

ARLINGTON ASSET INVESTMENT CORP.
CORPORATE GOVERNANCE GUIDELINES

(Revised as of April 23, 2018)

The Board of Directors (“Board”) of Arlington Asset Investment Corp., a Virginia corporation (the “Corporation”), has adopted these Corporate Governance Guidelines (the “Guidelines”) as a framework for the governance of the Corporation. The Nominating and Governance Committee reviews the Guidelines annually and recommends changes to the Board. The Guidelines are available on the Corporation’s website at www.arlingtonasset.com.

I. BOARD COMPOSITION AND DIRECTOR QUALIFICATIONS

Size and Composition

It is the sense of the Board that a size of seven to eleven is appropriate and most effective. A majority of the members of the Board must be independent directors. An “independent director” is a director who meets the independence requirements of the New York Stock Exchange as then in effect (as attached hereto) and of such additional guidelines as the Board of Directors may adopt.

Board Membership Criteria

Members of the Board should have the highest professional and personal ethics and values, consistent with the Corporation’s long-standing values and standards. They should have broad experience at the policy-making level in business, government, or public service. They should be committed to enhancing shareholder value and should have sufficient time to effectively carry out their duties.

The Nominating and Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of individual Board members as well as the composition of the Board as a whole. In conducting this review, the Nominating and Governance Committee considers business experience and skills, independence, diversity, judgment, integrity, the ability to commit sufficient time and attention to the activities of the Board, the absence of any potential conflicts with the Corporation’s interests, and such other factors as it deems appropriate given the current needs of the Board and the Corporation, to maintain a balance of knowledge, experience and capability.

The Nominating and Governance Committee recommends to the Board the selection of nominees for director in accordance with criteria established by the Committee and consistent with the criteria approved by the Board. The invitation to join the Board is extended by the Board itself, through the Chairman of the Board and the Chairman of the Nominating and Governance Committee.

Lead Independent Director

The Board has a lead independent director who is elected annually by the independent directors of the Board to act in a lead capacity to coordinate the actions of the other independent directors, as described below. The lead independent director shall coordinate and moderate executive sessions of the Board's independent directors and act as principal liaison between the independent directors and the Chief Executive Officer ("CEO") on (A) topics or issues as requested by the independent directors, any Committee of the Board, or the full Board or (B) any topic selected by the lead independent director. In addition to the duties of all Board members (which shall not be limited or diminished by the lead independent director's role), the lead independent director shall be responsible to ensure that the following functions are addressed as needed or as appropriate as determined in the good faith discretion of the lead independent director:

- (i) presiding over non-Committee meetings of the non-management directors;
- (ii) timing and agendas for Board and Committee meetings;
- (iii) nature, quantity, and timing of information provided to the independent directors by the Corporation's management, including information specifically requested by the lead independent director;
- (iv) retention of such counsel or consultants who report directly to the Board, or to the lead independent director;
- (v) delivery of reports from the Nominating and Governance Committee regarding compliance with and implementation of the Corporation's corporate governance policies;
- (vi) delivery of reports from the Nominating and Governance Committee regarding recommended revisions to the Corporation's corporate governance policies;
- (vii) evaluation, along with the members of the Compensation Committee and the full Board, of the CEO's performance and meeting with the CEO to discuss the Board's evaluation; and
- (viii) recommending members for various Board Committees, as well as selection of the Committee Chairs.

The lead independent director may facilitate communication by the non-management directors with the Chairman of the Board and management, although (as discussed in Section IV below), all directors have access to management and employees of the Corporation.

Change in Principal Occupation

The Board does not believe that in every instance a director who retires from or changes the position he or she held outside of the Board upon becoming a director should necessarily leave the Board. In these circumstances, a director should offer to submit his or her resignation to the

Nominating and Governance Committee. Such a step provides an opportunity for the Board, through the Nominating and Governance Committee, to review the continued appropriateness of Board membership under the circumstances.

Service on Outside Boards

The CEO of the Corporation may only serve on three public company boards, inclusive of the Corporation's Board, and must obtain the approval of the Nominating and Governance Committee prior to joining another public company board. Non-CEO directors may only serve on five public company boards, inclusive of the Corporation's Board. Any director seeking to join as a member of another public company board must first obtain the approval of the Nominating and Governance Committee to continue as a member of the Board.

Term Limits

The Board does not believe it should establish term limits. While term limits can help bring fresh ideas and viewpoints to the Board, they can also result in the loss of directors who have been able to develop, over a period of time, increased insight into the Corporation and its operations. As an alternative to term limits, the Nominating and Governance Committee reviews each director's continuation on the Board every year in connection with the renomination process. This allows each director the opportunity to confirm his or her desire to continue as a member of the Board.

II. DIRECTOR RESPONSIBILITIES

Director Attendance at Board and Committee Meetings; Meeting Materials

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to discharge their responsibilities effectively. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting are generally distributed in writing to the directors before the meeting. Directors should review these materials in advance of the meeting. In some cases, due to the sensitive nature of an issue or if an issue arises without sufficient time to complete distribution of materials in advance of a meeting, materials are presented only at the meeting.

Director Attendance at Annual Shareholder's Meeting

Directors are expected to attend the Corporation's annual meeting of shareholders, unless excused by the lead independent director with good cause.

Board Meeting Agendas

The Chairman establishes the agenda for each Board meeting with input from the lead independent director. At the beginning of the year the Chairman establishes a schedule of significant agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Board member is encouraged to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

Non-Management Directors Meetings

The non-management directors meet at least quarterly. The lead independent director presides over these meetings.

Strategic Planning Sessions

The Board reviews the Corporation's long-term strategic plans and the principal issues that the Corporation is expected to face in the future during at least one Board meeting each year.

Indemnification and Insurance

Directors are entitled (1) to have the Corporation purchase reasonable levels of directors' and officers' liability insurance on their behalf; (2) to the benefits of indemnification to the fullest extent permitted by law and the Corporation's charter, bylaws and any indemnification agreements; and (3) to exculpation as provided by state law and the Corporation's charter.

III. DIRECTOR RESIGNATION POLICY

Under Section 1.10 of the Amended and Restated Bylaws of the Corporation, as amended through the date hereof, a nominee for director to the Corporation's Board in an uncontested election is elected if he or she receives a majority of the votes cast in the election. The following procedures address the situation in which a director nominee for the Board fails to be elected by the vote required by the Bylaws.

By accepting a nomination to stand for election or re-election as a director of the Corporation or an appointment as director to fill a vacancy or new directorship, each candidate, nominee or appointee for director agrees that if, in an uncontested election of directors, he or she fails to be elected by the vote required by the Bylaws, the director shall promptly tender a written offer of resignation (substantially in the form of Exhibit A) to the Board following certification of the shareholder vote from the meeting at which the election occurred. For purposes of this policy, an "uncontested election of directors" is any election of directors in which the number of nominees for election does not exceed the number of directors to be elected.

The Nominating and Governance Committee will promptly consider the director's offer of resignation and recommend to the Board whether to accept the resignation or reject it. The Board will act on the Committee's recommendation within 90 days following certification of the shareholder vote. In evaluating the director's resignation, each of the Nominating and Governance Committee and the Board shall consider all factors they deem relevant. In determining what action to recommend or take regarding the director's resignation, each of the Committee and the Board may consider a range of alternatives as they deem appropriate.

After the Board makes a formal decision on the Committee's recommendation, the Corporation shall publicly disclose this action in a Form 8-K filed with the Securities and Exchange Commission within four business days of the decision. If the Board has determined to take any action other than acceptance of the resignation, the Form 8-K shall also include the Board's rationale supporting its decision.

Any director who tenders his or her offer of resignation pursuant to this policy shall not participate

in any deliberations or actions by the Committee or the Board regarding his or her resignation but shall otherwise continue to serve as a director during this period. If other directors who are members of the Committee fail to receive the required vote in the same uncontested election of directors, so that a quorum of the Committee cannot be achieved, then the other independent directors on the Board who received more votes “for” or “in favor” than “against” (or “withheld”) in that election will consider and decide what action to take regarding the resignation of each director who failed to receive the required vote. If three or more independent directors on the Board failed to receive the required vote in the same election, then all independent directors on the Board shall participate in deliberations and actions regarding director resignations except that no director can participate in the vote on his or her own resignation.

IV. BOARD COMMITTEES

Number, Structure and Independence of Committees

The Board has three standing committees: the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. All members of the Audit, Compensation, and Nominating and Governance Committees must meet the independence requirements of the New York Stock Exchange as then in effect. The Board may also establish and maintain other committees of the Board from time to time as it deems necessary and appropriate. Committee members are appointed annually by the full Board, based upon the recommendation of the Nominating and Governance Committee. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each standing committee has its own written charter, which must be approved by the full Board. The charters set forth the purposes, goals and responsibilities of the committees and address qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations, and committee reporting to the Board. The charters also provide that each committee annually evaluates its performance.

Committee Meeting Agendas

The Chairman of each committee, in consultation with the committee members, determines the frequency of the committee’s meetings consistent with any requirements set forth in the committee’s charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, develops the committee’s agenda. At the beginning of the year each committee establishes a schedule of the principal agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee is furnished to all directors.

Service on Other Audit Committees

If an Audit Committee member simultaneously serves on the audit committee of more than three public companies, inclusive of the Corporation’s, the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee and disclose such determination in the Corporation’s annual proxy statement.

V. DIRECTOR ACCESS TO MANAGEMENT, EMPLOYEES AND ADVISORS

Directors have access to all management and employees of the Corporation. Any meetings or contacts that a director wishes to initiate may be arranged through an executive officer of the Corporation or the Secretary or, in the case of executive officers, the Director of Internal Audit, the Director of Risk Management or any compliance officer of the Corporation or its subsidiaries, directly by a director. Directors should use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation and should, as appropriate, copy the CEO or appropriate executive officer on any written communications with an officer or employee of the Corporation, or advise such officers of any oral communications. In the event that the Audit Committee deems it necessary to conduct an inquiry concerning any matter, the members of the Committee shall have such access to the Corporation's employees as the Committee deems necessary in connection with such investigation or inquiry.

The Board and each standing committee (consistent with the provisions of its charter) have the authority, to the extent they deem necessary, to obtain advice and assistance from internal or external advisors.

VI. DIRECTOR COMPENSATION

The Compensation Committee annually reviews director compensation and recommends changes to the Board as appropriate. Non-management directors receive an annual cash retainer for service on the Board and potentially additional fees, at the Board's sole discretion, for attendance at each meeting of the Board and committees on which they serve. The Chairman of each Committee and the lead independent director may receive an additional cash retainer. Non-management directors also currently receive an annual grant of restricted stock units. No separate compensation is paid to members of management for serving on the Board. The compensation of the directors may be modified as determined by the Compensation Committee.

VII. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

All new directors participate in an Orientation Program. This orientation generally includes information about the duties and responsibilities of directors and presentations by senior management to familiarize new directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, these Guidelines, its Statement of Business Principles, its principal officers and its internal and independent auditors. In addition, the Orientation Program includes visits to the Corporation's headquarters. All other directors are also invited to attend the Orientation Program. The Corporation provides directors the opportunity to participate in continuing education programs relating to their responsibilities as directors.

VIII. CHIEF EXECUTIVE OFFICER EVALUATION AND COMPENSATION; MANAGEMENT SUCCESSION

The Compensation Committee conducts an annual review of the CEO's performance, as set forth in the committee's charter. The results of this evaluation are shared with the Board and the CEO and used by the Compensation Committee in establishing the CEO's compensation.

The Board works with the Nominating and Governance Committee to evaluate potential

successors to the position of CEO. The CEO makes available, on a continuing basis, his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals, including recommendations as to who should assume the role of the CEO in the event that the CEO becomes unwilling or unable to perform his or her duties.

IX. ANNUAL PERFORMANCE EVALUATION

The Board of Directors and each of its standing committees conducts an annual self-evaluation to assess whether they are functioning effectively. In connection with the annual evaluation process, the Nominating and Governance Committee makes recommendations to the Board regarding the overall effectiveness of the Board and its committees.

Originally Adopted by the Board of Directors on October 28, 2003. Revised by the Board of Directors on July 26, 2005, April 26, 2006, February 25, 2009, June 30, 2009, February 9, 2011, April 27, 2015, July 27, 2015, October 24, 2016 and April 23, 2018.

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Arlington Asset Investment Corp. Independence

Standards – New York Stock Exchange

(a) (i) No director qualifies as “independent” unless the Board of Directors affirmatively determines that the director has no material relationship with the Corporation (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation).

(ii) In addition, in affirmatively determining the independence of any director who will serve on the compensation committee of the Corporation’s Board of Directors, the Board of Directors must consider all factors specifically relevant to determining whether a director has a relationship to the listed company which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:

(A) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Corporation to such director; and

(B) whether such director is affiliated with the Corporation, a subsidiary of the Corporation or an affiliate of a subsidiary of the Corporation.

(b) In addition, a director is not independent if:

(i) The director is, or has been within the last three years, an employee of the Corporation, or an immediate family member is, or has been within the last three years, an executive officer of the Corporation.

(ii) The director has received, or has an immediate family member who has received, during any twelvemonth period within the last three years, more than \$120,000 in direct compensation from the Corporation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

(iii) (A) The director is a current partner or employee of a firm that is the Corporation’s internal or external auditor; (B) the director has an immediate family member who is a current partner of such firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the Corporation’s audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Corporation’s audit within that time.

(iv) The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Corporation’s present executive officers at the same time serves or served on that company’s compensation committee.

(v) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Corporation for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company’s consolidated gross revenues.

The term “*Corporation*” includes Arlington Asset Investment Corp. and any parent or subsidiary in a consolidated group. An “*immediate family member*” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and

sisters-in-law, and anyone (other than domestic employees) who shares such person's home, but does not include individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated (for purposes of Section 303A.02 of the New York Stock Exchange Listing Standards).

In the event the applicable rules and requirements of the New York Stock Exchange regarding standards for director independence are amended from time to time, these standards shall be deemed to be automatically amended to conform to such revised terms, as applicable.

Exhibit A

RESIGNATION LETTER

[DATE]

The Board of Directors
Arlington Asset Investment Corp.
1001 19th Street North, Suite 1900
Arlington, VA 22209

Dear Ladies and Gentlemen:

In accordance with the Arlington Asset Investment Corp. (the “Company”) Director Resignation Policy, I hereby tender my irrevocable resignation as a member of the board of directors of the Company effective as of the date of the Board’s acceptance hereof.

Please note that my resignation is a result of compliance with the Director Resignation Policy and not as a result of any disagreement between myself and the Company, its management, board of directors or any committee of the board of directors.

[SIGNATURE PAGE FOLLOWS]

Sincerely,
[SIGNATURE]
[NAME]