



**Arlington Asset Investment Corp.**



**AI NYSE**

**Investment Services**

Market Capitalization USD:

**\$184.36 mm**

**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: Eric F. Billings**

**Age: 59**

**CEO Since: 1999**

	2009	2010	2011
<b>Base Salary</b>	\$800,000	\$800,000	\$800,000
<b>Discretionary Bonus</b>	\$0	\$0	\$0
<b>Annual Cash Incentive</b>	\$0	\$0	\$1,750,000
<b>Benefits and Perquisites</b>	\$17,830	\$2,163	\$1,817
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$817,830</b>	<b>\$802,163</b>	<b>\$2,551,817</b>
<b>Increase in Post-Retirement Benefits</b>	\$0	\$0	\$0
<b>Stock Option Awards</b>	\$0	\$0	\$0
<b>Stock Awards</b>	\$0	\$0	\$0
<b>TOTAL COMPENSATION</b>	<b>\$817,830</b>	<b>\$802,163</b>	<b>\$2,551,817</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$1,300,000	\$1,742,276	\$1,675,960
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$0	\$0
<b>Value Realized on Vesting of Stock</b>	\$207,106	\$1,066,567	\$1,649,686
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$207,106</b>	<b>\$1,066,567</b>	<b>\$1,649,686</b>

**Proxy Date:** 26 Apr 2012

**Annual Meeting Date:** 6 Jun 2012

**Equity Reserves:** 6.68%

**Stock Option Run Rate:** 0.00%

# Arlington Asset Investment Corp.

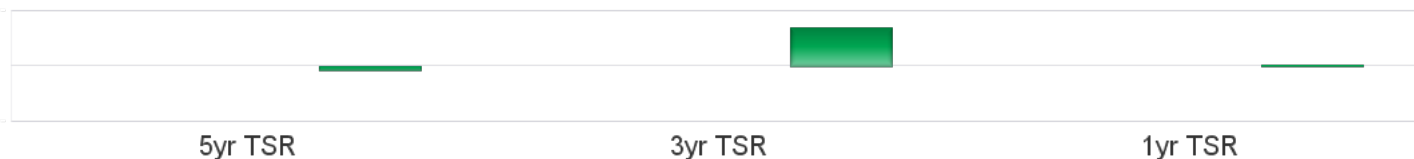
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## Performance Comparison

■ S&P500 ■ Industry ■ AI



## Peer Comparisons (TRBC) - Investment Services

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>AI</b>	<b>Arlington Asset Investment Corp.</b>	<b>\$817,830</b>	<b>\$802,163</b>	<b>\$2,551,817</b>	<b>\$184,357,223</b>
GFIG	GFI Group Inc.	\$2,005,892	\$989,455	\$2,368,084	\$487,580,107
KBW	KBW, Inc.	\$2,692,477	\$2,785,243		\$482,337,366
ART	Artio Global Investors Inc.	\$1,347,841	\$3,678,864	\$3,528,584	\$474,471,481
NFP	National Financial Partners Corp.	\$1,818,604	\$1,970,205	\$2,013,374	\$468,188,601
DUF	Duff & Phelps Corporation	\$2,001,210	\$1,627,565	\$2,662,119	\$452,512,735
ITG	Investment Technology Group, Inc.	\$1,210,357	\$3,943,576		\$392,578,999

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Allied Capital, American Capital Agency Corp., Anworth Mortgage Asset Corporation, Arbor Realty Trust, Inc., Capital Trust, Inc., Capital Source, Capstead Mortgage Corporation, Financial Federal Corporation, MCG Capital Corporation, MFA Financial, Inc., Newstar Financial, Inc., NorthStar Realty Finance Corp., RAIT Financial Trust, and Redwood Trust, Inc.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Daniel E. Berce	Chairman	58	Male	2	Outside
Peter A. Gallagher	Member	71	Male	12	Outside Related
Ralph S. Michael	Member	57	Male	6	Outside