

Disclosure of movement of 1% or more in substantial holding
or change in nature of relevant interest, or both

Sections 277 and 278, Financial Markets Conduct Act 2013

Note: This form must be completed in accordance with the instructions at the end of the form.

To NZX Limited

and

To Wellington Merchants Limited

Relevant event being disclosed: Movement of 1% or more in substantial holding and change in nature of relevant interest

Date of relevant event: 28 September 2016

Date this disclosure made: 29 September 2016

Date last disclosure made: 28 September 2016

Substantial product holder(s) giving disclosure

Full name(s): Mercantile Investment Company Limited and Mercantile NZ Limited

Summary of substantial holding

Class of quoted voting products: Ordinary shares

Summary for Mercantile Investment Company Limited, Mercantile NZ Limited

For **this** disclosure,—

- (a) total number held in class: 1,601,360
- (b) total in class: 2,042,942
- (c) total percentage held in class: 78.385%

For **last** disclosure,—

- (a) total number held in class: 1,562,888
- (b) total in class: 2,042,942
- (c) total percentage held in class: 76.502%

Details of transactions and events giving rise to relevant event

Details of the transactions or other events requiring disclosure: Receipt of acceptances pursuant to Mercantile NZ Limited's takeover offer for all of the ordinary shares in Wellington Merchants Limited (**Takeover Offer**). Mercantile NZ Limited has received acceptances relating to 38,472 ordinary shares between 26 and 28 September 2016. Mercantile Investment Company Limited is the holding company of Mercantile NZ Limited.

The Takeover Offer document dated 23 August 2016 (**Takeover Offer Document**) was attached to a previous disclosure made on 7 September 2016.

The Takeover Offer is now unconditional, and on 28 September 2016 Mercantile NZ Limited became the registered holder of 229,549 shares for which it paid \$791,944.05 (\$3.45 per share), as a result of processing acceptances received under the Takeover Offer.

Mercantile NZ Limited will become the registered holder of shares in respect of which acceptances have been received, but for which payment has not yet been made, upon payment of consideration under the Takeover Offer.

Details after relevant event

Details for Mercantile Investment Company Limited

Nature of relevant interest(s): Registered holder and beneficial owner

For that relevant interest,—

- (a) number held in class: 122,717
- (b) percentage held in class: 6.007%
- (c) current registered holder(s): Mercantile Investment Company Limited
- (d) registered holder(s) once transfers are registered: N/A

Nature of relevant interest(s): Beneficial owner (relevant agreement need not be attached under regulation 139)

For that relevant interest, —

- (a) number held in class: 80,421
- (b) percentage held in class: 3.937%
- (c) current registered holder(s): New Zealand Central Securities Depository Limited
- (d) registered holder(s) once transfers are registered: N/A

Nature of relevant interest(s): Power to exercise all voting rights in Mercantile NZ Limited as holding company of Mercantile NZ Limited. Mercantile NZ Limited is the registered holder and beneficial owner of the shares.

For that relevant interest, —

- (a) number held in class: 1,335,392
- (b) percentage held in class: 65.366%
- (c) current registered holder(s): Mercantile NZ Limited

(d) registered holder(s) once transfers are registered: N/A

Nature of relevant interest(s): Power to exercise all voting rights in Mercantile NZ Limited as holding company of Mercantile NZ Limited. Mercantile NZ Limited to be registered holder and beneficial owner on payment of consideration under the Takeover Offer.

For that relevant interest, —

(a) number held in class: 62,830

(b) percentage held in class: 3.075%

(c) current registered holder(s): Unknown

(d) registered holder(s) once transfers are registered: Mercantile NZ Limited

Details for Mercantile NZ Limited

Nature of relevant interest(s): Registered holder and beneficial owner.

For that relevant interest, —

(a) number held in class: 1,335,392

(b) percentage held in class: 65.366%

(c) current registered holder(s): Mercantile NZ Limited

(d) registered holder(s) once transfers are registered: N/A

Nature of relevant interest(s): Registered holder and beneficial owner on payment of consideration under the Takeover Offer.

For that relevant interest, —

(a) number held in class: 62,830

(b) percentage held in class: 3.075%

(c) current registered holder(s): Unknown

(d) registered holder(s) once transfers are registered: Mercantile NZ Limited

Additional information

Address(es) of substantial product holder(s): Level 11, 139 Macquarie Street, Sydney, NSW, Australia 2000

Contact details: Gabriel Radzyninski, +64 2 8014 1188, gabriel@sandoncapital.com.au

Nature of connection between substantial product holders: Mercantile Investment Company Limited is the holding company of Mercantile NZ Limited.

Certification

I, Gabriel Francois Radzyninski, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.