Reverse Stock Split FAQs

At the May 23, 2017 Annual Shareholder Meeting, Xerox shareholders approved a one-for-four reverse stock split to reduce the number of outstanding shares of Xerox common stock. The company will move forward with implementing the reverse stock split and authorized share reduction, which are anticipated to be effective on or about June 14, 2017.

Why is Xerox doing a reverse stock split?

On December 31, 2016, Xerox successfully completed its plan to separate into two independent, publicly-traded companies. As a result of the separation, the company's market capitalization was divided and the trading price of its common stock was decreased. Consequently, the company proposed a reverse stock split which is intented to increase the per share trading price of Xerox common stock and should potentially broaden the pool of investors interested in the company's stock and improve its liquidity.

The reverse stock split will result in a reduction of the authorized shares of common stock from 1,750,000,000 to 437,500,000 shares.

I'm a Xerox shareholder. What happens to my shares?

Under the terms of the reverse stock split, every four shares of Xerox common stock will automatically be converted into one share of common stock; for example, if you held 100 shares before the reverse stock split, you would hold 25 shares after the split becomes effective (100÷4).

Xerox does not intend to issue fractional shares as a result of the reverse stock split. Shareholders entitled to receive fractional share(s) will receive cash payments in lieu of such shares.

The reverse stock split affects all issued and outstanding common shares, treasury shares, stock options and other Xerox equity-linked instruments.

When will the reverse split be effective?

The reverse stock split and proportionate reduction in the number of shares of common stock are anticipated to be effective on or about June 14, 2017.

Do I need to take any action?

If you are a beneficial stockholder (your shares are held through a broker, bank or other nominee), you do not need to take any action as shares held in brokerage accounts will automatically be adjusted to reflect the reverse split.

If you are a registered shareholder and hold shares in the form of certificates, you will receive a form in the mail from Computershare, our transfer agent, with instructions to return your certificate in exchange for the new shares.

Who should I contact if I have questions about my shares?

If you are a beneficial shareholder you should contact your bank directly.

If you are a registered shareholder, you can contact Computershare, our transfer agent.

By mail:
Computershare Trust Company, N.A.
c/o Xerox Corporation
P.O. Box 30170
College Station, TX 77842-3170

By phone:
800-828-6396 or 781-575-3222

Are there tax implications of the reverse split?

The reverse stock split is intended to be tax-free for U.S. federal income tax purposes.

U.S. shareholders generally should not recognize gain or loss from the reverse stock split, except in those instances where cash payments were provided for fractional shares.

How do I determine my tax basis after the reverse stock split?

Shareholders should consult their tax advisors to determine the tax impact of this transaction with respect to their individual facts and circumstances.

Upon the effective date of the reverse stock split, every four shares of Xerox common stock automatically convert to one share of common stock. As a result, shareholders must allocate the aggregate tax basis in their shares held immediately prior to the reverse stock split among the shares held immediately after the reverse stock split, including consideration of any fractional shares for which cash was received. Additional information will be included in the U.S. Internal Revenue Service Form 8937, Report of Organizational Actions Affecting Basis of Securities, prepared by Xerox Corporation. This form will be posted to the Xerox Investor Relations website within 45 days from when the reverse stock split becomes effective.

May 24, 2017