

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  <b>Mercer International Inc.</b>		<b>2</b> Issuer's employer identification number (EIN)  <b>91-608755</b>	
<b>3</b> Name of contact for additional information  <b>Genevieve Stannus</b>	<b>4</b> Telephone No. of contact  <b>604-639-4605</b>	<b>5</b> Email address of contact  <b>gstannus@mercerint.com</b>	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>#282-14900 Interurban Ave S</b>		<b>7</b> City, town, or post office, state, and Zip code of contact  <b>Seattle, WA 98168</b>	
<b>8</b> Date of action  <b>7/5/2017</b>		<b>9</b> Classification and description  <b>Distribution - Common Shares</b>	
<b>10</b> CUSIP number  <b>588056101</b>	<b>11</b> Serial number(s)  <b>N/A</b>	<b>12</b> Ticker symbol  <b>MERC</b>	<b>13</b> Account number(s)  <b>N/A</b>

**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 the payable date of July 5, 2017, the issuer made a cash distribution of \$0.115 per share to shareholders of record as of June 27, 2017.

**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 ▶

The quantitative effect of the cash distribution on the shareholder's basis cannot be determined at this time since such effect depends on the issuer's calculation of current and accumulated earnings & profits. Current earnings & profits are calculated on a full calendar year basis, and information is not available to calculate earnings & profits until after the close of the calendar year.

**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 ▶

The reduction in basis of each share is that portion of the distribution per share which is not a taxable dividend and is based on the issuer's calculation of current and accumulated earnings & profits. Current earnings & profits are calculated on a full calendar year basis, and information is not available to calculate earnings & profits until after the close of the calendar year.

