



#37202

DATE: JULY 29, 2015

SUBJECT: ARMOUR RESIDENTIAL REIT, INC. – REVERSE SPLIT
OPTION SYMBOL: ARR
NEW SYMBOL: ARR1
DATE: 8/3/15
REMINDER

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 ADJUSTMENT

Effective Date: August 3, 2015

Option Symbol: ARR changes to ARR1

Contract Multiplier: 1

Strike Divisor: 1

New Multiplier: 100 (e.g., for premium or strike dollar extensions 1.00 will equal \$100)

New Deliverable Per Contract: 1) 12 (New) ARMOUR Residential REIT, Inc. (ARR) Common Shares
2) Cash in lieu of 0.5 fractional ARR Shares

CUSIP: ARR (New): 042315507

PRICING

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

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

DELAYED SETTLEMENT

The ARR component of the ARR1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the ARR1 deliverable until the cash in lieu of fractional ARR Shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 25, or 25A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.