

CLEANSING NOTICE

24th August 2017

Notice pursuant to clause 20(1)(a) of schedule 8 to the Financial Markets Conduct Regulations 2014

1. Mercer Group Limited (NZX:MGL) ("**Mercer**") proposes to issue up to 3,621,677 ordinary shares ("**New Shares**") in Mercer to selected investors at an issue price of \$0.40 per share ("**Offer**").
2. The Offer will now be made in reliance on the exclusion in clause 19 of schedule 1 to the Financial Markets Conduct Act 2013 ("**Act**"). This notice is a "cleansing notice" provided under clause 20(1)(a) of schedule 8 to the Financial Markets Conduct Regulations 2014 ("**Regulations**").

Continuous disclosure and "excluded information"

3. As at the date of this notice, Mercer is in compliance with:
 - (a) the continuous disclosure obligations that apply to it in relation to ordinary shares in Mercer;
and
 - (b) its financial reporting obligations (as defined in clause 20(5) of schedule 8 to the Regulations).
4. At the date of this notice, there is no "excluded information" (as defined in subclause 20(5) of schedule 8 to the Regulations) that is required to be disclosed for the purposes of the Regulations.

Control

5. There are no potential effects that the Offer and the issue of New Shares will have on the "control" (as defined in clause 20(5) of schedule 8 to the Regulations) of Mercer.