

Spinoff

November 01, 2017

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ONN / OCC ID: 41993



TWO HARBORS INVESTMENT CORPORATION - DISTRIBUTION AND REVERSE SPLIT

DESCRIPTION:

Two Harbors Investment Corporation (TWO) has announced a distribution of (New) Granite Point Mortgage Trust Inc. (GPMT) Common Shares to TWO shareholders, immediately followed by a 1 for 2 reverse stock split. As a result of the distribution and reverse split, each TWO Common Share will be converted into the right to receive 0.50 (New) Two Harbors Investment Corporation (TWO) Common Shares and approximately 0.095 Granite Point Mortgage Trust Inc. (GPMT) Common Shares. The distribution and reverse split will be effective before the open on November 2, 2017. Cash will be paid in lieu of fractional shares.

Two Harbors Investment Corporation and Granite Point Mortgage Trust Inc. Common Shares are listed on the New York Stock Exchange (NYSE) under the trading symbols "TWO" and "GPMT", respectively.

DELAYED SETTLEMENT

The TWO component of the TWO1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the GPMT component and cash portion of the TWO1 deliverable until the final distribution ratio and cash in lieu amount of fractional GPMT Common Shares are determined. Upon determination of the final distribution ratio and cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number of GPMT shares and cash amount.

Contract Adjustments:

Pursuant to the By-Laws of the Options Clearing Corporation ("OCC"), the below options will be adjusted as follows.

Adjustment Date:	November 2, 2017
Option Symbol:	TWO becomes TWO1
Underlying Security:	TWO remains TWO
CUSIP:	38741L107, 90187B408
Contract Multiplier:	1
Strike Divisor:	1
New Multiplier:	100
Settlement Allocation:	15%, 85%
New Deliverable:	Cash in lieu of approximately 0.5 fractional GPMT shares Approximately 9 Granite Point Mortgage Trust Inc. (GPMT) Common Shares 50 (New) Two Harbors Investment Corporation (TWO) Common Shares

Pricing Considerations: Until the final distribution ratio and cash in lieu amount are determined, the underlying price for TWO1 will be determined as follows:
 $TWO1 = 0.50 (TWO) + 0.095 (GPMT)$

Additional Exchange Info: On Wednesday, November 1st, 2017, immediately after the BOX close, all resting orders for TWO in the order book were canceled by the BOX Market Operations Center. If a BOX Participant wishes to enter orders for the new TWO1 series, the BOX Participant will need to reenter the orders before the open on Thursday, November 2nd, 2017.

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
TWO	C/P	2.00	11/17/2017	TWO1	C/P	2.00	11/17/2017
TWO	C/P	3.00	11/17/2017	TWO1	C/P	3.00	11/17/2017
TWO	C/P	4.00	11/17/2017	TWO1	C/P	4.00	11/17/2017
TWO	C/P	5.00	11/17/2017	TWO1	C/P	5.00	11/17/2017

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
TWO	C/P	6.00	11/17/2017	TWO1	C/P	6.00	11/17/2017
TWO	C/P	7.00	11/17/2017	TWO1	C/P	7.00	11/17/2017
TWO	C/P	8.00	11/17/2017	TWO1	C/P	8.00	11/17/2017
TWO	C/P	9.00	11/17/2017	TWO1	C/P	9.00	11/17/2017
TWO	C/P	10.00	11/17/2017	TWO1	C/P	10.00	11/17/2017
TWO	C/P	11.00	11/17/2017	TWO1	C/P	11.00	11/17/2017
TWO	C/P	12.00	11/17/2017	TWO1	C/P	12.00	11/17/2017
TWO	C/P	13.00	11/17/2017	TWO1	C/P	13.00	11/17/2017
TWO	C/P	14.00	11/17/2017	TWO1	C/P	14.00	11/17/2017
TWO	C/P	15.00	11/17/2017	TWO1	C/P	15.00	11/17/2017
TWO	C/P	16.00	11/17/2017	TWO1	C/P	16.00	11/17/2017
TWO	C/P	17.00	11/17/2017	TWO1	C/P	17.00	11/17/2017
TWO	C/P	18.00	11/17/2017	TWO1	C/P	18.00	11/17/2017
TWO	C/P	2.00	12/15/2017	TWO1	C/P	2.00	12/15/2017
TWO	C/P	3.00	12/15/2017	TWO1	C/P	3.00	12/15/2017
TWO	C/P	4.00	12/15/2017	TWO1	C/P	4.00	12/15/2017
TWO	C/P	5.00	12/15/2017	TWO1	C/P	5.00	12/15/2017
TWO	C/P	6.00	12/15/2017	TWO1	C/P	6.00	12/15/2017
TWO	C/P	7.00	12/15/2017	TWO1	C/P	7.00	12/15/2017
TWO	C/P	8.00	12/15/2017	TWO1	C/P	8.00	12/15/2017
TWO	C/P	9.00	12/15/2017	TWO1	C/P	9.00	12/15/2017
TWO	C/P	10.00	12/15/2017	TWO1	C/P	10.00	12/15/2017
TWO	C/P	11.00	12/15/2017	TWO1	C/P	11.00	12/15/2017
TWO	C/P	12.00	12/15/2017	TWO1	C/P	12.00	12/15/2017
TWO	C/P	13.00	12/15/2017	TWO1	C/P	13.00	12/15/2017
TWO	C/P	14.00	12/15/2017	TWO1	C/P	14.00	12/15/2017
TWO	C/P	15.00	12/15/2017	TWO1	C/P	15.00	12/15/2017
TWO	C/P	16.00	12/15/2017	TWO1	C/P	16.00	12/15/2017
TWO	C/P	17.00	12/15/2017	TWO1	C/P	17.00	12/15/2017
TWO	C/P	18.00	12/15/2017	TWO1	C/P	18.00	12/15/2017
TWO	C/P	2.00	03/16/2018	TWO1	C/P	2.00	03/16/2018
TWO	C/P	3.00	03/16/2018	TWO1	C/P	3.00	03/16/2018
TWO	C/P	4.00	03/16/2018	TWO1	C/P	4.00	03/16/2018
TWO	C/P	5.00	03/16/2018	TWO1	C/P	5.00	03/16/2018
TWO	C/P	6.00	03/16/2018	TWO1	C/P	6.00	03/16/2018
TWO	C/P	7.00	03/16/2018	TWO1	C/P	7.00	03/16/2018
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TWO	C/P	9.00	03/16/2018	TWO1	C/P	9.00	03/16/2018
TWO	C/P	10.00	03/16/2018	TWO1	C/P	10.00	03/16/2018
TWO	C/P	11.00	03/16/2018	TWO1	C/P	11.00	03/16/2018
TWO	C/P	12.00	03/16/2018	TWO1	C/P	12.00	03/16/2018
TWO	C/P	13.00	03/16/2018	TWO1	C/P	13.00	03/16/2018
TWO	C/P	14.00	03/16/2018	TWO1	C/P	14.00	03/16/2018
TWO	C/P	15.00	03/16/2018	TWO1	C/P	15.00	03/16/2018
TWO	C/P	16.00	03/16/2018	TWO1	C/P	16.00	03/16/2018

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
TWO	C/P	17.00	03/16/2018	TWO1	C/P	17.00	03/16/2018
TWO	C/P	18.00	03/16/2018	TWO1	C/P	18.00	03/16/2018
TWO	C/P	2.00	06/15/2018	TWO1	C/P	2.00	06/15/2018
TWO	C/P	3.00	06/15/2018	TWO1	C/P	3.00	06/15/2018
TWO	C/P	4.00	06/15/2018	TWO1	C/P	4.00	06/15/2018
TWO	C/P	5.00	06/15/2018	TWO1	C/P	5.00	06/15/2018
TWO	C/P	6.00	06/15/2018	TWO1	C/P	6.00	06/15/2018
TWO	C/P	7.00	06/15/2018	TWO1	C/P	7.00	06/15/2018
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TWO	C/P	10.00	06/15/2018	TWO1	C/P	10.00	06/15/2018
TWO	C/P	11.00	06/15/2018	TWO1	C/P	11.00	06/15/2018
TWO	C/P	12.00	06/15/2018	TWO1	C/P	12.00	06/15/2018
TWO	C/P	13.00	06/15/2018	TWO1	C/P	13.00	06/15/2018
TWO	C/P	14.00	06/15/2018	TWO1	C/P	14.00	06/15/2018
TWO	C/P	15.00	06/15/2018	TWO1	C/P	15.00	06/15/2018
TWO	C/P	16.00	06/15/2018	TWO1	C/P	16.00	06/15/2018
TWO	C/P	17.00	06/15/2018	TWO1	C/P	17.00	06/15/2018
TWO	C/P	18.00	06/15/2018	TWO1	C/P	18.00	06/15/2018

Disclaimer: This Information Memo summarizes corporate events affecting listed options. No warranty of accuracy or completeness is given with respect to the summary. Option series information is based on series existing at OCC at the time this Memo was generated.

Contact Information: Questions regarding this memo can be addressed to the BOX Market Operations Center at 617-235-2291 or toll free at 1-866-768-8845.