

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 14, 2020 (February 13, 2020)



Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

001-34057

26-1701984
(I.R.S. Employer
Identification No.)

(Commission File Number)

**2 Bethesda Metro Center, 12th Floor
Bethesda, Maryland 20814**
(Address of principal executive offices)

Registrant's telephone number, including area code:
(301) 968-9300

N/A
(Former name or former address, if changed since last report)

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

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

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

| Title of Each Class | Trading Symbol(s) | Name of Exchange on Which Registered |
|---|-------------------|--------------------------------------|
| Common Stock, par value \$0.01 per share | AGNC | The Nasdaq Global Select Market |
| Depository shares of 7.000% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock | AGNCN | The Nasdaq Global Select Market |
| Depository shares of 6.875% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock | AGNCM | The Nasdaq Global Select Market |
| Depository shares of 6.50% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock | AGNCO | The Nasdaq Global Select Market |
| Depository shares of 6.125% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock | AGNCP | The Nasdaq Global Select Market |

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

Emerging Growth Company

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

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

Amendments to Employment Agreements

On February 13, 2020, AGNC Mortgage Management, LLC entered into amendments to the employment agreements with the following officers: Peter J. Federico, President and Chief Operating Officer; Christopher J. Kuehl, Executive Vice President, Portfolio Management; Bernice E. Bell, Senior Vice President and Chief Financial Officer; Aaron J. Pas, Senior Vice President, Non-Agency Portfolio; and Kenneth L. Pollack, Senior Vice President, General Counsel, Chief Compliance Officer and Secretary.

The amendments to the employment agreements for Mr. Federico and Mr. Kuehl adjust the officers' compensation, effective for 2020, by increasing each of their target long-term incentive award opportunities and the portion of each such long-term incentive award opportunity that vests based upon the achievement of certain specified performance metrics (as determined by the Compensation and Corporate Governance Committee of the Board of Directors of AGNC Investment Corp.) as follows:

- Mr. Federico's target long-term incentive award opportunity will be increased from \$1,800,000 to \$2,300,000. In addition, the portion of such long-term incentive award that vests based upon the achievement of certain specified performance metrics will be increased from 50% to 67%, and the portion of such long-term incentive award that vests based upon the passage of time will be decreased from 50% to 33%.
- Mr. Kuehl's target long-term incentive award opportunity will be increased from \$1,400,000 to \$1,650,000. In addition, the portion of such long-term incentive award that vests based upon the achievement of certain specified performance metrics will be increased from 50% to 67%, and the portion of such long-term incentive award that vests based upon the passage of time will be decreased from 50% to 33%.

The amendments to the employment agreements for Ms. Bell, Mr. Pas, and Mr. Pollack adjust the officers' compensation, effective for 2020, by increasing each of their target annual bonuses and target long-term incentive award opportunities as follows:

- Ms. Bell's target annual bonus will be increased from 100% of her annual base salary to 170% of her annual base salary, and her target long-term incentive award opportunity will be increased from 150% of her annual base salary to 175% of her annual base salary.
- Mr. Pas's target annual bonus will be increased from 150% of his annual base salary to 175% of his annual base salary, and his target long-term incentive award opportunity will be increased from 176% of his annual base salary to 190% of his annual base salary.
- Mr. Pollack's target annual bonus will be increased from 100% of his annual base salary to 140% of his annual base salary, and his target long-term incentive award opportunity will be increased from 150% of his annual base salary to 160% of his annual base salary.

The foregoing summaries do not purport to be complete and are subject to, and qualified in their entirety by, the full text of the forms of employment agreement amendments for the officers attached hereto as Exhibit 10.1 and 10.2 and incorporated by reference herein.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|---|
| 10.1 | <u>Form of First Amendment to Amended and Restated Employment Agreement dated February 13, 2020 between AGNC Mortgage Management, LLC and each of Mr. Federico and Mr. Kuehl.</u> |
| 10.2 | <u>Form of First Amendment to Employment Agreement dated February 13, 2020 between AGNC Mortgage Management, LLC and each of Ms. Bell, Mr. Pas and Mr. Pollack.</u> |

SIGNATURE

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

AGNC INVESTMENT CORP.

Dated: February 14, 2020

By: /s/ Kenneth L. Pollack

Kenneth L. Pollack

Senior Vice President, Chief Compliance Officer, General Counsel and Secretary

FIRST AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This First Amendment (“Amendment”) to the Amended and Restated Employment Agreement dated [Date] (the “Agreement”) between [Executive] (the “Executive”) and AGNC Mortgage Management, LLC, a Delaware limited liability company (the “Company”), is entered into as of February 13, 2020 (“Effective Date”).

WITNESSETH:

WHEREAS, the Company and the Executive are parties to the Agreement and wish to enter into this Amendment to revise certain terms and conditions of the Agreement on and after the Effective Date;

WHEREAS, it is in the interests of the Company that the Executive’s services continue to be available to the Company; and

WHEREAS, it is a condition to the Executive’s continued employment by the Company that the Executive execute and deliver this Amendment, and in order to induce the Executive to continue the Executive’s employment, the Company has agreed to provide the Executive with the rights and benefits described more fully herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Paragraph 4(b) of the Agreement is amended and restated in its entirety read as follows:

(a) Annual Cash Bonus. With respect to each calendar year during the Employment Period, the Executive shall be eligible to earn an annual cash bonus. The target value of the annual cash bonus shall be no less than []¹% of the Executive’s Base Salary (the “Target Annual Bonus Amount”). The actual annual bonus may range from 0% to 150% of the Target Annual Bonus Amount, based on the level of achievement of specified performance measures and goals set by the Compensation Committee (in consultation with the Chief Executive Officer of the Company) for such calendar year (the “Annual Performance Goals”). The Compensation Committee (in consultation with the Chief Executive Officer of the Company), in its reasonable judgment, shall determine the weightings of each performance measure and a threshold, target and maximum performance goal for each measure no later than ninety (90) days after the beginning of each calendar year. To the extent that specified performance measures and goals apply to other executives of the Company, the threshold, target and maximum levels associated with such specified performance measures and goals will apply to the Executive in the same manner as they apply to such other executives. Performance at the threshold, target or maximum levels would be expected to result in a bonus payment of 50%, 100% or 150% of the Target Annual Bonus Amount, respectively, for such measure. Performance below the threshold level

¹ Mr. Federico’s percentage is 200%, and Mr. Kuehl’s percentage is 178%.

could result in no bonus payment for such measure. The bonus payment for performance between the threshold and target level or between the target and maximum level will be determined by linear interpolation. Subject to the provisions of paragraph 6, the Executive must be employed on the date on which the annual cash bonus is paid in order to receive payment of any such annual cash bonus pursuant to this subparagraph 4(b). Any annual cash bonus earned pursuant to this subparagraph 4(b) shall be paid to the Executive by March 15 of the calendar year following the calendar year to which such annual cash bonus relates.

1. Paragraph 4(c) of the Agreement is amended and restated in its entirety read as follows:

(c) Long-Term Incentive Awards. Beginning in the first quarter of calendar year 2020, and during the first quarter of each calendar year of the Employment Period thereafter, subject to approval by the Board, AGNC shall grant the Executive long-term incentive award(s) with an aggregate target fair value of no less than \$[]² on the date of grant (the “Target Annual LTIA”). 67% of the Target Annual LTIA (the “Performance-Based Award”) shall vest based upon the achievement of certain specified performance metrics (as determined by the Compensation Committee in its reasonable judgment) (the “Performance-Based Metrics”) measured over a three-year performance period with the amount of shares and the associated performance targets specified at or before the grant date of the award. If the Performance-Based Metrics are exceeded (as determined by the Compensation Committee in its reasonable judgment), the Executive may earn up to 200% of the target number of shares underlying the Performance-Based Award. The remaining 33% of the Target Annual LTIA that does not have Performance-Based Metrics shall vest over a three-year period, with 1/3 of such portion vesting following each of the first, second and third anniversaries of the grant date. Notwithstanding the foregoing, each Target Annual LTIA shall be subject to the terms and conditions of the Equity Plan and the applicable award agreement(s) to be entered into between AGNC and the Executive, which shall be consistent with the terms hereof. In the event that AGNC cannot grant the Target Annual LTIA to the Executive during any such calendar year, AGNC shall instead provide a cash award to the Executive with an equivalent fair value and under equivalent vesting terms, which shall be subject to the terms and conditions of an applicable award agreement to be entered into between AGNC and the Executive (as approved by the Compensation Committee).

2. Effect on Agreement. Other than as specifically amended herein, the Agreement shall remain in full force and effect.

3. Complete Agreement. This Amendment together with the Agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof.

4. Counterparts. This Amendment may be executed in one or more counterparts (including electronically transmitted counterparts), each of which shall be deemed to be an original, but all of which together will constitute one and the same instrument.

²\$2,300,000 for Mr. Federico and \$1,650,000 for Mr. Kuehl.

5. Choice of Law. This Amendment shall be governed by, and construed in accordance with, the internal, substantive laws of the State of Maryland. The Company and the Executive agree that the state and federal courts located in the State of Maryland shall have jurisdiction in any action, suit or proceeding based on or arising out of this Amendment and the Company and the Executive hereby: (a) submit to the personal jurisdiction of such courts, (b) consent to service of process in connection with any action, suit or proceeding and (c) waive any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction, venue or service of process.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

AGNC MORTGAGE MANAGEMENT, LLC

By: _____
Name:
Title:

EXECUTIVE

By: _____
Name:
Title:

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment (“Amendment”) to the Employment Agreement dated [Date], (the “Agreement”) between [Executive] (the “Executive”) and AGNC Mortgage Management, LLC, a Delaware limited liability company (the “Company”), is entered into as of February 13, 2020 (“Effective Date”).

WITNESSETH:

WHEREAS, the Company and the Executive are parties to the Agreement and wish to enter into this Amendment to revise certain terms and conditions of the Agreement on and after the Effective Date;

WHEREAS, it is in the interests of the Company that the Executive’s services continue to be available to the Company; and

WHEREAS, it is a condition to the Executive’s continued employment by the Company that the Executive execute and deliver this Amendment, and in order to induce the Executive to continue the Executive’s employment, the Company has agreed to provide the Executive with the rights and benefits described more fully herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Paragraph 4(b) of the Agreement is amended and restated in its entirety read as follows:

(a) Annual Cash Bonus. With respect to each calendar year during the Employment Period, the Executive shall be eligible to earn an annual cash bonus. The actual annual bonus will be the product of the target value (the “Target Annual Bonus Amount”) and a factor based on the level of achievement of specified performance measures and goals set by the Compensation Committee (with, subject to the Compensation Committee Charter, input from the Chief Executive Officer) for such calendar year (the “Annual Performance Goals”). The factor is expected to be above 1.0 for above plan performance and below 1.0 if performance is below expectations or corporate goals are not fully met. Performance below a defined threshold level may result in no bonus payment for such measure. For the calendar year 2020 bonus to be paid in 2021, and for each calendar year thereafter, the Target Annual Bonus Amount shall be no less than []¹% of the Executive’s Base Salary. The Compensation Committee (with, subject to the Compensation Committee Charter, input from the Chief Executive Officer), in its reasonable judgment and no later than ninety (90) days after the beginning of each calendar year, shall determine the weightings of each performance measure and the threshold, target and maximum for each performance goal, which in aggregate will comprise the “Corporate Scorecard” for that calendar year. Executive’s Annual Performance Goals may be a combination of the “corporate scorecard” and individual contributions of the Executive, and, the weighting thereof, as well as performance versus

¹Ms. Bell’s percentage is 170%, Mr. Pas’s percentage is 175%, and Mr. Pollack’s percentage is 140%.

this criteria, shall be determined by the Compensation Committee (with, subject to the Compensation Committee Charter, input from the Chief Executive Officer), in its reasonable judgment. To the extent that specified performance measures and goals apply to other executives of the Company, the threshold, target and maximum levels associated with such specified performance measures and goals will apply to the Executive in the same manner as they apply to such other executives. Subject to the provisions of paragraph 6, the Executive must be employed on the date on which the annual cash bonus is paid in order to receive payment of any such annual cash bonus pursuant to this subparagraph 4(b). Any annual cash bonus earned pursuant to this subparagraph 4(b) shall be paid to the Executive by March 15 of the calendar year following the calendar year to which such annual cash bonus relates.

1. Paragraph 4(c) of the Agreement is amended and restated in its entirety read as follows:

(c) Long-Term Incentive Awards. Beginning in the first quarter of calendar year 2020, and during the first quarter of each calendar year of the Employment Period thereafter, Executive shall be eligible to receive long-term incentive award(s), subject to approval by the Board, as part of the Company's long-term incentive program applicable to other executives (the "Target Annual LTIA"). Beginning in the calendar year 2020 and beyond, such grants shall have an aggregate target fair value equal to no less than []²% of Executive's Base Salary for the corresponding calendar year (initially set at \$[]³). Annual grants will be comprised of a combination of 50% "Performance-Based Awards" that shall vest based upon the achievement of certain specified performance metrics (as determined by the Compensation Committee in its reasonable judgment) (the "Performance-Based Metrics") measured over a multi-year performance period with the amount of shares and the associated performance targets specified at or before the grant date of the award, and 50% time-based awards that shall vest based on continued service over a multi-year period. If the Performance-Based Metrics are exceeded (as determined by the Compensation Committee in its reasonable judgment), the Executive may earn up to 200% of the target number of shares underlying the Performance-Based Award. Notwithstanding the foregoing, each Target Annual LTIA shall be subject to approval by the Board and to the terms and conditions of the Equity Plan and the applicable award agreement(s) to be entered into between AGNC and the Executive, which shall be consistent with the terms hereof.

2. Effect on Agreement. Other than as specifically amended herein, the Agreement shall remain in full force and effect.

3. Complete Agreement. This Amendment together with the Agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof.

4. Counterparts. This Amendment may be executed in one or more counterparts (including electronically transmitted counterparts), each of which shall be deemed to be an original, but all of which together will constitute one and the same instrument.

² 175% for Ms. Bell, 190% for Mr. Pas and 160% for Mr. Pollack.

³ \$875,000 for Ms. Bell, \$807,500 for Mr. Pas and \$800,000 for Mr. Pollack.

5. Choice of Law. This Amendment shall be governed by, and construed in accordance with, the internal, substantive laws of the State of Maryland. The Company and the Executive agree that the state and federal courts located in the State of Maryland shall have jurisdiction in any action, suit or proceeding based on or arising out of this Amendment and the Company and the Executive hereby: (a) submit to the personal jurisdiction of such courts, (b) consent to service of process in connection with any action, suit or proceeding and (c) waive any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction, venue or service of process.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

AGNC MORTGAGE MANAGEMENT, LLC

By: _____
Name:
Title:

EXECUTIVE

By: _____
Name:
Title: