditors Int'l of Washington, Inc.* (Jan. 20, 2016); *McDonald's Corp.* (Mar. 3, 2015); *Verizon Communication, Inc.* (Nov. 6, 2014); *Entergy Corp.* (Jan. 12, 2010, recon. denied Mar. 16, 2010); *E.I du Pont de Nemours and Co.* (Feb. 16, 2010); *State Street Corp.* (Feb. 3, 2010); and *Comcast Corp.* (Feb. 25, 2008).

The Company intends to omit the Proposal from its 2021 Proxy Materials because both the Proponent and his qualified representative failed, without good cause, to attend the Company's 2020 Annual Meeting held on May 20, 2020 to present the 2020 Proposal that the Proponent had submitted for that meeting. The Company gave timely notice regarding the 2020 Annual Meeting to the Company's stockholders, and consistent with Commission rules and Maryland law, the notice clearly stated the date, time and location of the 2020 Annual Meeting as May 20, 2020 at 9:00 a.m. (Eastern Time) at [www.virtualshareholdermeeting.com/NLY2020](http://www.virtualshareholdermeeting.com/NLY2020). The Company has hosted its annual meetings of the stockholders by virtual-means only since 2018.

The Company included the 2020 Proposal in the Company's 2020 Proxy Statement as Proposal No. 5 (an excerpt of which is attached hereto as Exhibit B) and was prepared and expected the Proponent, or his qualified representative, to present the 2020 Proposal at the 2020 Annual Meeting. On May 7, 2020, the Company's Chief Legal Officer sent the Proponent dial-in information and instructions to join the 2020 Annual Meeting to present the 2020 Proposal and requested the Proponent advise the Company if he was planning to have a representative present the 2020 Proposal in his stead (see Exhibit C). On the same day, the Proponent confirmed receipt of this information (see Exhibit D). At and prior to the commencement of the 2020 Annual Meeting, the Company made multiple attempts to confirm with the telephone operator for the 2020 Annual Meeting if the Proponent or a designated representative were present to present the 2020 Proposal. Neither the Proponent nor his qualified representative attended the 2020 Annual Meeting to present the 2020 Proposal.

The Proponent also did not provide the Company with an explanation or any "good cause" for his, or his qualified representative's, absence. We are aware of the Staff's recent views expressed in the Guidance for Conducting Shareholder Meetings in Light of COVID-19 Concerns (the

“COVID-19 Guidance”).<sup>1</sup> Of particular relevance here, the COVID-19 Guidance states that “to the extent a shareholder proponent or representative is not able to attend the annual meeting and present the proposal due to the inability to travel or other hardships related to COVID-19, the staff would consider this to be ‘good cause’ under Rule 14a-8(h)...” However, here neither the Proponent nor his qualified representative has affirmatively claimed that their collective failure to attend and present at the 2020 Annual Meeting was due to an inability to travel or other hardships related to COVID-19. Due to the virtual format of the 2020 Annual Meeting, neither the Proponent nor his qualified representative would have needed to travel to present the 2020 Proposal. Furthermore, any claim by the Proponent that he or his qualified representative was unable to attend and present the Proposal due to the inability to travel or other hardships related to COVID-19 would lack merit, as demonstrated by the Proponent’s attendance and presentation of stockholder proposals at the annual meetings of at least three other companies held on the same day – one immediately before and two after the Company’s 2020 Annual Meeting. In this regard, on the same day as the Company’s 2020 Annual Meeting, which began at 9:00 a.m. Eastern Time, the Proponent presented his stockholder proposal at the virtual annual meeting of each of (i) Northrop Grumman Corporation (“Northrop”), whose meeting began at 8:00 a.m. Eastern Time<sup>2</sup>, (ii) CF Industries Holdings, Inc. (“CF Industries”), whose meeting began at 2:00 p.m. Central Time<sup>3</sup>, and (iii) Reliance Steel & Aluminum Co. (“Reliance”), whose meeting began at 4:00 p.m. Pacific Time<sup>4</sup>. The Company confirmed that the Proponent attended and presented his stockholder proposals at Northrop’s and CF Industries’ meetings by a review of the

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<sup>1</sup> See <https://www.sec.gov/ocr/staff-guidance-conducting-annual-meetings-light-covid-19-concerns>.

<sup>2</sup> See Northrop’s Notice of Annual Meeting of Stockholders, available at <https://www.sec.gov/Archives/edgar/data/1133421/000113342120000014/noc-2020xdef14adraft.htm>, its supplemental proxy materials, available at <https://www.sec.gov/Archives/edgar/data/1133421/000113342120000025/noc-defa14a050620.htm>, and its annual meeting results, available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/1133421/000113342120000031/noc-form8xk052020.htm>. The Proponent’s stockholder proposal was the fifth proposal on Northrop’s annual meeting agenda.

<sup>3</sup> See CF Industries’ Notice of Annual Meetings of Stockholders, available at <https://www.sec.gov/Archives/edgar/data/1324404/000104746920002185/a2241107zdef14a.htm>, its supplemental proxy materials, available at [https://www.sec.gov/Archives/edgar/data/1324404/000110465920056079/tm2018428-1\\_defa14aseq1.htm](https://www.sec.gov/Archives/edgar/data/1324404/000110465920056079/tm2018428-1_defa14aseq1.htm), and its meeting results, available at [https://www.sec.gov/ix?doc=/Archives/edgar/data/1324404/000110465920065401/tm2020793-1\\_8k.htm](https://www.sec.gov/ix?doc=/Archives/edgar/data/1324404/000110465920065401/tm2020793-1_8k.htm). The Proponent’s stockholder proposal was the fourth proposal on CF Industries’ annual meeting agenda.

<sup>4</sup> See Reliance’s Notice of Annual Meetings of Stockholders, available at <https://www.sec.gov/Archives/edgar/data/861884/000104746920002223/a2241080zdef14a.htm>, and its annual meeting results, available at [https://www.sec.gov/ix?doc=/Archives/edgar/data/861884/000110465920065254/tm2020764-1\\_8k.htm](https://www.sec.gov/ix?doc=/Archives/edgar/data/861884/000110465920065254/tm2020764-1_8k.htm). The Proponent’s stockholder proposal was the sixth proposal on Reliance’s annual meeting agenda.

transcripts for such meetings accessed via FactSet, and the publicly available recording<sup>5</sup> of Reliance's annual meeting evidences that the Proponent attended and presented his stockholder proposal there as well. Each of Northrop's, CF Industries' and Reliance's annual meetings were hosted on a virtual meeting platform and Northrop, CF Industries and Reliance provided their stockholders with comparable access procedures and instructions as the Company did. The virtual format of the 2020 Annual Meeting, the Company's thorough and detailed correspondence with the Proponent in advance of the 2020 Annual Meeting regarding how to participate (and confirming the date, time and location), and the Proponent's successful participation in virtual meetings before and after the 2020 Annual Meeting demonstrate that the Proponent's failure to appear at the 2020 Annual Meeting to present the 2020 Proposal was not related to an inability to travel or other hardship related to COVID-19. Rather, the Proponent simply failed to appear at the 2020 Annual Meeting without good cause.

The Company disclosed in its Item 5.07 Form 8-K filed on May 21, 2020, that the 2020 Proposal was not acted upon at the 2020 Annual Meeting because "neither the proponent of the proposal nor a representative was in attendance to properly present the proposal at the Annual Meeting as required..." (see Exhibit E). Further, on December 11, 2020, subsequent to receiving the Proposal, the Company informed the Proponent ("December 11 Email") that the Company believed that, under Rule 14a-8(h)(3), the Proposal was excludable from the 2021 Proxy Materials because the Proponent had failed, without good cause, to properly present the 2020 Proposal (see Exhibit F). The Proponent's response to the December 11 Email did not provide an explanation or suggest that hardships related to COVID-19 were a cause for the Proponent's failure to attend the 2020 Meeting and present the 2020 Proposal (see Exhibit G).

Therefore, because neither the Proponent nor his qualified representative attended the 2020 Annual Meeting to present the 2020 Proposal, the Proponent is not eligible to submit a proposal for inclusion in the Company's 2021 Proxy Materials. Accordingly, consistent with the precedents described above, the Company believes that under Rule 14a-8(h)(3) it may exclude the Proposal from the Company's 2021 Proxy Materials.

## CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2021 Proxy Materials in reliance on Rule 14a-8(h)(3).

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance in this matter, please do not hesitate to contact me at [lyuba.goltser@weil.com](mailto:lyuba.goltser@weil.com) or (212) 310-8048, or Anthony

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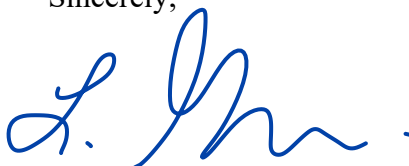
<sup>5</sup> A recording of Reliance's annual meeting, in which the Proponent can be heard presenting his stockholder proposal, is available at <https://east.virtualshareholdermeeting.com/vsm/web?pvskey=RS2020>.

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
December 30, 2020  
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**Weil, Gotshal & Manges LLP**

Green, the Company's Chief Corporate Officer & Chief Legal Officer at [agreen@annaly.com](mailto:agreen@annaly.com) or (646) 728-7668.

Sincerely,



Lyuba Goltser

Cc: Anthony Green, Annaly Capital Management, Inc.  
Audrey Susanin, Annaly Capital Management, Inc.  
John Chevedden

Attachments

EXHIBIT A

Stockholder Proposal, Supporting Statements and Related Correspondence

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**From:** John Chevedden \*\*\*  
**Sent:** Monday, December 7, 2020 9:43 PM  
**To:** Anthony Green <[agreen@annaly.com](mailto:agreen@annaly.com)>  
**Cc:** Audrey Susanin <[asusanin@annaly.com](mailto:asusanin@annaly.com)>  
**Subject:** Rule 14a-8 Proposal (NLY)``

[External]

Mr. Green,

Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the substantial market capitalization of the company.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message it may very well save you from requesting a broker letter from me.

Sincerely,  
John Chevedden

Email Disclaimer: <http://www.annaly.com/site-services/email-disclaimer.aspx>



\*\*\*  
JOHN CHEVEDDEN  
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Mr. Anthony C. Green  
Corporate Secretary  
Annaly Capital Management, Inc. (NLY)  
1211 Avenue of the Americas  
New York, NY 10036  
PH: 212-696-0100  
Fax: (347) 442-3117

Dear Mr. Green,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

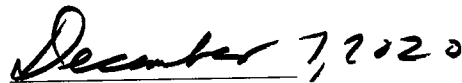
This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the next annual shareholder meeting. Rule 14a-8 requirements will be met including the continuous ownership of the required stock value until after the date of the respective shareholder meeting and presentation of the proposal at the annual meeting. This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message it may very well save you from requesting a broker letter from me.

Sincerely,

  
John Chevedden

  
Date

cc: Audrey Susanin <asusanin@annaly.com>

[NLY: Rule 14a-8 Proposal, December 7, 2020]

[This line and any line above it – *Not* for publication.]

**Proposal 4 – Adopt a Mainstream Shareholder Right – Written Consent**

Shareholders request that our board of directors take the steps necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent.

Hundreds of major companies enable shareholder action by written consent. This proposal topic won majority shareholder support at 13 large companies in a single year. This included 67%-support at both Allstate and Sprint. This proposal topic also won 63%-support at Cigna Corp. (CI) in 2019. This proposal topic would have received higher votes than 63% to 67% at these companies if more shareholders had access to independent proxy voting advice.

The right for shareholders to act by written consent is gaining acceptance as a more important right than the right to call a special meeting. This also seems to be the conclusion of the Intel Corporation (INTC) shareholder vote at the 2019 Intel annual meeting.

The directors at Intel apparently thought they could divert shareholder attention away from written consent by making it less difficult for shareholders to call a special meeting. However Intel shareholders responded with greater support for written consent in 2019 compared to 2018.

After a 45%-vote (less than a majority vote) for a written consent shareholder proposal The Bank of New York Mellon Corporation (BK) said it adopted written consent in 2019.

This proposal is another step to improve our corporate governance. In 2019 our directors stood for election for one-year terms for the first time instead of 3-year terms. One-year terms for directors and a shareholder right to act by written consent can both have a favorable impact on our struggling stock price which is down from the \$12-range of 2017.

The avalanche of bare bones online shareholder meetings in 2020 makes the shareholder right to act by written consent more valuable. Shareholders are so restricted in online meetings that management will never want a return to the more transparent in-person shareholder meeting format.

Shareholders are restricted in making their views known at online shareholder meetings because all constructive questions and comments can be screened out by management. For instance the Goodyear shareholder meeting was spoiled by a trigger-happy management mute button for shareholders. And AT&T, with 3000 institutional shareholders, would not even allow shareholders to speak.

Please vote yes:

**Adopt a Mainstream Shareholder Right – Written Consent – Proposal 4**

[The line above – *Is* for publication. Please assign the correct proposal number in the 2 places.]

Notes:

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

**We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.**

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email

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**From:** Anthony Green  
**Sent:** Tuesday, December 15, 2020 7:38 PM  
**To:** 'John Chevedden' \*\*\*  
**Cc:** Audrey Susanin <asusanin@annaly.com>  
**Subject:** RE: Rule 14a-8 Proposal (NLY)

Mr. Chevedden,

Please find attached a notice of deficiency letter regarding your stockholder proposal for inclusion in Annaly Capital Management, Inc.'s proxy materials for the 2021 Annual Meeting of Stockholders pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended.

Sincerely,  
Anthony Green

Anthony Green  
Chief Corporate Officer & Chief Legal Officer  
Annaly Capital Management, Inc.  
1211 Ave of the Americas, 41st Floor  
New York, NY 10036  
Direct: (646) 728-7668  
Fax: (347) 442-3117  
Email: [agreen@annaly.com](mailto:agreen@annaly.com)

# ANNALY<sup>®</sup>

December 15, 2020

VIA E-MAIL AND FEDERAL EXPRESS

John Chevedden  
\*\*\*

Re: Notice of Deficiency

Dear Mr. Chevedden,

As previously confirmed in my email response (the "Prior Email") dated December 11, 2020, we received your stockholder proposal (the "Proposal") on December 7, 2020 for inclusion in Annaly Capital Management, Inc.'s proxy materials for the 2021 Annual Meeting of Stockholders (the "Annual Meeting") pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended.

Under the proxy rules of the Securities and Exchange Commission (the "SEC"), in order to be eligible to submit a proposal for the Annual Meeting, a proponent must have continuously held at least \$2,000 in market value, or 1%, of Annaly's common stock for at least one year, as of the date that the Proposal was submitted.

Based on our review of the information in your letter, our records, and regulatory materials, we are unable to conclude that you are a registered holder of Annaly's common stock, as required by Rule 14a-8. Therefore, the Proposal contains a procedural deficiency which SEC regulations require us to bring to your attention. Unless this deficiency can be remedied in the proper time frame, as discussed below, we will be entitled to exclude the Proposal from our proxy materials for the Annual Meeting in reliance on Rule 14a-8(b)(2). As indicated in my Prior Email, we are also entitled to exclude the Proposal from our proxy materials for the Annual Meeting in reliance on Rule 14a-8(h)(3).

Please provide a written statement from the record holder of your shares (usually a bank or broker) and a participant in the Depository Trust Company (DTC) verifying that, at the time you submitted the Proposal, you had beneficially held the requisite number of shares of Annaly common stock continuously for at least one year. For information regarding the acceptable methods of proving your ownership of the minimum number of shares of Annaly common stock, please see Rule 14a-8(b)(2) in Exhibit A. The SEC's Staff Legal Bulletin Nos. 14F and 14G (the "Bulletins") provide additional guidance with respect to the standard for proof of ownership. According to the Bulletins, for purposes of Rule 14a-8(b)(2)(i), only DTC participants and their

December 15, 2020

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affiliates, as described in the Bulletins, should be viewed as “record” holders of securities that are deposited with the DTC. More specifically, SEC’s Staff Legal Bulletin No. 14F states:

*How can a shareholder determine whether his or her broker or bank is a DTC participant?*

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC’s participant list, which is currently available on the Internet at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>.

*What if a shareholder’s broker or bank is not on DTC’s participant list?*

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder’s broker or bank.

If the DTC participant knows the shareholder’s broker or bank’s holdings, but does not know the shareholder’s holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder’s broker or bank confirming the shareholder’s ownership, and the other from the DTC participant confirming the broker or bank’s ownership.

For your reference, a copy of Rule 14a-8 and Staff Legal Bulletin Nos. 14F and 14G are attached hereto as Exhibit A.

You may direct your response to my attention at [agreen@annaly.com](mailto:agreen@annaly.com). The SEC rules require that the documentation be postmarked or transmitted electronically to us no later than 14 calendar days from the date you receive this letter. Annaly reserves the right to submit a no-action request to the staff of the SEC, as appropriate, with respect to this Proposal.

Very truly yours,



Anthony Green  
Chief Corporate Officer & Chief  
Legal Officer

Attachments

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**From:** John Chevedden  
**Sent:** Tuesday, December 29, 2020 12:12 AM  
**To:** Anthony Green <agreen@annaly.com>  
**Cc:** Audrey Susanin <asusanin@annaly.com>  
**Subject:** Rule 14a-8 Proposal (NLY) blb

[External]

Mr. Green,  
Please see the attached broker letter.  
Please confirm receipt.  
Sincerely,  
John Chevedden

Email Disclaimer: <http://www.annaly.com/site-services/email-disclaimer.aspx>

Personal Investing

P.O. Box 770001  
Cincinnati, OH 45277-0045



December 28, 2020

JOHN R CHEVEDDEN  
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To Whom It May Concern:

This letter is provided at the request of Mr. John R. Chevedden, a customer of Fidelity Investments.

Please accept this letter as confirmation that as of market close on December 25, 2020, Mr. Chevedden has continuously owned no fewer than the share quantities of the securities shown in the table below, since September 1, 2019.

Security Name	CUSIP	Symbol	Share Quantity
Annaly Capital Management	035710409	NLY	500

These securities are registered in the name of National Financial Services LLC, a DTC participant (DTC number: 0226) and Fidelity Investments subsidiary. Please note that this information is unaudited and not intended to replace the account holder's monthly statements or official tax documents.

I hope this information is helpful. For any other issues or general inquiries, please contact a Fidelity representative at 800-544-6666. Thank you for choosing Fidelity Investments.

Sincerely,

A handwritten signature in cursive script that reads "Curtis Gardner".

Curtis Gardner  
Operations Specialist

Our File: W624110-28DEC20



EXHIBIT B

Excerpt of 2020 Proxy Statement

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## PROPOSAL 05 Advisory Stockholder Proposal Regarding Stockholder Action by Written Consent

John Chevedden, whose address is <sup>\*\*\*</sup>, has notified the Company of his intention to present the proposal printed below for stockholder consideration at the Annual Meeting. Mr. Chevedden has furnished evidence of his ownership of 500 shares of the Company's common stock, which he has owned for at least one year prior to the date he submitted his proposal.

We have printed verbatim the text of Mr. Chevedden's proposal and his supporting statement. His proposal will be voted on at the Annual Meeting only if it is properly presented by or on behalf of Mr. Chevedden.



The Board makes **no recommendation** on this stockholder proposal.

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### STOCKHOLDER PROPOSAL

#### Proposal 5 – Adopt a Mainstream Shareholder Right – Written Consent

Shareholders request that our board of directors take the steps necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to give shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any appropriate topic for written consent.

Hundreds of major companies enable shareholder action by written consent. This proposal topic won majority shareholder support at 13 large companies in a single year. This included 67% -support at both Allstate and Sprint. This proposal topic also won 63%-support at Cigna Corp. (CI) in 2019. This proposal topic would have received higher votes than 63% to 67% at these companies if more shareholders had access to independent proxy voting advice.

The right for shareholders to act by written consent is gaining acceptance as a more important right than the right to call a special meeting. This also seems to be the conclusion of the Intel Corporation (INTC) shareholder vote at the 2019 Intel annual meeting.

The directors at Intel apparently thought they could divert shareholder attention away from written consent by making it less difficult for shareholders to call a special meeting. However Intel shareholders responded with greater support for written consent in 2019 compared to 2018.

After a 45%-vote (less than a majority vote) for a written consent shareholder proposal The Bank of New York Mellon Corporation (BK) said it adopted written consent in 2019.

Perhaps BK is starting a new trend in recognizing that a 45%-vote represents a majority vote from the shares that have access to independent proxy voting advice.

And a proxy advisor set certain minimum requirements for a company adopting written consent in case the directors of a company are tempted to adopt a "fig leaf" version of written consent.

This proposal is another step to improve our corporate governance. In 2019 our directors stood for election for one-year terms for the first time instead of 3-year terms. One-year terms for directors and a shareholder right to act by written consent can both have a favorable impact on our struggling stock price which is down from the \$12-range of 2017.

Annual election of each director may be an incentive for our Chairman and CEO, Kevin Keyes, to improve upon his 2019 performance. Mr. Keyes received the most negative votes of any director. Under our old system Mr. Keyes would not have had to answer to a shareholder vote until 2022.

Please vote yes:

Adopt a Mainstream Shareholder Right – Written Consent – Proposal 5

## BOARD OF DIRECTORS' STATEMENT

The Company is very committed to strong corporate governance practices that empower stockholders and promote Board accountability. These practices include:

- The Board separated the roles of CEO and Chair of the Board and appointed an Independent Chair;
- The Board is in the process of declassifying its structure and all Directors will stand for annual election beginning with the 2021 Annual Meeting;
- Directors are elected using a majority vote standard for uncontested elections;
- Majority voting to approve amendments to the Company's bylaws and charter;
- No stockholder rights plan (also known as a "poison pill"); and
- The Company recently announced the signing of a definitive agreement to internalize its management function, and transition from an externally-managed REIT to an internally-managed REIT.

The evolution of the Company's corporate governance and stockholder rights frameworks has been informed by ongoing dialogue with its stockholders. As detailed in this Proxy Statement, stockholders have multiple avenues for raising matters with the Board and members of management. The Company conducts year-round engagement with both retail and institutional stockholders, encourages stockholders to communicate in writing with Directors, seriously considers potential Board candidates submitted by stockholders and provides the ability for stockholders to call special meetings outside of the annual meeting process.

The Board has determined not to recommend a vote either for or against the stockholder proposal. Although the proposal is non-binding and advisory in nature, the Board values stockholders' opinions and will take the results of the vote into consideration, together with any other input from stockholders and other relevant factors, in making a decision regarding whether any changes should be made to the Company's corporate governance and stockholder rights frameworks.

EXHIBIT C

Email from Chief Legal Officer to the Proponent dated May 7, 2020

**From:** [Anthony Green](#)  
**To:** \*\*\*  
**Cc:** [Audrey Susanin](#)  
**Subject:** RE: Rule 14a-8 Proposal (NLY)``  
**Date:** Thursday, May 7, 2020 11:25:39 AM

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Dear Mr. Chevedden,

I wanted to reach out in respect of the upcoming Annual Meeting of Stockholders (the “Annual Meeting”) of Annaly Capital Management, Inc., which will be conducted as a virtual meeting on May 20, 2020 at 9:00 am (Eastern Time).

In order to present your proposal at the Annual Meeting, we would ask that you join the meeting broadcast telephonically by dialing 1-877-328-2502. Please dial into the meeting at approximately 8:45 am (Eastern Time), so you have time to identify yourself to the meeting operator and complete a sound test. If you are planning to have a representative present your proposal in your stead, please provide his or her name as soon as possible so we can ensure that he or she will be admitted to the Annual Meeting.

If you have any questions or need any assistance, please let me know.

Sincerely,

Anthony Green

Anthony Green

Chief Corporate Officer & Chief Legal Officer

Annaly Capital Management, Inc.

1211 Ave of the Americas, 41st Floor

New York, NY 10036

Main: (212) 696-0100

Direct: (646) 728-7668

Mobile: (301) 922-5625

Fax: (347) 442-3117

Email: [agreen@annaly.com](mailto:agreen@annaly.com)

EXHIBIT D

Email from the Proponent to the Chief Legal Officer dated May 7, 2020

**From:** \*\*\*  
**To:** [Anthony Green](#)  
**Cc:** [Audrey Susanin](#)  
**Subject:** AGM (NLY)  
**Date:** Thursday, May 7, 2020 9:22:55 PM

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[External]

Thank you.

1-877-328-2502

EXHIBIT E

Current Report on Form 8-K filed with the Commission on May 21, 2020



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported)  
May 20, 2020

**Annaly Capital Management Inc**  
(Exact Name of Registrant as Specified in its Charter)

<b>Maryland</b> (State or other jurisdiction of incorporation or organization)	<b>1-13447</b> (Commission File Number)	<b>22-3479661</b> (IRS Employer Identification No.)
<b>1211 Avenue of the Americas</b> <b>New York, New York</b> (Address of principal executive offices)		<b>10036</b> (Zip Code)

Registrant's telephone number, including area code: **(212) 696-0100**

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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

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

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	NLY	New York Stock Exchange
7.50% Series D Cumulative Redeemable Preferred Stock	NLY.D	New York Stock Exchange
6.95% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	NLY.F	New York Stock Exchange
6.50% Series G Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	NLY.G	New York Stock Exchange
6.75% Series I Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	NLY.I	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2 of this chapter).

Emerging growth company

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

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On May 20, 2020, the stockholders of Annaly Capital Management, Inc. (the “Company” or “Annaly”) approved the 2020 Equity Incentive Plan (the “Plan”) at the Company’s 2020 Annual Meeting of Stockholders (the “Annual Meeting”). The Plan, among other things, reserves 125,000,000 shares of the Company’s common stock, par value \$0.01 per share, for issuance in the form of equity-based awards to the Company’s Board of Directors (the “Board”), the Company’s employees, employees of the Company’s subsidiaries and any person who performs services for the Company, its subsidiaries, or its affiliates (whether as a consultant, advisor or otherwise).

A more detailed description of the material terms of the Plan was included in the Company’s definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission (the “SEC”) on April 8, 2020 (the “Proxy Statement”) under the heading “Proposal 03 - Approval of the Company’s 2020 Equity Incentive Plan,” which is incorporated herein by reference. The Plan is filed as Exhibit 10.1 hereto.

On May 20, 2020, the Board approved a form of deferred stock unit award for directors for awards on or after such date pursuant to the Plan. The form of award is filed as Exhibit 10.2.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

On May 20, 2020, the Company held its Annual Meeting. At the Annual Meeting, stockholders elected eight directors to serve on the Board until the 2021 Annual Meeting of Stockholders (the “2021 Annual Meeting”); approved, on an advisory basis, the Company’s executive compensation; approved the Plan; and ratified the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2020. For the advisory stockholder proposal regarding stockholder action by written consent, neither the proponent of the proposal nor a representative was in attendance to properly present the proposal at the Annual Meeting as required by SEC Rule 14a-8. Accordingly, no vote was taken on this proposal at the Annual Meeting.

The total number of shares of common stock entitled to vote at the Annual Meeting was 1,430,424,398, of which 1,198,536,862 shares, or 83.78%, were present in person or by proxy.

The final voting results for each of the proposals properly submitted to a vote of stockholders at the Annual Meeting are set forth below.

Proposal 1. The election of eight directors to serve on the Board until the 2021 Annual Meeting.

Director	For	Against	Abstentions	Broker Non-Votes
Francine J. Bovich	739,394,137	10,100,006	4,797,394	444,245,325
Katie Beirne Fallon	739,231,781	10,354,886	4,704,870	444,245,325
David L. Finkelstein	740,053,017	9,380,732	4,857,788	444,245,325
Thomas Hamilton	741,970,004	7,398,883	4,922,650	444,245,325
Kathy Hopinkah Hannan	739,976,295	9,661,692	4,653,550	444,245,325
John H. Schaefer	740,948,282	8,485,244	4,858,011	444,245,325
Glenn A. Votek	738,994,801	10,411,127	4,885,609	444,245,325
Vicki Williams	740,105,190	9,426,272	4,760,075	444,245,325

Proposal 2. Advisory approval of the Company’s executive compensation.

For	Against	Abstentions	Broker Non-Votes
715,233,081	29,787,153	9,271,303	444,245,325

Proposal 3. Approval of the Plan.

For	Against	Abstentions	Broker Non-Votes
709,334,769	36,123,373	8,833,395	444,245,325

Proposal 4. Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2020.

For	Against	Abstentions
1,168,147,408	18,393,949	11,995,505

Further information regarding these proposals is set forth in the Company's Proxy Statement.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

[10.1 2020 Equity Incentive Plan \(incorporated herein by reference to Annex A to the Registrant's proxy statement dated April 8, 2020\).](#)

[10.2 Form of Deferred Stock Unit Award for Directors.](#)

104 Cover page (formatted in Inline XBRL).

**SIGNATURE**

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

ANNALY CAPITAL MANAGEMENT, INC.  
(REGISTRANT)

By: /s/ Anthony C. Green

Name: Anthony C. Green

Title: Chief Corporate Officer & Chief Legal Officer

Dated: May 21, 2020

EXHIBIT F

December 11 Email to Proponent

**From:** Anthony Green  
**Sent:** Friday, December 11, 2020 2:53 PM  
**To:** 'John Chevedden' \*\*\*  
**Cc:** Audrey Susanin <asusanin@annaly.com>  
**Subject:** RE: Rule 14a-8 Proposal (NLY)``

Mr. Chevedden,

I am writing to acknowledge receipt on December 7, 2020 of your shareholder proposal (the "Proposal"), submitted to Annaly Capital Management, Inc. ("Annaly" or the "Company") pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, for inclusion in Annaly's proxy materials for the 2021 Annual Meeting of Shareholders (the "2021 Annual Meeting").

Under Rule 14a-8(h)(1), a proponent must attend the shareholder's meeting to present his proposal or must send a representative who is qualified under state law to present the proposal on the proponent's behalf. Rule 14a-8(h)(3) also provides that if a shareholder or his qualified representative fails, without good cause, to appear and present a proposal included in a company's proxy materials, the company will be permitted to exclude all of such shareholder's proposals from the company's proxy materials for any meetings held in the following two calendar years.

I note that you failed to attend Annaly's 2020 Annual Meeting of Shareholders on May 20, 2020 (the "2020 Annual Meeting") to present a proposal that you had submitted for inclusion at such meeting (the "2020 Proposal"). Annaly gave timely notice regarding the 2020 Annual Meeting to Annaly's shareholders, and consistent with SEC rules and Maryland law, the notice clearly stated the date, time and location of the 2020 Annual Meeting.

On May 7, 2020, we sent you dial-in information and instructions to join the 2020 Annual Meeting to present the 2020 Proposal and requested that you advise us if you were planning to have a representative present the 2020 Proposal in your stead. On the same day, you confirmed receipt of this information. At and prior to the commencement of the 2020 Annual Meeting, the Company made multiple attempts to confirm with the telephone operator for the 2020 Annual Meeting if you or a designated representative were present to present the 2020 Proposal. You also did not provide the Company with an explanation for your or your qualified representative's absence. As a result, the Company disclosed in its Item 5.07 Form 8-K filed on May 21, 2020 ([Link](#)), that the 2020 Proposal was not acted upon at the 2020 Annual Meeting because "neither the proponent of the proposal

nor a representative was in attendance to properly present the proposal at the Annual Meeting as required...”

For the foregoing reasons, we are informing you that you are not eligible to submit a proposal for inclusion in the Company’s proxy materials for the 2021 Annual Meeting. Accordingly, consistent with SEC Staff precedents, the Proposal is excludable from the Company’s 2021 proxy materials pursuant to Rule 14a-8(h)(3).

Please confirm that you agree to withdraw the Proposal. Annaly reserves the right to submit a no-action request to the SEC Staff requesting concurrence with the Company’s view and confirming that the Proposal may be excluded from the Company’s proxy materials for the 2021 Annual Meeting.

Sincerely,  
Anthony Green

Anthony Green  
Chief Corporate Officer & Chief Legal Officer  
Annaly Capital Management, Inc.  
1211 Ave of the Americas, 41st Floor  
New York, NY 10036  
Direct: (646) 728-7668  
Fax: (347) 442-3117  
Email: [agreen@annaly.com](mailto:agreen@annaly.com)

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**From:** John Chevedden \*\*\*  
**Sent:** Monday, December 7, 2020 9:43 PM  
**To:** Anthony Green <[agreen@annaly.com](mailto:agreen@annaly.com)>  
**Cc:** Audrey Susanin <[asusanin@annaly.com](mailto:asusanin@annaly.com)>  
**Subject:** Rule 14a-8 Proposal (NLY)``

[External]

Mr. Green,  
Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the substantial market capitalization of the company.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message it may very well save you from requesting a broker letter from me.

Sincerely,  
John Chevedden

Email Disclaimer: <http://www.annaly.com/site-services/email-disclaimer.aspx>



EXHIBIT G

Proponent Response to December 11 Email

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**From:** John Chevedden \*\*\*  
**Date:** Friday, Dec 11, 2020, 10:01 PM  
**To:** Anthony Green <[agreen@annaly.com](mailto:agreen@annaly.com)>  
**Subject:** Rule 14a-8 Proposal (NLY)

**[External]**

Mr. Green,

Management and shareholders would have benefitted from publishing the 2020 vote on this important written consent topic.

Management has already levied the penalty of not reporting the 2020 vote and now management is threatening a greater penalty especially given the challenging transition to 100% online shareholder meetings.

It is not in the interest of shareholders to fail to publish the 2021 proposal.

John Chevedden

Email Disclaimer: <http://www.annaly.com/site-services/email-disclaimer.aspx>