

NOTICE OF ANNUAL MEETING

MERCER GROUP LIMITED

Notice is given that the Annual Meeting of Shareholders of Mercer Group Limited (the “**Company**”) convened by the Board, will be held on Tuesday, 10 December 2013 commencing at 3:00pm (New Zealand time) at the Treasury Room, George Hotel, 50 Park Terrace, Christchurch Central.

BUSINESS

1. **Chairman’s Address**
2. **Chief Executive’s Address**
3. **Resolutions**

To consider and, if thought fit, to pass the following as ordinary resolutions:

Appointment of Auditor

Resolution 1: “That Deloitte, be appointed as Auditors of the company” see explanatory note 1.

Resolution 2: “That the Board of Directors be authorised to fix the Auditor’s fees and expenses for the coming year.” see explanatory note 2.

Re-election of Directors

Resolution 3: “That Garry Diack be re-elected as a Director of the Company”

Resolution 4: “That Richard Rookes be re-elected as a Director of the Company”

A biography of each Director offering themselves for re-election is set out in explanatory note 3.

4. **General Business**

Proxies

A Proxy Form is included with this Notice of Annual Meeting. Any shareholder of the Company, who is entitled to attend and vote at the Annual Meeting, is entitled to appoint a proxy to attend the Annual Meeting and vote on his or her behalf. A proxy does not need to be a shareholder of the Company.

To be valid, a completed Proxy Form must be produced to the Company by delivering, posting, faxing or emailing it to Link Market Services Limited (see Proxy Form for the address). Proxy Forms must be received no later than **3:00pm on Monday 9 December 2013**.

Resolution requirements

An ordinary resolution is a resolution passed by a simple majority of votes of shareholders who are entitled to vote and voting on the resolution.

Please refer to the explanatory notes that accompany this Notice of Meeting.

By order of the Board of Directors



Paul Smart
Acting Chairman

25 November 2013

EXPLANATORY NOTES

1. APPOINTMENT OF AUDITOR

PricewaterhouseCoopers have been Mercer's auditors for over ten years. Due to this length of tenure and as part of ensuring best business practice, in 2013 the Board undertook a tender process with regard to the office of auditor. The process was thorough and was led by the Mercer Audit Committee with support and analysis from management. The Audit Committee made a recommendation to the full Board which was accepted in its 11 November 2013 Board Meeting.

The decision to change auditors was not taken lightly and all respondents during the tender process including the incumbent put forward strong proposals. The Board assessed Deloitte as providing the best proposal. Accordingly subject to shareholder approval, the Board intends to appoint Deloitte to the office of auditor. Pursuant to Part XI of the Companies Act 1993 new auditors must be appointed by an ordinary resolution of shareholders.

2. REMUNERATION OF AUDITOR

This resolution authorises the Board to fix the fees and expenses of the auditor.

3. RE-ELECTION OF DIRECTORS

Pursuant to clause 13.8 of the Company's constitution and NZSX Listing Rule 3.3.11, one third of the Directors must retire by rotation at each annual meeting. Garry Diack and Richard Rookes retire in accordance with clause 13.8 of the Company's constitution and offer themselves for re-election.

Garry Diack

Garry Diack is currently the Interim Chief Executive of Solid Energy Limited having worked at Solid Energy since 2010. Prior to that Garry owned and operated an Australasian based strategy consulting company that has seen him involved in a number of post-merger integration, share price recovery and performance turn around initiatives across a number of large corporate and medium size companies in New Zealand and Australia for the last 15 - 20 years.

Richard Rookes

Richard Rookes is an executive director of Murray & Co, the manager of the Rakaia Fund. Murray & Co is an independent merchant bank based in Christchurch. Richard manages the private capital activities of Murray & Co and sits on the board of all Rakaia Fund investee companies. Prior to joining Murray & Co in 2005 Richard was based in London where he worked as a banker at Solomon Smith Barney and Citigroup. Richard holds a Bachelor of Commerce (Accounting) from the University of Otago, a Diploma for Graduates (Marketing) and a Postgraduate Diploma in Commerce. Richard is a member of the NZ Institute of Directors and is also a member of the Advisory Committee of St Georges Hospital Society.