

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
RXi Pharmaceuticals Corporation		45-3215903	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Caitlin Kontulis	508-929-3624	ckontulis@rxipharma.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
257 Simarano Drive, Suite 101		Marlborough, MA 01752	
<b>8</b> Date of action		<b>9</b> Classification and description	
April 18, 2016		1-for-10 Reverse Stock Split	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
74979C501		RXII	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**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 April 14, 2016, RXi Pharmaceuticals Corporation received approval from its shareholder's to effect a reverse stock split, of which the ratio would be determined by the Board of Directors, but not less than 1-for-2 and not greater than 1-for-40. On April 14, 2016, the Company's Board of Directors approved a reverse stock split ratio of 1-for-10 of the Company's common stock effective on 12:01am EST on April 18, 2016. The CUSIP number changed from 74979C303 to 74979C501. There was no change to the ticker symbol.

**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 ▶ Upon effectiveness of the reverse stock split, each shareholder of common stock received one share in exchange for each ten shares held. No fractional shares were issued in the transaction. Shareholders who would otherwise receive a fractional share, received a cash payment in lieu of such fractional share. As a result of the reverse stock split, the Company's shareholders will be required to allocate the aggregate tax basis in their common stock held immediately prior to the reverse stock split, among the shares of common stock held immediately after the reverse stock split (including any fractional share interest for which cash was received).

**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 ▶ Post-split (new) basis per share = Pre-split (old) basis per share multiplied by 10  
While the basis "per share" is effected, the basis of the shareholder's total investment remains unchanged.  
Shareholders who received cash in lieu of fractional shares will be treated as having received such fractional shares in the transaction, and then as having exchanged such fractional shares for cash. The amount of any gain or loss recognized as a result of such exchange will be equal to the difference between the ratable portion of the tax basis that is allocated to such fractional share and the cash received in lieu.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Section 358(b)(1)

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18 Can any resulting loss be recognized? ▶ The reverse stock split should not constitute a taxable event, except to the extent of any cash received for fractional shares. Shareholders should consult with their tax advisors to determine the tax impact of this transaction with respect to their individual facts and circumstances.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is 2016.

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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 ▶ Caitlin Kontulis Date ▶ 5/4/16

Print your name ▶ Caitlin Kontulis Title ▶ Director of Finance

<b>Paid Preparer Use Only</b>	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.	