



#39775

DATE: SEPTEMBER 26, 2016

SUBJECT: R.R. DONNELLEY & SONS COMPANY – DISTRIBUTIONS AND REVERSE SPLIT
OPTION SYMBOL: RRD
NEW SYMBOL: RRD1
FUTURES SYMBOL: RRD1D
NEW SYMBOL: RRD2D
DATE: 10/3/16

CONTRACT ADJUSTMENT - OPTIONS

EFFECTIVE DATE: October 3, 2016

OPTION SYMBOL: RRD changes to RRD1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 16 yields \$1,600)

NEW DELIVERABLE PER CONTRACT

- 1) 33 (New) R.R. Donnelley & Sons Company (RRD) Common Shares
- 2) Cash in lieu of approximately 0.3333 fractional RRD shares
- 3) 12 (New) Donnelley Financial Solutions, Inc. (DFIN) Common Shares
- 4) Cash in lieu of 0.5 fractional DFIN shares
- 5) 12 (New) LSC Communications, Inc. (LKSD) Common Shares
- 6) Cash in lieu of 0.5 fractional LKSD shares

SETTLEMENT ALLOCATION: RRD: TBD
DFIN: TBD
LKSD: TBD

CUSIPS: (New) RRD: 257867200
(New) DFIN: 25787G100
(New) LKSD: 50218P107

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY

CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

PRICING

Until the cash in lieu amounts are determined, the underlying price for RRD1 will be determined as follows:

$$\text{RRD1} = 0.333333 (\text{RRD}) + 0.125 (\text{DFIN}) + 0.125 (\text{LKSD})$$

DELAYED SETTLEMENT

The RRD, DFIN, and LKSD components of the RRD1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash component of the RRD1 deliverable until the cash in lieu amounts are determined. Upon determination of the cash in lieu amounts, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

CONTRACT ADJUSTMENT - FUTURES

EFFECTIVE DATE:	October 3, 2016
FUTURES SYMBOL:	RRD1D changes to RRD2D
SETTLEMENT PRICES:	No Change
NUMBER OF CONTRACTS:	No Change
MULTIPLIER:	100 (e.g., a premium of 1.50 yields \$150)
NEW DELIVERABLE PER CONTRACT	<ol style="list-style-type: none">1) 33 (New) R.R. Donnelley & Sons Company (RRD) Common Shares2) Cash in lieu of approximately 0.3333 fractional RRD shares3) 12 (New) Donnelley Financial Solutions, Inc. (DFIN) Common Shares4) Cash in lieu of 0.5 fractional DFIN shares5) 12 (New) LSC Communications, Inc. (LKSD) Common Shares6) Cash in lieu of 0.5 fractional LKSD shares
SETTLEMENT ALLOCATION:	RRD: TBD DFIN: TBD LKSD: TBD
CUSIPS:	(New) RRD: 257867200 (New) DFIN: 25787G100 (New) LKSD: 50218P107

THE SETTLEMENT ALLOCATION IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

PRICING

Until the cash in lieu amounts are determined, the underlying price for the RRD2D Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{RRD2D} = 0.333333 (\text{RRD}) + 0.125 (\text{DFIN}) + 0.125 (\text{LKSD})$$

Please note that the valuation would apply only to the RRD2D deliverables in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

DELAYED SETTLEMENT

The RRD, DFIN, and LKSD components of the RRD2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash component of the RRD2D deliverable until the cash in lieu amounts are determined. Upon determination of the cash in lieu amounts, OCC will require delivery of the appropriate cash amount.

BACKGROUND

R.R. Donnelley & Sons Company (RRD) has announced a distribution of (New) Donnelley Financial Solutions, Inc. (DFIN) Common Shares and of (New) LSC Communications, Inc. (LKSD) Common Shares. The distribution ratio is 0.125 of a DFIN share and 0.125 of a LKSD share for each RRD share held. The record date is September 23, 2016; the payable date is October 1, 2016. The New York Stock Exchange (NYSE) has set October 3, 2016, as the ex-distribution date for this distribution.

Immediately following the distributions, R.R. Donnelley & Sons Company Common Shares will undergo a 1-for-3 reverse split. As a result, each RRD Common Share will be converted into the right to receive approximately 0.333333 (New) R.R. Donnelley & Sons Company Common Shares. The reverse split will become effective before the market open on October 3, 2016. Cash will be paid in lieu of fractional shares.

Donnelley Financial Solutions, Inc. and LSC Communications, Inc. Common Shares began trading on a when issued basis on September 21, 2016 on the New York Stock Exchange under the trading symbols "DFIN WI" and "LKSD WI", respectively.

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, 4, or 4A, 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.