



#39914

DATE: OCTOBER 20, 2016

SUBJECT: RRD1 OPTIONS - EXPIRATION PRICING CONSIDERATION

RRD1 (Adjusted R.R. Donnelley & Sons Company options) will be subject to special pricing consideration in expiration processing on October 21, 2016. The pricing consideration is due to the cash in lieu amounts included in the option deliverable of RRD1 as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex-by-Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

RRD1

RRD1 options are adjusted R.R. Donnelley & Sons Company options, adjusted October 3, 2016, (see OCC Information Memo #39802). The deliverable of RRD1 options is:

NEW DELIVERABLE

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

As of October 20, 2016, the RRD Exchange Agent and DFIN and LKSD Distribution Agents have not determined the prices to be used to determine the cash in lieu amounts.

For purposes of calculating a RRD1 price for use in expiration processing, OCC will use the following formula:

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

For example, if RRD closes at 19.39, DFIN closes at 23.68, and LKSD closes at 24.87, the RRD1 price would be:

$$\text{RRD1} = 0.333333 (19.39) + 0.125 (23.68) + 0.125 (24.87) = 12.53$$

This formula includes an estimate for the value of the cash in lieu amounts and not the actual cash in lieu amounts applicable in the reverse split and distributions.

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@theoec.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theoec.com.