

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

Schedule 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

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 §240.14a-12p

Two Harbors Investment Corp.
(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 paid previously with preliminary materials.
- ☐ Fee computed on table in exhibit required by Item 25(b) per Exchange Act rules 14a6(i)(1) and 0-11.



NOTICE OF 2025 ANNUAL MEETING AND PROXY STATEMENT

April 2, 2025 | NYSE: TWO

Dear Fellow Stockholders:

On behalf of the Board of Directors of Two Harbors Investment Corp. I am pleased to invite you to our 2025 Annual Meeting of Stockholders. As in years past, we will host our annual meeting virtually via live webcast on Wednesday, May 14, 2025, at 10:00 a.m. Eastern Time, enabling all stockholders to participate fully and equally from any location at no cost.

We value the views of our stockholders and look forward to continuing our dialogue on the priorities for the company. We have highlighted the company's achievements and shared our outlook in the Letter to Stockholders included in our 2024 Annual Report. During 2024, we accomplished several important objectives that we believe will position our company for long-term success and deliver value to our stockholders. We grew our MSR portfolio through the settlement of \$9.2 billion in unpaid principal balance ("UPB") of MSR, or 28,093 loans, through bulk and flow-sale acquisitions and recapture. Substantially all of these loans are serviced at our operating company, RoundPoint Mortgage Servicing LLC. At RoundPoint, we launched a direct-to-consumer recapture originations platform, funding \$64.3 million UPB in first lien loans and brokering \$40.2 million UPB in second lien loans. We delivered value to stockholders through generating a 2024 total economic return on common book value of 7.0%, which includes total dividends declared of \$1.80 per common share. Finally, we actively managed our capital structure through the repurchase of 485,609 shares of preferred stock and \$10.0 million principal amount of convertible senior notes due 2026. In addition to our business achievements, we launched our new brand, referring to ourselves simply at "TWO," reflective of our evolution as a company into an MSR-focused REIT.

It is important that your shares of common stock be represented at our Annual Meeting, regardless of the number of shares you hold and whether or not you plan to attend the virtual meeting. Accordingly, we encourage you to authorize your vote as soon as possible by following the instructions contained in the Notice of Internet Availability of Proxy Materials that you receive for our Annual Meeting, which we will commence mailing on or about April 2, 2025.

The Notice of Annual Meeting of Stockholders and Proxy Statement describe the business to be conducted at the Annual Meeting and the details for accessing the meeting webcast. We use this "Notice and Access" method of furnishing proxy materials to you over the Internet, providing you with a convenient way to access our proxy materials and vote your shares, while allowing us to reduce the environmental impact and costs of printing and distributing our Annual Meeting materials.

We hope you are able to attend our virtual Annual Meeting of Stockholders. As always, thank you for your support of TWO.

Sincerely,

William Greenberg
President and Chief Executive Officer

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date: Wednesday, May 14, 2025

Time: 10:00 a.m. Eastern Time

Website: www.virtualshareholdermeeting.com/TWO2025

Agenda: (1) To elect as directors the eight nominees named in the accompanying Proxy Statement, each to serve until our next annual meeting of stockholders and until their successor is elected and qualified;

(2) To hold an advisory vote relating to the compensation of our executive officers;

(3) To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2025; and

(4) To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Record Date: You may vote at the Annual Meeting if you were a holder of record of our common stock as of the close of business on March 19, 2025.

Proxy Materials: On or about April 2, 2025, we expect to begin mailing a Notice of Internet Availability of Proxy Materials, which contains information regarding how to access our proxy materials and vote. Our Proxy Statement and 2024 Annual Report are available at www.proxyvote.com.

Admission: You may participate in the Annual Meeting by visiting www.virtualshareholdermeeting.com/TWO2025. You will need the 16-digit control number included on your Notice of Internet Availability of Proxy Materials, on your proxy card or on the instructions that accompanied your proxy materials.

Questions: You may submit a question prior to the Annual Meeting online at www.proxyvote.com or during the Annual Meeting at www.virtualshareholdermeeting.com/TWO2025.

BY ORDER OF THE BOARD OF DIRECTORS,



Rebecca B. Sandberg
Vice President, Chief Legal Officer and Secretary
April 2, 2025

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2025 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 14, 2025:

Our Proxy Statement and 2024 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, are available at www.proxyvote.com.

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PROXY STATEMENT: EXECUTIVE SUMMARY

This executive summary highlights certain information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider. You are encouraged to read the entire Proxy Statement carefully before voting, including the section titled “General Information About the 2025 Annual Meeting and Voting” beginning on page 59 and information about Forward-Looking Statements on page 59 that are included in this Proxy Statement. Page references are provided to help you find further information in this Proxy Statement.

2025 ANNUAL MEETING OF STOCKHOLDERS

Date and Time: Wednesday, May 14, 2025 | 10:00 a.m. Eastern Time

Website: www.virtualshareholdermeeting.com/TWO2025

Voting Eligibility: Common stockholders as of the record date of March 19, 2025

VOTING MATTERS

Proposal (Page Number)	Board Recommendation
1. Election of eight directors (p. 4)	FOR all nominees
2. Advisory vote relating to executive compensation (p. 56)	FOR
3. Ratification of Ernst & Young LLP as our independent registered public accounting firm (p. 57)	FOR

CASTING YOUR VOTE PRIOR TO THE ANNUAL MEETING

Each share of common stock outstanding on the record date is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on at our Annual Meeting. You may cast your vote by:



Internet
www.proxyvote.com



Telephone
1-800-690-6903



Mail
Return your proxy card in the envelope provided

The deadline for voting in advance of the Annual Meeting is 11:59 p.m. Eastern Time on May 13, 2025. For details on how to vote, see “General Information about the 2025 Annual Meeting and Voting” on page 59.

CASTING YOUR VOTE DURING THE ANNUAL MEETING

You may vote during the Annual Meeting by logging in to www.virtualshareholdermeeting.com/TWO2025 and following the instructions provided. You will need the 16-digit control number included in your proxy card, voting instruction form or Notice of Internet Availability of Proxy Materials.

CORPORATE RESPONSIBILITY

We invest in mortgage servicing rights and residential mortgage-backed securities, and, through our subsidiary RoundPoint Mortgage Servicing LLC, we operate a fully-licensed mortgage loan servicer and originator. We are committed to conducting our operations in a safe, compliant and environmentally-conscious manner with the goal of serving the interests of all our stakeholders – our employees, stockholders, business partners, customers, and communities – who collectively contribute to our success.

CORPORATE GOVERNANCE HIGHLIGHTS

Our Board of Directors is committed to maintaining the highest standards of business conduct and corporate governance. We have adopted a Code of Business Conduct and Ethics and Corporate Governance Guidelines that, along with our Charter, Bylaws and Board committee charters and other policies, provide the framework for our governance practices and how we conduct our business.

- ü **Director Independence.** All of our directors, other than our CEO, are independent. Our Chairperson is also an independent director.
- ü **Executive Sessions.** Our independent directors meet regularly in executive session without management.
- ü **Declassified Board.** All directors are elected on an annual basis, via a majority vote standard.
- ü **Annual Board Evaluations.** The Board and each Board committee conducts an annual evaluation of its performance.
- ü **Compliance.** We require rigorous annual compliance training for all employees.
- ü **Cybersecurity.** The Board oversees our IT and cybersecurity risks and is briefed regularly by our Chief Information Security Officer.
- ü **Internally Managed.** We are an internally managed company, which provides for better alignment with the interests of our stockholders.
- ü **Stock Ownership.** We have robust stock ownership requirements for directors and executive officers.
- ü **Clawback Policy.** We have a policy that provides for the recoupment of incentive compensation paid to our senior management in the event of financial restatements or other misconduct detrimental to our company.
- ü **Anti-Hedging/Pledging.** Our directors and executives are prohibited from hedging or pledging company stock.
- ü **No Poison Pill.** We are not subject to any stockholder rights plan or poison pill.

OUR PEOPLE AND OUR CULTURE

We prioritize our people, who are the foundation of our success. We hold each other accountable, and applaud teamwork and collaboration to deliver excellence in everything we do. This drives innovation and evolution, creates efficiencies, promotes idea exchange, and empowers us to learn from the broad range of experiences of our colleagues. We are focused on providing our people a sense of community, where everyone has the opportunity to thrive professionally. We emphasize culture, and competitive compensation and benefits, in order to attract and retain the industry's top talent.

- ü **Inclusion.** We are committed to supporting a well-rounded workforce and providing opportunities for collaboration, development and career growth that are supportive and free from any form of unlawful discrimination or harassment. We require inclusion and workplace harassment training for all employees in an effort to provide a workplace where all of our people can succeed. We strive to foster a workplace culture where each employee brings their unique perspectives, abilities and experiences, which contribute to driving organizational value.
- ü **Compensation and Benefits.** We have a market competitive compensation program designed to align the interests of our employees with those of our stockholders. We offer competitive wages, a 401(k) plan with an employer match contribution, health and welfare benefits, generous paid time off, and a variety of personal and family leave options.
- ü **Professional Development.** We encourage the professional development of our people through leadership development training, talent management and tuition reimbursement programs. We offer a wide variety of educational opportunities through our learning management platform.
- ü **Engagement.** We conduct periodic pulse surveys to obtain valuable insights from employees on topics such as culture, education, benefits and engagement, and have a consistent participation rate of more than 70%.
- ü **Work-Life Integration.** Our work-life integration and flexibility policy provides employees the opportunity to balance their professional and personal obligations.
- ü **Health and Well-being.** We sponsor events and programs that promote the health and well-being of employees, including an employee assistance program and reduced-fee health club memberships.

ENVIRONMENTAL

We are committed to promoting a more environmentally-conscious workplace by striving to use resources efficiently and responsibly. We promote environmentally-friendly solutions within our workspaces, such as:

- ü Recycling containers in all kitchen common areas and at each employee's desk
- ü Public transit accessible and company paid (up to IRS maximum limits)
- ü Energy Star certified computers, laptops, monitors and printers
- ü Motion sensor control lighting in most offices and conference rooms
- ü Recycling of electronic equipment and ink cartridges
- ü Reusable plates, drinkware and utensils supplied for employees where practical in order to minimize the use of disposable kitchen products
- ü Filtered water dispensers installed to discourage use of plastic water bottles by employees
- ü Sleep settings enforced on computers, laptops, monitors and printers to reduce energy consumption
- ü Our Minnesota headquarters are in LEED Silver Certified and Energy Star Labeled office building.
- ü RoundPoint actively engages in efforts to encourage our customers to "go paperless" and select electronic communications. In 2024, our efforts resulted in 46% of customers electing to receive paperless statements. Additionally, RoundPoint partners with American Forests to plant trees for each customer who switches from paper to electronic communications. Through the partnership with American Forests, RoundPoint, and its customers, we are contributing to planting trees in critical ecosystems and advancing Tree Equity in communities across the nation.

FOCUS ON COMMUNITIES

We are deeply committed to positively impacting our communities, employees and homeowners. We understand the important role home ownership plays in our society through the health, safety and stability of our community members and customers. We are committed to strengthening our local communities through the support of charitable organizations allied with the housing sector.

- ü **Charitable Partnerships.** We support charitable organizations allied with the housing sector, and in particular those that provide housing support to underserved families and children in need.
- ü **Charitable Donations.** In addition to company contributions, we match dollar-for-dollar (up to a cap) the cash donations made by our people to approved housing-related charities.
- ü **Employee-Driven.** Our charity committee is comprised of employees who help drive decision-making and take an active role serving as company liaisons to our charitable partners.
- ü **Volunteer Opportunities.** We provide our employees with the chance to give back through volunteer opportunities with our charitable partners in the housing sector.

STOCKHOLDER ENGAGEMENT

We value our stockholders' perspectives and, throughout the year, interact with stockholders in a variety of forums. Our Chief Executive Officer, Chief Investment Officer, Chief Financial Officer and Head of Investor Relations regularly engage with current investors, prospective investors, and investment analysts through investor conferences, one-on-one meetings, and live quarterly financial results calls.

As a complement to the ongoing dialogue, we regularly communicate updates on our business strategy, performance and other key developments through a range of media including our website, press releases, and U.S. Securities and Exchange Commission ("SEC") filings, including our Annual Report and Proxy Statement.

We value the feedback we receive from this engagement and believe it is an important part of our ongoing efforts to help ensure that our disclosures are transparent, timely and accessible. Our Investor Relations department is the primary point of contact for stockholder engagement. Stockholders may contact us via phone at (612) 453-4100 or via email at investors@twoinv.com. Information is also available on our website at www.twoinv.com.

PROPOSAL 1: ELECTION OF DIRECTORS

Overview of Director Nominees

The Board of Directors has nominated the eight individuals listed below for election at the 2025 Annual Meeting. All director nominees are independent, other than our Chief Executive Officer. If elected at the Annual Meeting, all nominees are expected to serve until our next annual meeting in 2026.

Name	Age	Director Since	Independent	Other Public Company Boards	Committee Membership (1)			
					AC	CC	NCGC	ROC
E. Spencer Abraham	72	2014	Yes	3		C	•	
James J. Bender	68	2013	Yes	0		•	C	
Sanjiv Das	63	2024	Yes	0	•		•	
William Greenberg	57	2020	No	0				
Karen Hammond	68	2018	Yes	0	•			C
Stephen G. Kasnet	79	2009	Yes	1	•			•
James A. Stern	74	2018	Yes	0		•		•
Hope B. Woodhouse	68	2012	Yes	3	C			•

(1) Committee membership references are as follows: "AC" refers to the Audit Committee; "CC" refers to the Compensation Committee; "NCGC" refers to the Nominating and Corporate Governance Committee; and "ROC" refers to the Risk Oversight Committee. In addition, the "C" designation refers to each respective committee chairperson.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE DIRECTOR NOMINEES IDENTIFIED BELOW UNDER "DIRECTOR NOMINEES"

Board Composition

Pursuant to our Bylaws, our directors are elected by stockholders each year at our annual meeting to serve terms expiring at the next annual meeting. Our Bylaws provide that our Board of Directors may be comprised of no less than the number of directors required by the Maryland General Corporation Law and no more than 15, with the precise number to be set by our Board of Directors. The Board of Directors has set the size of our Board at nine, and our Board is currently comprised of eight directors.

Director Nominations

Action will be taken at the Annual Meeting for the election of eight directors, each to hold office until our annual meeting of stockholders to be held in 2026 and until his or her successor is duly elected and qualified. Proxies cannot be voted for a greater number of persons than the number of nominees named.

Information concerning each of the eight director nominees standing for election to our Board of Directors at the Annual Meeting is set forth below. Each of the nominees has been recommended for nomination by our Nominating and Corporate Governance Committee and nominated by our Board of Directors. It is expected that each of the director nominees will be able to serve, but if any such nominee is unable to serve or for good cause will not serve, the proxies reserve discretion to vote or refrain from voting for a substitute nominee or nominees.

We believe that each of the director nominees displays:

- ü personal and professional integrity;
- ü satisfactory levels of education and/or business experience;
- ü business acumen;
- ü an appropriate level of understanding of our business and its industry and other industries relevant to our business;
- ü the ability and willingness to devote adequate time to the work of our Board of Directors and its Committees;
- ü a fit of skills and personality with those of our other directors that helps build a board that is effective and responsive to the needs of our company;
- ü strategic thinking and a willingness to express ideas;
- ü unique experiences, expertise and backgrounds; and
- ü the ability to represent the interests of our stockholders.

The information presented below regarding each director nominee also sets forth specific experience, qualifications, attributes and skills that led our Board of Directors to conclude that the nominee should be nominated to stand for election to serve as a director.

Director Nominees

E. Spencer Abraham



Director since: 2014

Age: 72

Board Committees: Compensation (Chair);
Nominating and Corporate Governance

E. Spencer Abraham is an independent member of the Board of Directors and has served as a director of our company since May 2014. Since 2005, Secretary Abraham has served as the Chairman and Chief Executive Officer of The Abraham Group LLC, an international strategic consulting firm based in Washington, D.C. He represented the State of Michigan in the United States Senate prior to being selected by President George W. Bush as the tenth U.S. Secretary of Energy. During his tenure at the Energy Department from 2001 through January 2005, he developed policies and regulations to ensure the nation's energy security, was responsible for the U.S. Strategic Petroleum Reserve, oversaw domestic oil and gas development policy, and developed relationships with international governments, including members of the Organization of the Petroleum Exporting Countries. Secretary Abraham serves as a director of PBF Energy Inc. (NYSE: PBF), where he is a member of its compensation and nominating and corporate governance committees; Uranium Energy Corp. (NYSE: UEC), where he is the Chairman of the Board; NRG Energy, Inc. (NYSE: NRG), where he is Chairman of its compensation committee; and Emissions Reduction Corp., a private company. Secretary Abraham previously served as a director of Occidental Petroleum Corporation (NYSE: OXY), as a director of GenOn Energy, Inc. and as a director and member of the nominating and corporate governance and compensation committees of ICx Technologies. He also previously served on the board of directors for C3 IoT and was a member of the board of trustees for the California Institute of Technology. He is also a senior advisor to Blank Rome Government Relations LLC. Secretary Abraham holds a J.D. from Harvard Law School. We believe Secretary Abraham is qualified to serve as a director of the company because of his extensive public company board experience.

James J. Bender



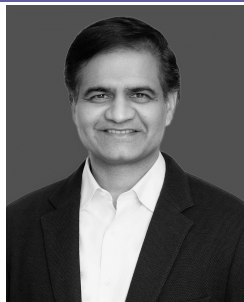
Director since: 2013

Age: 68

Board Committees: Compensation; Nominating
and Corporate Governance (Chair)

James J. Bender is an independent member of our Board of Directors and has served as a director of our company since May 2013. Mr. Bender served as Senior Vice President Special Projects of WPX Energy, Inc. (NYSE: WPX) from May 2014 to July 2014. Previously, he served as the President and Chief Executive Officer of WPX Energy and as a member of the WPX Energy board of directors from December 2013 to May 2014 and was Senior Vice President and General Counsel of WPX Energy from April 2011 to December 2013. From December 2002 to December 2011, he served as General Counsel and Corporate Secretary of The Williams Companies Inc. and, from September 2005 to December 2011, he also served as General Counsel of Williams Partners GP LLC, the general partner of Williams Partners L.P. Mr. Bender served as the General Counsel of the general partner of Williams Pipeline Partners L.P., from 2007 until its merger with Williams Partners in August 2010. Mr. Bender served on the senior advisory board of Orion Infrastructure Capital, a privately-held private equity firm until June 2023. Mr. Bender served as director of the general partner of Shell Midstream Partners, L.P. (NYSE: SHLX) from October 2014 to October 2022. Mr. Bender also served as director and Chairman of the board of directors for Apco Oil & Gas International Inc. (NASDAQ: APAGF), an affiliate of WPX Energy, Inc., from December 2013 to August 2014. Mr. Bender received a Bachelor's degree in mathematics from St. Olaf College and a J.D. from the University of Minnesota Law School. We believe Mr. Bender is qualified to serve as a director because of his experience with and knowledge of corporate governance, regulatory matters and issues applicable to a public company and its board of directors.

Sanjiv Das



Sanjiv Das is an independent member of our Board of Directors and has served as a director of our company since March 2024. Mr. Das has served as President of Pagaya Technologies Ltd. (NASDAQ: PGY) since October 2023 and has also been designated as Co-Founder at Pagaya Technologies Ltd. In this role, he oversees the strategy and growth of Pagaya's commercial business. Previously, Mr. Das served as Chief Executive Officer of Caliber Home Loans, Inc. from 2016 to 2021. Prior thereto, Mr. Das served as Head of International Businesses at First Data Corporation, a KKR-owned company, from 2014 to 2016 and held positions as Chief Executive Officer, President and Chairman of the Board for the mortgage division of Citibank, N.A. from 2008 to 2013. During his career, Mr. Das has also held senior roles at Morgan Stanley, American Express and Bank of America. Mr. Das has served on the board of the Housing Policy Council and was an active member of the Mortgage Bankers Association. He is also a member of the Leonard Bernstein Circle of The New York Philharmonic and serves on the board of American Friends of The Cite du Vin. We believe Mr. Das is qualified to serve as a director because of his knowledge of the mortgage industry and experience as an executive in financial services.

Director since: 2024

Age: 63 **Board Committees:** Audit; Nominating and Corporate Governance

William Greenberg



William Greenberg is our President and Chief Executive Officer and a member of our Board of Directors. Mr. Greenberg has served as President and Chief Executive Officer since June 2020 and as a director since September 2020. Mr. Greenberg previously served as our Chief Investment Officer from June 2021 to August 2022, as our Co-Chief Investment Officer from January 2020 to June 2020 and as Co-Deputy Chief Investment Officer from June 2018 to January 2020. Mr. Greenberg has over 25 years of experience managing portfolios of structured finance assets. Prior to joining Two Harbors in 2012, Mr. Greenberg was a Managing Director at UBS AG, holding various senior positions with responsibilities including managing the mortgage repurchase liability risk related to over \$100 billion of RMBS and whole loans issued and/or sold by UBS. Additionally, Mr. Greenberg was Co-Head of Trading within the SNB StabFund, including managing \$40 billion of legacy RMBS, ABS, and CMBS. Prior to joining UBS, Mr. Greenberg was a Managing Director at Natixis NA, where he co-managed portfolios of RMBS and Agency mortgage servicing rights. Mr. Greenberg holds a B.S. degree in physics from the Massachusetts Institute of Technology, and M.S. and Ph.D. degrees in theoretical nuclear physics from the University of Washington. We believe Mr. Greenberg is qualified to serve as a director because of his extensive knowledge of our company's business and investment strategies.

Director since: 2020

Age: 57

Karen Hammond



Director since: 2018

Age: 68

Board Committees:

Audit; Risk Oversight (Chair)

Karen Hammond is an independent member of our Board of Directors and has served as a director of our company since July 2018. Ms. Hammond served as a director of CYS Investments, Inc. ("CYS") from October 2014 until its merger with Two Harbors. Ms. Hammond served as Managing Director of Devonshire Investors, a private equity group within Fidelity, from 2007 through 2013. From 1993 to 2007, Ms. Hammond held various positions at Fidelity. She was Vice President and Chief Administrative Officer in Equity Research for Fidelity Management & Research Company, Vice President-Associate Group Leader in International Equities for Fidelity Management & Research Company, Chief Operating Officer of Investments in Fidelity Investments Japan, Senior Vice President and Corporate Treasurer at FMR Corp., and Senior Vice President of Investment Services for Fidelity Management & Research Company. Before serving at Fidelity, Ms. Hammond was Treasurer and Chief Financial Officer at the Boston Five Cents Savings Bank. Ms. Hammond serves as a member of the Rhode Island State Investment Commission, a trustee of Rhode Island School of Design, a member of the Board of Governors for the RISD Museum, a director of Blue Cross Blue Shield of Rhode Island, and as an independent board member of the New York Life Insurance Group of Funds. Ms. Hammond previously served as a board member of Moses Brown School and as Vice Chair of the Nellie Mae Education Foundation. Ms. Hammond was initially appointed as a director pursuant to contractual rights of CYS granted in the merger agreement between Two Harbors and CYS. We believe Ms. Hammond is qualified to serve as a director because of her diverse experience in investment management, fixed income and mortgage banking, private equity, corporate treasury and banking.

Stephen G. Kasnet



Director since: 2009

Age: 79

Chairman of the Board

Board Committees:

Audit; Risk Oversight

Stephen G. Kasnet is an independent member and the Chairman of our Board of Directors. He has been a director of our company since our merger with Capitol Acquisition Corp. ("Capitol") in October 2009. Mr. Kasnet serves as a director of Granite Point Mortgage Trust Inc. (NYSE: GPMT), where he is Chairman of the Board. He served as a director of Silver Bay Realty Trust Corp. (NYSE: SBY) from 2012 to 2017, as director and Chairman of Juniper Pharmaceuticals, Inc. (formerly Columbia Laboratories, Inc.) (NASDAQ: JNP) from 2004 to 2015, and was the Chairman of Dartmouth Street Capital LLC, a private investment firm, from 2007 through October 2009. He was also the President and Chief Executive Officer of Raymond Property Company LLC, from 2007 through October 2009. From 1995 to 2000 he served as Executive V.P. of Pioneer Group and President of Pioneer Real Estate and Pioneer Global Institutional Advisors. From 2000 to 2006, he was President and Chief Executive Officer of Harbor Global Company, Ltd., and President of PioGlobal Asset Management. From 1986 to 2002, Mr. Kasnet was a director and member of the executive committee of The Bradley Real Estate Trust. He was Chairman of Warren Bank from 1990 to 2003. He has also held senior management positions with other financial organizations, including: Pioneer Group, Inc.; First Winthrop Corporation; Winthrop Financial Associates; and Cabot, Cabot and Forbes. He previously held directorships at First Ipswich Bank, GoodBulk Ltd., Rubicon Ltd (NZX: RBC), Republic Engineered Products and FTD, Inc. He is a trustee of the Governor's Academy, a private coed boarding high school in Byfield, Massachusetts. We believe Mr. Kasnet is qualified to serve as a director based on his audit committee experience and his experience as a director of public companies.

James A. Stern



James A. Stern is an independent member of our Board of Directors and has served as a director of our company since July 2018. Mr. Stern served as a director of CYS from 2006 until its merger with Two Harbors. As Chairman and Chief Executive Officer of The Cypress Group, Mr. Stern managed the firm's investing activities. Mr. Stern currently serves as director of Merchants National Properties, Inc. since 2012. He served as a director of OHA Investment Corp. from 2014 until it was acquired in 2019. He has served on the boards of directors of a number of corporations including Affinia Group, Infinity Broadcasting, WESCO International, Inc., Lear Corporation, and Cinemark USA, Inc. Prior to founding The Cypress Group in 1994, Mr. Stern had a twenty year career with Lehman Brothers. He joined the firm in 1974 and was named Managing Director in 1982. In 1988, he joined the firm's management committee and became Co-Head of Investment Banking. He was named Head of Merchant Banking in 1989. Mr. Stern was a trustee of Tufts University from 1982 to 2013 and was Chairman from 2003 to 2013. He is a board member of several charitable organizations including WNET, the Jewish Museum and the Cancer Research Foundation. Mr. Stern was appointed as a director pursuant to contractual rights of CYS granted in the merger agreement between Two Harbors and CYS. We believe Mr. Stern is qualified to serve as a director because of his experience in investments and capital markets and as a director of public companies.

Director since: 2018

Age: 74

Board Committee: Compensation; Risk Oversight

Hope B. Woodhouse



Hope B. Woodhouse is an independent member of our Board of Directors and has served as a director of our company since May 2012. She has served as a director of Granite Point Mortgage Trust Inc. (NYSE: GPMT) since June 2017, as a trustee of Acadia Realty Trust (NYSE: AKR) since January 2023 and as a director of Monro, Inc. (NASDAQ: MNRO) since February 2023. Ms. Woodhouse has over 25 years of experience in the financial services industry at top-ranked, global alternative asset management firms and broker dealers. From 2005 to 2009, she served as Chief Operating Officer and as a member of the management committee of Bridgewater Associates, Inc. Between 2003 and 2005, Ms. Woodhouse was President and Chief Operating Officer of Auspex Group, L.P., and was Chief Operating Officer and a member of the management committee of Soros Fund Management LLC from 2000 to 2003. Prior to that, she held various executive leadership positions, including at Tiger Management L.L.C., and Salomon Brothers Inc. She has previously served as a director of Piper Jaffray Companies (NYSE: PJC), Seoul Securities Co. Ltd., Soros Funds Limited, and The Bond Market Association and as a member of the investment committee at Phillips Academy, Andover, Massachusetts. Ms. Woodhouse also serves on the board of Children's Services Advisory Committee of Indian River County, and is a trustee of the Tiger Foundation. Ms. Woodhouse received an A.B. degree in Economics from Georgetown University and an M.B.A. from Harvard Business School. We believe Ms. Woodhouse is qualified to serve as a director because of her background in the financial services industry and her experience serving in executive management roles.

Director since: 2012

Age: 68

Board Committees:
Audit (Chair); Risk Oversight

Corporate Governance Policies and Practices

Our Board of Directors is committed to maintaining the highest standards of business conduct and corporate governance. As described more fully below, we have adopted a Code of Business Conduct and Ethics applicable to the conduct of our directors and all employees. We have also adopted Corporate Governance Guidelines, which, in conjunction with our Articles of Incorporation, Bylaws and our board committee charters, provide the framework for our corporate governance practices.

You may access our Code of Business Conduct and Ethics, Corporate Governance Guidelines, the charters for our Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Risk Oversight Committee, and certain other policies under "Governance Documents" in the Corporate Responsibility section of our website at www.twoinv.com or by writing to our Investor Relations department at Two Harbors Investment Corp., 1601 Utica Avenue South, Suite 900, St. Louis Park, MN 55416 or by email to investors@twoinv.com.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our directors and all employees when such individuals are acting for us or on our behalf. Among other matters, our Code of Business Conduct and Ethics is designed to detect and deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in our SEC reports and other public communications;
- compliance with applicable governmental laws, rules, and regulations;
- prompt internal reporting of violations of the Code of Business Conduct and Ethics to appropriate persons identified in the Code; and
- accountability for adherence to the Code of Business Conduct and Ethics.

All of our employees are required to complete rigorous annual compliance training, including on the Code of Business Conduct and Ethics. Any waiver of the Code of Business Conduct and Ethics for our executive officers or directors may be made only by our Board of Directors or a committee thereof and will be promptly disclosed as required by law or stock exchange regulations. The Code of Business Conduct and Ethics was most recently updated and approved by the Board of Directors on March 23, 2022.

Director Independence

New York Stock Exchange ("NYSE") rules require that a majority of a company's board of directors be composed of "independent directors," which is defined generally as a person other than an executive officer or employee of the company or its subsidiaries or any other individual having a relationship which, in the opinion of the company's board of directors, would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. Consistent with these considerations, our Board of Directors has affirmatively determined, upon the review and recommendation of our Nominating and Corporate Governance Committee, that the following directors and director nominees each meet the qualifications of an independent director: E. Spencer Abraham, James J. Bender, Sanjiv Das, Karen Hammond, Stephen G. Kasnet, James A. Stern and Hope B. Woodhouse.

Board Leadership Structure

Our Board of Directors is led by a Chairperson who is appointed by the directors. Both independent and non-independent directors are eligible for appointment as the Chairperson. The Chairperson presides at all meetings of our stockholders and our Board of Directors, as well as executive sessions of our independent directors. The Chairperson performs such other duties and exercises such powers as from time to time shall be prescribed in our Bylaws or by our Board of Directors. Our Board of Directors has appointed Mr. Kasnet, an independent director, to serve as our Chairperson. We currently separate the roles of Chairperson and Chief Executive Officer.

Our Board of Directors consists of a majority of independent directors and exercises a strong, independent oversight function. All of the committees of our Board of Directors – the Audit, Compensation, Nominating and Corporate Governance, and Risk Oversight Committees – are comprised entirely of independent directors. A number of board committee processes and procedures, including regular executive sessions of independent directors, provide substantial independent oversight of our management's performance. Under our Bylaws and Corporate Governance Guidelines, our Board of Directors has the ability to change its structure if it determines that such a change is appropriate and in the best interest of our company. Our Board of Directors believes that these factors provide the appropriate balance between the authority of those who oversee our company and those who manage it on a day-to-day basis.

Board Committees

Our Board of Directors has formed four committees, including our Audit, Compensation, Nominating and Corporate Governance, and Risk Oversight Committees, and has adopted charters for each of these committees. Each committee is composed exclusively of directors who meet the independence and other requirements established by the rules and regulations of the SEC and the NYSE listing standards. Additionally, the Compensation Committee is composed exclusively of individuals intended to be, to the extent required by Rule 16b-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, non-employee directors.

The following table summarizes the current membership of each of our committees.

Director	Audit	Compensation	Nominating & Corporate Governance	Risk Oversight
E. Spencer Abraham		Chair	•	
James J. Bender		•	Chair	
Sanjiv Das	•		•	
Karen Hammond	•			Chair
Stephen G. Kasnet	•			•
James A. Stern		•		•
Hope B. Woodhouse	Chair			•

Audit Committee

Our Audit Committee is responsible for engaging our independent registered public accounting firm, preparing Audit Committee reports, reviewing with the independent registered public accounting firm the plans and results of the audit engagement, approving professional services provided by the independent registered public accounting firm, reviewing the independence of the independent registered public accounting firm, considering the range of audit and non-audit fees, and overseeing the adequacy of our internal accounting controls, which are established by management.

Our Audit Committee is, and will at all times be, composed exclusively of “independent directors” as defined under the NYSE listing standards and who otherwise meet the NYSE listing standards. Each member of our Audit Committee is also financially literate, in that they are able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

In addition, as a listed company, we must certify that our Audit Committee has and will continue to have at least one member who is financially sophisticated in that they have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication. Our Board of Directors has determined that each of Ms. Hammond, Mr. Kasnet and Ms. Woodhouse satisfies the definition of financial sophistication and also qualifies as an “audit committee financial expert,” as defined under rules and regulations of the SEC.

Our Audit Committee's purpose and responsibilities are more fully set forth in its charter.

Compensation Committee

The principal functions of our Compensation Committee are to:

- evaluate the performance of our executive officers;
- in consultation with senior management, establish and oversee the company's compensation philosophy;
- review all aspects of the company's compensation practices;
- determine and oversee the stock ownership guidelines for our executive officers;
- prepare Compensation Committee reports for the company's proxy statements;
- make recommendations to our Board of Directors with respect to our company's incentive compensation plans and equity-based plans; and
- administer the issuance of any equity awards to employees.

Our Compensation Committee also reviews and makes recommendations to our Board of Directors regarding the compensation of our company's independent directors. In reviewing and making recommendations on independent director compensation, our Compensation Committee considers, among other things, the following policies and principles:

- the compensation that is paid to directors of other companies that are comparable to us;
- the amount of time it is likely that directors will be required to devote to preparing for and attending meetings of our Board of Directors and the committees on which they serve;
- the success of our company;
- whether a director is an independent chairperson of our Board of Directors or a chairperson of one of the committees of our Board, and the time commitment related thereto;
- if a committee on which a director serves undertakes a special assignment, the importance of that special assignment to our company and its stockholders; and
- the risks involved in serving as a director on our Board of Directors or a member of its committees.

Other than our Chief Executive Officer, who is also a director, none of our executive officers are involved in determining independent director compensation, although the Committee's independent compensation consultant and our management may support the Compensation Committee with certain information, data and other resources in connection with its compensation recommendations to our Board of Directors.

Our Compensation Committee's purpose and responsibilities are more fully set forth in the Compensation Committee's charter.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is responsible for seeking, considering and recommending to our Board of Directors qualified candidates for election as directors and approves and recommends to the full Board of Directors the appointment of each of our executive officers. It also periodically prepares and submits to our Board of Directors for adoption its selection criteria for director nominees. In addition, the Nominating and Corporate Governance Committee annually recommends to our Board of Directors nominees for each committee of our Board of Directors. The Committee considers the following factors in making its recommendations to the Board of Directors: background experience, skills, expertise, accessibility and availability to serve effectively on the Board of Directors. The Committee also conducts inquiries into the background and qualifications of potential candidates.

The Nominating and Corporate Governance Committee reviews and makes recommendations on matters involving the general operation of our Board of Directors, and facilitates the assessment of our Board of Directors' performance and reports thereon to our Board of Directors. It also oversees and makes recommendations on corporate governance, corporate social responsibility and sustainability matters, including our company's strategies, policies and practices related thereto.

Our Nominating and Corporate Governance Committee's purpose and responsibilities are more fully set forth in its charter.

Risk Oversight Committee

The purpose of our Risk Oversight Committee is to assist our Board of Directors in fulfilling its responsibility to oversee risks related to the company's investment activities, including funding and liquidity. This Committee also assists our Audit Committee in reviewing the guidelines and policies that govern the process by which risk assessment and risk management is addressed by the company through its senior management team, Chief Risk Officer and Risk Management Committee.

Our company's senior management team, Chief Risk Officer and Risk Management Committee are responsible for: (i) identifying the material risks to the company and its operations; (ii) creating and implementing appropriate risk management policies, procedures and practices; (iii) integrating the consideration of risk and risk management into the decision-making process of the company; and (iv) measuring risk and monitoring risk levels.

Our Risk Oversight Committee's purpose and responsibilities are more fully set forth in its charter.

Role of Our Board of Directors in Risk Oversight; Cybersecurity Risk

Risk Oversight Generally

Our management team is responsible for assessing and managing the risks faced by our company, subject to the oversight of our Board of Directors. Our Board of Directors is responsible for oversight of our company's risk management processes and for understanding the overall risk profile of our company. In exercising its oversight, the Board relies upon the Audit Committee to assist it in overseeing certain risks related to our company, including the quality and integrity of our financial reports, the performance and independence of our independent external auditor, the performance of our internal audit function and our policies regarding accounting and financial matters and internal controls. The Board also relies upon the Risk Oversight Committee to assist in fulfilling its responsibility to oversee the risks related to our company's investment activities, including funding and liquidity. The Risk Oversight Committee also assists the Audit Committee in reviewing the guidelines and policies that govern the process by which risk assessment and risk management is addressed by the company through its senior management team, Chief Risk Officer and Risk Management Committee.

Pursuant to our Risk Management Policy, the Chief Risk Officer reports to our Risk Oversight Committee on an annual basis, or more frequently as the circumstances may require, regarding: (i) our company's risk management practices; (ii) our company's compliance with the Risk Management Policy; (iii) breaches of or exceptions to the Risk Management Policy; (iv) the membership and composition of the Risk Management Committee; and (v) changes or proposed changes to the Risk Management Policy.

Cybersecurity Risk Oversight

We recognize the importance of protecting our information and our information technology ("IT") systems, and assessing, identifying and managing cybersecurity-related risks have been integrated into our risk management processes. With this in mind, we focus on IT and cybersecurity measures at both an enterprise-wide operational level and an individual employee level. We have in place various methods and levels of IT and cybersecurity measures which are aimed at protecting our information and IT systems to help secure long-term value for our stockholders and other stakeholders.

Our Board of Directors is responsible for overseeing matters relating to our IT and cybersecurity risk exposures and the steps our company takes to monitor and mitigate these risks. The Board of Directors is briefed semi-annually by our senior management and Chief Information Security Officer ("CISO") on cybersecurity matters, or more frequently as the circumstances require. To assist our Board, we also have designated a Security and Privacy Steering Committee comprised of members of senior management, including our CISO and Chief Technology Officer, to oversee data privacy, IT and cybersecurity for the company.

Board Meetings

Our Board of Directors held five meetings during 2024. During certain meetings, the independent directors also met separately in executive session without management present to discuss various matters. During 2024, our Audit Committee held six meetings; our Compensation Committee held three meetings; our Nominating and Corporate Governance Committee held two meetings; and our Risk Oversight Committee held one meeting. Each of our directors attended at least 75% of the aggregate total number of meetings held by the Board and all

committees on which they served during 2024. Although we do not have a policy on director attendance at our annual meetings of stockholders, directors are encouraged to attend all annual meetings. Each of our then-current directors attended our virtual annual meeting of stockholders held in May 2024.

Director Nomination Process

Our Corporate Governance Guidelines provide the following minimum qualifications for directors in order to be considered for a position on our Board of Directors:

- the possession of the highest personal and professional ethics, integrity and values;
- the ability to exercise good business judgment and be committed to representing the long-term interests of the company and its stockholders;
- having an inquisitive and objective perspective, practical wisdom and mature judgment; and
- the willingness to devote the necessary time and effort to board of director duties, including preparing for and attending meetings of the Board of Directors and its committees.

In considering candidates for nomination as a director, the Nominating and Corporate Governance Committee generally assembles all information regarding a candidate's background and qualifications, evaluates a candidate's mix of skills and qualifications and determines the contribution that the candidate could be expected to make to the overall functioning of our Board of Directors. We endeavor to have a Board of Directors representing different backgrounds and a wide range of education, skills and professional experience in areas that are relevant to our business and status as a public company. With respect to the re-nomination of current directors, the Committee considers the foregoing factors as well as past participation in and contributions to the activities of our Board of Directors.

Our Nominating and Corporate Governance Committee will consider candidates recommended for nomination to our Board of Directors by our stockholders. Stockholder recommendations for nominees to the Board of Directors should be submitted in writing to our Secretary. The manner in which such Committee evaluates candidates recommended by stockholders is generally the same as any other candidate. However, the Committee will also seek and consider information concerning any relationship between a stockholder recommending a candidate and the candidate to determine if the candidate can represent the interests of all of the stockholders. The Committee will not evaluate a candidate recommended by a stockholder unless the stockholder's proposal provides a certification that the potential candidate consents to being named in our proxy statement and will serve as a director if elected.

Majority Voting for Directors and Director Resignation Policy

Our Bylaws provide that a director nominee will be elected by receiving the affirmative vote of a majority of the votes cast on the election of such nominee on a per nominee basis in an uncontested election (which occurs when the number of director nominees is the same as the number of directors to be elected). If a director nominee who is an incumbent director receives a greater number of votes "against" than votes "for" his or her election and with respect to whom no successor has been elected, such incumbent director shall promptly tender their offer to resign to our Board of Directors for its consideration following certification of the stockholder vote. Within 90 days following certification of the stockholder vote, our Nominating and Corporate Governance Committee shall consider the tendered resignation offer and make a recommendation to our Board of Directors whether or not to accept such offer, and our Board of Directors shall act on our Nominating and Corporate Governance Committee's recommendation. In determining whether to accept the resignation, our Nominating and Corporate Governance Committee and Board of Directors may consider any factors they deem relevant in deciding whether to accept a director's resignation, including, among other things, whether accepting the resignation of such director would cause our company to fail to meet any applicable stock exchange or SEC rules or requirements. Thereafter, our Board of Directors shall promptly and publicly disclose its decision-making process regarding whether to accept the director's resignation offer or the reasons for rejecting the resignation offer, if applicable, on a Form 8-K furnished to the SEC. Any director who tenders their resignation will not participate in our Nominating and Corporate Governance Committee's recommendation or our Board of Directors' action regarding whether to accept the resignation offer. If our Board of Directors does not accept the director's resignation, such director will continue to serve until the next annual meeting of stockholders and until such director's successor is duly elected and qualified and until the director's earlier resignation or removal.

In a contested election, the director nominees who receive a plurality of votes cast will be elected as

directors. Under the plurality standard, the number of persons equal to the number of vacancies to be filled who receive more votes than other nominees are elected to our Board of Directors, regardless of whether they receive a majority of votes cast.

Communications with our Board of Directors

We provide the opportunity for our stockholders and all other interested parties to communicate with members of our Board of Directors. Stockholders and all other interested parties may communicate with the independent Board members or the chairperson of any of the committees of the Board by email or regular mail. All communications should be sent to the company's Secretary, Rebecca B. Sandberg, by email to secretary@twoinv.com or by regular mail to the attention of the Independent Directors, or the Chair of the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, or Risk Oversight Committee, as the case may be, in each instance in care of the Secretary at the company's principal executive office at 1601 Utica Avenue South, Suite 900, St. Louis Park, MN 55416.

Our Secretary will review each communication received in accordance with this process to determine whether the communication requires immediate action. The Secretary will forward all appropriate communications received, or a summary of such communications, to the appropriate member(s) of our Board of Directors. However, we reserve the right to disregard any communication that we determine is unduly hostile, threatening or illegal, does not reasonably relate to us or our business, or is similarly inappropriate. The Secretary has the authority to disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications.

Stockholder proposals must be made in accordance with the procedures set forth in our current Bylaws or the procedures set forth in Rule 14a-8 of the Exchange Act and not the procedures set forth in the preceding paragraph or the procedures set forth under "*Corporate Governance and Board of Directors – Director Nomination Process*" above. Nominations for the Board of Directors may only be made in accordance with the procedures set forth in our Bylaws. Certain matters set forth in our Bylaws for stockholder proposals, including nominations for our Board of Directors, as well as certain matters set forth in Rule 14a-8 for stockholder proposals are described in "*Other Matters – Stockholder Proposals and Director Nominations for 2026 Annual Meeting*" in this Proxy Statement.

Director Compensation

We compensate the independent members of our Board of Directors for their service. It is our belief that director compensation should:

- align the interests of our directors and our stockholders;
- help attract and retain outstanding director candidates who meet the criteria in our Corporate Governance Guidelines and Nominating and Corporate Governance Committee Charter; and
- reflect the substantial time commitment of our directors necessary to oversee our business.

We compensate our independent directors with a mix of cash compensation and equity awards. We do not pay any compensation to non-independent directors for their service, however, all members of our Board of Directors are reimbursed for their costs and expenses of serving on the Board of Directors, including costs and expenses of attending meetings of our Board of Directors and its committees. As discussed above, the Compensation Committee Charter provides that the Compensation Committee has the primary responsibility for reviewing and recommending any changes to director compensation. Our Board of Directors reviews the Compensation Committee's recommendations and determines the amount of director compensation.

Independent Director Compensation for 2024

For the one-year term commencing upon their election at the 2024 annual meeting of stockholders and ending at the Annual Meeting, our independent directors were eligible to earn the following fees:

- each independent director received an annual fee of \$216,000, which consisted of \$98,000 in cash and \$118,000 in restricted stock units;
- the independent Chair of the Board of Directors received an additional fee of \$150,000, which was paid half in cash and half in restricted stock units;
- the Chair of the Audit Committee received an additional fee of \$20,000 in cash; and
- each of the Chairs of the Compensation, Risk Oversight and Nominating and Corporate Governance Committees received an additional fee of \$15,000 in cash.

The cash portion of these annual fees is paid in four equal quarterly installments over the course of the term. The restricted stock unit portion of these annual fees was granted under our 2021 Equity Incentive Plan ("2021 Plan"). The number of restricted stock units issued on the grant date was determined using the fair market value of our common stock on the grant date, which is the closing market price on the NYSE. The restricted stock units granted to the independent directors as part of the director fees noted above fully vest on the date of the next annual meeting of the stockholders, so long as such director has complied with the terms and conditions of the applicable award agreement. In the event the director's service terminates prior to expiration of their term for any reason other than death or disability, the director will vest in a number of restricted stock units of their award prorated to reflect the proportionate number of days served during such term. If the director's service ends on account of death or disability, then all restricted stock units will become fully vested shares of common stock for such term. In the event the company experiences a change of control during the director's term and, within twenty-four (24) months of the change in control the director's service is terminated (as described in the 2021 Plan), then the director will vest in all restricted stock units awarded for such term on the date such director's service terminates (or immediately prior to the change of control if the resulting entity in the change of control has not assumed the director's award agreement).

Transitional Board Chair Compensation

In 2021, in recognition of his ongoing additional service and leadership related to the transition to self-management and enhanced efforts in connection with the transition of the company's Chief Executive Officer role, the independent Chair of the Board of Directors was granted additional compensation of \$200,000 per year for each of 2021, 2022, 2023 and 2024 in the form of restricted stock units. The 2024 award was granted as of the date of the 2024 annual meeting of stockholders. The restricted stock units granted as of the dates of the 2021, 2022, 2023 and 2024 annual stockholder meetings fully vest on the date of the following annual meeting of stockholders. The terms and conditions with respect to these restricted stock units are otherwise consistent with those described above under "*Independent Director Compensation for 2024*."

Summary of 2024 Independent Director Compensation

The following table shows the compensation of our independent directors for services in all capacities provided to us in the year ended December 31, 2024:

Name	Fees Paid in Cash (1)		Stock Awards (2)(3)		Total
E. Spencer Abraham	\$	113,000	\$	117,988	\$ 230,988
James J. Bender	\$	113,000	\$	117,988	\$ 230,988
Sanjiv Das	\$	68,385	\$	117,988	\$ 186,373
Karen Hammond	\$	105,500	\$	117,988	\$ 223,488
Stephen G. Kasnet	\$	183,000	\$	392,999	\$ 575,999
W. Reid Sanders	\$	98,000	\$	117,988	\$ 215,988
James A. Stern	\$	98,000	\$	117,988	\$ 215,988
Hope B. Woodhouse	\$	115,500	\$	117,988	\$ 233,488

- (1) Totals in this column include: (a) the cash portion of the annual retainer fees paid to all independent directors; (b) the cash portion of the annual retainer fees paid to Mr. Kasnet for his services as Chair of the Board of Directors; and (c) the annual retainer fees paid to the directors serving as Chair of the Audit Committee, Chair of the Compensation Committee, Chair of the Risk Oversight Committee and Chair of the Nominating and Corporate Governance Committee, respectively.
- (2) Totals in this column include: (a) the equity portion of the annual retainer fees paid to all independent directors; (b) the equity portion of the annual retainer fees paid to Mr. Kasnet for his services as Chair of the Board of Directors; and (c) the fourth of four annual equity awards to be granted to Mr. Kasnet for his ongoing additional service and leadership related to the transition to the company's self-management, as described above under "Transitional Board Chair Compensation." All equity awards were granted as of May 15, 2024.
- (3) The values in this column reflect the full grant date fair value of the award for financial reporting purposes in accordance with FASB ASC Topic 718 (without any reduction for risk of forfeiture) as determined based on applying the assumptions used in our audited financial statements. See Note 18 to the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2024 regarding assumptions underlying the valuation of equity awards. The values are based on the \$12.96 closing market price of our common stock on the NYSE on the May 15, 2024 grant date of the stock award. Other than the restricted stock units reported above, no independent director had any other stock awards outstanding as of December 31, 2024.

Director Stock Ownership Guidelines

Our directors are encouraged to own shares of our common stock in order to better align their personal interests with the interests of our stockholders. In furtherance of this objective, our directors are not permitted to sell shares of our common stock if, upon completion of such sale, the aggregate number of shares of our common stock owned by such director would have a market value of less than \$300,000, provided that in connection with the vesting of stock awards, directors are permitted to sell up to 40 percent of the shares vesting for tax planning purposes. Under our Insider Trading Policy, our directors are prohibited from both hedging company stock and from pledging company stock in any manner, whether as collateral for a loan, in a margin account held at a broker, or otherwise.

Certain Relationships and Related Party Transactions

Related Person Transaction Policies

Our Audit Committee charter requires our Audit Committee to review, approve and oversee any related party transactions, as defined in Regulation S-K Item 404, in which our company is a participant, and also authorizes such Committee to develop policies and procedures for its approval of related party transactions. During 2024, there were no relationships or related party transactions between us and any related party that are required to be reported in this Proxy Statement.

From time to time we may engage in ordinary course business relationships and commercial transactions with our significant stockholders, or their subsidiaries, that are deemed to be related pursuant to SEC rules.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee or Nominating and Corporate Governance Committee are or have been employed by us. None of our executive officers currently serves as a member of the board of directors or compensation committee of another entity that has one or more executive officers serving on our Board of Directors or our Compensation or Nominating and Corporate Governance Committees.

Stock Ownership

Beneficial Owners of More than Five Percent of Our Common Stock

Based on filings made under Section 13(g) of the Exchange Act, the persons known by us to be beneficial owners of more than 5% of our common stock are as follows:

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class (1)
BlackRock, Inc. / 55 East 52nd Street, New York, NY 10055	16,360,279 (2)	15.7%
The Vanguard Group / 100 Vanguard Blvd., Malvern, PA 19355	10,571,743 (3)	10.2%
Allspring Global Investment Holdings, LLC / 1415 Vantage Park Dr., Charlotte, NC 28203	5,150,572 (4)	5.0%

- (1) Based on 104,022,948 shares of common stock outstanding as of March 19, 2025.
- (2) Based on the Schedule 13G/A filed with the SEC on January 22, 2024, by BlackRock, Inc. on behalf of 14 separately identified subsidiary entities. BlackRock reported sole voting power with respect to 16,155,546 shares and sole dispositive power with respect to all shares.
- (3) Based on the Schedule 13G/A filed with the SEC on February 13, 2024, by The Vanguard Group as a member of a group. Vanguard reported shared voting power with respect to 70,763 shares, sole dispositive power with respect to 10,404,516 shares and shared dispositive power with respect to 167,227 shares.
- (4) Based on the Schedule 13G filed with the SEC on January 10, 2024, by Allspring Global Investment Holdings, LLC on behalf of 3 separately identified entities. Allspring reported sole voting power with respect to 4,982,096 shares and sole dispositive power with respect to 5,150,572 shares.

Beneficial Ownership of Directors, Director Nominees and Named Executive Officers

Our common stock is listed on the NYSE under the symbol "TWO." As of March 19, 2025, we had approximately 486 registered holders and 96,377 beneficial owners of our common stock. The table below sets forth information regarding the beneficial ownership of our common stock as of March 19, 2025 by each of our named executive officers, current directors, director nominees and all of such individuals as a group.

Name and Address of Beneficial Owner (1)	Number of Shares Beneficially Owned (2)	Percent of Class (3)
<i>Directors and Director Nominees:</i>		
E. Spencer Abraham	31,896	*
James J. Bender	35,860	*
Sanjiv Das	9,104	*
William Greenberg (4)	155,140	*
Karen Hammond	47,791	*
Stephen G. Kasnet (5)	97,569	*
James A. Stern	53,537	*
Hope B. Woodhouse	45,138	*
<i>Named Executive Officers:</i>		
William Dellal	84	*
Nicholas Letica	40,902	*
Rebecca B. Sandberg	84,572	*
Robert Rush	48,698	*
Mary Risky	55,864	*
All directors, director nominees and executive officers as a group (13 individuals) (6)	725,027	*

* Represents ownership of less than 1.0% of our outstanding common stock as of March 19, 2025.

- (1) The business address for each individual is 1601 Utica Avenue South, Suite 900, St. Louis Park, MN 55416. Beneficial ownership is determined in accordance with Rule 13d-3 of the Exchange Act. A person is deemed to be the beneficial owner of shares of common stock if that person has or shares voting power or investment power with respect to those shares or has the right to acquire beneficial ownership at any time within 60 days of the date on which it is calculated. "Voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of shares.
- (2) Includes the following unvested restricted stock units (RSUs) scheduled to vest within 60 days following March 19, 2025: Mr. Abraham, 9,104 RSUs; Mr. Bender, 9,104 RSUs; Mr. Das, 9,104 RSUs; Ms. Hammond, 9,104 RSUs; Mr. Kasnet, 30,324 RSUs; Mr. Stern, 9,104 RSUs; and Ms. Woodhouse, 9,104 RSUs. RSUs are not considered to be issued and outstanding and individuals are not entitled to vote the shares.
- (3) Based on 104,022,948 shares of common stock outstanding as of March 19, 2025. Under our Insider Trading Policy, our directors and named executive officers are prohibited from both hedging company stock and from pledging company stock in any manner.
- (4) Includes 3,025 shares held by Mr. Greenberg's spouse. While Mr. Greenberg retains a pecuniary interest in these shares, he does not have dispositive or voting power with respect thereto and he disclaims any beneficial ownership interest therein.
- (5) Mr. Kasnet also owns 10,000 shares of our 8.125% Series A Preferred Stock, which generally does not have voting rights; Mr. Kasnet's holdings did not exceed 1.0% of the Series A Preferred Stock issued and outstanding as of March 19, 2025.
- (6) Ms. Risky retired in August 2024. Accordingly, Ms. Risky is included in this table individually as a named executive officer, but is not included in this total for all directors, director nominees and executive officers as a group.

EXECUTIVE OFFICERS

Our Board of Directors generally appoints our executive officers annually following our annual meeting of stockholders to serve until the meeting of the Board of Directors following the next annual meeting of stockholders. Set forth below is certain information about each of our named executive officers.

William Greenberg

Age: 57

William Greenberg is our President, Chief Executive Officer and member of our Board of Directors. Mr. Greenberg has served as President and Chief Executive Officer since June 2020 and director since September 2020. He previously served as our Chief Investment Officer from June 2021 to August 2022, Co-Chief Investment Officer from January 2020 to June 2020, and Co-Deputy Chief Investment Officer from June 2018 to January 2020. He has over 25 years of experience managing portfolios of structured finance assets. Prior to joining Two Harbors in 2012, he was a Managing Director at UBS AG, holding various senior positions with responsibilities including managing mortgage repurchase liability risk related to over \$100 billion of RMBS and whole loans issued or sold by UBS; and Co-Head of Trading within the SNB StabFund, managing \$40 billion of legacy RMBS, ABS, and CMBS. Prior to UBS, he was a Managing Director at Natixis NA, where he co-managed portfolios of RMBS and Agency MSR. Mr. Greenberg holds a B.S. degree in physics from the Massachusetts Institute of Technology, and M.S. and Ph.D. degrees in theoretical nuclear physics from the University of Washington.

William Dellal

Age: 74

William Dellal is our Vice President and Interim Chief Financial Officer. Prior to joining Two Harbors, Mr. Dellal served as the President of Caliber Home Loans where he oversaw Capital Markets and Treasury as well as worked on the monetization of Caliber and helped with their transition to Rithm (New Rez Mortgage) when purchased. Prior to becoming President of Caliber Home Loans, Mr. Dellal served as the Chief Financial Officer at Caliber Home Loans and his responsibilities included Finance, Capital Markets, Treasury, and negotiating debt and borrowing activities. Prior to that, Mr. Dellal served in leadership roles at Citi Mortgage, Natixis, and CDC North America among others. Mr. Dellal holds a B.A. in Economics from Swarthmore College and a Ph.D. in Economics from Massachusetts Institute of Technology.

Nicholas Letica

Age: 62

Nicholas Letica is our Vice President and Chief Investment Officer and has served in that capacity since August 2022. Mr. Letica most recently served as a Managing Director at TD Securities where he was Co-Head of Securitized Products Sales and Trading and led the MBS trading business. Prior to that, Mr. Letica held the role of Managing Director / Senior Portfolio Manager at Cello Capital Management. His responsibilities included asset allocation of the MBS hedge fund portfolios, which included trading and hedging of the funds' assets. Previously, Mr. Letica was a Managing Director at Citigroup Global Markets where he worked in the Mortgage Sales Group. Prior to that, Mr. Letica served in leadership roles at Deutsche Bank, Bank of America Securities, and Bear Stearns among others. Mr. Letica holds a B.S. degree in Chemical Engineering from The Johns Hopkins University.

Rebecca B. Sandberg

Age: 53

Rebecca B. Sandberg is our Vice President, Chief Legal Officer, Secretary and Chief Compliance Officer. Ms. Sandberg was appointed as our General Counsel and Secretary in March 2013 and before that served as our Deputy General Counsel and Secretary from May 2012 until March 2013. From June 2010 to May 2012, she served as our Senior Counsel and Assistant Secretary. She also served as Secretary of Granite Point Mortgage Trust Inc. (NYSE: GPMT) following its spin-out from Two Harbors in 2017 until August 2020, and served as Granite Point's General Counsel from 2017 to December 2019. Prior to June 2010, Ms. Sandberg was in the private practice of law where she advised public and private clients in a variety of industries, primarily in the areas of securities laws, mergers and acquisitions, capital markets transactions, corporate governance and general corporate law. She received a B.A. from the University of Minnesota and a J.D. from William Mitchell College of Law.

Robert Rush

Age: 57

Robert Rush is our Vice President and Chief Risk Officer and has served in that capacity since 2014. Mr. Rush previously served as a Managing Director upon joining the Company in 2013. Prior to joining Two Harbors, Mr. Rush held a variety of positions at UBS AG in New York. During 2013, Mr. Rush was a Managing Director and Director of Risk Strategy for the Non-Core and Legacy Group, the unit established to oversee UBS' exit from capital-inefficient businesses. From 2009 to 2012, he served as Head of Risk Analytics for the StabFund Investment Management Group, focusing on fundamental/technical analytics and interest rate risk management for a multi-billion portfolio of residential and commercial loans, RMBS, CMBS and ABS. From 2007 to 2008 Mr. Rush served as the Head CDO and Esoteric Asset Trader for the UBS Workout Group, and from 2006 to 2007 he co-managed the ABS/CMBS Derivatives Structuring Team within the Global CDO Group. From 1999 to 2006, he worked for John Hancock Financial Services, including as Vice President and Director of Quantitative Research for Declaration Management & Research; and from 1998 to 1999, he was with Queues Enforth Development as a Senior Operations Researcher. Mr. Rush holds a B.S. in Mathematics from Fordham University, an M.S. in Operations Research & Statistics from Rensselaer Polytechnic Institute, and a Ph.D. in Decision Sciences & Engineering Systems from Rensselaer Polytechnic Institute.

Alecia Hanson

Age: 44

Alecia Hanson is our Vice President and Chief Administrative Officer. Prior to joining Two Harbors in 2011, Ms. Hanson served as HR Manager, Site Director of Presbyterian Homes & Services from 2007 to 2011. There, she supported a campus of 500+ employees. Some of her projects included developing policies and procedures and implementing and managing HR technology. From 2005 to 2006, Ms. Hanson was a Staffing Manager for Landmark Staffing where her client was General Electric Oil & Gas. From 2002 to 2005 she was a Human Resources Consultant for TCM Consulting, Inc. Ms Hanson received a B.S. degree in Sociology from Arizona State University.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

This Compensation Discussion and Analysis, or CD&A, provides an overview of our executive compensation program and information regarding decisions made by our Compensation Committee to assist with understanding our executive compensation for the fiscal year ended December 31, 2024. This CD&A should be read in conjunction with the tables, footnotes and narrative discussion following the CD&A as well as the discussion of our advisory vote on executive compensation, which can be found under “*Proposal 2 – Advisory Vote Relating to Executive Compensation*” beginning on page [56](#). This CD&A is organized as follows:

p. 22	Introduction
p. 22	– 2024 Compensation Program Summary
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p. 23	– 2024 Company Performance Summary
p. 25	– Say-on-Pay Vote Results
p. 26	Executive Compensation Program
p. 26	– Executive Compensation Program Philosophy and Objectives
p. 27	– Compensation Program Elements
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2024 Compensation Program Summary

Following our transition to internal management in August 2020, our Compensation Committee, together with its independent compensation consultant, Pay Governance LLC (“Pay Governance”), and management, undertook a significant effort to design and implement a compensation program that reflects our company’s financial and strategic objectives, supports our company’s talent strategies, and aligns the interests of our executive officers and other key employees with the interests of our stockholders. Prior to our internalization, as an externally managed company with no employees, we utilized a hybrid approach to compensation whereby our external manager was responsible for all cash compensation paid to our named executive officers and equity incentive compensation was the responsibility of the company. As such, compensation information reported for periods prior to our internalization did not include all of the components of our current program.

The 2024 performance year marks the fourth full year in which the new compensation program was in effect. Importantly, the Compensation Committee believes the program operated to ensure that the total compensation of our executive officers recognized their important individual contributions, skills and leadership critical to the long-term success of the company while reflecting the company’s financial performance across changing market environments, which included an extremely volatile period for interest rates and mortgage spreads that began in March of 2020 and has persisted through 2024.

2024 Named Executive Officers

For 2024, our named executive officers were:

Name	2024 Title
William Greenberg	President and Chief Executive Officer
William Dellal	Vice President and Interim Chief Financial Officer
Nicholas Letica	Vice President and Chief Investment Officer
Rebecca B. Sandberg	Vice President, Chief Legal Officer and Secretary
Robert Rush	Vice President and Chief Risk Officer
Mary Risky	Former Vice President and Chief Financial Officer

On August 1, 2024, consistent with her previously announced plan to retire, Ms. Risky resigned from her role as Vice President and Chief Financial Officer of the company. As of the same date, the company appointed Mr. Dellal as its Vice President and Interim Chief Financial Officer.

2024 Company Performance Summary

Overview of Our Business

TWO is a real estate investment trust, or REIT, that invests in, finances and manages mortgage servicing rights, or MSR, and Agency residential mortgage backed securities, or Agency RMBS, and through our operational platform, RoundPoint, we are one of the largest servicers of conventional loans in the country. We seek to leverage our core competencies of understanding and managing interest rate and prepayment risk to invest our portfolio of MSR and Agency RMBS. Our objective is to deliver more stable performance, relative to RMBS portfolios without MSR, across changing market environments. We are acutely focused on creating sustainable stockholder value over the long-term.

As a REIT, we are required by the Internal Revenue Code to distribute at least 90% of our REIT taxable income annually to our stockholders in the form of dividend payments. This REIT requirement means that we are limited in our ability to grow our book value and our equity capital base through the reinvestment of retained earnings from our business operations. We produce earnings through income we generate on our investments in MSR and Agency RMBS, net of the interest we pay to finance our assets and the other expenses we incur to operate our business, and through contractual servicing fees and interest income in our mortgage loan servicing operations. The nature of our business model and our transition in 2020 to being an internally managed company are key factors the Committee considers in administering our executive compensation program and determining appropriate metrics and setting targets and goals for performance-based compensation.

2024 Performance Year Summary

The following is a summary of the company's key accomplishments and financial performance for 2024.

2024 Performance Year Summary

Since the pandemic in 2020, the investment landscape has been extremely challenging and volatile for interest rate and mortgage spread sensitive assets. Amidst this environment, we have actively managed our Agency RMBS coupon positioning across the coupon stack to extract relative value opportunities. We have also strategically increased our capital allocation to MSR, which in this environment has the characteristics of low prepayment and convexity risks, a positive cash flow, and an attractive yield.

Interest rates and mortgage spread volatility remained elevated through 2024, driven by persistent inflationary pressures, ongoing geopolitical instability, and shifting market expectations around the Federal Reserve's policy trajectory. In 2024, we delivered the following financial results:

- Reported book value of \$14.47 at December 31, 2024, compared to \$15.21 at December 31, 2023. Including the \$1.80 per common share of dividends declared, our total economic return on book value for 2024 was 7.0%.⁽¹⁾
- Delivered value to our stockholders through total dividends of \$1.80 per common share, equivalent to an average dividend yield of 14%.⁽²⁾

During 2024, we also accomplished several important objectives that we believe will position our company for long-term success and fulfill our mission to deliver value to stockholders, including:

- Concluded first full year of owning our own mortgage servicer, RoundPoint Mortgage Servicing LLC. We believe RoundPoint will add significant value for stakeholders of TWO through increased cashflows, operational efficiencies and the ability to participate more fully in the mortgage finance space as opportunities arise.
- Launched direct-to-consumer recapture originations platform, funding \$64.3 million UPB in first lien loans and brokering \$40.2 million UPB in second lien loans.
- Actively managed capital structure through repurchase of 485,609 shares⁽³⁾ of preferred stock and \$10.0 million principal amount of convertible senior notes due January 2026.

We are satisfied with our performance in 2024 given that our portfolio has less mortgage spread duration than RMBS portfolios without MSR. Looking into 2025, we are forging a path that emphasizes the financial investment in MSR, an asset class where we can more meaningfully impact our results through our actions. We have built our portfolio with the intent of delivering high-quality returns over the long-term, despite interim interest rate and spread volatility. We are very excited about the growth opportunities ahead for our company.

(1) Economic return on book value is defined as the increase (decrease) in common book value from the beginning to the end of the given period, plus dividends declared to common stockholders in the period, divided by common book value as of the beginning of the period.

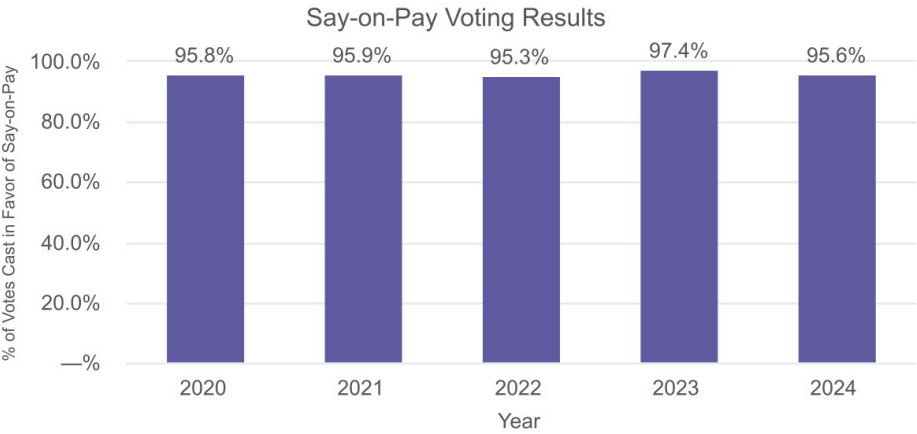
(2) Average dividend yield is calculated based on the dividends declared in the given period, divided by the average daily closing share price during the given period.

(3) Includes 35,047 Series A, 280,060 Series B and 170,502 Series C preferred shares for the year ended December 31, 2024.

Say-On-Pay Vote Results

At our 2024 Annual Meeting, stockholders voted on an advisory say-on-pay proposal and approximately 95.6% of the votes cast were voted in favor of the proposal. The following chart provides our historical say-on-pay vote results at our five most recent stockholder meetings, all of which have exceeded 95% of votes cast.

The Compensation Committee believes these results affirm stockholder support for our approach to executive compensation and our objective of encouraging long-term strategic decision making that aligns the interests of our executive officers and stockholders.



Executive Compensation Program

Executive Compensation Program Philosophy and Objectives

Our Compensation Committee has adopted a compensation philosophy for our company that supports the company's business and talent strategies. We believe a critical part of our company's success depends on creating, implementing and maintaining an appropriate and competitive compensation program that motivates and incentivizes our executive officers and key employees both in the near- and long-term, and aligns the interests of our executive officers and other key employees with those of our stockholders.

The following core principles provide a framework for our executive compensation program:



To support our compensation philosophy and objectives, we are committed to the following compensation governance practices:

What We Do:

- ü We link a majority of total executive compensation directly to company performance
- ü We use both absolute and relative performance metrics to create balance between company-specific goals and industry expectations
- ü We cap annual cash incentive award and long-term performance share unit award payouts at 200% of the target award opportunity
- ü We utilize three-year performance share unit awards, the payouts for which are contingent upon the achievement of pre-defined three-year performance goals
- ü We impose minimum vesting requirements on performance share units (3 years) and time-based restricted stock units (ratably over 3 years), encouraging long-term alignment and retention
- ü We maintain robust stock ownership guidelines for our executive officers and directors
- ü We have a comprehensive incentive compensation recoupment (clawback) policy for executive compensation as well as clawback provisions within our long-term equity incentive awards
- ü We have an independent Compensation Committee which is advised by an independent third-party compensation consultant
- ü We provide stockholders with an opportunity to cast an advisory say-on-pay vote on an annual basis

What We Don't Do:

- ⊗ No individual employment agreements with any of our executive officers
- ⊗ No special retirement programs or benefits for executive officers
- ⊗ No excessive or unique perquisites for executive officers
- ⊗ No golden parachute excise or tax gross-up payments for executive officers
- ⊗ No liberal recycling of shares under our equity incentive plan
- ⊗ No repricing of stock options or buy-outs of underwater stock options without stockholder approval
- ⊗ No transactions by employees in company or peer group stock without pre-clearance from our compliance department
- ⊗ No hedging or pledging of company securities by our executive officers or directors
- ⊗ No "single-trigger" severance or vesting acceleration in the event of a change of control

Compensation Program Elements

Our Compensation Committee believes it is important to compensate our named executive officers with a compensation package that balances short- and long-term compensation and cash and equity-based compensation. As described in more detail below in "*Peer and Competitive Market Positioning*" on page [36](#), the Compensation Committee designed and implemented a compensation program that is based on competitive pay practices within our industry and broader financial services companies.

The compensation framework for our named executive officers includes three primary elements: base salary, annual cash incentive compensation and long-term equity incentive compensation. These elements are summarized on the following page.

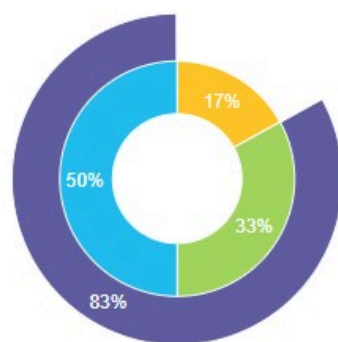
Element	Key Characteristics	Compensation Philosophy
Base Salary	A fixed amount, paid in cash and reviewed annually; and, if appropriate, adjusted.	Provide a source of fixed income that is market competitive and reflects the role and responsibilities of the position held and the performance and contributions of the individual.
Annual Cash Incentive	A variable, short-term compensation element that is payable in cash based on achievement of key pre-established annual corporate financial and non-financial goals as well as individual goals that support our business.	Motivate and reward our executive officers for achievement of annual goals intended to drive overall company performance.
Long-Term Incentives	A variable, long-term compensation element that is provided in the form of performance share units (PSUs) and time-vested restricted stock units (RSUs). PSUs vest only upon achievement of corporate financial goals after a 3-year performance period. RSUs are time-based and vest ratably over 3 years with continued employment.	Align the interests of our executive officers with our stockholders; encourage focus on company performance measures that drive sustained long-term value creation; promote retention of our executive officers and encourage significant ownership of our common stock.

These three compensation elements provide the Compensation Committee with the tools to structure executive compensation with a mix of fixed pay and variable pay that is at-risk, commensurate with the company's structure as an internally managed company. We describe each of these elements as well as the 2024 compensation of our executive officers in detail below.

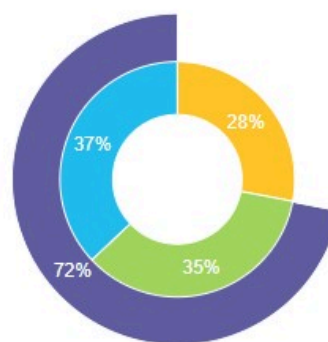
Pay Levels and Mix

A significant portion of our executive officers' target total direct compensation is comprised of short- and long-term variable performance-based, or at-risk, compensation to directly link pay to performance. Generally, higher level executive positions have a higher portion of pay that is performance-based. The following illustrates the composition and mix of target compensation for our executives in 2024:

CEO Target Total Direct Compensation Mix



**Other Named Executive Officers
Average Target Total Direct Compensation Mix**



■ 83% Performance-Based

■ 72% Performance-Based

■ Base Salary ■ Annual Incentive ■ RSUs and PSUs

Annual incentive compensation is paid in cash based on the achievement of financial performance metrics (70%) and strategic and operational goals and objectives (30%). Long-term variable performance-based compensation is in the form of equity awards, 50% of which are performance share units (PSUs) that vest based on achievement of company financial metrics and 50% of which are restricted stock units (RSUs) that have ratable time-based vesting over a three-year period and are valued based on the performance of the company's common stock.

Base Salary

A portion of annual cash compensation is paid to our named executive officers as base salary to provide a competitive level of fixed pay for the execution of their key responsibilities. The Compensation Committee reviews base salaries on an annual basis, or upon a significant change in an executive officer's responsibilities or role, to ensure that they are market competitive and reflective of the role and responsibilities as well as the individual's sustained performance and tenure. The annual base salaries established by the Committee for 2024 are provided in the table below.

Name	2024 Annual Base Salary (1)
William Greenberg	\$950,000
William Dellal	\$500,000
Nicholas Letica	\$600,000
Rebecca B. Sandberg	\$500,000
Robert Rush	\$500,000
Mary Risky	\$500,000

(1) For the 2024 performance year, no base salary adjustments were made for Ms. Risky, Mr. Letica, Ms. Sandberg or Mr. Rush. Effective March 1, 2024, Mr. Greenberg's base salary increased from \$875,000 to \$950,000. On August 1, 2024, the Compensation Committee approved the base salary of Mr. Dellal in connection with his appointment as Interim Chief Financial Officer.

For the 2025 performance year, no base salary adjustments are expected to be made for Mr. Dellal, Ms. Sandberg or Mr. Rush. Effective February 1, 2025, Mr. Greenberg's base salary increased from \$950,000 to \$1,000,000 and Mr. Letica's base salary increased from \$600,000 to \$650,000.

Annual Incentive Compensation

To help ensure that we achieve our compensation program principle of linking pay to performance, our Compensation Committee has established an annual incentive component that provides the opportunity for our executive officers to earn an annual cash incentive award. The annual incentive is designed to motivate and reward our named executive officers for achieving pre-established annual financial and strategic and operational goals and objectives.

At the beginning of each fiscal year, the Compensation Committee approves target annual incentive compensation, expressed as a percentage of base salary, for each executive officer. The specific performance measures, weightings, and goals and objectives that must be attained in order to receive compensation under the annual incentive framework are also established. For each financial performance measure, a threshold, target and maximum level of performance is defined, which have corresponding payout percentages. Following the end of the fiscal year, the Compensation Committee reviews the company's actual performance against each of the pre-established performance measures and determines the level of performance achieved along with a corresponding payout percentage and approves the actual award payouts for each of the named executive officers.

Target Awards. When determining the target annual incentive award for each executive officer, the Compensation Committee reviews the available market data for the executive's position, as well as the executive's role and responsibilities, scope and complexity of the position, experience level, tenure with the company, and individual contributions and performance.

The following table sets forth the target annual incentives that were established for the 2024 performance year:

Name	2024 Target Annual Incentive	
	Target Award	% of Base Salary
William Greenberg	\$1,900,000	200%
Nicholas Letica	\$1,140,000	190%
Rebecca B. Sandberg	\$675,000	135%
Robert Rush	\$425,000	85%
Mary Risky	\$550,000	110%

Performance Measures and Weightings. For each performance year, the Compensation Committee establishes the framework for performance measures, weightings, and goals and objectives that will motivate our executive officers to achieve the company's financial, strategic and operational business objectives and deliver stockholder value. For 2024, the Compensation Committee established the following framework for the annual cash incentive targets:

2024 Annual Incentive Performance Framework	
Financial Performance Metrics	70%
<ul style="list-style-type: none"> 50% Absolute Total Economic Return 50% Relative Total Economic Return 	
Strategic and Operational Performance Goals and Objectives	30%

In establishing the specific performance metrics, the Compensation Committee's focus on total economic return ("TER") as a key measure of financial performance emphasizes the company's commitment as a residential mortgage REIT to generating earnings efficiently against our capital base and returning those earnings to our stockholders, primarily in the form of dividends. TER reflects the overall economic return we generate and is comprised of our dividends paid and the change in the book value per share of common stock over a 12-month performance period. As such, it incorporates all aspects of our investment activity, including interest received on our investments, net of borrowing costs, and realized and unrealized gains and losses on our investments, hedging instruments, and other assets and liabilities. Additionally, we have observed that most investors and research analysts active in the residential mortgage REIT sector utilize this metric as a primary factor in analyzing residential mortgage REIT performance. Accordingly, it is the Committee's view that the use of both absolute TER and relative TER (as compared to our performance peer group) provides a balanced assessment of our financial performance during the performance period.

The Committee believes that this performance framework places an appropriate emphasis on financial results (70%), while acknowledging the critical importance that strategic and operational performance (30%) as well as the contributions that our executive officers play in contributing to our company's overall performance and success.

Financial Performance. The following table sets forth the company's financial performance metrics and actual performance for 2024, along with the metric weightings and the performance continuum against which company performance was measured for purposes of determining the annual incentive compensation payouts for our executive officers.

		Performance Continuum				2024 Actual (1)
Metric Weight	Financial Performance Metrics	Below Threshold	Threshold	Target	Maximum	
50%	Absolute TER	<1.0%	1.0%	9.0%	≥15.0%	8.9%
	<i>Payout Continuum (% of Target)</i>	0%	25%	100%	200%	99%
50%	Relative TER compared to Performance Peer Group	< 25th %ile	25th %ile	50th %ile	80th %ile	17.8th %ile
	<i>Payout Continuum (% of Target)</i>	0%	50%	100%	200%	0%

(1) Peer data used to calculate relative TER is not publicly available until well after the end of the company's December 31st fiscal year end. In light of this, for purposes of the 2024 performance year, the Committee established the relevant performance period for calculating TER as the 12-month period ended September 30, 2024. Actual payout percentages are calculated based on a linear interpolation across the performance continuum.

Strategic and Operational Performance Goals and Objectives. The Compensation Committee believes that strategic and operational performance is integral to the company's overall performance and success and is, therefore, inextricably linked to the company's financial results and long-term value creation for stockholders. The contributions of each of our executive officers, members of senior management and their respective teams are critical to ensuring that the company achieves its objective of delivering more stable performance, relative to RMBS portfolios without MSR, for our stockholders across changing market environments. Accordingly, strategic and operational performance comprises 30% of our executive officers' target annual incentive compensation, with a payout continuum ranging from 0% to 200% based upon achievement of such goals and objectives.

In reviewing the 2024 performance year, the Compensation Committee noted a number of the company's significant accomplishments during the year that were instrumental in driving strategic and operational achievements that support the company's financial outlook and position the company to deliver long-term value to stockholders, including in the following core areas:

Drive Increased Earnings Power	<ul style="list-style-type: none"> ü Concluded first full year of owning and operating our own mortgage servicer, RoundPoint Mortgage Servicing LLC, which has added significant value for our stakeholders through increased economies of scale, and additional cashflows from servicing and other ancillary products. ü Launched direct-to-consumer recapture originations platform, funding \$64.3 million in unpaid principal balance (UPB) in first lien loans and brokering \$40.2 million UPB in second lien loans. ü Optimized our liability and capital structure: <ul style="list-style-type: none"> • Repurchased \$10.0 million principal amount of convertible senior notes due January 2026; and • Repurchased 485,609 shares of preferred stock, lowering our ratio of preferred stock to common equity.
Enhanced Business Processes and Controls	<ul style="list-style-type: none"> ü Continued our focus on strengthening our controls and increasing operational efficiencies by: <ul style="list-style-type: none"> • Vertically integrating TWO and RoundPoint in order to realize efficiencies and cost savings; • Hiring key personnel to build out and expand upon internal capabilities, including technology and information security; and • Completing several systems and personnel-related integration efforts.
Disciplined Compliance and Risk Management	<ul style="list-style-type: none"> ü Updated our policies and disclosures to address several new SEC rules. ü Enhanced and implemented new operational and financial controls in order to incorporate RoundPoint into our controls environment. ü Enhanced internal risk monitoring and reporting framework. ü Continued focus on strengthening cybersecurity controls, systems and monitoring to stay current with evolving threat environment.
Commitment to Stakeholders	<ul style="list-style-type: none"> ü Expanded communication channels with our stakeholders through numerous meetings with investors and analysts throughout the year. ü Increased the breadth of our analyst coverage. ü Developed and launched new brands for TWO and RoundPoint, enhancing overall stakeholder experiences.

In considering the company's significant accomplishments related to its strategic and operational goals and objectives in 2024, the Compensation Committee also considered the contributions and performance of our executive officers in achieving these and other business objectives.

2024 Actual Annual Incentive Compensation Payout. The following table sets forth the actual annual incentive compensation that was paid to our executive officers for performance against financial and strategic and operational goals and objectives in 2024, as compared with the target annual incentives that were established by the Compensation Committee.

Name	Total Target Annual Incentive	Financial Performance (70%)		Strategic and Operational (30%)		2024 Annual Incentive Compensation Payout Total
		Target Award	2024 Payout	Target Award	2024 Payout	
William Greenberg	\$1,900,000	\$1,330,000	\$659,680	\$570,000	\$1,140,000	\$1,799,680
Nicholas Letica	\$1,140,000	\$798,000	\$395,808	\$342,000	\$649,800	\$1,045,608
Rebecca B. Sandberg	\$675,000	\$472,500	\$234,360	\$202,500	\$405,000	\$639,360
Robert Rush	\$425,000	\$297,500	\$147,560	\$127,500	\$229,500	\$377,060

In connection with his appointment as Interim Chief Financial Officer in August 2024, Mr. Dellal was entitled to receive an annual cash incentive award of \$213,115 for the 2024 performance year, which amount was guaranteed and paid in the first quarter of 2025. In addition, Ms. Risky, who retired as Chief Financial Officer in August 2024, received a pro rated annual cash incentive award of \$222,475 for the 2024 performance year, which was paid in the first quarter of 2025.

Long-Term Incentive Compensation

Our Compensation Committee believes that equity incentive compensation is an important component of our executive compensation package and is critical in attracting, motivating and retaining outstanding employees. Equity incentive compensation closely aligns the long-term interests of our executive officers with those of our stockholders, while at the same time, promoting long-term employee retention and driving sustained long-term value creation for our stockholders.

Our Compensation Committee has established a long-term incentive framework that emphasizes performance-based compensation through the use of performance share units ("PSUs") as well as time-based restricted stock units ("RSUs") granted pursuant to our 2021 Equity Incentive Plan. The Compensation Committee believes that using a mix of PSUs and RSUs encourages our executives to focus on long-term company financial performance measures that are important to the continued success of our company and our stockholders while promoting the retention of our executive officers through the establishment of long-term vesting horizons embedded in the RSUs.

Long-Term Award Mix. Our Compensation Committee awards our executive officers with long-term incentive compensation that is comprised of a mix of PSUs and RSUs, with at least 50% in PSUs:

- **Performance Share Units:** PSUs are designed to reward the creation of long-term economic returns for our stockholders on an absolute and relative basis. To ensure that they incentivize and motivate meaningful long-term performance, PSUs generally vest following the end of a three-year performance period based on company financial performance metrics, and entitle the recipient to receive dividend equivalents that will accrue in the form of additional PSUs during the vesting period and are subject to the same vesting conditions as the underlying PSU award. The PSUs are earned based on absolute and relative total stockholder return ("TSR"), equally split, with relative metrics assessed against a predetermined performance peer group approved by the Compensation Committee at the start of the three-year performance period. In using three-year absolute and relative TSR for the long-term incentive performance metrics, the Compensation Committee believes that the mix of absolute and relative financial performance metrics provides a balanced assessment of the company's overall performance. In addition, given half of the total payout opportunity is tied to absolute TSR performance, which must be positive to be earned, the PSU structure automatically caps the total payouts at target if absolute TSR is negative.
- **Restricted Stock Units:** RSUs are designed to promote the retention of our executive officers over a long-term vesting horizon and encourage their significant ownership of our common stock, which serves to align their interests with that of our stockholders. RSUs are a time-vesting equity, which generally vest ratably on an annual basis over a three-year period, and entitle the recipient to receive dividend equivalents during the vesting period.

Target Awards. When determining the target long-term incentive award for each executive officer, the Compensation Committee reviews the available market data for the executive's position, as well as the executive's role and responsibilities, scope and complexity of the position, experience level, tenure with the company, and individual contributions and performance.

The following table sets forth the target long-term incentives that were established by the Compensation Committee for the 2024 performance year:

Name	Total Target LTI Awards	% of Base Salary	Long-Term Incentive Awards	
			PSUs (50%)	RSUs (50%)
William Greenberg	\$2,850,000	300%	\$1,425,000	\$1,425,000
Nicholas Letica	\$1,200,000	200%	\$600,000	\$600,000
Rebecca B. Sandberg	\$725,000	145%	\$362,500	\$362,500
Robert Rush	\$475,000	95%	\$237,500	\$237,500
Mary Risky	\$600,000	120%	\$300,000	\$300,000

Mr. Dellal did not receive a target long-term incentive award for the 2024 performance year.

PSUs are earned at the end of a full three-year performance period, depending upon the level of performance achieved by the company against pre-established performance goals set by the Compensation Committee, and are settled in shares of our common stock. For the 2024 PSU awards, the Committee established three-year goals and payout levels for attainment of such goals, including a threshold level below which no PSUs will vest. The goals were communicated to the executive officers at the time of the award, however, we do not share these goals publicly until the end of the performance period due to their material, non-public nature.

2022 PSU Awards. In 2022, the Compensation Committee granted PSUs to certain of our named executive officers which provided for a three-year performance period that commenced on January 1, 2022 and ended on December 31, 2024 (the "2022 PSUs"). The 2022 PSUs entitled recipients to receive shares of common stock following the end of the three-year performance period based on the achievement of specific performance goals selected by the Compensation Committee. The performance goals selected for the 2022-2024 performance period were absolute and relative TSR, equally split. The 2022 PSUs also entitled recipients to receive dividend equivalents that accrued in the form of additional PSUs during the vesting period and were subject to the same vesting conditions as the underlying PSU award.

In January 2025, the Compensation Committee reviewed and approved the payouts with respect to the 2022 PSUs as reflected in the chart below:

Performance Continuum						
Metric Weight	Financial Performance Metrics	Below Threshold	Threshold	Target	Maximum	2022-2024 Actual
50%	Three-year Absolute TSR	<3.0%	3.0%	27.0%	45.0%	(24.2)%
	<i>Payout Continuum (% of Target)</i>	0%	25%	100%	200%	0%
50%	Three-year Relative TSR compared to Peer Group ⁽¹⁾	< 25th %ile	25th %ile	50th %ile	80th %ile	39.4 %ile
	<i>Payout Continuum (% of Target)</i>	0%	50%	100%	200%	78.9%
Weighted 2022 PSU Payout Percentage						39.4%

(1) For the 2022 PSUs, the performance peer companies were: NLY, AGNC, MITT, AAIC, ARR, CHMI, CIM, DX, EFC, IVR, MFA, NRZ, NYMT, ORC, PMT, RWT and WMC.

Health, Welfare, Retirement and Other Personal Benefits

Our executive officers participate in a broad-based 401(k) retirement savings and profit sharing plan that is available to all of the company's employees. Under this plan, employees are allowed to contribute up to the annual amount allowable by law. For the 2024 performance year, the company made a minimum annual contribution of 3% of eligible compensation as a profit sharing contribution to each executive's 401(k) account. Beginning with the 2024 performance year, executives are eligible to receive a matching contribution from the company up to a cap of 3% of eligible compensation. We do not provide any other pension plans, supplemental retirement plans or deferred compensation plans for our executive officers.

Our executive officers also have the opportunity to participate in medical, dental, vision, disability, life

and long-term care insurance, and health care savings and flexible dependent care accounts as well as qualified transportation benefits, all of which are provided generally to all of our employees.

We do not provide excessive or unique perquisites for the personal benefit of our named executive officers. We may from time to time provide limited benefits such as reserved office parking or other benefits that could potentially have a mixed work and personal benefit, such as Wi-Fi service during air travel or mobile phone usage, the costs of which are expected to be minimal and below any applicable reporting threshold.

Employment, Severance and Change of Control Arrangements

Employment Agreements

We do not have any employment agreements with any of our named executive officers. Each of our named executive officers is a party to our standard employee confidentiality agreement signed by all company employees, which includes, among other things, confidentiality, inventions assignment, non-disparagement and non-solicitation provisions.

Severance Benefits Plan

The company provides for the payment of severance benefits upon certain types of employment terminations through the Two Harbors Investment Corp. Severance Benefits Plan. The severance and change of control benefits in the Severance Benefits Plan are intended to be competitive with peers as well as general industry practices and have been established primarily to attract and retain talented and experienced executives, and reduce the personal uncertainty that executives are likely to feel when considering a corporate transaction. These arrangements also provide valuable retention incentives that focus executives on completing such transactions, thus, enhancing long-term stockholder value. The compensation under the various circumstances that trigger payments or provision of benefits upon termination or a change of control was determined to be broadly consistent with prevailing competitive practices.

Severance-related benefits are provided only if the executive executes a separation agreement, which includes, among other things, a general release, non-solicitation, non-disparagement and confidentiality provisions. Benefits under the Severance Benefits Plan are not available if an executive is terminated for "cause" or otherwise is deemed ineligible under the Plan and are subject to termination and the right of the company to clawback certain benefits if the executive violates the terms of any separation agreement entered into in exchange for severance benefits or any other restrictive covenant applicable to the executive officer.

The potential severance benefits payable to our named executive officers under the Severance Benefits Plan are detailed in the narrative to the "*Potential Payments Upon Termination of Employment or Change of Control*" table on page [43](#).

Change of Control Arrangements

- **Severance Benefits Plan.** As described above, we have a Severance Benefits Plan that provides for certain cash payments to executive officers upon a change of control of the company. Under a "double-trigger" mechanism, an executive will be eligible for certain severance benefits if (a) there is a change of control and (b) within 24 months following the change of control, the executive's employment is terminated by the company without "cause" or by the executive for "good reason." For more information about the Severance Benefits Plan, please see the section above entitled "*Severance Benefits Plan*," and for information about the potential payments to executives in the event of a change of control, please see the section below titled "*Potential Payments Upon Termination or Change of Control*" on page [43](#).
- **Long-Term Equity Incentives.** Our 2021 Plan and the individual award agreements that govern the equity awards granted to executive officers thereunder include "double-trigger" acceleration provisions with respect to the vesting of awards in connection with a change of control of the company. Specifically, if (a) there is a change of control and (b) within 24 months following the change of control, the executive's employment is terminated by the company without "cause" or by the executive for "good reason," then the vesting restrictions on any restricted stock awards then outstanding will lapse on the separation date of such executive. If, however, there is a change of control and the "resulting entity" in the change of control does not assume or continue the restricted stock award or restricted stock unit

agreement, then the vesting restrictions on any restricted stock awards then outstanding will lapse immediately prior to the change of control.

Under our Severance Benefits Plan and our 2021 Plan, a "change of control" is generally defined as (i) any person or group becomes the owners of more than 50% of our then-outstanding common stock or the combined voting power of our then outstanding voting securities, (ii) members of our Board at the beginning of any consecutive 24-month period cease to constitute at least a majority of our Board for any reason other than death or disability, or (iii) upon the completion of certain business combinations, including a merger or a sale of substantially all of the company's assets.

For information about the potential payments pursuant to long-term equity incentive awards made under our 2021 Plan to executives in the event of a change of control, please see the section below titled "*Potential Payments Upon Termination or Change of Control*" on page [43](#).

Governance Framework for our Executive Compensation Program

How We Make Compensation Decisions

Role of the Compensation Committee

Our Compensation Committee, which is comprised entirely of independent directors, is responsible for establishing and overseeing our executive compensation program and makes all decisions relating to the compensation of our named executive officers. The Compensation Committee is also responsible for ensuring that the total compensation paid to our named executive officers is fair, competitive and aligns their interests with those of our stockholders. As required by its charter, the Compensation Committee periodically reviews the company's compensation policies and programs and makes any modifications that the Compensation Committee deems necessary or advisable, subject to the terms of such policies or programs. The Compensation Committee also annually reviews and approves the company's goals and objectives relevant to the compensation of the named executive officers and other key employees of the company. When making compensation decisions, the Compensation Committee considers peer and competitive market data and the recommendations of its independent compensation consultant as well as information provided by our human resources department with respect to each of the named executive officers. Our Compensation Committee is focused on implementing an overall compensation program that emphasizes retention of key personnel, links pay and performance and aligns the interests of our named executive officers with stockholders.

Role of the Independent Compensation Consultant

For 2024, our Compensation Committee engaged Pay Governance as its independent compensation consultant. The compensation consultant provides various services to the Compensation Committee, including advising the Compensation Committee on the principal aspects of our compensation program and evolving industry practices and presenting information to assist the Compensation Committee in determining the appropriate peer group to be used to evaluate the competitiveness of our compensation program. Our Compensation Committee considers advice and recommendations received from its compensation consultant regarding compensation matters, including when making decisions with respect to director and executive compensation. During 2024, Pay Governance provided a range of services at the Compensation Committee's request, including but not limited to guidance on various matters related to 2024 compensation of executive officers and senior management and executive compensation policies.

Pay Governance does not provide services to our company other than the advice provided to our Compensation Committee and assistance with the valuation of our equity awards. Pay Governance has advised our Compensation Committee that the payments for fees and direct expense reimbursements it received from us during 2024 were immaterial as a percentage of their income for the period. Pay Governance has also advised us that neither they nor, to their knowledge, any member of their consulting team who provides services to our Compensation Committee owns any shares of our common stock. After considering the foregoing, as well as Pay Governance's conflict of interest policies and procedures and the lack of known business and personal relationships between Pay Governance, its team members providing services to our Compensation Committee and its members, and our executive officers, our Compensation Committee concluded that Pay Governance's work for it does not raise any conflict of interest concerns.

The Compensation committee reviews its relationship with Pay Governance annually, including the factors impacting Pay Governance's independence under the rules of the SEC and the listing standards of the NYSE.

Role of Management

Our Compensation Committee makes all compensation decisions related to our named executive officers. Our Compensation Committee receives input from our Chief Executive Officer regarding the compensation and performance of named executive officers (other than himself), including recommendations as to the compensation levels that he believes are commensurate with an individual's job performance, skills, experience, qualifications, criticality to our company, as well as with our compensation philosophy, external market data and considerations of internal equity. Our Chief Executive Officer regularly attends meetings of our Compensation Committee, except when our Compensation Committee is meeting in executive session or when the Chief Executive Officer's own compensation arrangements are being considered. Our Compensation Committee communicates its views and decisions regarding compensation arrangements for our named executive officers to the Chief Executive Officer, who is generally responsible for overseeing the implementation of such arrangements.

Peer and Competitive Market Positioning

To assist in making decisions regarding the compensation of our named executive officers, our Compensation Committee works with Pay Governance to engage in a comprehensive review of competitive market data from a group of publicly traded companies in specific industries in which we compete for executive talent, among other factors. The market data reviewed includes peer proxy data of companies that are similar in size, industry and management structure. We also use information derived from industry compensation surveys as an additional reference point for total cash and total direct compensation levels where publicly available proxy data is unavailable or insufficient.

Because there are relatively few companies in our industry that are similar both in size and in having an internal management structure – and no other companies with the same business model focused primarily on pairing MSR with Agency RMBS – our Compensation Committee, assisted by Pay Governance, considers a number of objective criteria in order to select a peer group to provide the best comparison for the purpose of benchmarking our executive compensation practices, including but not limited to:

- internally-managed companies in the mortgage REIT industry;
- companies in the financial services industry with market capitalization within a reasonable range;
- companies in the mortgage industry with relatively similar asset class investments; and
- companies that compete with us for executive talent.

The Compensation Committee establishes two peer groups: one for executive compensation benchmarking and one for company performance. The Committee will periodically review the composition of its executive compensation and performance peer groups and, as appropriate, will update them to ensure continued relevance and to reflect mergers, acquisitions or other business-related changes that may occur.

Executive Compensation Peer Group. In approving 2024 executive compensation levels, the Compensation Committee used certain mortgage REIT and other financial peer companies for executive compensation benchmarking. The following peer group consisted of U.S. companies that generally had total assets between 0.5x and 4.0x that of the company and a market capitalization between 0.2x and 3.0x that of the company (peer revenues were not used as a sizing criterion):

AGNC Investment Corp.
Dynex Capital, Inc.
MFA Financial, Inc.
PennyMac Financial Services, Inc.

BrightSpire Capital, Inc.
HA Sustainable Infra. Cap., Inc.
Mr. Cooper Group Inc.
Redwood Trust, Inc.

Chimera Investment Corporation
Ladder Capital Corp.
New York Mortgage Trust, Inc.
Rithm Capital Corp.

Performance Peer Group. In establishing the company's performance goals and objectives, the Compensation Committee established a separate group of companies against which to measure the company's relative performance for the purposes of determining payout of the 2024 annual incentive compensation. As noted above, because no peer companies exist that have the same business model of pairing MSR with Agency RMBS, the following peer group was necessarily constructed with a broad array of mortgage REIT peers having assets, investment strategies, or organizational structures that are similar, but not directly comparable, to that of the company's:

AGNC Investment Corp.	Annaly Capital Management, Inc.	Armour Residential REIT, Inc.
Cherry Hill Mortgage Investment Corp.	Dynex Capital, Inc.	Ellington Residential Mortgage REIT
Invesco Mortgage Capital Inc.	Orchid Island Capital Inc.	PennyMac Mortgage Investment Trust
Rithm Capital Corp.		

Stock Ownership Guidelines

We have adopted robust stock ownership guidelines for our executive officers requiring them to own, within five years of adoption of the policy or becoming subject to the policy, a minimum amount of our common stock based on a multiple of their base salary. The ownership requirement is five times (5x) for our Chief Executive Officer and three times (3x) for our other named executive officers and certain members of our senior management team. Until the foregoing ownership requirements are met, each is expected to retain the shares of common stock received upon vesting of any long-term equity incentive compensation, net of any shares sold to pay withholding tax obligations associated with such vesting. Shares of common stock held directly or indirectly and for which the officer has voting and dispositive power, and shares underlying restricted stock awards or RSU awards granted under our 2021 Plan (or any future equity plan approved by stockholders), whether vested or unvested, are included in determining the number of shares held for this purpose. Shares that are indirectly beneficially owned (e.g., shares owned by an immediate family member) and shares of unvested PSUs are not eligible to be counted toward the minimum stock ownership requirements.

The following table sets forth the total stock ownership and value thereof for each of our current named executive officers, including beneficially owned shares and unvested restricted stock awards and RSUs, as calculated pursuant to our stock ownership guidelines as of December 31, 2024:

Name	Total Stock Ownership	Total Value of Stock Owned (1)	Stock Ownership Requirement
William Greenberg (2)	258,934	\$3,054,065	\$4,750,000
William Dellal (2)	84	\$991	\$1,500,000
Nicholas Letica (2)	105,644	\$1,246,046	\$1,800,000
Rebecca B. Sandberg (2)	112,894	\$1,331,558	\$1,500,000
Robert Rush (2)	69,176	\$815,914	\$1,500,000

(1) Total value of stock owned based on the \$11.7948 average closing price (unadjusted) of TWO's common stock for the 30 days preceding December 31, 2024.

(2) Each named executive officer expects to reach the guideline amount within the five-year achievement period.

Incentive Compensation Recoupment (Clawback) Policy

Our Incentive Compensation Recoupment Policy enables us to reduce or cancel unvested long-term equity incentive awards and recover previously paid cash and equity incentive compensation to our named executive officers and other senior executives in certain circumstances. The policy provides for the mandatory recovery of erroneously awarded incentive-based compensation from current and former executive officers in the event the company is required to prepare an accounting restatement. The policy also provides for the discretionary recoupment of incentive compensation from executive officers upon the occurrence of certain misconduct that the Board of Directors, in its discretion, determines is likely to cause or has caused material financial, operational or reputational harm to the company. This policy includes a three-year look back period.

While incentive compensation awards are intended and expected to be paid and vest in accordance with their terms, we believe our strong Incentive Compensation Recoupment Policy provides our Board of Directors with the ability to hold our named executive officers and other executives accountable for actions that are detrimental to our company. In October 2022, the SEC adopted final rules directing the NYSE to establish listing

standards requiring the clawback of certain incentive compensation if an accounting restatement is required. In September 2023, our Board of Directors approved an amendment and restatement of our Incentive Compensation Recoupment Policy, with an effective date of December 1, 2023, in order to comply with the new NYSE listing standards.

Insider Trading Policy

The company has adopted an Insider Trading Policy governing the purchase, sale, and/or other dispositions of the company's securities by directors, officers, and employees that the company believes are reasonably designed to promote compliance with insider trading laws, rules, and regulations, and the NYSE listing standards. In addition, it is the company's policy to comply with applicable securities and state laws, including insider trading laws, when engaging in transactions in the company's securities. Our Insider Trading Policy prohibits our directors, officers and employees from trading in securities of the company while in possession of material, nonpublic information. Our Insider Trading Policy also prohibits our directors, officers and employees from disclosing material, nonpublic information of the company to others, unless such disclosure is made in accordance with the company's policies regarding the protection and external disclosure of information regarding the company. In addition, directors, officers, and employees of the company are required to obtain approval in advance of engaging in transactions in the company's securities and comply with additional trading restrictions. This summary of our insider trading policies and procedures does not purport to be complete and is qualified in its entirety by reference to our Insider Trading Policy, a copy of which was filed as [Exhibit 19.1 to our Annual Report on Form 10-K for the year ended December 31, 2024](#).

Hedging and Pledging

Our Insider Trading Policy also prohibits our executive officers from engaging in a number of transactions with respect to shares of the company's common stock or other covered securities, including but not limited to: entering into hedging or monetization transactions with respect to company securities; pledging or margining company securities as collateral for a loan; and engaging in short sales or entering into any put, call or derivative transaction where they would earn a profit or offset losses due to changes in our stock price.

Tax Treatment of Compensation

Section 162(m) of the Internal Revenue Code generally precludes a public corporation from taking an income tax deduction in any one year for compensation in excess of \$1 million payable in any year to the corporation's covered employees, as defined in Section 162(m). Prior to January 1, 2018, an exception to this deduction limit was available for "performance-based" compensation that was approved by stockholders and otherwise satisfied certain requirements under Section 162(m). Following the enactment of the Tax Cuts and Jobs Act of 2017, beginning with the 2018 calendar year, the covered employees subject to this limitation include any individual who serves as our chief executive officer, chief financial officer or one of our other three most highly compensated executive officers, and there is no longer any exception for performance-based compensation.

While our executive compensation program seeks to maximize the tax deductibility of compensation payable to our named executive officers, to the extent permitted by law, the Compensation Committee believes that, in establishing the executive compensation program, the potential deductibility of the compensation should be only one of a number of relevant factors taken into consideration. The Compensation Committee believes it is important to maintain maximum flexibility in structuring compensation at the requisite level to attract and retain the individuals essential to our financial success, even if all or part of that compensation may not be deductible by reason of Section 162(m) of the Internal Revenue Code.

Our executive plans and agreements that are subject to Section 409A of the Internal Revenue Code are intended to comply with Section 409A of the Internal Revenue Code.

Equity Grant Policies and Procedures

In response to Item 402(x)(1) of Regulation S-K, the company currently does not, and during 2024 did not, grant new awards of stock options, stock appreciation rights, or similar option-like instruments under our 2021 Plan. Accordingly, the company has no specific policy or practice on the timing of such awards in relation to the disclosure of material nonpublic information. In the event the company determines to grant such awards, the company will evaluate the appropriate steps to take in relation to the foregoing.

Compensation Committee Report

The Compensation Committee of the Board of Directors reviewed and discussed with management of the company the foregoing “*Compensation Discussion and Analysis*” contained in this Proxy Statement. Based on that review and discussion, the Compensation Committee recommended that the “*Compensation Discussion and Analysis*” be included in the company’s Proxy Statement for the 2025 Annual Meeting of Stockholders.

By the Compensation Committee:

E. Spencer Abraham, Chair
James J. Bender
James A. Stern

Compensation Risk Assessment

We believe that our compensation policies, practices and programs and related compensation governance structure work together to minimize exposure to excessive risk taking by our executive officers while appropriately encouraging the pursuit of long-term growth, profitability and strategic decision-making that emphasized stockholder value creation. We believe that our executive compensation program places the appropriate emphasis on performance and long-term objectives that are aligned with stockholder interests.

In reaching this determination, our Compensation Committee believes, among other things, that: (i) base salaries for our executive officers are targeted in a competitive market range and are not subject to performance risk; (ii) incentive compensation opportunities are appropriately balanced between annual and long-term performance and cash and equity compensation and utilize performance metrics that are the drivers of long-term success for our company and our stockholders; (iii) caps on performance-based incentive opportunities are used in both the annual cash and long-term incentive programs; (iv) our Incentive Compensation Recoupment (Clawback) Policy mitigates risk; (v) the use of non-financial performance factors in determining the payout of annual incentive compensation serves as a counterbalance to quantitative performance metrics; (vi) our stock ownership guidelines further align the long-term interests of our executive officers with those of our stockholders; and (vii) our policies restricting hedging, holding our common stock in a margin account and using our common stock as collateral for loans discourage our executive officers from focusing on our short-term stock price.

Our executive compensation program utilizes annual and long-term financial performance goals that are tied to key measures of short-term and long-term performance that drive stockholder value, and individual compensation targets are designed to be set with a reasonable amount of stretch that should not encourage imprudent risk taking. We believe our compensation policies, practices and programs encourage our executive officers to focus on sustaining our company’s long-term performance and delivering total return to our stockholders rather than encouraging decisions that result in a short-term benefit for our company and our executive officers. As a result, we do not believe that our executive compensation program is reasonably likely to have a material adverse effect on us.

Summary Compensation Table

The table below summarizes the compensation paid to our named executive officers for the performance years ending December 31, 2024, 2023 and 2022.

Name and Principal Position	Year	Salary (\$)	Bonus \$(1)	Stock Awards \$(2)(3)	Non-Equity Incentive Plan Compensation \$(4)	All Other Compensation \$(5)	Total (\$)
William Greenberg <i>President and Chief Executive Officer</i>	2024	919,038	—	3,066,561	1,799,680	—	5,785,279
	2023	875,001	—	2,313,442	2,684,375	225,860	6,098,678
	2022	875,000	—	2,051,674	1,241,275	245,213	4,413,162
William Dellal <i>Vice President and Interim Chief Financial Officer</i>	2024	201,923	213,115	—	—	—	415,038
	2023	—	—	—	—	—	—
	2022	—	—	—	—	—	—
Nicholas Letica <i>Vice President and Chief Investment Officer</i>	2024	588,461	—	1,291,170	1,045,608	—	2,925,239
	2023	600,000	—	1,373,478	1,675,000	152,885	3,801,363
	2022	227,309	1,140,000	1,395,226	—	35,308	2,797,843
Rebecca B. Sandberg <i>Vice President, Chief Legal Officer and Secretary</i>	2024	490,385	—	780,086	639,360	—	1,909,831
	2023	500,000	—	829,800	1,040,000	92,718	2,462,518
	2022	500,000	—	734,521	453,465	120,705	1,808,691
Robert Rush <i>Vice President and Chief Risk Officer</i>	2024	490,385	—	511,084	377,060	—	1,378,529
	2023	500,000	—	772,584	570,000	80,725	1,923,309
	2022	500,000	—	683,863	364,723	105,093	1,653,679
Mary Riskey <i>Former Vice President and Chief Financial Officer</i>	2024	315,384	—	645,585	222,475	—	1,183,444
	2023	500,000	—	686,719	750,000	77,965	2,014,684
	2022	500,000	—	607,897	348,865	101,142	1,557,904

- (1) We generally do not pay discretionary bonuses and did not pay any such bonuses to Mr. Greenberg, Ms. Riskey, Ms. Sandberg and Mr. Rush in 2022, 2023 or 2024. In connection with his appointment as Chief Investment Officer, Mr. Letica's annual cash incentive payout for the 2022 performance year was guaranteed and not subject to any performance conditions; any future annual cash incentive payouts to Mr. Letica will be pursuant to the annual cash incentive plan for our named executive officers. In connection with his appointment as Interim Chief Financial Officer, Mr. Dellal's annual cash incentive payout for the 2024 performance year was guaranteed and not subject to any performance conditions; in the event Mr. Dellal is removed from his position by the company, other than for cause, prior to his first anniversary of employment, he will be entitled to receive an additional payment of \$286,885. Annual cash incentive payouts based on performance goals and objectives, as described under "Annual Incentive Compensation" above on page 29, are reported in the "Non-Equity Incentive Plan Compensation" column.
- (2) Values represent the grant date fair value of RSUs and the target number of PSUs granted under the 2021 Plan, as described in Note 3 below. RSUs vest in three equal annual installments beginning on the first anniversary of the grant date, so long as the officer complies with the terms of the applicable award agreement. PSUs vest after a three-year performance period, subject to the achievement of pre-established performance goals. Amounts shown reflect the aggregate grant date fair value for equity awards for financial reporting purposes in accordance with ASC Topic 718 (without any reduction for risk of forfeiture) as determined based on applying the assumptions used in our audited financial statements. See Note 18 to the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2024 regarding assumptions underlying the valuation of equity awards. Amounts reported for these awards may not represent the amounts that the officers will actually realize upon vesting of the awards, which will depend upon our actual operating performance, stock price fluctuations and the officer's continued employment. See also "Grants of Plan-Based Awards for Fiscal Year 2024" below on page 41.
- (3) The values reported in this column for PSUs represent the aggregate grant date fair value of the grants based on the probable outcome of the performance conditions as of the grant date and is set at 100% of the target amount, or \$2,342,017 for Mr. Greenberg, \$1,094,938 for Mr. Letica, \$839,347 for Ms. Sandberg, \$781,467 for Mr. Rush, and \$694,634 for Ms. Riskey. The grant date fair value of the PSUs, assuming the highest level of performance conditions is met, was \$4,684,035 for Mr. Greenberg, \$2,189,876 for Mr. Letica, \$1,678,695 for Ms. Sandberg, \$1,562,934 for Mr. Rush, and \$1,389,269 for Ms. Riskey.
- (4) Annual cash incentive compensation reflects compensation earned in connection with the performance year noted, but which was awarded and paid in the following year.
- (5) Previously reported Other Compensation amounts for 2022 and 2023 include the value of dividends and distribution on unvested RSUs; however, for 2024, in accordance with SEC disclosure rules, we have excluded the value of dividends and distributions on RSUs given the grant date fair value of the RSUs granted in 2022, 2023 and 2024 reflect the value of potential dividends and distributions.

Grants of Plan-Based Awards for Fiscal Year 2024

We grant cash and equity incentive awards to our named executive officers. During 2024, plan-based awards granted to our named executive officers included annual cash incentive awards, RSU awards and PSU awards. More details on these grants can be found in the section titled “*Compensation Program Elements*” beginning on page 27. The following table summarizes each plan-based award granted to our named executive officers during the fiscal year ended December 31, 2024.

Name(1)	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards (2)			Payout Under Non-Equity Incentive Plan Awards (3)(\$)	All Other Stock Awards: Number of Shares (4)	Grant Date Fair Value of Stock Awards (5)(\$)
		Threshold	Target	Maximum			
William Greenberg							
2021 Plan, RSUs	January 8, 2024					100,564	\$1,424,992
2021 Plan, PSUs	January 8, 2024	38,023	101,394	202,788			\$1,641,569
Non-Equity Annual Incentive					\$1,799,680		
Nicholas Letica							
2021 Plan, RSUs	January 8, 2024					42,342	\$599,986
2021 Plan, PSUs	January 8, 2024	16,010	42,692	85,384			\$691,183
Non-Equity Annual Incentive					\$1,045,608		
Rebecca B. Sandberg							
2021 Plan, RSUs	January 8, 2024					25,582	\$362,497
2021 Plan, PSUs	January 8, 2024	9,672	25,793	51,586			\$417,589
Non-Equity Annual Incentive					\$639,360		
Robert Rush							
2021 Plan, RSUs	January 8, 2024					16,760	\$237,489
2021 Plan, PSUs	January 8, 2024	6,337	16,899	33,798			\$273,595
Non-Equity Annual Incentive					\$377,060		
Mary Risky							
2021 Plan, RSUs	January 8, 2024					21,171	\$299,993
2021 Plan, PSUs	January 8, 2024	8,005	21,346	42,692			\$345,592
Non-Equity Annual Incentive					\$222,475		

(1) Mr. Dellal was not granted any plan-based awards during the fiscal year ended December 31, 2024.

(2) PSUs are granted under the 2021 Plan and subject to vesting following a three-year performance period subject to achievement of pre-established performance goals. Performance payouts range from 0% to 200% of target based on actual performance achieved.

(3) Represents the actual annual cash incentive compensation earned in connection with the 2024 performance year, which was awarded and paid in January 2025. See also “*Annual Incentive Compensation*” beginning on page 29.

(4) RSUs are granted under the 2021 Plan and vest in three equal annual installments beginning on the first anniversary of the grant date, so long as the officer complies with the terms and conditions of their RSU agreement.

(5) This column shows the full grant date fair value of the RSUs under ASC Topic 718. Generally, the full grant date fair value is the amount we would expense in our financial statements over the award's vesting period. See Note 18 to the audited consolidated financial statements in our Annual Report on Form 10-K regarding assumptions underlying valuation of equity awards. The grant date fair value for the RSUs is based on the \$14.17 closing market price of our common stock on the NYSE on the January 8, 2024 grant date. The grant date fair value of the PSUs assumes performance achieved at 100% of target and calculated based on the \$16.19 per share price determined using a Monte Carlo simulation on the January 8, 2024 grant date.

Outstanding Equity Awards at Fiscal Year-End for 2024

The following table sets forth information concerning unvested restricted stock units and performance share units for each named executive officer as of December 31, 2024. On November 1, 2022, we effected a one-for-four reverse stock split of our outstanding shares of common stock. All per share amounts, common shares outstanding and common equity-based awards for all periods presented herein have been adjusted on a retroactive basis to reflect the reverse stock split.

Name(1)	Grant Date	Stock Awards			
		Number of Shares or Units of Stock that Have Not Vested (2)	Market Value of Shares or Units of Stock that Have Not Vested (3)	Equity Incentive Plan Awards: Number of Unearned Units that Have Not Vested (4)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Units (5)
William Greenberg	January 8, 2024			101,394	\$1,641,569
	January 8, 2024	100,564	\$1,189,672		
	January 13, 2023			57,981	\$1,302,833
	January 13, 2023	38,654	\$457,277		
	February 7, 2022			47,669	\$1,039,184
Nicholas Letica	February 7, 2022	15,890	\$187,979		
	January 8, 2024			42,692	\$691,183
	January 8, 2024	42,342	\$500,906		
	January 13, 2023			34,423	\$773,485
	January 13, 2023	22,949	\$271,487		
Rebecca B. Sandberg	August 15, 2022			14,506	\$321,453
	August 15, 2022	17,308	\$204,754		
	January 8, 2024			25,793	\$417,589
	January 8, 2024	25,582	\$302,635		
	January 13, 2023			20,797	\$467,309
Robert Rush	January 13, 2023	13,865	\$164,023		
	February 7, 2022			17,066	\$372,039
	February 7, 2022	5,689	\$67,301		
	January 8, 2024			16,899	\$273,595
	January 8, 2024	16,760	\$198,271		
Mary Risky	January 13, 2023			19,363	\$435,087
	January 13, 2023	12,909	\$152,713		
	February 7, 2022			15,889	\$346,380
	February 7, 2022	5,297	\$62,664		
	January 8, 2024			21,346	\$345,592
	January 8, 2024	21,171	\$250,453		
	January 13, 2023			17,211	\$386,731
	January 13, 2023	11,474	\$135,737		
	February 7, 2022			14,124	\$307,903
	February 7, 2022	4,708	\$55,696		

(1) Mr. Dellal did not have any unvested restricted stock units or performance share units as of December 31, 2024.

(2) Represents RSUs granted pursuant to our 2021 Plan. Awards are time-based and vest in three equal annual installments beginning on the first anniversary of the grant date, so long as the officer complies with the terms and conditions of the award agreement.

(3) Values are based on the \$11.83 closing market price of our common stock on the NYSE on December 31, 2024.

(4) Represents performance-based PSUs granted pursuant to our 2021 Plan. PSUs vest following a three-year performance period that begins the year of the grant date, subject to achievement of pre-established performance goals. Does not include any potential dividend equivalent rights that may accrue during the three-year performance period that are payable in additional PSUs, the vesting of which are subject to achievement of the same performance goals as the underlying PSU award.

(5) Value assumes performance achieved at 100% of the target PSUs awarded and calculated based on the \$16.19, \$22.47, \$22.16 and \$21.80 per share prices determined using a Monte Carlo simulation on the January 8, 2024, January 13, 2023, August 15, 2022 and February 7, 2022 grant dates, respectively.

Stock Vested in Fiscal Year 2024

The following table sets forth information concerning restricted stock units and performance share units held by our named executive officers that vested during the year ended December 31, 2024. On November 1, 2022, we effected a one-for-four reverse stock split of our outstanding shares of common stock. With respect to equity awards granted prior to November 1, 2022, all per share amounts, common shares outstanding and common equity-based awards for all periods presented herein have been adjusted on a retroactive basis to reflect the reverse stock split.

Name(1)	Award Type	Original Grant Date	Vesting Date	Stock Awards	
				Number of Shares Acquired on Vesting	Value Realized on Vesting (2)
William Greenberg	PSU	May 19, 2021	January 08, 2024	20,665	\$292,823
	RSU	May 19, 2021	May 19, 2024	17,483	\$227,803
	RSU	February 07, 2022	February 07, 2024	15,890	\$193,381
	RSU	January 13, 2023	January 13, 2024	19,327	\$262,654
Nicholas Letica	RSU	August 15, 2022	August 15, 2024	17,308	\$233,658
	RSU	January 13, 2023	January 13, 2024	11,474	\$155,932
Rebecca B. Sandberg	PSU	May 19, 2021	January 08, 2024	7,398	\$104,830
	RSU	May 19, 2021	May 19, 2024	9,324	\$121,492
	RSU	February 07, 2022	February 07, 2024	5,689	\$69,235
	RSU	January 13, 2023	January 13, 2024	6,932	\$94,206
Robert Rush	PSU	May 19, 2021	January 08, 2024	6,887	\$97,589
	RSU	February 25, 2021	February 25, 2024	8,570	\$110,125
	RSU	February 07, 2022	February 07, 2024	5,296	\$64,452
	RSU	January 13, 2023	January 13, 2024	6,454	\$87,710
Mary Risky	PSU	May 19, 2021	January 08, 2024	6,121	\$86,735
	RSU	May 19, 2021	May 19, 2024	8,159	\$106,312
	RSU	February 07, 2022	February 07, 2024	4,708	\$57,296
	RSU	January 13, 2023	January 13, 2024	5,737	\$77,966

(1) Mr. Dellal did not have any restricted stock units or performance share units vest during the year ended December 31, 2024.

(2) The values in this column for each vesting event are based on the closing market price of our common stock on the NYSE on such date or, to the extent the NYSE was closed on such date, the closing market price of our common stock on the most recent NYSE trading date prior to the vesting event.

Potential Payments Upon Termination or Change of Control

We maintain certain plans and arrangements that will require us to provide compensation to our named executive officers in the event of certain terminations of employment. The following discussion describes the payments and benefits to which our named executive officers are entitled in various termination of employment and change of control situations. The intent of this discussion is to describe those payments and benefits for which the amount, vesting or time of payment is altered by the termination of employment or change of control situation. This discussion does not describe all payments and benefits a named executive officer may receive following a termination or change of control, such as the following accrued, vested or non-forfeitable compensation and benefits:

- payment of individual and company contributions on behalf of the named executive officer under our company-sponsored 401(k) retirement and profit sharing plan, health savings account or flexible dependent care account, as described under *"Health, Welfare, Retirement and Other Personal Benefits"* on page 33;
- payouts under, and continuation of, health and welfare benefits under plans generally applicable to our employees (e.g., COBRA) or as prescribed by applicable law; and
- any payment as may be required under applicable law.

None of our named executive officers have any employment agreement or other arrangements other than as provided for in our Severance Benefits Plan and the 2021 Plan and award agreements thereunder that govern the terms of the equity incentive awards that have been granted to them to date. Each of our named executive officers is a party to our standard employee confidentiality agreement, which is described in the

section titled “*Employment, Severance and Change of Control Arrangements*” beginning on page [34](#). For further information about our Severance Benefits Plan, including terms, conditions and restrictive covenants that apply, see the section titled “*Employment, Severance and Change of Control Arrangements*” beginning on page [34](#).

Given the interim nature of his role as Vice President and Interim Chief Financial Officer of the company, Mr. Dellal is not party to our Severance Benefits Plan.

Voluntary Resignation

In the event of a named executive officer’s voluntary resignation, we would not be obligated to pay or provide any additional payments or benefits to the executive officer in connection with their voluntary resignation.

Retirement

In the event of a named executive officer’s retirement, we would not be obligated to pay or provide any additional payments or benefits to the executive officer unless they meet the criteria for “retirement” in connection with their retirement under our 2021 Plan and the equity award agreements governing grants thereunder. A “retirement” is generally defined as the voluntary termination of employment (i) at or after the age of 65, (ii) on or after the age of 55 and with five years of consecutive service, or (iii) as may be determined by the Compensation Committee. If the criteria for retirement are met, then on the executive’s termination date due to retirement:

- Under the 2021 Plan, all of the outstanding RSUs will continue to vest in accordance with the vesting schedule set forth in the applicable award agreement as if the executive officer remained in service with the company until the end of the vesting period; and
- Under the 2021 Plan, all of the outstanding PSUs will continue to vest in accordance with the applicable award agreement, subject to achievement of the performance goals as if the executive officer remained in service to the company through the end of the performance period.

Death

In the event of a named executive officer’s death, we would not be obligated to pay or provide any additional payments or benefits to the executive officer (or their beneficiary) other than pursuant our 2021 Plan and the equity award agreements governing grants thereunder. If there is a termination of service as a result of the executive officer’s death:

- Under the 2021 Plan, all outstanding RSUs that have not vested will fully vest as of the date of such executive officer’s death; and
- Under the 2021 Plan, the executive officer will fully vest on the date of such officer’s death in a number of PSUs equal to the amount of the target award for the applicable performance period, without regard to the achievement of any applicable performance goals.

Disability

In the event of a named executive officer’s disability, we would not be obligated to pay or provide any additional payments or benefits to the executive officer unless they meet the definition of “disability” as set forth under our 2021 Plan and the equity award agreements governing grants thereunder. “Disability” is generally defined as the occurrence of an event which would entitle the grantee to the payment of disability income under an approved long-term disability income plan or a long-term disability plan of the company or a participating company as determined by the Compensation Committee in its absolute discretion or pursuant to any other standard as may be adopted by the Committee. If the definition of disability is met, then on the executive’s termination date due to disability:

- Under the 2021 Plan, all outstanding RSUs that have not vested will fully vest as of the date of such executive officer’s termination; and
- Under the 2021 Plan, the executive officer will fully vest on the date of such officer’s termination in a

number of PSUs equal to the amount of the target award for the applicable performance period, without regard to the achievement of any applicable performance goals.

Involuntary Termination without Cause

In the event a named executive officer (other than Mr. Dellal) is terminated by the company for any reason other than "cause," the executive officer is entitled to receive certain cash payments under our Severance Benefits Plan and accelerated vesting of equity awards granted under our 2021 Plan. In the event that Mr. Dellal is terminated by the company for any reason other than "cause" prior to August 1, 2025, Mr. Dellal would be entitled to a payment of \$286,885 per the terms of his appointment as Vice President and Interim Chief Financial Officer in August, 2024.

Under our Severance Benefits Plan, the payments and benefits the named executive officer would be entitled to receive include:

- cash compensation equal to a multiple of the sum of (i) the executive's base salary, plus (ii) the executive's target annual cash incentive for the year in which the termination occurs, where the multiple is two times (2.0x) base salary for the Chief Executive Officer and one and one-half times (1.5x) base salary for the other named executive officers;
- a pro rata portion of the executive's target annual incentive compensation established for the year in which the termination event occurs, as calculated from January 1 of that year through the separation date, as if the individual target performance metrics (if any) comprising the annual incentive target compensation had been attained and based on actual performance attained for company performance metrics;
- continued participation in certain welfare and insurance benefits in effect on the separation date at the company's expense for the lesser of the individual's COBRA eligibility or 18 months; and
- outplacement assistance for six months, up to a maximum reimbursement amount of \$25,000.

Payment of severance benefits are payable in substantially equal installments in accordance with the company's standard payroll procedures following the effective date of the executive officer's separation agreement and continuing for a severance period that is equal to 24 months for the Chief Executive Officer and 18 months for the other named executive officers, except that portion that represents the pro rata target annual incentive compensation is payable in a lump sum payment at the time the company otherwise pays cash bonuses to its employees. Payment of severance benefits is contingent on the executive officer's (i) timely execution and non-revocation of a general waiver and release in favor of the company, and (ii) continued compliance with any post-termination obligations to the company, including any restrictive covenants.

Under our Equity Incentive Plans and the equity award agreements governing grants thereunder, in the event a named executive officer is terminated by the company for any reason other than "cause," then effective on the executive's termination date:

- Under the 2021 Plan, all outstanding RSUs that have not vested will fully vest as of the date of such termination; and
- Under the 2021 Plan, the executive officer will be entitled to vest, on the last day of the performance period covering such award agreement, in a pro rata portion of the number of PSUs the executive would have received based on the level of achievement of the performance goals for such performance period, calculated by multiplying the number of PSUs the executive would have received if they had remained employed through the end of the performance period by a fraction, the numerator of which equals the number of days that executive was employed during the performance period and the denominator of which equals the total number of days in the performance period.

Termination by Executive for Good Reason

In the event a named executive officer voluntarily terminates their employment, we would not be obligated to pay or provide any additional payments or benefits to the executive officer unless they met the criteria for "good reason" set forth in our Severance Benefits Plan or under our 2021 Plan and the equity award agreements governing grants thereunder. "Good reason" is generally defined as (i) material diminution or reduction of the

executive's authority, duties, or responsibilities, subject to certain limitations such as if such diminution is a result of unsatisfactory performance, (ii) relocation of the company's principal office resulting in an increase in the executive's commute by more than 50 miles, (iii) material reduction in the executive's base salary or target compensation, other than in a reduction also affecting similarly-situated employees, or (iv) material breach by the company of any written agreement between the company and executive.

If the criteria for "good reason" are satisfied, then the payments and benefits the named executive officer would be entitled to receive are the same amounts as provided under our Severance Benefits Plan and our 2021 Plan and the equity award agreements governing grants thereunder, as would be provided in the event that a named executive officer is involuntarily terminated without cause, as described under "*Involuntary Termination Without Cause*" on page [45](#) above.

Change of Control

Our Severance Benefits Plan and our 2021 Plan and the award agreements that govern the equity awards granted to executive officers thereunder each include "double-trigger" provisions with respect to the payment of benefits in connection with a "change of control" of the company. In each case, the qualifying termination event that triggers the payment of a benefit must occur within 24 months following the date of such change of control. "Change of control" is generally defined as (i) any person or group becomes the owners of more than 50% of our then-outstanding common stock or the combined voting power of our then outstanding voting securities, (ii) members of our Board at the beginning of any consecutive 24-month period cease to constitute at least a majority of our Board for any reason other than death or disability, or (iii) upon the completion of certain business combinations, including a merger or a sale of substantially all of the company's assets.

Qualifying termination events that would trigger a payment to our executive officers following a change of control are described below.

Involuntary Termination without Cause or for Good Reason

Severance Benefits Plan

Under our Severance Benefits Plan, if (i) the company experiences a change of control and (ii) within 24 months following the date of such change of control, a named executive officer's employment is terminated by the company for any reason other than "cause" or by the employee for "good reason," the executive officer is entitled to receive certain cash payments under our Severance Benefits Plan and accelerated vesting of equity awards granted under our 2021 Plan.

Under our Severance Benefits Plan, the payments and benefits the named executive officer would be entitled to receive include:

- cash compensation equal to a multiple of the sum of (i) the executive's base salary, plus (ii) the executive's target annual cash incentive for the year in which the termination occurs, where the multiple is two and one-half times (2.5x) base salary for the Chief Executive Officer and two times (2.0x) base salary for the other named executive officers;
- a pro rata portion of the executive's target annual incentive compensation established for the year in which the termination event occurred, as calculated from January 1 of that year through the separation date, as if the individual target performance metrics (if any) comprising the annual incentive target compensation had been attained and for company performance metrics based on the greater of actual performance attained or target levels;
- continued participation in certain welfare and insurance benefits in effect on the separation date for the lesser of the individual's COBRA eligibility or 18 months; and
- outplacement assistance for six months, up to a maximum reimbursement amount of \$25,000.

Payment of severance benefits are payable in substantially equal installments in accordance with the company's standard payroll procedures following the effective date of the executive officer's separation agreement and continuing for a severance period that is equal to 30 months for the Chief Executive Officer and 24 months for the other named executive officers, except that portion that represents the pro rata target annual incentive compensation is payable in a lump sum payment at the time the company otherwise pays cash bonuses to its employees. Payment of severance benefits is contingent on the executive officer's (i) timely execution and non-revocation of a general waiver and release in favor of the company, and (ii) continued compliance with any post-termination obligations to the company, including any restrictive

covenants.

2021 Equity Incentive Plan

Under our 2021 Plan and the award agreements that govern the RSUs and PSUs granted to executive officers thereunder, if (i) there is a “change of control” and (ii) within 24 months following the change of control, the executive’s employment is terminated by the company without “cause” or by the executive for “good reason,” then:

- the executive officer will fully vest in all outstanding RSUs that have not already vested on the date of the termination of service; and
- the executive officer will fully vest in all outstanding Assumed PSUs that have not already vested on the date of the termination of services, with “Assumed PSUs” defined as the number of PSUs that the executive officer was deemed to have earned on the change of control date, calculated as the greater of the number of target award PSUs or the number of PSUs that the executive would have received if the change of control date was the last day of the applicable performance period (after giving effect to level of achievement of the performance goals).

Under the 2021 Plan, if there is a change of control and the “resulting entity” in the change of control has not assumed or continued the outstanding RSU or PSU agreements, then the foregoing vesting scenarios will be deemed to have taken place immediately prior to the effectiveness of the change of control.

Involuntary Termination for Cause

In the event an executive officer is terminated for “cause,” we would not be obligated to pay or provide any additional payments or benefits to the executive officer in connection with their termination. Conversely, under our Incentive Compensation Recoupment Policy and the terms of our 2021 Plan and the award agreements granting restricted stock thereunder, the Board of Directors and Compensation Committee would have broad discretion to cancel unvested equity incentive awards and recover cash and equity incentive compensation previously paid to the executive officer, as described under “*Incentive Compensation Recoupment (Clawback) Policy*” beginning on page [37](#) above.

Under the Severance Benefits Plan and our 2021 Plan, “cause” is generally defined as: (i) engaging in willful or gross misconduct or negligence; (ii) repeatedly failing to adhere to the directions of superiors or the written policies and practices of the company; (iii) commission of the acts satisfying the elements of a felony, crime of moral turpitude, deceit, dishonesty or fraud, or any crime involving the company; (iv) engaging in fraud, misappropriation, embezzlement or material or repeated insubordination; (v) materially breaching their employment agreement (if any) or restrictive covenant agreement with the company; or (vi) engaging in any act or omission of willful misconduct or gross negligence detrimental to the business or financial reputation of the company.

Potential Payments Upon Termination or Change of Control

The following table sets forth reasonable estimates of the potential benefits to our named executive officers in connection with certain termination events that were described in the foregoing discussion of “*Potential Payments Upon Termination or Change of Control*” beginning on page [43](#), assuming each such event occurred on December 31, 2024.

The actual payments and benefits due upon the occurrence of certain events could materially differ from the estimates provided in the following table and would only be known at the time that the named executive officers become eligible for payment. Material assumptions used in calculating the estimated payments and benefits are described in the footnotes to the table.

Potential Payments Upon Termination or Change of Control

Name	Voluntary Resignation/ Involuntary Termination for Cause (\$)	Retirement (\$)	Death or Disability (\$)	Involuntary Termination without Cause (\$)	Termination by Executive for Good Reason (\$)	Change of Control		
						Involuntary Termination without Cause (\$)	Involuntary Termination for Good Reason (\$)	Involuntary Termination for Cause (\$)
William Greenberg (1)								
Cash Severance Payment (2)	—	—	—	7,600,000	7,600,000	9,025,000	9,025,000	—
Unvested Equity Incentives (3)	—	4,284,258	4,284,258	3,255,959	3,255,959	4,284,258	4,284,258	—
Health/Welfare Benefits (4)	—	—	—	39,810	39,810	39,810	39,810	—
Outplacement Services (5)	—	—	—	25,000	25,000	25,000	25,000	—
Total	—	4,284,258	4,284,258	10,920,769	10,920,769	13,374,068	13,374,068	—
William Dellal (1)(6)								
Cash Severance Payment	—	—	—	286,885	—	—	—	—
Unvested Equity Incentives	—	—	—	—	—	—	—	—
Health/Welfare Benefits	—	—	—	—	—	—	—	—
Outplacement Services	—	—	—	—	—	—	—	—
Total	—	—	—	286,885	—	—	—	—
Nicholas Letica								
Cash Severance Payment (2)	—	—	—	3,750,000	3,750,000	4,620,000	4,620,000	—
Unvested Equity Incentives (3)	—	—	2,061,023	1,588,584	1,588,584	2,061,023	2,061,023	—
Health/Welfare Benefits (4)	—	—	—	30,587	30,587	30,587	30,587	—
Outplacement Services (5)	—	—	—	25,000	25,000	25,000	25,000	—
Total	—	—	2,061,023	5,394,171	5,394,171	6,736,610	6,736,610	—
Rebecca B. Sandberg								
Cash Severance Payment (2)	—	—	—	2,437,500	2,437,500	3,025,000	3,025,000	—
Unvested Equity Incentives (3)	—	—	1,287,009	1,001,579	1,001,579	1,287,009	1,287,009	—
Health/Welfare Benefits (4)	—	—	—	39,810	39,810	39,810	39,810	—
Outplacement Services (5)	—	—	—	25,000	25,000	25,000	25,000	—
Total	—	—	1,287,009	3,503,889	3,503,889	4,376,819	4,376,819	—
Robert Rush (1)								
Cash Severance Payment (2)	—	—	—	1,812,500	1,812,500	2,275,000	2,275,000	—
Unvested Equity Incentives (3)	—	1,030,594	1,030,594	820,963	820,963	1,030,594	1,030,594	—
Health/Welfare Benefits (4)	—	—	—	39,810	39,810	39,810	39,810	—
Outplacement Services (5)	—	—	—	25,000	25,000	25,000	25,000	—
Total	—	1,030,594	1,030,594	2,698,273	2,698,273	3,370,404	3,370,404	—
Mary Risky (7)								
Cash Severance Payment	—	—	—	—	—	—	—	—
Unvested Equity Incentives (3)	—	1,065,102	—	—	—	—	—	—
Health/Welfare Benefits	—	—	—	—	—	—	—	—
Outplacement Services	—	—	—	—	—	—	—	—
Total	—	1,065,102	—	—	—	—	—	—
Total	—	6,379,954	8,662,884	22,803,987	22,517,102	27,857,901	27,857,901	—

(1) As of December 31, 2024, Mr. Greenberg, Mr. Dellal and Mr. Rush met the retirement criteria set forth in our 2021 Plan.

(2) Represents the aggregate cash severance amount payable under the Severance Benefits Plan, comprised of cash compensation (which is a multiple of the sum of the executive's base salary plus target annual cash incentive) and a prorated annual cash incentive. For purposes of calculating cash compensation and prorated annual cash incentive, we (i) used base salary in effect at December 31, 2024 and (ii) the 2024 target annual cash incentive for each executive officer as identified on page 29 above.

(3) Based on (i) RSUs outstanding under our 2021 Plan, and (ii) PSUs outstanding under our 2021 Plan, all as more fully described under "Outstanding Equity Awards at Fiscal Year-End for 2024" on page 42 above. Assumes PSUs are awarded at target levels at the end of the applicable performance period, and does not include the value of any DERs that may accrue during the performance period. The value of shares underlying the awards is calculated based on the \$11.83 closing market price of our common stock on the NYSE on December 31, 2024.

(4) Represents the estimated aggregate amount of the COBRA severance benefits payable under the Severance Benefits Plan assuming the executive officer is enrolled in the same level of health and welfare benefits as on December 31, 2024 and assuming they are eligible for 18 months of COBRA benefits.

(5) Assumes reimbursement paid to the executive officer for the maximum amount of \$25,000 in outplacement services for which the officer is eligible under the Severance Benefits Plan.

- (6) Given the interim nature of his role with the company, Mr. Dellal is not eligible to participate in the Severance Benefits Plan, however he would be entitled to a cash payment in the amount of \$286,885 in the event that he is terminated without cause prior to August 1, 2025.
- (7) Ms. Risky retired in August 2024. The table therefore includes only amounts payable to Ms. Risky as a result of her retirement, which reflects the value of all unvested RSUs and PSUs as of December 31, 2024.

CEO Compensation Pay Ratio

We are required by applicable law to disclose the median annual total compensation of all of our employees (excluding the Chief Executive Officer), the annual total compensation of the Chief Executive Officer, and the ratio of these two amounts (the “pay ratio”). The pay ratio below is a reasonable estimate based on our payroll records and the methodology described below, and was calculated in a manner consistent with applicable law. Because companies are provided flexibility in adopting a methodology for identifying the median employee and calculating the pay ratio, the pay ratio reported by other companies may not be comparable to the pay ratio reported below, as other companies may have different employment and compensation practices and may use different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

We identified the median employee using the total compensation for the 489 employees (excluding our Chief Executive Officer) who were employed by us on December 31, 2024 (whether employed on a full-time or part-time basis).

For purposes of this pay ratio calculation, including identifying and determining the annual total compensation of our median employee, “total compensation” is comprised of (i) the cash amounts paid by the company for annual base salary, annual cash bonus (if any), cash dividends paid on unvested long-term equity incentive awards (if any), for fiscal year 2024 and (ii) the grant date fair value of long-term equity incentive awards (if any) granted in fiscal year 2024.

For 2024, we calculated annual total compensation for the median employee using the same methodology as for our named executive officers as described in the Summary Compensation Table in this Proxy Statement. The annual total compensation for our Chief Executive Officer was \$5,785,279 and the median annual total compensation of all of our employees (other than our CEO) was \$64,142. The resulting pay ratio of the Chief Executive Officer’s annual total compensation to the median annual total compensation of all of our employees was 90.2 to 1. The median employee from our employee population (after excluding our Chief Executive Officer) is employed in the role of corporate administration and located in our St. Louis Park, MN office.

Pay Versus Performance

Pay Versus Performance Table

As required by Item 402(v) of Regulation S-K, we are providing the information below concerning the relationship between “Compensation Actually Paid” to our named executive officers for the years ending December 31, 2024, 2023, 2022, 2021 and 2020, and certain measurements of the company’s performance for those periods, to illustrate “pay versus performance.” The Pay Versus Performance Table should be read in conjunction with the footnotes below as well as the information provided in the section titled “*Pay Versus Performance Supplemental Information*” that follows.

(a) Year (1)	(b) Summary Compensation Table Total for Current CEO (\$)(2)	(b) Summary Compensation Table Total for Prior CEO (\$)(2)	(c) Compensation Actually Paid to Current CEO (\$)(3)	(c) Compensation Actually Paid to Prior CEO (\$)(3)	(d) Average Summary Compensation Table Total for Non-CEO NEOs (\$)(4)	(e) Average Compensation Actually Paid to Non-CEO NEOs (\$)(3)(4)	Value of Initial Fixed \$100 Investment Based On:		(k) Net Income (\$)(7)	(i) Company-Selected Measure: Relative Total Economic Return (%)(8)
							(f) Total Stockholder Return (\$)(5)	(g) Peer Group Total Stockholder Return (\$)(5)(6)		
2024	5,785,279	—	4,157,254	—	1,562,416	1,044,551	36.62	79.96	298,167,479	47.3%
2023	6,098,678	—	4,969,715	—	2,550,468	2,129,728	37.59	74.52	(106,371,723)	42.8%
2022	4,413,162	—	3,127,319	—	1,954,529	1,496,022	36.68	69.27	220,238,656	68.6%
2021	4,737,627	—	3,930,403	—	2,154,523	1,730,993	47.83	94.05	187,227,532	9.7%
2020	3,001,643	89,173	1,877,296	(551,392)	1,941,787	1,004,471	47.80	81.38	(1,630,135,126)	9.6%

- (1) As described in the “*Summary Compensation Table*” on page 40 and elsewhere in this Proxy Statement, prior to August 15, 2020, we were an externally managed company and did not pay any cash compensation to our named executive officers. Accordingly, cash compensation amounts for fiscal year 2020 reflect amounts paid to our NEOs beginning August 15, 2020.
- (2) Mr. Greenberg was appointed as Chief Executive Officer in June 2020. We did not pay cash compensation to our former CEO, Thomas Siering, in 2020 and, accordingly, compensation information for Mr. Siering is limited to “Other Compensation” and equity awards.
- (3) As required by Item 402(v) of Regulation S-K, reconciliation tables illustrating the calculation of Compensation Actually Paid are presented under “*Pay Versus Performance Supplemental Information — Reconciliation of Summary Compensation to Compensation Actually Paid*” below on page 51.
- (4) Individuals comprising the non-principal executive officers (non-PEOs) in columns (d) and (e) are: for 2024, Mr. Dellal, Mr. Letica, Ms. Sandberg, Mr. Rush and, until her departure in August 2024, Ms. Risky; for 2023 and 2022, Ms. Risky, Mr. Letica, Ms. Sandberg, and Mr. Rush; and for 2021, Ms. Risky, Ms. Sandberg and Mr. Rush and, until his departure in June 2021, Matthew Koeppen; and for 2020, Ms. Risky, Mr. Koeppen and Ms. Sandberg. As noted in the Summary Compensation Table, Mr. Letica was appointed as Chief Investment Officer in 2022, and Mr. Rush was not a named executive officer in 2020.
- (5) Total Stockholder Return and Peer Group Total Stockholder Return assume \$100 invested at December 31, 2020.
- (6) As permitted by SEC rules, the Peer Group referenced for the purpose of the Peer Group Total Stockholder Return is the FTSE Nareit Mortgage REITs Index.
- (7) Represents GAAP Net Income as reported in our Annual Report on Form 10-K for the year ended December 31 for each of the years shown. See also “*Pay Versus Performance Supplemental Information — Relationship of Net Income to Compensation Actually Paid*” on page 54 below for further information.
- (8) We have designated relative total economic return (rTER) as our company selected measure for this table. We believe this additional financial measure represents the most important financial performance measure used by the company in its annual incentive compensation plan to link Compensation Actually Paid to our named executive officers for the 2024 performance year. As used in our annual incentive compensation plan, rTER compares our total economic return for the 12-month performance period ended September 30 to the total economic return of our performance group peers, however, in accordance with Regulation S-K, we have computed rTER for purposes of this table based on the year ended December 31 for each year reported. For further information on our annual cash incentive plan and how we use rTER as a performance metric in our compensation program, please refer to the section titled “*Annual Incentive Compensation*” above on page 29. The companies included in our performance peer group for 2024 are included in the section titled “*Peer and Competitive Market Positioning*” above on page 36. AAIC was not included in our peer group for 2024 because AAIC was acquired by EFC in December 2023 and was delisted in connection with such acquisition. For 2023, the performance peer group companies were NLY, AGNC, IVR, PMT, DX, RITM, ARR, ORC, CHMI, AAIC and EARN. For 2022, the performance peer companies were NLY, AGNC, IVR, PMT, DX, RITM, CIM, MITT, ARR, ORC, CHMI, AAIC, EFC, NYMT, RWT, MFA and WMC. For 2021 and 2020, the performance peer companies were NLY, AGNC, IVR, PMT, DX, EARN, RITM, CIM, MITT, ARR, ORC, CHMI, AAIC, EFC, NYMT, RWT, MFA and WMC.

Pay Versus Performance Supplemental Information

While the Compensation Committee uses several performance measures to align executive compensation with company performance, including TER and 3-year TSR on absolute and relative bases, not all of those performance measures are presented in the Pay Versus Performance table and, therefore, the company’s

performance measures may not align with Compensation Actually Paid. As required by Item 402(v) of Regulation S-K, we are providing the following supplemental information to assist with understanding certain information in the Pay Versus Performance table as it relates to Compensation Actually Paid and our executive compensation program.

Reconciliation of Summary Compensation to Compensation Actually Paid

The following reconciliation tables are included in order to illustrate the calculation of Compensation Actually Paid in the Pay Versus Performance table above on page 50. Specifically, the following reconciliations show the amounts that were deducted from and added to the Summary Compensation Table total compensation shown on page 40 for the current CEO, the prior CEO, and the average of the other non-CEO named executive officers for each of the years reported.

	Year 2024		
	Current CEO	Prior CEO	Average for Non-CEO NEOs
Reconciliation of Summary Compensation Table Totals to Compensation Actually Paid			
Summary Compensation Table Total	\$5,785,279	—	\$1,562,416
Deduction for amounts reported under the Stock Awards Column in the Summary Compensation Table	\$(3,066,561)	—	\$(806,981)
Increase for year-end fair value of any awards granted during the year that remain outstanding and unvested as of year-end	\$2,183,333	—	\$574,555
Increase (decrease) for change in value from prior year-end to current year-end of awards granted in prior years that were outstanding and unvested as of year-end	\$(694,525)	—	\$(267,825)
Increase (decrease) for change in fair value from prior year-end to vesting date of awards granted in prior years that vested during the year	\$(50,272)	—	\$(17,614)
Compensation Actually Paid	\$4,157,254	—	\$1,044,551

	Year 2023		
	Current CEO	Prior CEO	Average for Non-CEO NEOs
Reconciliation of Summary Compensation Table Totals to Compensation Actually Paid			
Summary Compensation Table Total	\$6,098,678	—	\$2,550,468
Deduction for amounts reported under the Stock Awards Column in the Summary Compensation Table	\$(2,313,442)	—	\$(915,645)
Increase for year-end fair value of any awards granted during the year that remain outstanding and unvested as of year-end	\$1,663,185	—	\$658,278
Increase (decrease) for change in value from prior year-end to current year-end of awards granted in prior years that were outstanding and unvested as of year-end	\$(456,755)	—	\$(151,871)
Increase (decrease) for change in fair value from prior year-end to vesting date of awards granted in prior years that vested during the year	\$(21,951)	—	\$(11,502)
Compensation Actually Paid	\$4,969,715	\$—	\$2,129,728

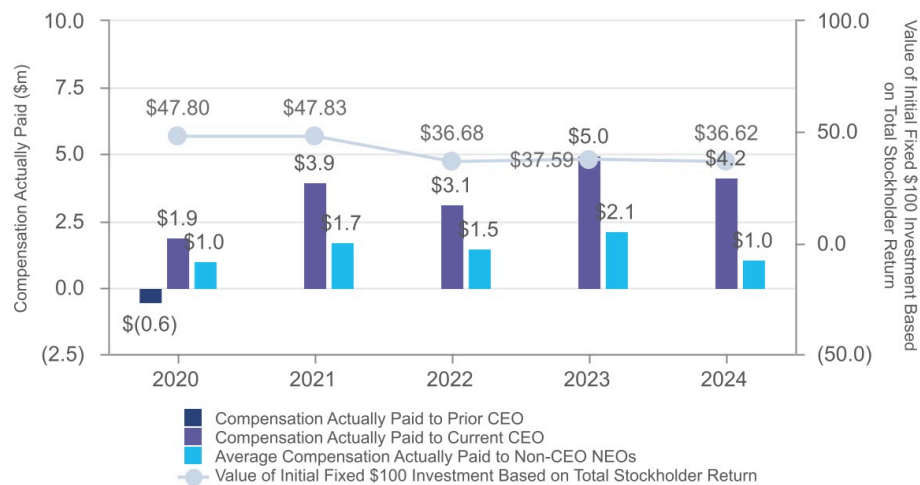
	Year 2022		
	Current CEO	Prior CEO	Average for Non-CEO NEOs
Reconciliation of Summary Compensation Table Totals to Compensation Actually Paid			
Summary Compensation Table Total	\$4,413,162	—	\$1,954,529
Deduction for amounts reported under the Stock Awards Column in the Summary Compensation Table	\$(2,051,674)	—	\$(855,377)
Increase for year-end fair value of any awards granted during the year that remain outstanding and unvested as of year-end	\$1,510,869	—	\$635,501
Increase (decrease) for change in value from prior year-end to current year-end of awards granted in prior years that were outstanding and unvested as of year-end	\$(683,237)	—	\$(213,993)
Increase (decrease) for change in fair value from prior year-end to vesting date of awards granted in prior years that vested during the year	\$(61,801)	—	\$(24,638)
Compensation Actually Paid	\$3,127,319	\$—	\$1,496,022

	Year 2021		
	CEO	Prior CEO	Average for Non-CEO NEOs
Reconciliation of Summary Compensation Table Totals to Compensation Actually Paid			
Summary Compensation Table Total	\$4,737,627	\$—	\$2,154,523
Deduction for amounts reported under the Stock Awards Column in the Summary Compensation Table	\$(2,727,749)	—	\$(1,299,042)
Increase for year-end fair value of any awards granted during the year that remain outstanding and unvested as of year-end	\$1,980,659	—	\$641,121
Increase (decrease) for change in value from prior year-end to current year-end of awards granted in prior years that were outstanding and unvested as of year-end	\$(43,562)	\$—	\$(24,982)
Increase for fair value on vesting date of any awards that were both granted and vested in the same year	\$—	—	\$250,567
Increase (decrease) for change in fair value from prior year-end to vesting date of awards granted in prior years that vested during the year	\$(16,572)	\$—	\$8,806
Compensation Actually Paid	\$3,930,403	—	\$1,730,993

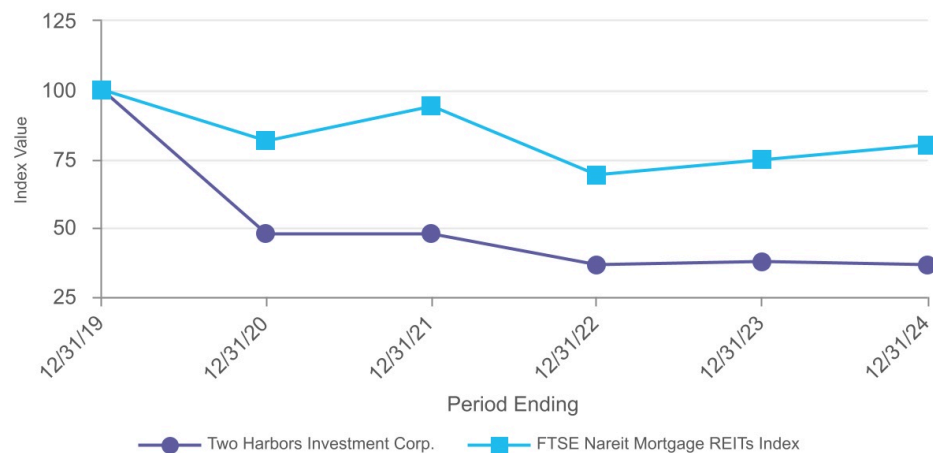
	Year 2020		
	CEO	Prior CEO	Average for Non-CEO NEOs
Reconciliation of Summary Compensation Table Totals to Compensation Actually Paid			
Summary Compensation Table Total	\$3,001,643	\$89,173	\$1,941,787
Deduction for amounts reported under the Stock Awards Column in the Summary Compensation Table	\$(1,499,987)	—	\$(1,116,653)
Increase for year-end fair value of any awards granted during the year that remain outstanding and unvested as of year-end	\$627,362	—	\$467,040
Increase (decrease) for change in value from prior year-end to current year-end of awards granted in prior years that were outstanding and unvested as of year-end	\$(274,643)	\$(714,780)	\$(306,919)
Increase (decrease) for change in fair value from prior year-end to vesting date of awards granted in prior years that vested during the year	\$22,921	\$74,215	\$19,216
Compensation Actually Paid	\$1,877,296	\$(551,392)	\$1,004,471

Relationship of Total Stockholder Return to Compensation Actually Paid

The following graph illustrates the relationship between our total stockholder return (TSR) and the Compensation Actually Paid to our current CEO, our prior CEO and the average of other non-CEO named executive officers. As shown, Compensation Actually Paid generally aligns with TSR, primarily due to the company’s use of equity awards, which are tied directly to our stock price. For further information about our use of equity awards as a component of compensation is, please refer to “Long-Term Incentive Compensation” on page 32.

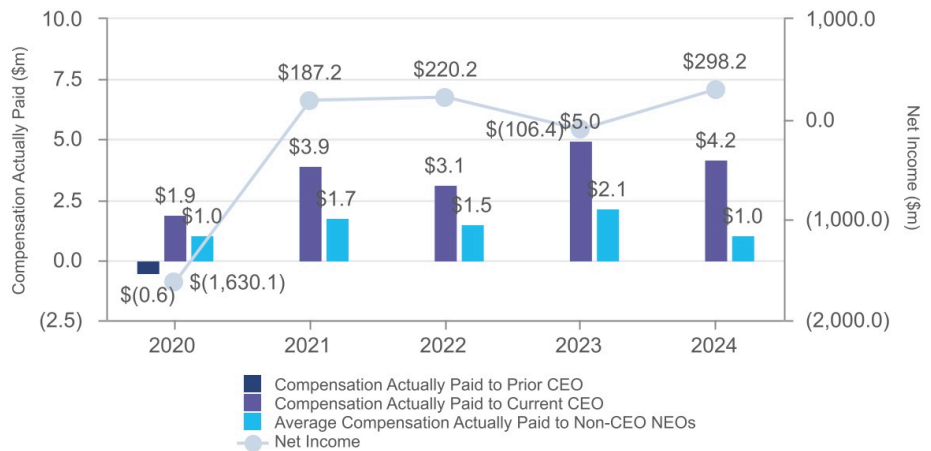


The following graph compares our total stockholder return as compared to the FTSE Nareit Mortgage REITs Index for the years reported.



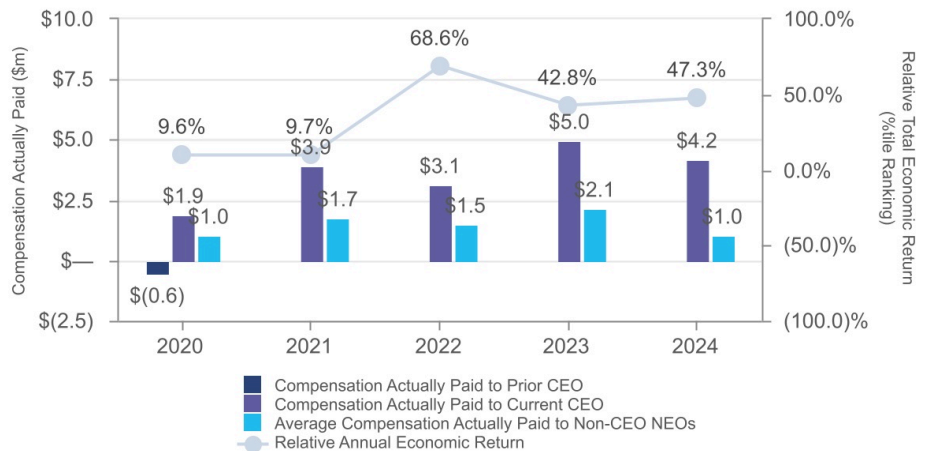
Relationship of Net Income to Compensation Actually Paid

The following graph illustrates the relationship between GAAP net income and the compensation actually paid to our current CEO, prior CEO and the average of other non-CEO named executive officers. The majority of our assets are carried at fair value, however, the unrealized gains and losses are included in either net income or accumulated other comprehensive income depending on the asset type. For this reason, net income is an incomplete measure and does not reflect the company's total return. The Compensation Committee does not use net income as a performance measure in our executive compensation program.



Relationship of Relative Total Economic Return to Compensation Actually Paid

The following graph illustrates the relationship between relative total economic return (rTER) and the Compensation Actually Paid to our current CEO, prior CEO and the average of other non-CEO named executive officers. We have designated rTER as our company selected measure in the Pay Versus Performance table. We believe this financial measure represents the most important financial performance measure we used in our annual incentive compensation plan to link Compensation Actually Paid to our named executive officers for the 2024 performance year. For information regarding our use of rTER in our annual incentive compensation program, please refer to "Annual Incentive Compensation" on page 29.



Most Important Measures to Determine Compensation Actually Paid for Fiscal Year 2024

As described in our CD&A, our compensation program for our named executive officers includes annual cash incentive compensation and long-term equity incentive compensation, which are variable performance-based, or at-risk, compensation designed to directly link pay to performance.

In 2024, performance-based annual incentive and long-term incentive compensation served as a material component of the compensation package for each of our named executive officers. The five items listed below represent the metrics used in our annual incentive and long-term incentive compensation and, therefore, we believe are the most important metrics we used to determine Compensation Actually Paid for the performance year ending December 31, 2024. These metrics are further described in our CD&A in the section titled “*Annual Incentive Compensation*” beginning on page [29](#) and “*Long-Term Incentive Compensation*” beginning on page [32](#).

Most Important Performance Measures for 2024

- Relative Total Economic Return
- Absolute Total Economic Return
- Relative 3-Year Total Stockholder Return
- Absolute 3-Year Total Stockholder Return
- Strategic and Operational Performance Goals and Objectives

PROPOSAL 2: ADVISORY VOTE RELATING TO EXECUTIVE COMPENSATION

As required by Section 14A of the Exchange Act, we are asking for your advisory vote on the compensation paid to our named executive officers as disclosed in this Proxy Statement.

We urge you to review carefully our compensation policies and decisions regarding our named executive officers as presented in the “*Compensation Discussion and Analysis*,” the accompanying compensation tables, and the related narrative disclosures section appearing on pages 22 to 49 of this Proxy Statement. As described in detail in those sections, we believe our internal management structure and the direct control of our company over the compensation of our named executive officers effectively aligns the interests of our named executive officers with our stockholders through a compensation program that emphasizes a pay-for-performance philosophy while allowing us to attract, retain, and appropriately incent executives with the skills and experience necessary to achieve our key business objectives.

Accordingly, we are asking you to vote “**FOR**” the adoption of the following resolution:

“RESOLVED: That the stockholders of the company approve, on a non-binding advisory basis, the compensation paid to the company’s executive officers, as disclosed in the company’s Proxy Statement for the 2025 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the U.S. Securities and Exchange Commission, including the *Compensation Discussion and Analysis* and related narrative discussions in the Proxy Statement.”

While the vote on this proposal is advisory in nature and not binding, the Board of Directors and the Compensation Committee will take the results of the vote into account in making future compensation decisions. Our Board of Directors has determined that our company will hold an advisory vote on executive compensation on an annual basis. We currently expect to conduct our next advisory vote on executive compensation at our next annual meeting of stockholders in May 2026.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE
ADVISORY VOTE RELATED TO EXECUTIVE COMPENSATION**

PROPOSAL 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We are asking our stockholders to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2025. Although ratification is not required by our Bylaws or otherwise, we are submitting the selection of Ernst & Young LLP to our stockholders for ratification as a matter of good corporate practice. In the event stockholders do not ratify the appointment, it will be reconsidered by our Audit Committee. Even if the selection is ratified, our Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of our company. The Audit Committee has recommended the appointment of Ernst & Young LLP to serve as the company's independent registered public accounting firm for the year ending December 31, 2025.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting, will have an opportunity to make a statement if he or she so desires, and is expected to be available to respond to appropriate questions.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" RATIFICATION OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Audit Committee Report

The Audit Committee's responsibility is one of oversight as set forth in its charter, which is available on our website at www.twainv.com. It is not the duty of the Audit Committee to prepare our financial statements, to plan or conduct audits or to determine that our financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Our management is responsible for preparing our financial statements and for maintaining internal controls. Our independent registered public accounting firm is responsible for auditing the financial statements and for expressing an opinion as to whether those audited financial statements fairly present our financial position, results of operations and cash flows in conformity with generally accepted accounting principles.

The Audit Committee has reviewed and discussed our audited financial statements with management and with Ernst & Young LLP, our independent registered public accounting firm for 2024. The Audit Committee has discussed with Ernst & Young LLP the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board, or PCAOB, and the SEC.

The Audit Committee has received from Ernst & Young LLP the written disclosures and the letter from Ernst & Young LLP required by the PCAOB regarding Ernst & Young LLP's communication with the Audit Committee concerning independence, and has discussed Ernst & Young LLP's independence with Ernst & Young LLP.

Based on the review and discussions referred to above, the Audit Committee has recommended to the Board of Directors that the audited consolidated financial statements for the year ended December 31, 2024 be included in our Annual Report on Form 10-K for the year ended December 31, 2024, for filing with the SEC. The Audit Committee also has recommended the appointment of Ernst & Young LLP to serve as the company's independent registered public accounting firm for the year ending December 31, 2025.

By the Audit Committee:

Hope B. Woodhouse, Chair
Sanjiv Das
Karen Hammond
Stephen G. Kasnet

Use of Audit Committee Report

In accordance with and to the extent permitted by applicable law or regulation, the information contained in the foregoing Report of the Audit Committee is not “soliciting material,” is not deemed to be “filed” with the SEC, and is not to be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or under the Exchange Act.

Auditor Fees

We retained Ernst & Young LLP to audit our consolidated financial statements for the year ended December 31, 2024. We also retained Ernst & Young LLP, as well as other accounting and consulting firms, to provide various other services in 2024.

The table below presents the aggregate fees billed to us for professional services performed by Ernst & Young LLP for the years ended December 31, 2024 and 2023:

	Year Ended December 31,	
	2024	2023
Audit fees (1)	\$ 1,785,930	\$ 1,715,530
Audit-related fees (2)	151,100	51,100
Tax fees (3)	417,631	425,370
All other fees	—	—
Total principal accountant fees	\$ 2,354,661	\$ 2,192,000

- (1) Audit fees pertain to the audit of our annual Consolidated Financial Statements, including review of the interim financial statements contained in our Quarterly Reports on Form 10-Q, comfort letters to underwriters in connection with our registration statements and common stock offerings, attest services, consents to the incorporation of the EY audit report in publicly filed documents and assistance with and review of documents filed with the SEC.
- (2) Audit-related fees pertain to assurance and related services that are traditionally performed by the principal accountant, including accounting consultations and audits in connection with proposed or consummated acquisitions, internal control reviews and consultation concerning financial accounting and reporting standards.
- (3) Tax fees pertain to services performed for tax compliance, including REIT compliance, tax planning and tax advice, including preparation of tax returns and claims for refund and tax-payment planning services. Tax planning and advice also includes assistance with tax audits and appeals, and tax advice related to specific transactions.

Auditor Services Pre-Approval Policy

The services performed by Ernst & Young LLP in 2024 were pre-approved by our Audit Committee in accordance with the pre-approval policy set forth in our Audit Committee Charter. This policy requires that all engagement fees and the terms and scope of all auditing and non-auditing services be reviewed and approved by the Audit Committee in advance of their formal initiation.

GENERAL INFORMATION ABOUT THE 2025 ANNUAL MEETING AND VOTING

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on May 14, 2025

This Proxy Statement and our 2024 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, are available at www.proxyvote.com.

Pursuant to rules adopted by the SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice of Availability") to the holders of our common stock as of the close of business on March 19, 2025. All common stockholders will be able to access our proxy materials on the website referred to in the Notice of Availability (www.proxyvote.com) or request to receive a printed set of our proxy materials. Instructions on how to access our proxy materials over the Internet or request a printed copy of our proxy materials may be found in the Notice of Availability. We anticipate that the Notice of Availability will be mailed to common stockholders beginning on or about April 2, 2025.

Important Notice Regarding Forward-Looking Statements included in this Proxy Statement

This Proxy Statement includes "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Actual results may differ from expectations, estimates and projections and, consequently, readers should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "target," "outlook," "assume," "estimate," "project," "anticipate," "intend," "plan," "may," "will," "could," "should," "believe," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from expected results, including, among other things, those described in our Annual Report on Form 10-K for the year ended December 31, 2024, and any subsequent Quarterly Reports on Form 10-Q, under the caption "*Risk Factors*."

Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. TWO does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based. Additional information concerning these and other risk factors is contained in TWO's most recent filings with the SEC. All subsequent written and oral forward-looking statements concerning TWO or matters attributable to TWO or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above.

What is the purpose of the Annual Meeting?

The purpose of the Annual Meeting is to vote on the following matters:

- (1) To elect as directors the eight individuals named in this Proxy Statement, each to serve until our next annual meeting of stockholders and until his or her successor is elected and qualified;
- (2) To hold an advisory vote relating to the compensation of our executive officers;
- (3) To approve the ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for our fiscal year ending December 31, 2025; and
- (4) To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Two Harbors Investment Corp. is soliciting proxies for use at the Annual Meeting, including any postponements or adjournments.

Are there any matters to be voted on at the Annual Meeting that are not included in this Proxy Statement?

We currently are not aware of any business to be acted upon at the Annual Meeting other than as described in this Proxy Statement. If, however, other matters are properly brought before the Annual Meeting, or any adjournment or postponement of the Annual Meeting, your proxy includes discretionary authority on the part of

the individuals appointed to vote your shares of common stock or act on those matters according to their best judgment.

Why is the company holding a virtual Annual Meeting?

We have elected to conduct our Annual Meeting in a virtual format in order to better facilitate stockholder participation by enabling stockholders to participate fully and equally from any location at no cost. We believe this approach increases our ability to engage with all stockholders, regardless of size, resources or physical location, and also provides cost savings for the company. We have designed this virtual format to enhance, rather than constrain, stockholder access, participation and communication. For example, the online format allows stockholders to communicate with us in advance of, and during, the meeting so they can ask any questions of management and our Board of Directors.

Who is entitled to vote at the Annual Meeting?

Our Board of Directors has set March 19, 2025, as the record date for the Annual Meeting. This means that the holders of our common stock as of the close of business on that date are entitled to receive notice of and to vote at the Annual Meeting and any postponements or adjournments thereof. On the record date, there were 104,022,948 shares of our common stock outstanding and entitled to vote at the Annual Meeting.

A list of the holders of our common stock as of the record date will be available at our principal executive office, during normal business hours for the 10 days preceding the Annual Meeting, for examination by any registered common stockholder as of the record date for any purpose pertaining to the Annual Meeting. Our principal executive office is located at 1601 Utica Avenue South, Suite 900, St. Louis Park, MN 55416.

What are my voting rights?

You are entitled to one vote for each share of our common stock held by you on the record date on all matters presented at the Annual Meeting or any adjournment or postponement thereof. There is no cumulative voting.

How many shares must be present to hold the Annual Meeting?

The presence, in person or represented by proxy, of the holders of shares of our common stock entitled to cast a majority of all the votes entitled to be cast at the Annual Meeting will constitute a quorum for the transaction of business at the Annual Meeting. Your shares will be counted toward the quorum if you submit a proxy or vote at the Annual Meeting. Shares represented by proxies marked "abstain" and "broker non-votes" are also counted in determining whether a quorum is present.

What is a proxy?

A proxy is your designation of another person to vote shares of our common stock that you own. The person you designate is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. When you designate a proxy, you also may direct the proxy how to vote your shares. We refer to this as your "proxy vote." Two executive officers have been designated as proxies for our Annual Meeting. These executive officers are William Greenberg, our Chief Executive Officer, and Rebecca B. Sandberg, our Chief Legal Officer and Secretary.

What is a proxy statement?

A proxy statement is a document that SEC regulations require us to make available to you by Internet or, if you request, by mail when we ask you to designate proxies to vote your shares of our common stock at a stockholders meeting. This Proxy Statement includes information regarding the matters to be acted upon at the Annual Meeting and certain other information required by regulations of the SEC and rules of the NYSE.

Why did I receive a notice instead of a full set of proxy materials?

As permitted by SEC rules, we have elected to provide access to our proxy materials over the Internet, which reduces the environmental impact and costs of our Annual Meeting. Accordingly, we mailed a Notice of Availability to beneficial owners and the holders of record of our common stock who have not previously requested a printed set of proxy materials. The Notice of Availability contains instructions on how to access our proxy materials and vote online as well as instructions on how to request a printed set of proxy materials.

Why did I receive more than one notice or printed set of proxy materials?

If you receive more than one Notice of Availability or printed set of proxy materials, it likely means that you hold shares of our common stock in more than one account. To ensure that all of your shares are voted, you

should vote once for each control number you receive, as described below under “*How can I vote prior to the Annual Meeting?*”

How can I obtain a paper copy or an electronic copy of the proxy materials?

To obtain a paper copy or an electronic copy of the proxy materials, you will need your control number, which was provided to you in the Notice of Availability or the proxy card included with your printed set of proxy materials. Once you have your control number, you may request a paper copy or an electronic copy of our proxy materials using any of the following methods: (i) visit www.proxyvote.com and enter your control number when prompted; (ii) call 1-800-579-1639 and enter your control number when prompted; or (iii) send an email requesting electronic delivery of the materials to sendmaterial@proxyvote.com.

What is the difference between a stockholder of record and a beneficial owner?

If your shares of common stock are registered directly in your name with our transfer agent, Equiniti Trust Company, you are considered the stockholder of record with respect to those shares.

If your shares of common stock are held in a stock brokerage account, or by a bank, trustee or other nominee, you are considered the beneficial owner of shares held in “street name.” As the beneficial owner, you have the right to direct your broker, bank, trustee or nominee on how to vote the shares that you beneficially own and you are also invited to attend our Annual Meeting. However, beneficial owners generally cannot vote their shares directly because they are not the stockholder of record; instead, beneficial owners must instruct the broker, bank, trustee or other nominee how to vote their shares using the method described below under “*How can I vote prior to the Annual Meeting?*”

Where can I find the voting results of the Annual Meeting?

We plan to publish the final voting results in a Current Report on Form 8-K filed within 4 business days of the Annual Meeting. If final voting results are not available within the 4 business day timeframe, we plan to file a Form 8-K disclosing preliminary voting results within the required 4 business days, to be followed as soon as practicable by an amendment to the Form 8-K containing final voting results.

How can I vote prior to the Annual Meeting?

Stockholders of Record. If you are a holder of record of our common stock, you may vote your shares or submit a proxy to be voted at the Annual Meeting by one of the following methods:

Vote by Internet



You may authorize your proxy online via the Internet by accessing the website www.proxyvote.com and following the instructions provided on the Notice of Availability or proxy card. Internet voting facilities will be available 24 hours a day and will close at 11:59 p.m. Eastern Time, on May 13, 2025. To vote by Internet, use the control number listed on your Notice of Availability or proxy card, which was provided to you by our vote tabulator, Broadridge Financial Solutions, Inc.; then follow the additional steps when prompted. These steps have been designed to authenticate your identity, allow you to give voting instructions and confirm that those instructions have been recorded properly.

Vote by Telephone



You may authorize your proxy by touch-tone telephone by calling 1-800-690-6903. Telephone voting facilities will be available 24 hours a day and will close at 11:59 p.m. Eastern Time, on May 13, 2025. To vote by telephone, use the control number listed on the Notice of Availability or proxy card, which was provided to you by our vote tabulator, Broadridge Financial Solutions, Inc.; then follow the additional steps when prompted. The steps have been designed to authenticate your identity, allow you to give voting instructions and confirm that those instructions have been recorded properly.

Vote by Mail



If you request paper copies of the proxy materials to be sent to you by mail, you may authorize your proxy by completing, signing and dating your proxy card and returning it in the reply envelope included with the paper proxy materials.

Beneficial Owners. If your shares of common stock are held in a stock brokerage account or by a bank, trustee or other nominee, you are considered the beneficial owner of shares held in "street name." If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker, bank, trustee or other nominee, which is similar to the voting procedures for stockholders of record. Other than ratifying the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2025, the rules do not permit your broker, bank, trustee or other nominee to vote your shares of stock on any proposal unless you provide them with specific instructions on how to vote your shares of common stock. You should instruct your broker, bank, trustee or other nominee how to vote your shares of common stock by following the directions provided by such party. However, if you request the proxy materials by mail after receiving a Notice of Availability from your broker, bank, trustee or other nominee, you will receive a voting instruction form (not a proxy card) to use in directing such party how to vote your shares.

Can I vote my shares during the Annual Meeting?

Yes. You may vote your shares by logging in to www.virtualshareholdermeeting.com/TWO2025 during the Annual Meeting and following the instructions provided. You will need the 16-digit control number included in your proxy card, voting instruction form or Notice of Availability. You will be able to vote during the Annual Meeting until such time as the Chairperson declares the polls closed.

How does the Board recommend that I vote my shares, and what vote is required for approval of each proposal at the Annual Meeting?

Proposal	Board Recommendation	Available Voting Options	Voting Approval Standard	Effect of an Abstention	Effect of a Broker Non-Vote
1. Election of eight directors	FOR each of the eight nominees	FOR; AGAINST; or ABSTAIN, with respect to each nominee	A nominee who receives a majority of all votes cast “for” such nominee is elected as a director	No Effect	No Effect
2. Advisory vote relating to executive compensation	FOR	FOR; AGAINST; or ABSTAIN	Majority of all votes cast “for” the proposal	No Effect	No Effect
3. Ratification of Ernst & Young LLP as our independent registered public accounting firm	FOR	FOR; AGAINST; or ABSTAIN	Majority of all votes cast “for” the proposal	No Effect	Not Applicable

If I submit my proxy, how will my shares of common stock be voted?

How do you hold your Shares?	How your shares will be voted if you specify how to vote:	How your shares will be voted if you <u>do not</u> specify how to vote:
Stockholder of Record (your shares are registered in your name)	The named proxies will vote your shares as you direct on the proxy card.	The named proxies will vote as recommended by the Board of Directors. In the case of Proposal 1, that means your shares will be voted FOR each director nominee. In the case of Proposals 2 and 3, that means your shares will be voted FOR each proposal.
Beneficial Owner (your shares are held in “street name”)	Your bank or broker will vote your shares as you direct them to.	Your bank or broker may use its discretion to vote only on items deemed by the NYSE to be “routine,” such as Proposal 3 - Ratification of Auditors. For non-routine items, such as Proposals 1 and 2, your shares will be considered “uninstructed” and result in a broker non-vote.

How are abstentions and broker non-votes treated?

Pursuant to NYSE rules, brokers or other nominees who hold shares for a beneficial owner have the discretion to vote on a limited number of “routine” proposals when they have not received voting instructions from the beneficial owner at least 10 days prior to the Annual Meeting. A “broker non-vote” occurs when a broker or other nominee does not receive such voting instructions and does not have the discretion to vote the shares. The only “routine” matter to be voted on at our Annual Meeting is Proposal 3 - Ratification of Auditors. Therefore, if you do not provide voting instructions to your broker or other nominee, your broker or other nominee may only vote your shares on Proposal 3.

Pursuant to Maryland law, abstentions and broker non-votes are not included in the determination of the shares of common stock voting on such matters, but are counted for quorum purposes.

Your vote is important. We urge you to vote, or to instruct your broker, bank, trustee or other nominee how to vote, on all matters before the Annual Meeting. For more information regarding the effect of abstentions and broker non-votes on the outcome of a vote, please see “*How does the Board recommend that I vote my shares, and what vote is required for approval of each Proposal at the Annual Meeting?*” and “*If I submit my proxy, how will my shares be voted?*”

Can I change my vote after submitting my proxy?

You may change your vote at any time before the proxy is exercised. For holders of record of our common stock, if you voted by mail, you may revoke your proxy at any time before it is voted by executing and delivering a timely and valid later-dated proxy, by voting via the Internet during the virtual Annual Meeting or by giving written notice of such revocation to the Secretary. If you voted by Internet or telephone, you may also change

your vote with a timely and valid later-dated Internet or telephone vote, as the case may be, or by voting via the Internet during the Annual Meeting. Attendance at the virtual Annual Meeting will not have the effect of revoking a proxy unless: (i) you give proper written notice of revocation to the Secretary before the proxy is exercised; or (ii) you vote online during the Annual Meeting.

Notices of revocation of proxies should be sent to TWO, Attention: Rebecca B. Sandberg, Chief Legal Officer and Secretary, 1601 Utica Avenue South, Suite 900, St. Louis Park, MN 55416. The notice of revocation must be received no later than Tuesday, May 13, 2025.

Who will count the votes?

Broadridge Financial Solutions, Inc., our independent proxy tabulator, will count the votes and will act as our Inspector of Elections for the Annual Meeting.

How can I attend the Annual Meeting?

The Annual Meeting will be conducted virtually via the Internet on Wednesday, May 14, 2025. You can attend the meeting by logging in to www.virtualshareholdermeeting.com/TWO2025 and following the instructions provided on your Notice of Availability. We recommend that you log in at least ten minutes before the Annual Meeting to ensure you are logged in when the meeting starts. Only stockholders who own shares of our common stock as of the record date, March 19, 2025, may submit questions and vote at the Annual Meeting. You may still virtually attend the Annual Meeting if you vote by proxy in advance of the Annual Meeting.

How can I submit questions for the Annual Meeting?

You may submit questions prior to the meeting at www.proxyvote.com or during the meeting by logging in to www.virtualshareholdermeeting.com/TWO2025. Questions pertinent to matters to be acted upon at the Annual Meeting as well as appropriate questions regarding the business and operations of the company will be answered during the Annual Meeting, subject to time constraints. In the interests of time and efficiency, we reserve the right to group questions of a similar nature together to facilitate the question and answer portion of the meeting. We may not be able to answer all questions submitted during the allotted time.

What is householding?

We may send a single Notice of Availability, as well as other stockholder communications, to any household at which two or more stockholders reside unless we receive other instruction from you. This practice, known as "householding," is designed to reduce duplicate mailings and printing and postage costs, and conserve natural resources. If your Notice of Availability is being househanded and you wish to receive multiple copies of the Notice of Availability, or if you are receiving multiple copies and would like to receive a single copy, you may contact:

Broadridge Financial Solutions, Inc.
Householding Department
51 Mercedes Way
Edgewood, New York 11717
1-866-540-7095

If you participate in householding and would like to receive a separate copy of our 2024 Annual Report, Notice of Availability or Proxy Statement, please contact Broadridge in the manner described above. Broadridge will deliver the requested documents to you promptly upon receipt of your request.

Who pays for the cost of proxy preparation and solicitation?

We will pay the cost of soliciting proxies and may make arrangements with brokerage houses, custodians, nominees and other fiduciaries to send proxy materials to beneficial owners of our common stock. We will reimburse these third parties for reasonable out-of-pocket expenses. In addition to solicitation by mail, our directors and officers may solicit proxies by telephone, electronic transmission and personally. Our directors and officers will not receive any special compensation for such services. We have retained D.F. King & Co., Inc. for an estimated fee of \$9,000, plus out of pocket expenses, to assist us in soliciting proxies.

Who can help answer my questions?

If you have any questions or need assistance voting your shares or if you need additional copies of this Proxy Statement or the enclosed proxy card, please contact our Investor Relations department at our principal executive office:

TWO
1601 Utica Avenue South, Suite 900
St. Louis Park, MN 55416
Phone (612) 453-4100
Facsimile: (612) 453-4196
Email: *investors@twoinv.com*
Attention: Investor Relations

OTHER MATTERS

Meeting Matters

Our Board of Directors does not intend to bring other matters before the Annual Meeting except items incidental to the conduct of the meeting. However, on all matters properly brought before the meeting by our Board of Directors or others, the persons named as proxies in the accompanying proxy, or their substitutes, will vote on such matters in their discretion to the extent permitted by law.

Stockholder Proposals and Director Nominations for 2026 Annual Meeting

If a stockholder intends to submit a proposal for inclusion in our proxy statement for our 2026 annual meeting pursuant to Rule 14a-8 under the Exchange Act, the stockholder proposal must be received by the Secretary of Two Harbors Investment Corp., 1601 Utica Avenue South, Suite 900, St. Louis Park, MN 55416, on or before December 3, 2025. If such proposal is in compliance with all of the requirements of Rule 14a-8 under the Exchange Act, the proposal will be included in our proxy statement and proxy card relating to such meeting. We suggest such proposals be submitted by certified mail, return receipt requested. Nothing in this paragraph shall be deemed to require us to include any stockholder proposal that does not meet all the requirements for such inclusion established by the SEC in effect at that time.

Stockholders may (outside of Rule 14a-8) nominate candidates for election to the Board of Directors or propose business for consideration at our 2026 annual meeting under Maryland law and our Bylaws. Our Bylaws provide that, with respect to an annual meeting of stockholders, nominations of individuals for election to our Board of Directors and the proposal of other business to be considered by stockholders may be made only: (i) pursuant to our notice of the meeting; (ii) by or at the direction of our Board of Directors; or (iii) by a stockholder who was a stockholder of record both at the time of giving the notice required by our Bylaws and at the time of the meeting, who is entitled to vote at the meeting and who has complied with the advance notice provisions set forth in our Bylaws. Under our Bylaws, notice of such a nomination or proposal of other business must generally be provided to the Secretary not earlier than the 150th day nor later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of the proxy statement for the preceding year's annual meeting. In addition, any such nomination or proposal must include the information required by our Bylaws. Accordingly, any stockholder who intends to submit such a nomination or such a proposal at our 2026 annual meeting must notify us in writing of such proposal by December 3, 2025, but in no event earlier than November 3, 2025.

In addition to satisfying the foregoing advance notice requirements, to comply with the universal proxy rules, stockholders who intend to solicit proxies in support of director nominees other than the company's nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than March 15, 2026.

Annual Report

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, as filed with the SEC, will be sent to any stockholder, without charge, upon written request to Two Harbors Investment Corp., Attention: Investor Relations, 1601 Utica Avenue South, Suite 900, St. Louis Park, MN 55416. You also may obtain our Annual Report on Form 10-K on the Internet at the SEC's website, www.sec.gov, or on our website at www.twoinv.com. Our 2024 Annual Report, which contains information about our business, but is not part of our disclosure deemed to be filed with the SEC, is also available on our website at www.twoinv.com.

TWO HARBORS INVESTMENT CORP
1501 OCEAN AVENUE SUITE 900
ST. LOUIS, MO, 63103



SCAN TO
VIEW MATERIALS & VOTE



VOTE BY INTERNET

Before The Meeting - Go to 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 PM, Eastern Time on May 13, 2025. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to www.virtualshareholdermeeting.com/TWO2025. 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 PM Eastern Time on May 13, 2025. 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:

V64225-P28892

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

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

TWO HARBORS INVESTMENT CORP.

The Board of Directors recommends you vote FOR the following:

1. Election of Directors

Nominees:

- 1a. E. Spencer Abraham
1b. James J. Bender
1c. Sanjiv Das
1d. William Greenberg
1e. Karen Hammond
1f. Stephen G. Kasnet
1g. James A. Stern
1h. Hope B. Woodhouse

For Against Abstain

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The Board of Directors recommends you vote FOR the following proposals:

2. Advisory vote on the compensation of our executive officers.
3. Ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for our fiscal year ending December 31, 2025.

For Against Abstain

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☐ ☐ ☐

NOTE: The proxies are authorized to vote in their discretion on any matter that may properly come before the Annual Meeting or any adjournment or postponement 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 Annual Report are available at www.proxyvote.com.

V64Z26-P2B892

**TWO HARBORS INVESTMENT CORP.
Annual Meeting of Stockholders
May 14, 2025 10:00 AM Eastern Time
This proxy is solicited by the Board of Directors**

The undersigned hereby authorizes and appoints William Greenberg and Rebecca B. Sandberg, and each of them, as proxies, with full power of substitution, to represent the undersigned at the Annual Meeting of Stockholders to be held virtually on Wednesday, May 14, 2025, at 10:00 a.m. Eastern Time, and at any postponements or adjournments thereof, and to cast on behalf of the undersigned all votes that the undersigned is entitled to cast at such meeting and to otherwise represent the undersigned at the meeting with all powers possessed by the undersigned if personally present at the meeting.

When properly executed, this proxy will be voted on the proposals set forth herein as directed by the stockholder, but if no direction is made in the space provided, this proxy will be voted FOR the election of all nominees for director, FOR the advisory vote on executive compensation, FOR ratification of the appointment of auditors, and according to the discretion of the proxy holders, on any other matters that may properly come before the meeting or any postponement or adjournment thereof. This proxy is revocable.

The undersigned hereby revokes all previous proxies relating to the shares covered hereby and acknowledges receipt of the notice and proxy statement relating to the Annual Meeting of Stockholders.

Continued and to be signed on reverse side