



**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_  
Assuming certain requirements are satisfied, the relevant transaction is expected to qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code.

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**18** Can any resulting loss be recognized? ▶ Assuming the relevant transaction qualifies as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code, MirImmune shareholders will not recognize any gain or loss for U.S. federal income tax purposes on the receipt of RXi shares.

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The Merger was effective on January 6, 2017. The reportable tax year is therefore the tax year of the holder that includes such date.

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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 ▶ 2/17/2017

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

Form 8937, Part II, Line 14

On January 6, 2017, RXi Pharmaceuticals Corporation (the “Company”, “RXi”) entered into a Stock Purchase Agreement (the “Stock Purchase Agreement”) by and among the Company, RXi Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company (“RXi Merger Sub”), MirImmune Inc., a Delaware corporation (“MirImmune”), the stockholders of MirImmune set forth on the signature pages thereto (each a “Seller” and collectively, the “Sellers”), and Alexey Wolfson, Ph.D., in his capacity as the Sellers’ Representative. Pursuant to the Stock Purchase Agreement, on January 6, 2017, the Company acquired from the Sellers 100% of the issued and outstanding shares of capital stock of MirImmune (the “Stock Purchase”) for an aggregate of 2,750,371 shares of common stock of the Company, par value \$0.0001 per share (the “Common Stock”) and an aggregate of 1,115,579 shares of Series C Convertible Preferred Stock, par value \$0.0001 per share (the “Series C Preferred Stock”), subject to a holdback of 3% of the aggregate closing consideration for any purchase-price adjustments, plus additional shares of Common Stock, Series C Convertible Preferred Stock and/or cash provided certain milestones are achieved.

In connection with and promptly following the closing of the Stock Purchase Agreement, MirImmune was merged with and into RXi Merger Sub (the “Merger”), with RXi Merger Sub continuing as the surviving entity and changing its name to “MirImmune, LLC”. As a result of the Merger, MirImmune, LLC remains and will operate as a wholly owned subsidiary of the Company.

Form 8937, Part II, Line 15

Provided certain requirements are satisfied, it is expected that the Stock Purchase and the Merger, taken together, will qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”).

Assuming the Stock Purchase and the Merger, taken together, qualify as a reorganization under the provisions of Section 368(a) of the Code, the aggregate tax basis of the RXi stock received in the Merger, will be the same as the aggregate tax basis of the MirImmune stock exchanged therefor, (a) decreased by the amount of cash received by such shareholder, if any, and (b) increased by the amount of any gain recognized by the holder. A MirImmune holder’s holding period in the RXi stock received will include the holding period of the shares of MirImmune common stock exchanged.

If MirImmune shares were acquired at different times or at different prices, any gain or loss realized will be determined separately with respect to each block of MirImmune shares and such holder’s basis and holding period in its shares of MirImmune common stock may be determined with reference to each block of MirImmune common stock. Please consult your tax advisor with respect to your specific tax situation.

Form 8937, Part II, Line 16

U.S. Federal law does not specifically identify how holders should determine the fair market value of the RXi stock on the date of the Merger. There are several possible methods of determining the fair market value such as the opening trade price, the closing trade price or the average of the high and low trading prices on the date of the Merger. To determine the fair market value of Common Stock and Series C Preferred Stock for purposes of calculating the potential gain on the MirImmune common stock, the Company has taken the approach of using the mean between the highest and lowest trading prices of RXi common stock on January 6, 2017, which is \$0.735.

Holdings should consult with their tax advisors to determine the tax consequences of the Merger with respect to their individual facts and circumstances.