

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

**FORM S-8**

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

**TWO HARBORS INVESTMENT CORP.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or Other Jurisdiction of Incorporation or Organization)

**27-0312904**  
(I.R.S. Employer Identification No.)

**601 Carlson Parkway, Suite 1400  
Minnetonka MN 55305  
(612) 453-4100**  
(Address of Principal Executive Offices)

**Two Harbors Investment Corp.  
2021 Equity Incentive Plan**  
(Full Title of the Plan)

**Rebecca B. Sandberg, Esq.**  
**Vice President, General Counsel and Secretary**  
**601 Carlson Parkway, Suite 1400**  
**Minnetonka MN 55305**  
**(612) 453-4100**  
(Name, address and telephone number of agent for service)

**Copies to:**

**Stephen M. Quinlivan, Esq.**  
**Stinson LLP**  
**50 South Sixth Street, Suite 2600**  
**Minneapolis, MN 55402**  
**(612) 335-1500**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

Large Accelerated Filer       Accelerated Filer       Non-Accelerated Filer       Smaller Reporting Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of Securities Act.

**CALCULATION OF REGISTRATION FEE**

Title of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price	Amount of registration Fee
Common Stock, \$0.01 par value per share	17,000,000	\$ 6.84	\$ 116,280,000	\$ 12,687

- (1) Represents the number of shares of the Registrant's Common Stock issuable under the Two Harbors Investment Corp. 2021 Equity Incentive Plan (the "2021 Plan") approved by the registrant's stockholders on May 19, 2021. Pursuant to Rule 416(a) of the Securities Act of 1933, as amended, this Registration Statement shall also cover any additional shares of the Registrant's Common Stock that become issuable under the 2021 Plan by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without receipt of consideration that increases the number of the Registrant's outstanding shares of Common Stock.
- (2) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(h) under the Securities Act of 1933, based on the average of the high and low

sale prices per share of the Registrant's Common Stock as reported on the New York Stock Exchange on May 12, 2021.

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## PART I

Information required by Part I to be contained in the Section 10(a) prospectus is omitted from this Registration Statement in accordance with Rule 428 under the Securities Act of 1933, as amended (the "Securities Act").

## PART II

### Item 3. Incorporation of Documents by Reference.

Two Harbors Investment Corp. (the "Registrant") hereby incorporates by reference into this Registration Statement the following documents previously filed with the Securities and Exchange Commission (the "SEC"):

- [The Registrant's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 25, 2021;](#)
- [The Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, filed with the SEC on May 6, 2021;](#)
- The Registrant's Current Reports on Form 8-K filed with the SEC on [February 1, 2021](#), [March 19, 2021](#), [March 30, 2021](#) and [April 12, 2021](#);
- The description of the Registrant's common stock included in its Registration Statement on Form 8-A filed on [February 10, 2011](#), as amended by the Form 8-A/A filed on [November 2, 2017](#);
- [The description of the Registrant's Series A Preferred Stock included in its Registration Statement on Form 8-A filed on March 13, 2017;](#)
- [The description of the Registrant's Series B Preferred Stock included in its Registration Statement on Form 8-A filed on July 17, 2017; and](#)
- [The description of the Registrant's Series C Preferred Stock included in its Registration Statement on Form 8-A filed on November 22, 2017.](#)

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act on or after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement that indicates that all securities offered have been sold or that deregisters all securities then remaining unsold shall be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained in a subsequently filed document which is also incorporated by reference herein modifies or supersedes such statement.

### Item 4. Description of Securities.

Not applicable.

### Item 5. Interests of Named Experts and Counsel.

Not applicable.

### Item 6. Indemnification of Directors and Officers.

Maryland law permits a Maryland corporation to include in its charter a provision eliminating the liability of its directors and officers to the corporation and its stockholders for money damages, except for liability resulting from (1) actual receipt of an improper benefit or profit in money, property or services or (2) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision that eliminates such liability to the maximum extent permitted by Maryland law.

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The Maryland General Corporations Law, or MGCL, requires us (unless our charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or threatened to be made a party by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify a director or officer in a suit by or in the right of the corporation in which the director or officer was adjudged liable to the corporation or in a proceeding in which the director or officer was adjudged liable on the basis that personal benefit was improperly received. A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct or was adjudged liable on the basis that personal benefit was improperly received. However, indemnification for an adverse judgment in a suit by us or in our right, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses.

In addition, the MGCL permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and
- a written undertaking by the director or officer or on the director's or officer's behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director or officer did not meet the standard of conduct.

Our charter authorizes us to obligate ourselves and our bylaws obligate us, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to:

- any present or former director or officer who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity; or
- any individual who, while a director or officer of our company and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee of such corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity.

Our charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and to any employee or agent of ours or a predecessor of ours.

We have entered into indemnification agreements with each of our directors and executive officers that provide for indemnification to the maximum extent permitted by Maryland law. In addition, the operating agreement of Two Harbors Operating Company LLC provides that we, as managing member, and our officers and directors are indemnified to the fullest extent permitted by law.

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

**Item 7. Exemption from Registration Claimed.**

Not applicable.

**Item 8. Exhibits.**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
<a href="#"><u>4.1</u></a>	<a href="#"><u>Articles of Amendment and Restatement of Two Harbors Investment Corp. (incorporated by reference to Annex B filed with Pre-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-4 (File No. 333-160199) filed with the Securities and Exchange Commission, or SEC, on October 8, 2009, or Amendment No. 4).</u></a>
<a href="#"><u>4.2</u></a>	<a href="#"><u>Articles of Amendment to the Articles of Amendment and Restatement of Two Harbors Investment Corp. (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 19, 2012).</u></a>
<a href="#"><u>4.3</u></a>	<a href="#"><u>Articles of Amendment to the Articles of Amendment and Restatement of Two Harbors Investment Corp., effective as of 5:01 PM Eastern Time on November 1, 2017 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on November 2, 2017).</u></a>
<a href="#"><u>4.4</u></a>	<a href="#"><u>Articles of Amendment to the Articles of Amendment and Restatement of Two Harbors Investment Corp., effective as of 5:02 PM Eastern Time on November 1, 2017 (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on November 2, 2017).</u></a>
<a href="#"><u>4.5</u></a>	<a href="#"><u>Articles of Amendment to the Articles of Amendment and Restatement of Two Harbors Investment Corp. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 23, 2020).</u></a>
<a href="#"><u>4.6</u></a>	<a href="#"><u>Articles Supplementary to the Articles of Amendment to the Articles of Amendment and Restatement of Two Harbors Investment Corp. designating the shares of 8.125% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share (incorporated by reference to Exhibit 3.3 to the Registrant's Registration Statement on Form 8-A filed with the SEC on March 13, 2017).</u></a>
<a href="#"><u>4.7</u></a>	<a href="#"><u>Articles Supplementary to the Articles of Amendment to the Articles of Amendment and Restatement of Two Harbors Investment Corp. designating the shares of 7.625% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share (incorporated by reference to Exhibit 3.4 to the Registrant's Registration Statement on Form 8-A filed with the SEC on July 17, 2017).</u></a>
<a href="#"><u>4.8</u></a>	<a href="#"><u>Articles Supplementary to the Articles of Amendment to the Articles of Amendment and Restatement of Two Harbors Investment Corp. designating the shares of 7.25% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share (incorporated by reference to Exhibit 3.7 to the Registrant's Registration Statement on Form 8-A filed with the SEC on November 22, 2017).</u></a>
<a href="#"><u>4.9</u></a>	<a href="#"><u>Articles Supplementary to the Articles of Amendment to the Articles of Amendment and Restatement of Two Harbors Investment Corp. designating the shares of 7.75% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share (incorporated by reference to Exhibit 3.8 of the Registrant's Form 8-A filed with the SEC on July 31, 2018).</u></a>

- [4.10](#) [Articles Supplementary to the Articles of Amendment to the Articles of Amendment and Restatement of Two Harbors Investment Corp. designating the shares of 7.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \\$0.01 par value per share \(incorporated by reference to Exhibit 3.9 of the Registrant's Form 8-A filed with the SEC on July 31, 2018\).](#)
- [4.11](#) [Articles Supplementary to the Articles of Amendment to the Articles of Amendment and Restatement of Two Harbors Investment Corp. reclassifying and redesignating \(i\) all 3,000,000 authorized but unissued shares of 7.75% Series D Cumulative Redeemable Preferred Stock, \\$0.01 par value per share, as shares of undesignated preferred stock, and \(ii\) all 8,000,000 authorized but unissued shares of 7.50% Series E Cumulative Redeemable Preferred Stock, \\$0.01 par value per share, as shares of undesignated preferred stock \(incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed with the SEC on March 19, 2021\).](#)
- [4.12](#) [Amended and Restated Bylaws of Two Harbors Investment Corp. \(incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on September 23, 2020\).](#)
- [4.13](#) [Specimen Common Stock Certificate of Two Harbors Investment Corp. \(incorporated by reference to Exhibit 4.2 to Amendment No. 4\).](#)
- [4.14](#) [Indenture \(Senior Indenture\) dated as of January 19, 2017, between The Bank of New York Mellon Trust Company, N.A., as Trustee and Two Harbors Investment Corp. \(incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 19, 2017\).](#)
- [4.15](#) [Form of Subordinated Indenture \(incorporated by reference to Exhibit 4.6 to the Registrant's Registration Statement on Form S-3 \(Registration Statement No. 333-223311\) filed with the SEC on February 28, 2018\).](#)
- [5.1](#) [Opinion of Stinson LLP \(including consent of such firm\).\\*](#)
- [10.1](#) [Two Harbors Investment Corp. 2021 Equity Incentive Plan \(incorporated here by reference to Appendix A to the Registrant's Definitive Proxy Statement filed with the SEC on April 6, 2021\).](#)
- [10.2](#) [Form of Director Restricted Stock Unit Agreement under the Two Harbors Investment Corp. 2021 Equity Incentive Plan.\\*](#)
- [10.3](#) [Form of Officer Restricted Stock Unit Agreement under the Two Harbors Investment Corp. 2021 Equity Incentive Plan.\\*](#)
- [10.4](#) [Form of Officer Performance Share Unit Agreement under the Two Harbors Investment Corp. 2021 Equity Incentive Plan.\\*](#)
- [10.5](#) [Form of Common Stock Award Agreement under the Two Harbors Investment Corp. 2021 Equity Incentive Plan.\\*](#)
- [23.1](#) [Consent of Ernst & Young LLP.\\*](#)
- [23.2](#) [Consent of Stinson LLP \(included in Exhibit 5.1\).\\*](#)
- [24.1](#) [Power of Attorney \(contained on signature page\).\\*](#)

\* Filed herewith.

**Item 9. Undertakings.**

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*provided, however*, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
  - (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in New York, New York, as of May 19, 2021.

Dated: May 19, 2021

### TWO HARBORS INVESTMENT CORP.

By: /s/ William Greenberg  
William Greenberg  
Chief Executive Officer, President and Director

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints William Greenberg and Mary Risky, acting singly, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution for him or her and in his or her name, place and stead, in any and all capacities to sign any and all amendments including post-effective amendments to this registration statement, and to file the same, with all exhibits thereto, and any other documents in connection therewith, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ William Greenberg</u> William Greenberg	Chief Executive Officer, President and Director (Principal Executive Officer)	May 19, 2021
<u>/s/ Mary Risky</u> Mary Risky	Chief Financial Officer (Principal Financial and Accounting Officer)	May 19, 2021
<u>/s/ Stephen G. Kasnet</u> Stephen G. Kasnet	Chairman of the Board of Directors	May 19, 2021
<u>/s/ E. Spencer Abraham</u> E. Spencer Abraham	Director	May 19, 2021
<u>/s/ James J. Bender</u> James J. Bender	Director	May 19, 2021
<u>/s/ Karen Hammond</u> Karen Hammond	Director	May 19, 2021
<u>/s/ W. Reid Sanders</u> W. Reid Sanders	Director	May 19, 2021
<u>/s/ James A. Stern</u> James A. Stern	Director	May 19, 2021
<u>/s/ Hope B. Woodhouse</u> Hope B. Woodhouse	Director	May 19, 2021



May 19, 2021

Two Harbors Investment Corp.  
601 Carlson Parkway, Suite 1400  
Minnetonka MN 55305

Re: Registration Statement on Form S-8 pertaining to up to 17,000,000 shares (the “Shares”) of common stock, par value \$0.01 per share, of the Company (“Common Stock”) to be issued subsequent to the date hereof under the Two Harbors Investment Corp. 2021 Equity Incentive Plan (the “Plan”)

Ladies and Gentlemen:

We have acted as counsel to the Two Harbors Investment Corp. (the “Company”) in connection with the registration of the Shares under the Securities Act of 1933, as amended (the “Act”), by the Company on Form S-8 filed or to be filed with the Securities and Exchange Commission (the “Commission”) on or about May 19, 2021 (the “Registration Statement”). You have requested our opinion with respect to the matters set forth below.

In our capacity as counsel to the Company and for the purposes of this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents (collectively, the “Documents”):

- (i) the corporate charter (the “Charter”) of the Company, as amended to date;
- (ii) the Amended and Restated Bylaws of the Company;
- (iii) resolutions adopted by the Board of Directors of the Company;
- (iv) the Plan;
- (v) the Registration Statement in substantially the form filed or to be filed with the Commission pursuant to the Act;
- (vi) a status certificate of the State Department of Assessments and Taxation of Maryland (the “Department”), dated as of a recent date, to the effect that the Company is duly incorporated and existing under the laws of the State of Maryland; and
- (vii) such other laws, records, documents, certificates, opinions and instruments as we have deemed necessary to render this opinion, subject to the limitations, assumptions and qualifications noted below.

In reaching the opinion set forth below, we have assumed the following:

- (a) each person executing any of the Documents on behalf of a party (other than the Company) is duly authorized to do so;
- (b) each natural person executing any of the Documents is legally competent to do so;
- (c) any of the Documents submitted to us as originals are authentic; the form and content of any Documents submitted to us as unexecuted drafts do not differ in any respect relevant to this opinion from the form and content of such documents as executed and delivered; any of the Documents submitted to us as certified or photostatic copies conform to the original documents; all signatures on all of the Documents are genuine; all public records reviewed or relied upon by us or on our behalf are true and complete; all statements and information contained in the Documents are true and complete; there has been no modification of, or amendment to, any of the Documents, and there has been no waiver of any provision of any of the Documents by action or omission of the parties or otherwise;

50 South Sixth Street, Suite 2600, Minneapolis, MN 55402

- (d) none of the Shares will be issued or transferred in violation of the provisions of Article VII of the Charter relating to restrictions on ownership and transfer of stock; and
- (e) upon each issuance of any of the Shares subsequent to the date hereof, the total number of shares of Common Stock of the Company issued and outstanding, after giving effect to such issuance of such Shares, will not exceed the total number of shares of Common Stock that the Company is authorized to issue under the Charter.

Based on the foregoing, and subject to the assumptions and qualifications set forth herein, it is our opinion that, as of the date of this letter:

1. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Maryland.
2. The Shares have been authorized for issuance pursuant to the Plan and if, as and when the Shares are issued subsequent to the date hereof either as awards of restricted stock or upon the exercise of options or in respect of stock appreciation rights, or in respect of other stock-based awards, in each case duly authorized by the Board of Directors of the Company or a properly appointed committee thereof to which the Board of Directors has delegated the requisite power and authority, in exchange for the consideration therefor, all in accordance with, and subject to, the terms and conditions of the Plan and the awards of restricted stock or options or stock appreciation rights or other stock-based awards relating to such Shares, such Shares will be duly authorized, validly issued and fully paid and non-assessable.

The foregoing opinion is limited to the Maryland General Corporation Law of the State of Maryland, and we do not express any opinion herein concerning any other law. We express no opinion as to the applicability or effect of any federal or state securities laws, including the securities laws of the State of Maryland, or as to federal or state laws regarding fraudulent transfers. To the extent that any matter as to which our opinion is expressed herein would be governed by any jurisdiction other than the State of Maryland, we do not express any opinion on such matter.

This opinion letter is issued as of the date hereof and is necessarily limited to laws now in effect and facts and circumstances presently existing and brought to our attention. We assume no obligation to supplement this opinion letter if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that now exist or that occur or arise in the future and may change the opinions expressed herein after the date hereof.

We consent to your filing this opinion as an exhibit to the Registration Statement and further consent to the filing of this opinion as an exhibit to the applications to securities commissioners for the various states of the United States for registration of the Shares. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Act.

Very truly yours,

STINSON LLP

/s/ Stinson LLP

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**TWO HARBORS INVESTMENT CORP.  
2021 EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AGREEMENT**

This **RESTRICTED STOCK UNIT AGREEMENT** (this "**Agreement**") is made and entered into by and between Two Harbors Investment Corp., a Maryland corporation (the "**Company**"), and \_\_\_\_\_ (the "**Grantee**"), as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "**Grant Date**").

WHEREAS, the Company maintains the Two Harbors Investment Corp. 2021 Equity Incentive Plan (the "**Plan**");

WHEREAS, the Grantee is an independent director of the Company and, therefore is an Eligible Person under the Plan;

WHEREAS, the Board of Directors has approved and authorized the Company to award the Grantee \$\_\_\_\_\_ in Restricted Stock Units (defined below), which represents the equity compensation portion of the Grantee's annual independent director fee for service on the Company's Board of Directors for the period beginning upon the Grantee's election at the Company's \_\_\_\_ Annual Meeting of Stockholders through the completion of the \_\_\_\_ Annual Meeting of Stockholders (the "**Service Period**");

WHEREAS, in accordance with the Plan, the Company's Board of Directors has determined that it is in the best interests of the Company and its stockholders to grant the award of Restricted Stock Units to the Grantee, subject to the terms and conditions set forth below; and

WHEREAS, any capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the Plan.

**NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:**

**1. Grant of Restricted Stock Units.**

- (a) Pursuant to Section 4(c) of the Plan, the Company hereby issues to the Grantee on the Grant Date an award consisting of \_\_\_\_\_ Restricted Stock Units (the "**Restricted Stock Units**"). Each Restricted Stock Unit represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan. The Plan is incorporated herein by reference as though set forth herein in its entirety. To the extent such terms or conditions conflict with any provision of the Plan, the terms and conditions set forth in the Plan shall govern.
  - (b) The Restricted Stock Units shall be credited to a separate account maintained for the Grantee on the books and records of the Company (the "**Account**"). All amounts credited to the Account shall continue for all purposes to be part of the general assets of the Company.
  - (c) The grant of the Restricted Stock Units is made in consideration of the services to be rendered by the Grantee to the Company.
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2. **Vesting, Restrictions and Conditions.**

The Restricted Stock Units awarded pursuant to this Agreement and the Plan shall be subject to the following restrictions and conditions:

- (a) **Vesting.** Except as otherwise stated herein, provided that the Grantee is serving as an independent director of the Company's Board of Directors, the Restricted Stock Units will vest in full on the date of the next Annual Meeting of Stockholders following the Grant Date.

The Vesting Period shall only lapse as to whole Restricted Stock Units (no partial units shall be vested). Once vested, the Restricted Stock Units become "Vested Units."

- (b) **Termination of Service.** Subsection to subsection (e) below, if during the Vesting Period the Grantee has a Termination of Service, the following shall apply:

(i) if the Grantee has a Termination of Service for any reason other than his or her death or Disability, then the Grantee will vest as of the close of business on the date of such Termination of Service with respect to a number of Restricted Stock Units that is prorated to reflect the proportionate number of days served during the Service Period, and will be payable as soon as practical following such date, provided that in no event will payment be made later than sixty (60) days following such date; and

(ii) if the Grantee has a Termination of Service on account of the Grantee's death or Disability, then all Restricted Stock Units will fully vest as of the date of such death or Disability, and will be payable as soon as practical following such date, provided that in no event will payment be made later than sixty (60) days following such date.

- (c) **Change of Control.** If there occurs during the Vesting Period a Change of Control, then the following shall apply to this Grant of Restricted Stock Units:

(i) if the Resulting Entity has assumed this Grant of Restricted Stock Units or has provided Grantee with a Replacement Award (as defined below) and, during the Restricted Period following the Change of Control the Grantee experiences a Termination of Service for any reason, then all Restricted Stock Units that have not vested will fully vest on the date of such Termination of Service and will be payable as soon as practical following such date, provided that in no event will payment be made later than sixty (60) days following such date;

(ii) if the Resulting Entity has not assumed this Grant of Restricted Stock Units or has not provided Grantee with a Replacement Award, then all Restricted Stock Units that have not vested will fully vest immediately prior to the Change of Control and will be payable as soon as practical, but in no event later than sixty (60) days following the occurrence of the Change of Control;

(iii) for purposes of this Agreement, the “**Resulting Entity**” in the event of a Change of Control shall mean (A) the Company, in the event of a Change of Control as defined in Section 15(j) (i), (ii), or (iii) (C) of the Plan; (B) the entity (which may or may not be the Company) that is the continuing entity in the event of a merger or consolidation, in the event of a Change of Control as defined in Section 15(j)(iii)(A) of the Plan; or (C) the acquirer of the Company’s assets, in the event of a Change of Control as defined in Section 15(j)(iii)(B) of the Plan; and

(iv) for purposes of this Agreement, “**Replacement Award**” shall mean an award (A) of the same type (e.g., time-based restricted stock unit) covered by this Agreement, (B) that has a value at least equal to the value of the Restricted Stock Units, (C) that relates to publicly traded equity securities of the Company or the Resulting Entity, (D) the tax consequences of which to Grantee under the Code are not less favorable to the Grantee than the tax consequences of the Restricted Stock Units, and (E) the other terms and conditions of which are not less favorable to Grantee than the terms and conditions under this Agreement. A Replacement Award may be granted only to the extent it does not result in the Restricted Stock Units covered by this Agreement or the Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Restricted Stock Units covered by this Agreement if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this Section 2(e)(iv) are satisfied will be made by the Committee, as constituted immediately prior to the Change of Control, in its sole discretion.

### 3. Dividend Equivalent Rights; Other Rights.

- (a) **Dividend Equivalent Rights and Distributions.** Each Restricted Stock Unit shall also have a Dividend Equivalent Right. If the Board declares a cash dividend on the shares of Common Stock, the Grantee will be entitled to a Dividend Equivalent Right, to be credited to the Grantee’s account on the dividend payment date established by the Company, equal to the cash dividends payable on the same number of shares of Common Stock as the number of unvested RSUs credited to the Grantee’s account on the dividend record date established by the Company. Each Dividend Equivalent Right represents the right to receive all of the ordinary cash dividends that are or would be payable with respect to the Restricted Stock Units. With respect to each Dividend Equivalent Right, the equivalent of any such cash dividends shall be payable in a single cash lump sum payment on or before the last day of the calendar quarter in which the dividend payment date underlying such Dividend Equivalent Right occurs. Until the Dividend Equivalent Right is paid, it shall be subject to the same terms and conditions applicable to the Restricted Stock Units to which the Dividend Equivalent Right relates, including, without limitation, the restrictions on transfer, forfeiture, vesting and settlement provisions contained in this Agreement. In the event that a Restricted Stock Unit is forfeited as provided in this Agreement, then the related Dividend Equivalent Right which has not yet been paid shall also be forfeited.
- (b) **No Rights as Shareholder.** Grantee shall not have any rights of a shareholder with respect to the shares of Common Stock underlying the Restricted Stock Units, including no right to vote such shares of Common Stock, unless and until the Restricted Stock Units vest and are settled by the issuance of shares of Common Stock in the name of the Grantee.
- (c) **No Right to Transfer.** Subject to the provisions of the Plan and this Agreement, during the Vesting Period, the Grantee shall not be permitted voluntarily or involuntarily to sell, transfer, pledge, alienate, encumber or assign the Restricted Stock Units or underlying shares of Common Stock, and no other party shall have the right to attach, garnish or otherwise claim an ownership interest in such Restricted Stock Units or underlying shares of Common Stock; any such attempt in contravention of this Section 3(c) shall be void and of no effect.

4. **Settlement of Restricted Stock Units.**

- (a) Within thirty (30) days following the date on which any Restricted Stock Units vest pursuant to Section 2 hereof (but in no event later than March 15<sup>th</sup> of the year following the year in which the Restricted Stock Units become Vested Units), the Company shall (i) issue and deliver to the Grantee the number of shares of Common Stock equal to the number of Vested Units and (ii) cause the name of the Grantee to be entered into the name of the books of the Company as the shareholder of record with respect to the shares of Common Stock delivered to Grantee.
- (b) To the extent that Grantee does not vest in any Restricted Stock Unit awarded pursuant to this Agreement, all interest in such Restricted Stock Units shall be forfeited, and the Grantee shall have no right or interest in any Restricted Stock Units that are forfeited.

5. **Tax Liability and Withholding.**

- (a) The Grantee shall be required to pay to the Company, and the Company shall be entitled to deduct from any payments or compensation paid to the Grantee, the amount of any required withholding taxes in respect of the Restricted Stock Units or any Dividend Equivalent Right or distribution payable in relation thereto, and take all such other action as it determines necessary to satisfy all obligations for the payment of such withholding taxes or otherwise required by law. The Company has the right (but not the obligation) to satisfy the payment of income, employment, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("**Tax-Related Items**") by (i) withholding from proceeds of the sale of shares of Common Stock acquired upon the settlement of the Restricted Stock Units and Dividend Equivalent Rights through a sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent), (ii) requiring the Grantee to pay cash, (iii) withholding from any wages or other cash compensation payable to the Grantee by the Company, and/or (iv) reducing the number of shares of Common Stock otherwise deliverable to the Grantee.
- (b) Notwithstanding any action the Company takes with respect to any Tax-Related Items, the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the Restricted Stock Units or the subsequent issuance or sale of any shares of Common Stock, and (ii) does not commit to structure the Restricted Stock Units to reduce or eliminate the Grantee's liability for Tax-Related Items.

6. **Miscellaneous.**

- (a) **Governing Law.** THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICT OF LAWS WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND.
- (b) **Captions.** The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.
- (c) **Amendments.** This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.
- (d) **Severability.** The invalidity or unenforceability of any provision of this Agreement or the Plan shall not affect the validity or enforceability of any other provision of this Agreement, and each provision of the Agreement and the Plan shall be severable and enforceable to the extent permitted by law.
- (e) **Interpretation and Administration.** The Committee may make such rules and regulations and establish such procedures for the administration of this Agreement as it deems appropriate. Without limiting the generality of the foregoing, the Committee may interpret the Plan and this Agreement, with such interpretations to be conclusive and binding on all persons and otherwise accorded the maximum deference permitted by law, provided that the Committee's interpretation shall not be entitled to deference on and after a Change of Control except to the extent that such interpretations are made exclusively by members of the Committee who are individuals who served as Committee members before the Change of Control and take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan, this Agreement or the administration or interpretation thereof. In the event of any dispute or disagreement as to interpretation of the Plan or this Agreement or of any rule, regulation or procedure, or as to any question, right or obligation arising from or related to the Plan or this Agreement, the decision of the Committee, except as provided above, shall be final and binding upon all persons.
- (f) **Notices.** All notices hereunder shall be in writing and, if to the Company or the Committee, shall be delivered to the Board or mailed to its principal office, addressed to the attention of the Board; and if to the Grantee, shall be delivered personally, sent by facsimile transmission, or mailed to the Grantee at the address appearing in the records of the Company. Such addresses may be changed at any time by written notice to the other party given in accordance with this Section 6(f). Notices may also be given electronically pursuant to such rules and procedures as the Committee may adopt for electronic notice.
- (g) **No Waiver.** The failure of the Grantee or the Company to insist upon strict compliance with any provision of this Agreement, or to assert any right the Grantee or the Company, respectively, may have under this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

- (h) **No Right of Employment.** Nothing in this Agreement shall confer on the Grantee any right to continue in the employ or other service of the Company or its Subsidiaries or interfere in any way with the right of the Company or its Subsidiaries and its stockholders to terminate the Grantee's service at any time.
- (i) **Clawback.** The Restricted Stock Units (or shares of Common Stock issued upon the vesting thereof) are subject to the clawback and forfeiture provisions of Section 24 of the Plan and any clawback or forfeiture policy that may be adopted by the Board or the Committee as may be amended from time to time ("**Compensation Recovery Policy**"). The Company hereby incorporates into this Agreement the terms of the Compensation Recovery Policy.
- (j) **Unsecured Obligation.** The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Common Stock or pay cash or distributions in the future, and the rights of Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.
- (k) **Entire Agreement; Counterparts.** This Agreement, subject to the terms and conditions of the Plan, contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto. The Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages transmitted by facsimile transmission, electronic mail or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document will have the same effect as physical delivery of the paper document bearing an original signature.
- (l) **Acceptance.** The Grantee hereby acknowledged receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof and accepts the Restricted Stock Units subject to all the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Restricted Stock Units, the receipt of any dividend or distribution, or the subsequent disposition of the shares of Common Stock and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.
- (m) **Section 409A.**
  - (i) If any provision of this Agreement could cause the application of an accelerated or additional tax under Section 409A of the Code upon the vesting or settlement of the Restricted Stock Units (or any portion thereof), such provision shall be restructured, to the minimum extent possible, in a manner determined by the Company (and reasonably acceptable to the Grantee) that does not cause such an accelerated or additional tax. It is intended that all provisions of this Agreement other than those relating to payment of vested Restricted Stock Units on account of a Grantee's Retirement, shall not be subject to Section 409A of the Code by reason of the short-term deferral rule under Treas. Reg. Section 1.409A-1(b)(4), and this Agreement shall be interpreted accordingly.



(ii) With respect to any payment of Restricted Stock Units under this Agreement that is subject to Section 409A of the Code, and with respect to which a payment or distribution is to be made upon a Termination of Service, if the Grantee is determined by the Company to be a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code and any of the Company’s stock is publicly traded on an established securities market or otherwise, such payment or distribution may not be made before the date which is six months after the date of Termination of Service (to the extent required under Section 409A of the Code). Any payments or distributions delayed in accordance with the prior sentence shall be paid to the Grantee on the first day of the seventh month following the Grantee’s Termination of Service.

(iii) The Board and the Committee shall exercise authority and discretion under the Plan and this Agreement, to satisfy the requirements of Section 409A of the Code or any exemption thereto. Provided, however, that neither the Board nor the Committee shall be liable to any Grantee for the failure of any provision of this Agreement to comply with Section 409A of the Code, including, but not limited to, liability for any taxes or penalties associated with the failure to comply with Section 409A of the Code.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Restricted Stock Unit Agreement as of the day and year first above written.

**TWO HARBORS INVESTMENT CORP.**

By: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Grantee:

**TWO HARBORS INVESTMENT CORP.  
2021 EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AGREEMENT**

This **RESTRICTED STOCK UNIT AGREEMENT** (this “**Agreement**”) is made and entered into by and between Two Harbors Investment Corp., a Maryland corporation (the “**Company**”), and \_\_\_\_\_ (the “**Grantee**”), as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “**Grant Date**”).

WHEREAS, the Company maintains the Two Harbors Investment Corp. 2021 Equity Incentive Plan (the “**Plan**”);

WHEREAS, the Grantee is an employee of the Company;

WHEREAS, in accordance with the Plan, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the award of Restricted Stock Units to the Grantee, subject to the terms and conditions set forth below; and

WHEREAS, any capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the Plan.

**NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:**

**1. Grant of Restricted Stock Units.**

- (a) Pursuant to Section 4(c) of the Plan, the Company hereby issues to the Grantee on the Grant Date an award consisting of \_\_\_\_\_ Restricted Stock Units (the “**Restricted Stock Units**”). Each Restricted Stock Unit represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan. The Plan is incorporated herein by reference as though set forth herein in its entirety. To the extent such terms or conditions conflict with any provision of the Plan, the terms and conditions set forth in the Plan shall govern.
- (b) The Restricted Stock Units shall be credited to a separate account maintained for the Grantee on the books and records of the Company (the “**Account**”). All amounts credited to the Account shall continue for all purposes to be part of the general assets of the Company.
- (c) The grant of the Restricted Stock Units is made in consideration of the services to be rendered by the Grantee to the Company.

**2. Vesting, Restrictions and Conditions.**

The Restricted Stock Units awarded pursuant to this Agreement and the Plan shall be subject to the following restrictions and conditions:

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- (a) **Vesting Schedule.** Except as otherwise stated herein, provided that the Grantee is continuously employed by the Company or any of its subsidiaries (or any of their successors) through the applicable vesting date, the Restricted Stock Units will vest in three substantially equal installments (each a “**Vesting Date**”) in accordance with the following schedule (the period during which restrictions apply with respect to Restricted Stock Units, the “**Vesting Period**”):

<b>Vesting Date</b>	<b>Number of Restricted Stock Units Vesting</b>
[date]	[number]
[date]	[number]
[date]	[number]

The Vesting Period shall only lapse as to whole Restricted Stock Units (no partial units shall be vested). Once vested, the Restricted Stock Units become “Vested Units.”

- (b) **Termination of Service.** Subsection to subsection (e) below, if during the Vesting Period the Grantee has a Termination of Service, the following shall apply:
- (i) if the Termination of Service is by the Company for Cause or by the Grantee for any reason (other than his or her death, Disability, Retirement or Good Reason, as defined below), then all Restricted Stock Units that have not vested as of the date of such Termination of Service shall thereupon, and with no further action, be forfeited without consideration by the Grantee and Grantee shall have no further rights or entitlement with respect to such Restricted Stock Units; and
  - (ii) if the Termination of Service is by the Company for any reason (other than for Cause) or by the Grantee for Good Reason, then all Restricted Stock Units that have not yet vested will fully vest as of the close of business on the date of such Termination of Service and will be payable as soon as practical following the termination, provided that in no event will payment be made later than sixty (60) days following such termination.
- (c) **Death or Disability.** If during the Vesting Period the Grantee has a Termination of Service on account of the Grantee’s death or Disability, then all Restricted Stock Units that have not vested will fully vest as of the date of such death or Disability and will be payable as soon as practical following the termination, provided that in no event will payment be made later than sixty (60) days following such termination.
- (d) **Retirement.** If during the Vesting Period the Grantee has a Termination of Service on account of the Grantee’s Retirement, the Grantee’s Restricted Stock Units will continue to vest in accordance with Section 2(a) as if the Grantee remained in service with the Company until the end of the Vesting Period, and payment shall be made pursuant to Section 4(a).
- (e) **Change of Control.** If there occurs during the Vesting Period a Change of Control, then the following shall apply to this Grant of Restricted Stock Units:

(i) if the Resulting Entity has assumed this Grant of Restricted Stock Units or has provided Grantee with a Replacement Award (as defined below) and, during the twenty four (24) month period following the Change of Control the Grantee experiences a Termination of Service without Cause by the Resulting Entity (as defined below) or by Grantee for Good Reason, then all Restricted Stock Units that have not vested will fully vest on the date of such Termination of Service without Cause or for Good Reason and will be payable as soon as practical following the termination, provided that in no event will payment be made later than sixty (60) days following such termination;

(ii) if the Resulting Entity has not assumed this Grant of Restricted Stock Units or has not provided Grantee with a Replacement Award, then all Restricted Stock Units that have not vested will fully vest immediately prior to the Change of Control and will be payable as soon as practical, but in no event later than sixty (60) days following the occurrence of the Change of Control;

(iii) for purposes of this Agreement, the “**Resulting Entity**” in the event of a Change of Control shall mean (A) the Company, in the event of a Change of Control as defined in Section 15(j) (i), (ii), or (iii) (C) of the Plan; (B) the entity (which may or may not be the Company) that is the continuing entity in the event of a merger or consolidation, in the event of a Change of Control as defined in Section 15(j)(iii)(A) of the Plan; or (C) the acquirer of the Company’s assets, in the event of a Change of Control as defined in Section 15(j)(iii)(B) of the Plan; and

(iv) for purposes of this Agreement, “**Replacement Award**” shall mean an award (A) of the same type (e.g., time-based restricted stock unit) covered by this Agreement, (B) that has a value at least equal to the value of the Restricted Stock Units, (C) that relates to publicly traded equity securities of the Company or the Resulting Entity, (D) the tax consequences of which to Grantee under the Code are not less favorable to the Grantee than the tax consequences of the Restricted Stock Units, and (E) the other terms and conditions of which are not less favorable to Grantee than the terms and conditions under this Agreement. A Replacement Award may be granted only to the extent it does not result in the Restricted Stock Units covered by this Agreement or the Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Restricted Stock Units covered by this Agreement if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this Section 2(e)(iv) are satisfied will be made by the Committee, as constituted immediately prior to the Change of Control, in its sole discretion.

(f) **Good Reason.** For purposes of this Agreement, “**Good Reason**” shall mean “good reason” (or a similar term) as defined in a Grantee’s employment agreement or, if no employment agreement exists or if such agreement does not define “good reason” (or a similar term), the occurrence of any of the following events without the Grantee’s written consent:

(i) material diminution or reduction of the Grantee’s authority, duties or responsibilities, subject to the following conditions:

- (A) such material diminution or reduction is not the result of Grantee's unsatisfactory performance as determined in the sole discretion of the Company, Board, or Committee; and
  - (B) neither a Grantee's change of title, nor a change in the person or entity to whom a Grantee reports, shall constitute a material diminution or reduction of the Grantee's authority, duties or responsibilities;
- (ii) the Company's relocation of the Grantee's principal work location to a location that is more than fifty (50) miles from the Grantee's then current principal work location;
  - (iii) material reduction of the Grantee's base salary or the Grantee's target incentive compensation opportunity, exclusive of any across the board reduction similarly affecting all or substantially all similarly-situated employees; or
  - (iv) material breach by the Company of any written employment agreement between the Grantee and the Company.
  - (v) Notwithstanding the foregoing, no Termination of Service by the Grantee shall constitute Good Reason unless:
    - (A) the Grantee has given written notice of the proposed termination due to Good Reason to the Company, and provides the Company with reasonable details of the circumstances giving rise to the Good Reason event, not later than ninety (90) days following the initial occurrence of such event;
    - (B) the Company fails to cure the Good Reason event within thirty (30) days of receiving written notice from the Grantee; and
    - (C) the Grantee terminates his or her employment within thirty (30) days after the conclusion of the cure period.

**3. Dividend Equivalent Rights; Other Rights.**

- (a) **Dividend Equivalent Rights and Distributions.** Each Restricted Stock Unit shall also have a Dividend Equivalent Right. If the Board declares a cash dividend on the shares of Common Stock, the Grantee will be entitled to a Dividend Equivalent Right, to be credited to the Grantee's account on the dividend payment date established by the Company, equal to the cash dividends payable on the same number of shares of Common Stock as the number of unvested RSUs credited to the Grantee's account on the dividend record date established by the Company. Each Dividend Equivalent Right represents the right to receive all of the ordinary cash dividends that are or would be payable with respect to the Restricted Stock Units. With respect to each Dividend Equivalent Right, the equivalent of any such cash dividends shall be payable in a single cash lump sum payment on or before the last day of the calendar quarter in which the dividend payment date underlying such Dividend Equivalent Right occurs. Until the Dividend Equivalent Right is paid, it shall be subject to the same terms and conditions applicable to the Restricted Stock Units to which the Dividend Equivalent Right relates, including, without limitation, the restrictions on transfer, forfeiture, vesting and settlement provisions contained in this Agreement. In the event that a Restricted Stock Unit is forfeited as provided in this Agreement, then the related Dividend Equivalent Right which has not yet been paid shall also be forfeited.

- (b) **No Rights as Shareholder.** Grantee shall not have any rights of a shareholder with respect to the shares of Common Stock underlying the Restricted Stock Units, including no right to vote such shares of Common Stock, unless and until the Restricted Stock Units vest and are settled by the issuance of shares of Common Stock in the name of the Grantee.
- (c) **No Right to Transfer.** Subject to the provisions of the Plan and this Agreement, during the Vesting Period, the Grantee shall not be permitted voluntarily or involuntarily to sell, transfer, pledge, alienate, encumber or assign the Restricted Stock Units or underlying shares of Common Stock, and no other party shall have the right to attach, garnish or otherwise claim an ownership interest in such Restricted Stock Units or underlying shares of Common Stock; any such attempt in contravention of this Section 3(c) shall be void and of no effect.

**4. Settlement of Restricted Stock Units.**

- (a) Within thirty (30) days following the date on which any Restricted Stock Units vest pursuant to Section 2 hereof (but in no event later than March 15<sup>th</sup> of the year following the year in which the Restricted Stock Units become Vested Units), the Company shall (i) issue and deliver to the Grantee the number of shares of Common Stock equal to the number of Vested Units and (ii) cause the name of the Grantee to be entered into the name of the books of the Company as the shareholder of record with respect to the shares of Common Stock delivered to Grantee.
- (b) To the extent that Grantee does not vest in any Restricted Stock Unit awarded pursuant to this Agreement, all interest in such Restricted Stock Units shall be forfeited, and the Grantee shall have no right or interest in any Restricted Stock Units that are forfeited.

**5. Tax Liability and Withholding.**

- (a) The Grantee shall be required to pay to the Company, and the Company shall be entitled to deduct from any payments or compensation paid to the Grantee, the amount of any required withholding taxes in respect of the Restricted Stock Units or any Dividend Equivalent Right or distribution payable in relation thereto, and take all such other action as it determines necessary to satisfy all obligations for the payment of such withholding taxes or otherwise required by law. The Company has the right (but not the obligation) to satisfy the payment of income, employment, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("**Tax-Related Items**") by (i) withholding from proceeds of the sale of shares of Common Stock acquired upon the settlement of the Restricted Stock Units and Dividend Equivalent Rights through a sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent), (ii) requiring the Grantee to pay cash, (iii) withholding from any wages or other cash compensation payable to the Grantee by the Company, and/or (iv) reducing the number of shares of Common Stock otherwise deliverable to the Grantee.

- (b) Notwithstanding any action the Company takes with respect to any Tax-Related Items, the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the Restricted Stock Units or the subsequent issuance or sale of any shares of Common Stock; and (ii) does not commit to structure the Restricted Stock Units to reduce or eliminate the Grantee's liability for Tax-Related Items.

6. **Miscellaneous.**

- (a) **Governing Law.** THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICT OF LAWS WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND.
- (b) **Captions.** The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.
- (c) **Amendments.** This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.
- (d) **Severability.** The invalidity or unenforceability of any provision of this Agreement or the Plan shall not affect the validity or enforceability of any other provision of this Agreement, and each provision of the Agreement and the Plan shall be severable and enforceable to the extent permitted by law.
- (e) **Interpretation and Administration.** The Committee may make such rules and regulations and establish such procedures for the administration of this Agreement as it deems appropriate. Without limiting the generality of the foregoing, the Committee may interpret the Plan and this Agreement, with such interpretations to be conclusive and binding on all persons and otherwise accorded the maximum deference permitted by law, provided that the Committee's interpretation shall not be entitled to deference on and after a Change of Control except to the extent that such interpretations are made exclusively by members of the Committee who are individuals who served as Committee members before the Change of Control and take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan, this Agreement or the administration or interpretation thereof. In the event of any dispute or disagreement as to interpretation of the Plan or this Agreement or of any rule, regulation or procedure, or as to any question, right or obligation arising from or related to the Plan or this Agreement, the decision of the Committee, except as provided above, shall be final and binding upon all persons.
- (f) **Notices.** All notices hereunder shall be in writing and, if to the Company or the Committee, shall be delivered to the Board or mailed to its principal office, addressed to the attention of the Board; and if to the Grantee, shall be delivered personally, sent by facsimile transmission, or mailed to the Grantee at the address appearing in the records of the Company. Such addresses may be changed at any time by written notice to the other party given in accordance with this Section 6(f). Notices may also be given electronically pursuant to such rules and procedures as the Committee may adopt for electronic notice.



- (g) **No Waiver.** The failure of the Grantee or the Company to insist upon strict compliance with any provision of this Agreement, or to assert any right the Grantee or the Company, respectively, may have under this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.
- (h) **No Right of Employment.** Nothing in this Agreement shall confer on the Grantee any right to continue in the employ or other service of the Company or its Subsidiaries or interfere in any way with the right of the Company or its Subsidiaries and its stockholders to terminate the Grantee's employment or other service at any time.
- (i) **Clawback.** The Restricted Stock Units (or shares of Common Stock issued upon the vesting thereof) are subject to the clawback and forfeiture provisions of Section 24 of the Plan and any clawback or forfeiture policy that may be adopted by the Board or the Committee as may be amended from time to time ("**Compensation Recovery Policy**"). The Company hereby incorporates into this Agreement the terms of the Compensation Recovery Policy.
- (j) **Unsecured Obligation.** The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Common Stock or pay cash or distributions in the future, and the rights of Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.
- (k) **Entire Agreement; Counterparts.** This Agreement, subject to the terms and conditions of the Plan, contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto. The Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages transmitted by facsimile transmission, electronic mail or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document will have the same effect as physical delivery of the paper document bearing an original signature.
- (l) **Acceptance.** The Grantee hereby acknowledged receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof and accepts the Restricted Stock Units subject to all the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Restricted Stock Units, the receipt of any dividend or distribution, or the subsequent disposition of the shares of Common Stock and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

(m) **Section 409A.**

(i) If any provision of this Agreement could cause the application of an accelerated or additional tax under Section 409A of the Code upon the vesting or settlement of the Restricted Stock Units (or any portion thereof), such provision shall be restructured, to the minimum extent possible, in a manner determined by the Company (and reasonably acceptable to the Grantee) that does not cause such an accelerated or additional tax. It is intended that all provisions of this Agreement other than those relating to payment of vested Restricted Stock Units on account of a Grantee's Retirement, shall not be subject to Section 409A of the Code by reason of the short-term deferral rule under Treas. Reg. Section 1.409A-1(b)(4), and this Agreement shall be interpreted accordingly.

(ii) With respect to any payment of Restricted Stock Units under this Agreement that is subject to Section 409A of the Code, and with respect to which a payment or distribution is to be made upon a Termination of Service, if the Grantee is determined by the Company to be a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code and any of the Company's stock is publicly traded on an established securities market or otherwise, such payment or distribution may not be made before the date which is six months after the date of Termination of Service (to the extent required under Section 409A of the Code). Any payments or distributions delayed in accordance with the prior sentence shall be paid to the Grantee on the first day of the seventh month following the Grantee's Termination of Service.

(iii) The Board and the Committee shall exercise authority and discretion under the Plan and this Agreement, to satisfy the requirements of Section 409A of the Code or any exemption thereto. Provided, however, that neither the Board nor the Committee shall be liable to any Grantee for the failure of any provision of this Agreement to comply with Section 409A of the Code, including, but not limited to, liability for any taxes or penalties associated with the failure to comply with Section 409A of the Code.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Restricted Stock Unit Agreement as of the day and year first above written.

**TWO HARBORS INVESTMENT CORP.**

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Grantee:

**TWO HARBORS INVESTMENT CORP.  
2021 EQUITY INCENTIVE PLAN**

**PERFORMANCE SHARE UNIT AGREEMENT**

This **PERFORMANCE SHARE UNIT AGREEMENT** (this “**Agreement**”) is made and entered into by and between Two Harbors Investment Corp., a Maryland corporation (the “**Company**”), and \_\_\_\_\_ (the “**Grantee**”), as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “**Grant Date**”).

WHEREAS, the Company maintains the Two Harbors Investment Corp. 2021 Equity Incentive Plan, as may be amended from time to time (the “**Plan**”);

WHEREAS, the Grantee is an employee of the Company;

WHEREAS, in accordance with the Plan, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the award of Performance Share Units to the Grantee, subject to the terms and conditions set forth below; and

WHEREAS, any capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the Plan.

**NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:**

**1. Grant of Performance Share Units.**

- (a) Pursuant to Section 4(c) of the Plan, the Company hereby grants to the Grantee on the Grant Date an award consisting of \_\_\_\_\_ Performance Share Units (the “**Target Award**”). Each Performance Share Unit (“**PSU**”) represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan. The Plan is incorporated herein by reference as though set forth herein in its entirety. To the extent such terms or conditions conflict with any provision of the Plan, the terms and conditions set forth in the Plan shall govern.
- (b) For purposes of this Agreement, the term “**Performance Period**” shall be the period commencing on \_\_\_\_\_ and ending on \_\_\_\_\_.
- (c) The PSUs shall be credited to a separate account maintained for the Grantee on the books and records of the Company (the “**Account**”). All amounts credited to the Account shall continue for all purposes to be part of the general assets of the Company.
- (d) The grant of the PSUs is made in consideration of the services to be rendered by the Grantee to the Company.

**2. Performance Goals.**

- (a) Subject to the terms of this Agreement, the number of PSUs earned by the Grantee for the Performance Period will be determined at the end of the Performance Period based on the level of achievement of the Performance Goals set forth in Exhibit A. All determinations of whether the Performance Goals have been achieved, the number of PSUs earned by the Grantee, and all other matters related to this Section 2 shall be made by the Committee in its sole discretion.
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- (b) Promptly following the completion of the Performance Period (the “**Certification Date**”), the Committee will review and certify, in writing, (i) whether, and to what extent, the Performance Goals for the Performance Period have been achieved, and (ii) the number of PSUs that the Grantee has earned, if any, subject to compliance with the requirements of Section 3. Such certification shall be final, conclusive and binding on the Grantee, and on all other interested persons, to the maximum extent permitted by law.

**3. Vesting, Restrictions and Conditions.**

The PSUs awarded pursuant to this Agreement and the Plan shall be subject to forfeiture until they vest, in accordance with the following restrictions and conditions:

- (a) **Vesting of PSUs.** Except as otherwise stated herein, provided that the Grantee is continuously employed by the Company or any of its subsidiaries (or any of their successors) through the first trading day following the last day of the Performance Period, the PSUs will vest subject to the certification by the Committee in accordance with Section 2(b). The number of PSUs that vest and become payable under this Agreement shall be determined by the Committee based on the level of achievement of the Performance Goals set forth in Exhibit A and shall be rounded up to the nearest whole PSU (no partial units shall be vested).
- (b) **Termination of Service.** Except as otherwise provided in this Agreement, if the Grantee has a Termination of Service on or before the last day of the Performance Period, the following shall apply:
  - (i) if the Termination of Service is by the Company for Cause or by the Grantee for any reason (other than his or her death, Disability, Retirement, or for Good Reason), then any PSUs that have not vested as of the date of such Termination of Service shall thereupon, and with no further action, be forfeited by the Grantee and Grantee shall have no further rights or entitlement with respect to such PSUs;
  - (ii) if the Termination of Service is by the Company without Cause or by the Grantee for Good Reason, then the Grantee shall be entitled to vest, on the last day of the Performance Period, in a pro rata portion of the number of PSUs the Grantee would have received based on the level of achievement of the Performance Goals for the Performance Period, calculated by multiplying the number of PSUs the Grantee would have received if Grantee had remained employed through the end of the Performance Period by a fraction, the numerator of which equals the number of days that the Grantee was employed during the Performance Period and the denominator of which equals the total number of days in the Performance Period.
- (c) **Death or Disability.** If during the Performance Period the Grantee incurs a Termination of Service due to the Grantee’s death or Disability, then the Grantee will fully vest on such date in a number of PSUs equal to the Target Award for such Performance Period (without regard to the Performance Goals).

- (d) **Retirement.** If during the Performance Period the Grantee incurs a Termination of Service on account of the Grantee's Retirement, all of the outstanding PSUs will continue to vest in accordance with Section 3(a) subject to achievement of the Performance Goals as if Grantee remained in service to the Company through the end of the Performance Period.
- (e) **Change of Control.** If, during the Performance Period, a Change of Control occurs, then the following shall apply to this Grant of PSUs:
- (i) If, at the consummation of the Change of Control, the Resulting Entity has not assumed this Agreement and the outstanding PSUs, then the Grantee will be deemed to have fully vested immediately preceding the Change of Control in a number of PSUs equal to the Target Award for such Performance Period (without regard to the Performance Goals), or, if greater, the number of PSUs the Grantee would receive if measurement of the Performance Goals were determined as if the date of the Change of Control was the last day of the Performance Period;
  - (ii) If the Resulting Entity has assumed this Agreement and the outstanding PSUs:
    - (A) Grantee will be deemed to have earned the number of PSUs equal to the Target Award for such Performance Period (without regard to the Performance Goals), or, if greater, the number of PSUs the Grantee would receive if the Performance Goals were determined as if the date of the Change of Control was the last day of the Performance Period (the "Assumed PSUs), with such Assumed PSUs to remain outstanding and subject to forfeiture for the duration of the Performance Period and, if not sooner vested pursuant to Sections 3(b)(ii), 3(c), or (d), upon the last day of the Performance Period, the Assumed PSUs will vest;
    - (B) If, during the twenty-four (24) month period following the Change of Control the Grantee incurs a Termination of Service without Cause, or due to death or Disability, or by the Grantee for Good Reason, then the Assumed PSUs will fully vest on such date;
  - (iii) For purposes of this Agreement, the "**Resulting Entity**" in the event of a Change of Control shall mean (A) the Company, in the event of a Change of Control as defined in Section 15(j)(i) or (ii) of the Plan; (B) the entity (which may or may not be the Company) that is the continuing entity in the event of a merger or consolidation, in the event of a Change of Control as defined in Section 15(j)(iii)(A) of the Plan; or (C) the acquirer of the Company's assets, in the event of a Change of Control as defined in Section 15(j)(iii)(B) of the Plan.
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(f) **Restrictions and Conditions.**

(i) Grantee shall forfeit such PSUs (or shares of Common Stock issued upon vesting thereof) as are required to be forfeited under (A) Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the related rules of the Securities and Exchange Commission or the applicable listing exchange or (B) such clawback or recoupment policy as the Board or Committee may adopt (the “**Compensation Recovery Policy**”). The Company hereby incorporates into this Agreement the terms of the Compensation Recovery Policy; and

(ii) Subject to the provisions of the Plan and this Agreement, during the Vesting Period, the Grantee shall not be permitted voluntarily or involuntarily to sell, transfer, pledge, alienate, encumber or assign the PSUs or any shares of Common Stock that would be issuable upon the vesting thereof, and no other party shall have the right to attach, garnish or otherwise claim an ownership interest in such PSUs or shares of Common Stock; any such attempt in contravention of this Section 3(f)(ii) shall be void and of no effect.

(g) **Good Reason.** For purposes of this Agreement, “**Good Reason**” shall mean “good reason” (or a similar term) as defined in a Grantee’s employment agreement or, if no employment agreement exists or if such agreement does not define “good reason” (or a similar term), the occurrence of any of the following events without the Grantee’s written consent:

(i) material diminution or reduction of the Grantee’s authority, duties or responsibilities, subject to the following conditions:

(A) such material diminution or reduction is not the result of Grantee’s unsatisfactory performance as determined in the sole discretion of the Company, Board, or Committee; and

(B) neither a Grantee’s change of title, nor a change in the person or entity to whom a Grantee reports, shall constitute a material diminution or reduction of the Grantee’s authority, duties or responsibilities;

(ii) the Company’s relocation of the Grantee’s principal work location to a location that is more than fifty (50) miles from the Grantee’s then current principal work location;

(iii) material reduction of the Grantee’s base salary or the Grantee’s target incentive compensation opportunity, exclusive of any across the board reduction similarly affecting all or substantially all similarly-situated employees; or

(iv) material breach by the Company of any written employment agreement between the Grantee and the Company.

(v) Notwithstanding the foregoing, no Termination of Service by the Grantee shall constitute Good Reason unless:

(A) the Grantee has given written notice of the proposed termination due to Good Reason to the Company, and provides the Company with reasonable details of the circumstances giving rise to the Good Reason event, not later than ninety (90) days following the initial occurrence of such event;

(B) the Company fails to cure the Good Reason event within thirty (30) days of receiving written notice from the Grantee; and

(C) the Grantee terminates his or her employment within thirty (30) days after the conclusion of the cure period.

**4. Dividend Equivalent Rights; Other Rights.**

- (a) **Dividend Equivalent Rights.** Each PSU shall also have Dividend Equivalent Rights (DERs). If, during the Performance Period, the Board declares a cash dividend or other distribution payable to the holders of Common Stock generally, the Company will increase the number of PSUs hereunder (i.e., by increasing the Target Award) by the number of shares that represent an amount equal to the per share cash dividend (or per share cash value of any such other distribution) paid by the Company on its shares of Common Stock (rounded down to the nearest whole number) multiplied by the number of Target Award PSUs (which shall include any unvested PSUs previously credited to the Grantee's account as a result of any preceding DERs) held by the Grantee as of the related dividend payment record date. Any such additional PSUs awarded by virtue of DERs shall be subject to the same vesting, forfeiture, payment, termination and other terms, conditions and restrictions under this Agreement as the original Target Award PSUs to which they relate. No additional PSUs under this Section 4(a) shall be credited with respect to any PSUs which, as of the record date for such dividend or distribution, have been vested and settled or have been forfeited.
- (b) **No Rights as Shareholder.** Grantee shall not have any rights of a shareholder with respect to the shares of Common Stock underlying the PSUs, including no right to vote such shares of Common Stock, unless and until the PSUs vest and are settled by the issuance of shares of Common Stock in the name of the Grantee.

**5. Settlement of Performance Share Units.**

- (a) Promptly following the date on which any PSUs vest pursuant to Section 3 hereof (but in no event later than March 15<sup>th</sup> of the year following the year in which the PSUs vest), the Company shall (i) issue and deliver to the Grantee the number of shares of Common Stock equal to the number of PSUs earned and (ii) cause the name of the Grantee to be entered into the name of the books of the Company as the shareholder of record with respect to the shares of Common Stock delivered to Grantee.
- (b) To the extent that Grantee does not vest in any PSUs awarded pursuant to this Agreement, all interest in such PSUs shall be forfeited, and the Grantee shall have no right or interest in any PSUs that are forfeited.



6. **Tax Liability and Withholding.**

- (a) The Grantee shall be required to pay to the Company, and the Company shall be entitled to deduct from any payments or compensation paid to the Grantee, the amount of any required withholding taxes in respect of the PSUs or any DER payable in relation thereto and take all such other action as it determines necessary to satisfy all obligations for the payment of such withholding taxes or otherwise required by law. The Company has the right (but not the obligation) to satisfy the payment of income, employment, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("**Tax-Related Items**") by (i) withholding from proceeds of the sale of shares of Common Stock acquired upon the settlement of the PSUs and DERs through a sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent), (ii) requiring the Grantee to pay cash, (iii) withholding from any wages or other cash compensation payable to the Grantee by the Company, and/or (iv) reducing the number of shares of Common Stock otherwise deliverable to the Grantee.
- (b) Notwithstanding any action the Company takes with respect to any Tax-Related Items, the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the PSUs or the subsequent issuance or sale of any shares of Common Stock; and (ii) does not commit to structure the PSUs to reduce or eliminate the Grantee's liability for Tax-Related Items.

7. **Non-Competition and Non-Solicitation.**

- (a) Because of the Company's legitimate business interests and in consideration of the good and valuable consideration offered in granting the PSUs to Grantee, during the term of Grantee's employment with the Company and for the Restricted Period (defined below), the Grantee agrees and covenants not to:
  - (i) directly or indirectly, in whole or in part, engage in, provide services to, or otherwise participate in, whether as an employee, employer, owner, operator, manager, advisor, consultant, agent, officer, partner, director, shareholder, volunteer, intern or in any other similar capacity to an entity engaged in a Competitive Business (as defined below);
  - (ii) directly or indirectly, (A) solicit, hire, attempt to hire, engage, contract with or recruit any Company Employee (as defined below), or (B) induce or otherwise advise or encourage any Company Employee to terminate or alter his or her employment with the Company; or
  - (iii) directly or indirectly, solicit, contact (including but not limited to, verbal, email, regular mail, express mail, telephone, fax, and instant message), attempt to contact or meet with the current or prospective business partners or counterparties (or business partners or counterparties that have engaged in business or financial transactions with the Company and its subsidiaries within the twelve (12) month period preceding the Grantee's Termination of Service).
- (b) If the Grantee breaches any of the restrictive covenants set forth in Section 7(a):
  - (i) all unvested Equity Awards (as defined below) made to Grantee pursuant to the Plan shall be immediately forfeited;

(ii) the Grantee shall be required to disgorge to the Company any shares of Common Stock issued to Grantee upon the vesting and settlement of any Equity Awards, or the proceeds of any sales of such shares of Common Stock issued to Grantee upon the vesting and settlement of such Equity Awards, which occurred during the Restricted Period; and

(iii) the Grantee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, money damages or other available forms of relief.

(c) The prohibitions in Section 7(a) do not, in any way, restrict or impede the Grantee from:

(i) Purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation (even if such corporation is engaged in a Competitive Business), provided that such ownership represents a passive investment and that the Grantee is not a controlling person or, or a member of a group that controls, such corporation; or

(ii) Exercising protected rights to the extent that such rights cannot be waived by this Agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation or order (and, in such event, Grantee shall promptly provide written notice of any such order to the Company's General Counsel).

(d) For the purposes of Section 7, the following terms have the meanings ascribed to them below:

(i) "**Restricted Period**" shall mean the period beginning on the date of Grantee's Termination of Service and ending \_\_\_\_\_ months thereafter;

(ii) "**Competitive Business**" shall mean an entity that is engaged in a business that is similar to that in which the Company and its subsidiaries is engaged (or is actively planning to become engaged), including the business of investing, owning and managing residential mortgage backed securities, mortgage servicing rights, and similar residential mortgage-related investments, or any entity that may require or inevitably require the Grantee's disclosure of the Company's trade secrets, proprietary information or confidential non-public information;

(iii) "**Company Employee**" shall mean any individual who is currently employed by the Company or any of its subsidiaries or was employed by the Company or any of its subsidiaries within the ninety (90) day period prior to the time of such solicitation or inducement contemplated by Section 7(a)(ii); and

(iv) “**Equity Awards**” shall mean any equity award (whether in the form of PSUs, restricted stock units, restricted shares or other form of equity) granted to the Grantee under any Company equity incentive plan, including the Second Restated 2009 Equity Incentive Plan, the 2021 Equity Incentive Plan or any other similar plan approved by the Board or Committee in the future.

**8. Miscellaneous.**

- (a) **Governing Law.** THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICT OF LAWS WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND.
- (b) **Captions.** The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.
- (c) **Amendments.** This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.
- (d) **Severability.** The invalidity or unenforceability of any provision of this Agreement or the Plan shall not affect the validity or enforceability of any other provision of this Agreement, and each provision of the Agreement and the Plan shall be severable and enforceable to the extent permitted by law.
- (e) **Interpretation and Administration.** The Committee may make such rules and regulations and establish such procedures for the administration of this Agreement as it deems appropriate. Without limiting the generality of the foregoing, the Committee may interpret the Plan and this Agreement, with such interpretations to be conclusive and binding on all persons and otherwise accorded the maximum deference permitted by law, provided that the Committee’s interpretation shall not be entitled to deference on and after a Change of Control except to the extent that such interpretations are made exclusively by members of the Committee who are individuals who served as Committee members before the Change of Control and take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan, this Agreement or the administration or interpretation thereof. In the event of any dispute or disagreement as to interpretation of the Plan or this Agreement or of any rule, regulation or procedure, or as to any question, right or obligation arising from or related to the Plan or this Agreement, the decision of the Committee, except as provided above, shall be final and binding upon all persons.
- (f) **Notices.** All notices hereunder shall be in writing and, if to the Company or the Committee, shall be delivered to the Board or mailed to its principal office, addressed to the attention of the Board; and if to the Grantee, shall be delivered personally, sent by facsimile transmission, or mailed to the Grantee at the address appearing in the records of the Company. Such addresses may be changed at any time by written notice to the other party given in accordance with this Section 8(f). Notices may also be given electronically pursuant to such rules and procedures as the Committee may adopt for electronic notice.

- (g) **No Waiver.** The failure of the Grantee or the Company to insist upon strict compliance with any provision of this Agreement, or to assert any right the Grantee or the Company, respectively, may have under this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.
- (h) **No Right of Employment.** Nothing in this Agreement shall confer on the Grantee any right to continue in the employ or other service of the Company or its Subsidiaries or interfere in any way with the right of the Company or its Subsidiaries and its stockholders to terminate the Grantee's employment or other service at any time.
- (i) **Unsecured Obligation.** The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Common Stock or pay cash or distributions in the future, and the rights of Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.
- (j) **Entire Agreement; Counterparts.** This Agreement, subject to the terms and conditions of the Plan, contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto. The Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages transmitted by facsimile transmission, electronic mail or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document will have the same effect as physical delivery of the paper document bearing an original signature.
- (k) **Acceptance.** The Grantee hereby acknowledged receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof and accepts the PSUs subject to all the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the PSUs, the receipt of any dividend or distribution, or the subsequent disposition of the shares of Common Stock and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.
- (l) **Section 409A.**

(i) If any provision of this Agreement could cause the application of an accelerated or additional tax under Section 409A of the Code upon the vesting or settlement of the Restricted Stock Units (or any portion thereof), such provision shall be restructured, to the minimum extent possible, in a manner determined by the Company (and reasonably acceptable to the Grantee) that does not cause such an accelerated or additional tax. It is intended that all provisions of this Agreement other than those relating to payment of vested PSUs on account of a Grantee's Retirement, shall not be subject to Section 409A of the Code by reason of the short-term deferral rule under Treas. Reg. Section 1.409A-1(b)(4), and this Agreement shall be interpreted accordingly.

(ii) With respect to any payment of PSUs under this Agreement that is subject to Section 409A of the Code, and with respect to which a payment or distribution is to be made upon a Termination of Service, if the Grantee is determined by the Company to be a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code and any of the Company’s stock is publicly traded on an established securities market or otherwise, such payment or distribution may not be made before the date which is six months after the date of Termination of Service (to the extent required under Section 409A of the Code). Any payments or distributions delayed in accordance with the prior sentence shall be paid to the Grantee on the first day of the seventh month following the Grantee’s Termination of Service.

(iii) The Board and the Committee shall exercise authority and discretion under the Plan and this Agreement, to satisfy the requirements of Section 409A of the Code or any exemption thereto. Provided, however, that neither the Board nor the Committee shall be liable to any Grantee for the failure of any provision of this Agreement to comply with Section 409A of the Code, including, but not limited to, liability for any taxes or penalties associated with the failure to comply with Section 409A of the Code.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Performance Share Unit Agreement effective as of the day and year first above written.

**TWO HARBORS INVESTMENT CORP.**

By: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Grantee:

**EXHIBIT A**  
**PERFORMANCE GOALS**

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**TWO HARBORS INVESTMENT CORP.  
2021 EQUITY INCENTIVE PLAN**

**COMMON STOCK AWARD AGREEMENT**

This **COMMON STOCK AWARD AGREEMENT** (this “**Agreement**”) is made and entered into by and between Two Harbors Investment Corp., a Maryland corporation (the “**Company**”), and \_\_\_\_\_ (the “**Grantee**”), as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “**Grant Date**”).

WHEREAS, the Company maintains the Two Harbors Investment Corp. 2021 Equity Incentive Plan (the “**Plan**”);

WHEREAS, the Grantee is [a/an] \_\_\_\_\_ of the Company and, therefore is an Eligible Person under the Plan;

WHEREAS, the Board of Directors has approved and authorized the Company to award the Grantee \_\_\_\_\_ shares of Common Stock of the Company;

WHEREAS, in accordance with the Plan, the Company’s Board of Directors has determined that it is in the best interests of the Company and its stockholders to grant the award of Common Stock to the Grantee, subject to the terms and conditions set forth below; and

WHEREAS, any capitalized terms not otherwise defined in this Agreement shall have the meaning set forth in the Plan.

**NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:**

**1. Grant of Common Stock.**

The Company hereby grants the Grantee \_\_\_\_\_ shares of Common Stock (the “**Shares**”) of the Company, subject to the terms and conditions set forth in this Agreement and the Plan. The Plan is incorporated herein by reference as though set forth herein in its entirety. To the extent such terms or conditions conflict with any provision of the Plan, the terms and conditions set forth in the Plan shall govern.

**2. Conditions.**

The Shares awarded pursuant to this Agreement and the Plan shall be deemed to be fully vested as of Grant Date. Except as otherwise provided in the Plan, the Grantee shall have, in respect of the Shares, all of the rights of a stockholder of the Company, including the right to vote the Shares and the right to receive dividends.

**3. Tax Liability and Withholding.**

- (a) The Grantee shall be required to pay to the Company, and the Company shall be entitled to deduct from any payments or compensation paid to the Grantee, the amount of any required withholding taxes in respect of the Shares and take all such other action as it determines necessary to satisfy all obligations for the payment of such withholding taxes or otherwise required by law. The Company has the right (but not the obligation) to satisfy the payment of income, employment, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to the Grantee’s participation in the Plan and legally applicable to the Grantee (“**Tax-Related Items**”) by (i) withholding from proceeds of the sale of Shares through a sale arranged by the Company (on the Grantee’s behalf pursuant to this authorization without further consent), (ii) requiring the Grantee to pay cash, (iii) withholding from any cash compensation payable to the Grantee by the Company, and/or (iv) reducing the number of Shares otherwise deliverable to the Grantee.
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- (b) Notwithstanding any action the Company takes with respect to any Tax-Related Items, the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant of the Shares or the subsequent sale of any Shares, and (ii) does not commit to structure the issuance of the Shares to reduce or eliminate the Grantee's liability for Tax-Related Items.

4. **Miscellaneous.**

- (a) **Governing Law.** THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICT OF LAWS WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND.
- (b) **Captions.** The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.
- (c) **Amendments.** This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.
- (d) **Severability.** The invalidity or unenforceability of any provision of this Agreement or the Plan shall not affect the validity or enforceability of any other provision of this Agreement, and each provision of the Agreement and the Plan shall be severable and enforceable to the extent permitted by law.
- (e) **Interpretation and Administration.** The Committee may make such rules and regulations and establish such procedures for the administration of this Agreement as it deems appropriate. Without limiting the generality of the foregoing, the Committee may interpret the Plan and this Agreement, with such interpretations to be conclusive and binding on all persons and otherwise accorded the maximum deference permitted by law, provided that the Committee's interpretation shall not be entitled to deference on and after a Change of Control except to the extent that such interpretations are made exclusively by members of the Committee who are individuals who served as Committee members before the Change of Control and take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan, this Agreement or the administration or interpretation thereof. In the event of any dispute or disagreement as to interpretation of the Plan or this Agreement or of any rule, regulation or procedure, or as to any question, right or obligation arising from or related to the Plan or this Agreement, the decision of the Committee, except as provided above, shall be final and binding upon all persons.

- (f) **Notices.** All notices hereunder shall be in writing and, if to the Company or the Committee, shall be delivered to the Board or mailed to its principal office, addressed to the attention of the Board; and if to the Grantee, shall be delivered personally, sent by facsimile transmission, or mailed to the Grantee at the address appearing in the records of the Company. Such addresses may be changed at any time by written notice to the other party given in accordance with this Section 4(f). Notices may also be given electronically pursuant to such rules and procedures as the Committee may adopt for electronic notice.
- (g) **No Waiver.** The failure of the Grantee or the Company to insist upon strict compliance with any provision of this Agreement, or to assert any right the Grantee or the Company, respectively, may have under this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.
- (h) **No Right of Employment.** Nothing in this Agreement shall confer on the Grantee any right to continue in the employ or other service of the Company or its Subsidiaries or interfere in any way with the right of the Company or its Subsidiaries and its stockholders to terminate the Grantee's service at any time.
- (i) **Clawback.** The Shares are subject to the clawback and forfeiture provisions of Section 24 of the Plan and any clawback or forfeiture policy that may be adopted by the Board or the Committee as may be amended from time to time ("**Compensation Recovery Policy**"). The Company hereby incorporates into this Agreement the terms of the Compensation Recovery Policy.
- (j) **Entire Agreement; Counterparts.** This Agreement, subject to the terms and conditions of the Plan, contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto. The Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages transmitted by facsimile transmission, electronic mail or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document will have the same effect as physical delivery of the paper document bearing an original signature.
- (k) **Acceptance.** The Grantee hereby acknowledged receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof and accepts the Shares subject to all the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the issuance or the subsequent disposition of the Shares, and that the Grantee has been advised to consult a tax advisor in connection with such issuance or disposition.

(l) **Section 409A.**

(i) If any provision of this Agreement could cause the application of an accelerated or additional tax under Section 409A of the Code upon the issuance or disposition of the Shares (or any portion thereof), such provision shall be restructured, to the minimum extent possible, in a manner determined by the Company (and reasonably acceptable to the Grantee) that does not cause such an accelerated or additional tax. It is intended that all provisions of this Agreement shall not be subject to Section 409A of the Code by reason of the short-term deferral rule under Treas. Reg. Section 1.409A-1(b)(4), and this Agreement shall be interpreted accordingly.

(ii) With respect to any payment of Shares under this Agreement that is subject to Section 409A of the Code, if the Grantee is determined by the Company to be a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code and any of the Company’s stock is publicly traded on an established securities market or otherwise, such payment or distribution may not be made before the date which is six months after the issuance date.

(iii) The Board and the Committee shall exercise authority and discretion under the Plan and this Agreement, to satisfy the requirements of Section 409A of the Code or any exemption thereto. Provided, however, that neither the Board nor the Committee shall be liable to any Grantee for the failure of any provision of this Agreement to comply with Section 409A of the Code, including, but not limited to, liability for any taxes or penalties associated with the failure to comply with Section 409A of the Code.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Common Stock Award Agreement as of the day and year first above written.

**TWO HARBORS INVESTMENT CORP.**

By: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Grantee:

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the 2021 Equity Incentive Plan of Two Harbors Investment Corp. of our reports dated February 25, 2021, with respect to the consolidated financial statements and the effectiveness of internal control over financial reporting of Two Harbors Investment Corp., included in its Annual Report (Form 10-K) for the year ended December 31, 2020, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Minneapolis, MN

May 19, 2021

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