

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
See attachment.

Blank lined area for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶
See attachment.

Blank lined area for providing information on loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
See attachment.

Blank lined area for providing other information necessary for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ *Christine Maki* Date ▶ 10/19/16

Print your name ▶ Christine Maki Title ▶ SVP, Tax

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Line 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action

On October 1, 2016, RR Donnelley distributed approximately 80.75% of the outstanding common stock of Donnelley Financial Solutions, Inc. (“Donnelley Financial”), its financial communications and data services company, and approximately 80.75% of the outstanding common stock of LSC Communications, Inc. (“LSC”), its publishing and retail-centric print services and office products business, to RR Donnelley stockholders (the “Distributions”). In the Distributions, holders of RR Donnelley’s common stock, par value \$0.01 per share, of record as of the close of business on September 23, 2016, (the “Record Date”), received one share of LSC common stock, par value \$0.01 per share, and one share of Donnelley Financial common stock, par value \$0.01 per share, for every eight shares of RR Donnelley’s common stock held on the Record Date.

On September 30, 2016, RR Donnelley filed with the Secretary of State of the State of Delaware an amendment (the “Reverse Stock Split Amendment”) to its restated certificate of incorporation to effect a reverse stock split of the Company’s outstanding and treasury common stock whereby every three shares of the Company’s outstanding and treasury common stock would become one share of the company’s common stock, and a corresponding reduction in the number of authorized shares of the Company’s common stock from 500,000,000 to 165,000,000. The Reverse Stock Split Amendment was effective 12:02 a.m. Eastern Time October 1, 2016, one minute following the completion of the Distributions.

Line 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis

Based on the New York Stock Exchange market closing price on October 3, 2016 (the first trading day after the Distributions) for each of RR Donnelley, Donnelley Financial and LSC, we believe it is appropriate for each shareholder of RR Donnelley to allocate 19.96% of pre-distribution tax basis in shares of RR Donnelley to shares of Donnelley Financial received in the Distributions, 24.86% to shares of LSC received in the Distributions, and 55.18% to shares of RR Donnelley, including in each case any fractional share interest for which cash was received.

As a result of the reverse stock split, RR Donnelley shareholders will be required to allocate the aggregate tax basis in their RR Donnelley common stock held immediately prior to the reverse stock split among the shares of RR Donnelley common stock held immediately after the reverse stock split (including any fractional share interest for which cash was received).

Line 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates

The allocation of pre-distribution federal income tax basis in RR Donnelley common stock is based on the New York Stock Exchange market closing price of each of RR Donnelley, Donnelley Financial and LSC on October 3, 2016, the first trading day after the Distributions. The New York Stock Exchange market closing price for RR Donnelley common stock on October 3, 2016 was \$23.81. The New York Stock Exchange market closing price of Donnelley

Financial on October 3, 2016 was \$22.97. The New York Stock Exchange market closing price of LSC on October 3, 2016 was \$28.61. Since each RR Donnelley stockholder received one share of Donnelley Financial common stock and one share of LSC common stock for every eight shares of RR Donnelley common stock as of the record date, the closing price of the Donnelley Financial common stock is divided by eight to arrive at \$2.87125, and the closing price of the LSC common stock is divided by eight to arrive at \$3.57625. The closing price of the RR Donnelley common stock is also divided by three (to take into account the reverse stock split) to arrive at \$7.9367. Therefore, the adjusted price of RR Donnelley common stock of \$7.9367 is approximately 55.18% of the aggregate closing share price of \$14.3842, (*i.e.* the \$7.9367 closing share price for RR Donnelley common stock, plus the \$2.87125 closing share price for Donnelley Financial common stock, plus the \$3.57625 closing share price for LSC common stock). Likewise, the adjusted price of Donnelley Financial common stock of \$2.87125 is approximately 19.96% of the aggregate closing share price of \$14.3842. The remaining approximately 24.86% of pre-distribution federal income tax basis in RR Donnelley common stock is equal to the closing share price for LSC common stock (\$3.57625) divided by the aggregate closing share price of \$14.3842.

Line 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based

368(a)(1)(D), 368(a)(1)(E), 302(a), 305(a), 354(a)(1), 355 and 358(b)(1).

Line 18: Can any resulting loss be recognized?

In general, no gain or loss is recognized as a result of the Distributions nor as a result of the reverse stock split, except for instances where cash was received in lieu of fractional shares. Shareholders should consult their own tax advisors to determine the impact of the Distributions and the reverse stock split (and the receipt of cash in lieu of fractional shares, if any) with respect to their individual circumstances.

Line 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year

The reportable taxable year is the shareholder's taxable year that includes October 1, 2016.