

Stock Split

July 31, 2015

Exchange/Memo ID:203621

ONN / OCC ID: 37202



ARMOUR RESIDENTIAL REIT, INC. - REVERSE SPLIT * * *REMINDER* * *

Ex - Distribution Date: 08/03/2015

DESCRIPTION:

ARMOUR Residential REIT, Inc. (ARR) has announced a 1-for-8 reverse stock split. As a result of the reverse stock split, each ARR Common Share will be converted into the right to receive 0.125 (New) ARMOUR Residential REIT, Inc. Common Shares. The reverse stock split will become effective before the market open on August 3, 2015.

Contract Adjustments:

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

Adjustment Date: **08/03/2015**

Option Symbol: ARR becomes ARR1

Underlying Security: ARR remains ARR

CUSIP: 042315507

Contract Multiplier: 1

Strike Divisor: 1

New Multiplier: 100

Strike Prices: **Remain the same**

New Deliverable: Cash in lieu of 0.5 fractional ARR Shares
12 (New) ARMOUR Residential REIT, Inc. (ARR) Common Shares

Pricing Considerations: Until the cash in lieu amount is determined, the underlying price for ARR1 will be determined as follows:

$$\text{ARR1} = 0.125 (\text{ARR})$$

Additional Exchange Info: On Friday, July 31st, 2015 immediately after the BOX close, all resting orders for ARR in the order book will be canceled by the BOX Market Operations Center. If a BOX Participant wishes to enter orders for the new ARR1 series, the BOX Participant will need to reenter the orders before the open on Monday, August 3rd, 2015.

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
ARR	C/P	1.00	08/21/2015	ARR1	C/P	1.00	08/21/2015
ARR	C/P	2.00	08/21/2015	ARR1	C/P	2.00	08/21/2015
ARR	C/P	3.00	08/21/2015	ARR1	C/P	3.00	08/21/2015
ARR	C/P	4.00	08/21/2015	ARR1	C/P	4.00	08/21/2015
ARR	C/P	5.00	08/21/2015	ARR1	C/P	5.00	08/21/2015
ARR	C/P	6.00	08/21/2015	ARR1	C/P	6.00	08/21/2015
ARR	C/P	7.00	08/21/2015	ARR1	C/P	7.00	08/21/2015
ARR	C/P	1.00	09/18/2015	ARR1	C/P	1.00	09/18/2015
ARR	C/P	2.00	09/18/2015	ARR1	C/P	2.00	09/18/2015
ARR	C/P	3.00	09/18/2015	ARR1	C/P	3.00	09/18/2015
ARR	C/P	4.00	09/18/2015	ARR1	C/P	4.00	09/18/2015

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
ARR	C/P	5.00	09/18/2015	ARR1	C/P	5.00	09/18/2015
ARR	C/P	7.00	09/18/2015	ARR1	C/P	7.00	09/18/2015
ARR	C/P	1.00	10/16/2015	ARR1	C/P	1.00	10/16/2015
ARR	C/P	2.00	10/16/2015	ARR1	C/P	2.00	10/16/2015
ARR	C/P	3.00	10/16/2015	ARR1	C/P	3.00	10/16/2015
ARR	C/P	4.00	10/16/2015	ARR1	C/P	4.00	10/16/2015
ARR	C/P	5.00	10/16/2015	ARR1	C/P	5.00	10/16/2015
ARR	C/P	6.00	10/16/2015	ARR1	C/P	6.00	10/16/2015
ARR	C/P	7.00	10/16/2015	ARR1	C/P	7.00	10/16/2015
ARR	C/P	8.00	10/16/2015	ARR1	C/P	8.00	10/16/2015
ARR	C/P	1.00	01/15/2016	ARR1	C/P	1.00	01/15/2016
ARR	C/P	2.00	01/15/2016	ARR1	C/P	2.00	01/15/2016
ARR	C/P	3.00	01/15/2016	ARR1	C/P	3.00	01/15/2016
ARR	C/P	4.00	01/15/2016	ARR1	C/P	4.00	01/15/2016
ARR	C/P	5.00	01/15/2016	ARR1	C/P	5.00	01/15/2016
ARR	C/P	6.00	01/15/2016	ARR1	C/P	6.00	01/15/2016
ARR	C/P	7.00	01/15/2016	ARR1	C/P	7.00	01/15/2016
ARR	C/P	8.00	01/15/2016	ARR1	C/P	8.00	01/15/2016

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.