

TWO HARBORS INVESTMENT CORP.
Form DEF 14A
April 02, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Two Harbors Investment Corp.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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April 2, 2014

Dear Fellow Stockholders:

On behalf of the Board of Directors of Two Harbors Investment Corp., it is my pleasure to invite you to the 2014 Annual Meeting of Stockholders of Two Harbors Investment Corp., a Maryland corporation, which will be held at The Pierre Hotel, 2 East 61st Street, New York, New York 10065, on Tuesday, May 20, 2014, at 11:00 a.m. Eastern Daylight Time (the Annual Meeting).

The accompanying Notice of Annual Meeting of Stockholders and Proxy Statement describe the business to be conducted at the Annual Meeting and details regarding admission to the Annual Meeting. Again this year, we will be using the Notice and Access method of furnishing proxy materials to you over the Internet. We believe that this process will provide you with a convenient and quick way to access our proxy materials and vote your shares, while allowing us to reduce the environmental impact of our Annual Meeting and the costs of printing and distributing the proxy materials. On or about April 2, 2014, we will commence mailing to our stockholders a Notice of Internet Availability of Proxy Materials, which contains information regarding access to our proxy materials and voting information. We will not be mailing the notice to our stockholders who previously elected to receive paper copies of our proxy materials, but rather will mail those stockholders a full set of our proxy materials.

It is important that your shares be represented at our Annual Meeting, regardless of the number of shares you hold and whether or not you plan to attend the meeting in person. Accordingly, we encourage you to authorize your vote as soon as possible by following the instructions contained in the Notice of Internet Availability of Proxy Materials you receive for our Annual Meeting.

Thank you for your continued support of Two Harbors Investment Corp. We hope that you will be able to attend our Annual Meeting and look forward to seeing you.

Sincerely,

Thomas E. Siering

President and Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date and Time: Tuesday, May 20, 2014, at 11:00 a.m. Eastern Daylight Time

Place: The Pierre Hotel, 2 East 61st Street, New York, New York 10065

- Items of Business:**
- (1) To elect nine directors, with each director serving until our next annual meeting of stockholders and until his or her successor is elected and qualified;
 - (2) To hold an advisory vote relating to the compensation of our executive officers;
 - (3) To consider and vote upon the ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for our fiscal year ending December 31, 2014; and
 - (4) To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Record Date: You may vote at the Annual Meeting if you were a stockholder of record as of the close of business on March 25, 2014.

Proxy Materials: On or about April 2, 2014, we expect to commence mailing of a Notice of Internet Availability of Proxy Materials, which contains information regarding access to our proxy materials and voting information. Our Proxy Statement and 2013 Annual Report are available at www.proxyvote.com. Whether or not you plan to attend the Annual Meeting, please vote your shares by proxy to ensure they are represented at the Annual Meeting.

Admission Policy: Only stockholders who own shares of our common stock as of the record date may attend the Annual Meeting. We encourage you to register to attend in advance of the Annual Meeting by contacting our Investor Relations Department at (612) 629-2500 or by emailing investors@twoharborsinvestment.com. ***Attendance at the Annual Meeting will be limited to stockholders presenting valid government-issued photo identification and proof of stock ownership as of the record date.***

If your shares are registered directly in your name with our transfer agent, Computershare Shareowner Services, you are considered the stockholder of record. If you are a stockholder of record, you must present valid government-issued photo identification and proof of ownership, which may include a copy of your account statement from our transfer agent or a copy of your stock certificate.

If your shares are held in a stock brokerage account or by a bank, trustee or other nominee, you are considered the beneficial owner of shares held in street name. If you are a beneficial owner, you must present valid government-issued photo identification and proof of share ownership by providing a bank or brokerage firm account statement or a letter from the broker, trustee, bank or nominee holding your shares.

BY ORDER OF THE BOARD OF DIRECTORS,

Rebecca B. Sandberg
General Counsel and Secretary

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE 2014 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 20, 2014:
Our Proxy Statement and 2013 Annual Report, which includes our Annual Report on Form 10-K
for the fiscal year ended December 31, 2013, are available at www.proxyvote.com**

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TWO HARBORS INVESTMENT CORP.

PROXY STATEMENT

2014 ANNUAL MEETING OF STOCKHOLDERS

Tuesday, May 20, 2014

11:00 a.m. Eastern Daylight Time

The Board of Directors of Two Harbors Investment Corp., a Maryland corporation, is using this proxy statement to solicit your proxy for use at our Annual Meeting of Stockholders to be held on Tuesday, May 20, 2014 at 11:00 a.m. Eastern Daylight Time, and any adjournment or postponement of the meeting (the Annual Meeting). References in this proxy statement to Two Harbors, company, we, us, our and similar refer to Two Harbors Investment Corp.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting
to be held on May 20, 2014**

This proxy statement and our 2013 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, are available at www.proxyvote.com.

Pursuant to rules adopted by the U.S. Securities and Exchange Commission, or SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the Notice of Availability) to our stockholders of record as of the close of business on March 25, 2014. All stockholders will be able to access our proxy materials on the website referred to in the Notice of Availability (www.proxyvote.com) or request to receive a printed set of our proxy materials. Instructions on how to access our proxy materials over the Internet or request a printed copy of our proxy materials may be found in the Notice of Availability.

What is the purpose of the Annual Meeting?

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

- (1) To elect nine directors, with each director serving until our next annual meeting of stockholders and until his or her successor is elected and qualified;
- (2) To hold an advisory vote relating to the compensation of our executive officers;
- (3) To consider and vote upon the ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for our fiscal year ending December 31, 2014; and
- (4) To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Who is entitled to vote at the Annual Meeting?

Our Board of Directors has fixed the close of business on March 25, 2014 as the record date for determining the stockholders entitled to receive notice of and to vote at the Annual Meeting and any postponements or adjournments thereof. On the record date, there were 366,046,045 shares of our common stock outstanding. Only stockholders as of the record date are entitled to vote at the Annual Meeting.

A stockholder list will be available at our principal executive office beginning May 9, 2014 during normal business hours for examination by any stockholder registered on our stock ledger as of the record date for any purpose pertaining to the Annual Meeting. Our principal executive office is located at 590 Madison Avenue, 36th Floor, New York, New York 10022.

What are my voting rights?

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

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

The presence, in person or by proxy, of the holders of shares entitled to cast a majority of all the votes entitled to be cast at the Annual Meeting will constitute a quorum for the transaction of business at the Annual Meeting. Shares represented by proxies received but marked as abstentions will be included in the calculation of the number of shares considered to be present at the Annual Meeting. Pursuant to Maryland law, broker non-votes and abstentions are not included in the determination of the shares of common stock voting on such matter, but are counted for quorum purposes.

What is a proxy?

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

What is a proxy statement?

It is a document that we are required to make available to you by Internet or, if you request, by mail in accordance with regulations of the SEC, when we ask you to designate proxies to vote your shares of our common stock at a meeting of our stockholders. The proxy statement includes information regarding the matters to be acted upon at the Annual Meeting and certain other information required by regulations of the SEC and rules of the New York Stock Exchange, or NYSE.

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

If your shares are registered directly in your name with our transfer agent, Computershare Shareowner Services, you are considered the stockholder of record with respect to those shares.

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

How can I vote prior to the Annual Meeting?

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

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

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

If you receive more than one Notice of Availability or printed set of proxy materials, it likely means that you hold shares of our common stock in more than one account. To ensure that all of your shares are voted, you should vote once for each control number you receive, as described below under *How can I vote prior to the Annual Meeting?*

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

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

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How can I vote prior to the Annual Meeting?

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

- **By Internet** - You may authorize your proxy online via the Internet by accessing the website www.proxyvote.com and following the instructions provided on the Notice of Availability or proxy card. Internet voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Daylight Time, on May 19, 2014. To vote by Internet, you will need to use the control number listed on your Notice of Availability or proxy card, which was provided to you by our vote tabulator, Broadridge Financial Solutions; then follow the additional steps when prompted. The steps have been designed to authenticate your identity, allow you to give voting instructions, and confirm that those instructions have been recorded properly.
- **By Telephone** - You may authorize your proxy by touch-tone telephone by calling 1-800-690-6903. Telephone voting facilities will be available 24 hours a day and will close at 11:59 p.m., Eastern Daylight Time, on May 19, 2014. To vote by telephone, you will need to use the control number listed on the Notice of Availability or proxy card, which was provided to you by our vote tabulator, Broadridge Financial Solutions; then follow the additional steps when prompted. The steps have been designed to authenticate your identity, allow you to give voting instructions, and confirm that those instructions have been recorded properly.
- **By Mail** - If you request paper copies of the proxy materials to be sent to you by mail, you may authorize your proxy by completing, signing and dating your proxy card and returning it in the reply envelope included with the paper proxy materials.

Beneficial Owners. If your shares are held in a stock brokerage account or by a bank, trustee or other nominee, you are considered the beneficial owner of shares held in street name. If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker, bank, trust or other nominee, which is similar to the voting procedures for stockholders of record. Other than the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2014, the rules *do not* permit your broker, bank, trustee or other nominee to vote your shares of stock on any proposal unless you provide them with instructions on how to vote your shares of common stock. You should instruct your broker, bank, trustee or other nominee how to vote your shares of stock by following the directions provided by your broker or nominee. However, if you request the proxy materials by mail after receiving a Notice of Availability from your broker, bank, trustee or other nominee, you will receive a voting instruction form (not a proxy card) to use in directing the broker, bank, trust or other nominee how to vote your shares.

Can I vote my shares in person at the Annual Meeting?

If you are a stockholder of record, you may vote your shares in person at the Annual Meeting by completing a ballot at the Annual Meeting. Even if you currently plan to attend the Annual Meeting, we recommend that you submit your proxy as described above so your vote will be counted if you later decide not to attend. If you submit your vote by proxy and later decide to vote in person at the Annual Meeting, the vote you submit at the Annual Meeting will override your proxy vote.

If you are a beneficial owner, you may vote your shares in person at the Annual Meeting only if you obtain and bring to the Annual Meeting a signed letter or other form of proxy from your broker, bank, trustee or other nominee giving you the right to vote the shares at the Annual Meeting.

What vote is required to approve each proposal to be voted on at the Annual Meeting?

- **Proposal 1** Each of the nine director nominees who receive a majority of all votes cast for a director nominee at the Annual Meeting, in person or by proxy, will be elected. *See Corporate Governance and Board of Directors Majority Voting for Directors and Director Resignation Policy.*
- **Proposal 2** The affirmative vote of a majority of all votes cast at the Annual Meeting, in person or by proxy, is required to approve the advisory vote on compensation of our executive officers.
- **Proposal 3** The affirmative vote of a majority of all votes cast at the Annual Meeting, in person or by proxy, is required to ratify the appointment of our independent registered public accounting firm.

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How does the Board of Directors recommend that I vote on the proposals?

The Board of Directors recommends a vote:

- **Proposal 1** FOR all of the nominees for director;
- **Proposal 2** FOR the advisory vote relating to the compensation of our executive officers; and
- **Proposal 3** FOR the ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for our fiscal year ending December 31, 2014.

What if I do not specify how I want my shares voted?

If you are a stockholder of record and submit a signed proxy card, but do not specify how you want to vote your shares on a particular proposal, your shares will be voted as follows:

- **Proposal 1** FOR all of the nominees for director;
- **Proposal 2** FOR the advisory vote relating to the of compensation of our executive officers; and
- **Proposal 3** FOR the ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for our fiscal year ending December 31, 2014.