

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Mercer International, Inc.		2 Issuer's employer identification number (EIN) 91-6087550	
3 Name of contact for additional information Genevieve Stannus	4 Telephone No. of contact (604) 639-4605	5 Email address of contact gstannus@mercerint.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 282-14900 Interurban Ave S		7 City, town, or post office, state, and Zip code of contact Seattle, WA 98168	
8 Date of action Calendar Year 2016		9 Classification and description Distribution - Common Shares	
10 CUSIP number 588056101	11 Serial number(s) N/A	12 Ticker symbol MERC	13 Account number(s) N/A

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 ▶ Date(s) of action:

Record Date	Payable Date
12/28/2015	01/05/2016
03/28/2016	04/05/2016
06/27/2016	07/07/2016
09/26/2016	10/04/2016

On each payable date, the Issuer made cash distributions of \$0.115 per share of common stock.

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 ▶

On each payable date, 35.4056% of cash distributions should be treated as non-dividend return of capital which reduces the shareholder's basis of shares, except that the basis of shares may not be reduced below zero. Any distribution in excess of basis is treated as capital gain.

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.

Part II Organizational Action (continued)

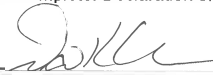
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC. Sec. 301(c) and Sec. 316(a)

18 Can any resulting loss be recognized? ▶ N/A

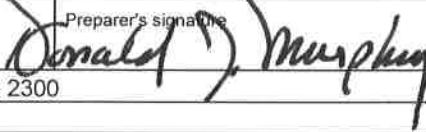
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
Reportable tax year 2016.
The reduction in basis described on line 15, above, is being reported already to payees as Nondividend Distributions on 2016 Form 1099-DIV, Box 3.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶  Date ▶ 1/15/2017

Print your name ▶ David K. Ure Title ▶ Sr. VP Finance, CFO & Secretary

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Donald J. Murphy		1/15/2017		P00113007
	Firm's name ▶ 601 Union St., Suite 2300			Firm's EIN ▶ 91-0605875	
	Firm's address ▶ Seattle, WA 98101			Phone no. (206) 382-7777	