

EXPLANATORY NOTES

EXPLANATORY NOTE 1 – ELECTION OF DIRECTORS

Below are the brief biographical notes on each of the persons offering themselves for election as directors of the Company.

A. **Michael John Andrews**

MNZIF

Non-Executive Director

Committees:

Nominations

Remuneration

Last re-elected 2007

Mr Andrews retired as Chief Executive Officer of Fletcher Challenge Limited in April 2001. He was acting Chief Executive Officer of Fletcher Building Limited until July 2001. He was previously Divisional Chief Executive of Fletcher Challenge Energy, Fletcher Challenge Forests and Fletcher Challenge Paper and previously Chief Executive Officer of the Solid Wood Forestry sector, and before that of the former Energy and Resources Group. He was Chairman of Rubicon Limited until June 2004. He is a director of Orion NZ Limited, the National Centre for Advanced Bio Protection Technologies and CO2 New Zealand Management Company Limited. He is also an advisor to the Board of Tukia Group Limited.

The Board has determined that Mr Andrews is an independent Director.

B. **Rodger Herbert Fisher**

FCIS, FCIT, FIDNZ, FNZIM

Non-Executive Director

Committees:

Audit

Nominations

Remuneration (Chairman)

Last re-elected 2008

Mr Fisher practises as a business consultant. He was previously Managing Director of Owens Group Limited between 1987 and 1999. He is Chairman of Eurotech Group Limited and Lyttelton Port Company Limited and a director of The Property Group Limited and Unison Networks Limited. He is a former Chairman of the Civil Aviation Authority, Aviation Security Services and WEL Networks Limited. He is a Fellow of the Chartered Institute of Secretaries, the Chartered Institute of Transport, the Institute of Directors in New Zealand and the New Zealand Institute of Management.

The Board has determined that Mr Fisher is an independent Director.

The Board supports the nominations of Mr Andrews and Mr Fisher.

EXPLANATORY NOTE 2 – AUDITOR'S REMUNERATION

PricewaterhouseCoopers is the existing auditor of the Company and is automatically re-appointed by virtue of section 200 of the New Zealand Companies Act 1993. The proposed ordinary resolution is required to authorise the directors of the Company to fix the auditor's remuneration for the purposes of section 197 of the New Zealand Companies Act 1993.



Notice of the 2010
Tenon Annual Meeting of Shareholders

*Notice is hereby given that the
2010 Annual Meeting of Tenon Limited shareholders
will be held in the Rangimarie Room,
Te Papa Museum, Cable Street, Wellington, on
Thursday, 4 November 2010 commencing at 2.30pm*

24 September 2010

Tenon's 2010 Annual Meeting

IMPORTANT INFORMATION

This document includes the following information:

- a letter from the Chairman of Tenon Limited; and
- a description of the business of the Annual Meeting.

VOTING/PROXY FORM

Accompanying this document is a voting/proxy form, to enable shareholders to vote on the resolutions by:

- attending the Annual Meeting; or
- lodging a postal vote; or
- appointing a proxy to vote on their behalf at the Annual Meeting.

Shareholders are encouraged to complete and return the voting/proxy form if they do not plan to attend the Annual Meeting.

IMPORTANT DATES

All times are given in New Zealand time.

| | |
|-----------------------------------|---|
| 5.00pm, Friday, 29 October 2010 | Record date for determination of voting entitlements for the Annual Meeting |
| 2.30pm, Tuesday, 2 November 2010 | Latest time for receipt by Tenon Limited of postal votes and proxies |
| 2.30pm, Thursday, 4 November 2010 | Annual Meeting |



CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to invite you to the Annual Meeting of shareholders of Tenon Limited, which will be held at 2.30pm on Thursday, 4 November 2010, in the Rangimarie Room, Te Papa Museum, Cable Street, Wellington.

Enclosed is the Notice of Meeting, outlining the business to be conducted.

Your Board recommends shareholders support the matters to be put to the Annual Meeting.

If you are unable to attend the Annual Meeting, you are encouraged to complete and lodge your voting/proxy form (either by post or fax) so that it reaches the registered office of the Company, or the office of the share registry, no later than 2.30pm, Tuesday, 2 November 2010 (NZ time).

We look forward to seeing you at the Meeting if you are able to attend.

Yours sincerely,

Luke Moriarty
Chairman

24 September 2010

BUSINESS TO BE CONDUCTED

Notice is hereby given that the annual shareholders' meeting (**Annual Meeting**) of Tenon Limited (the **Company**) will be held in the Rangimarie Room, Te Papa Museum, Cable Street, Wellington, on Thursday, 4 November 2010 commencing at 2.30pm.

A. CHAIRMAN'S INTRODUCTION

B. ADDRESSES FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

C. SHAREHOLDER DISCUSSION

D. RESOLUTIONS

Resolution 1 – Re-election of Directors of the Company – Ordinary Resolutions

To re-elect directors to the Board of the Company. For that purpose:

- (a) Michael John Andrews retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election; and
- (b) Rodger Herbert Fisher retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

See Explanatory Note 1 below for a biography of each director of the Company offering himself for election. The election of each director will be voted on separately.

Resolution 2 – Auditor's Remuneration – Ordinary Resolution

To authorise the directors of the Company to fix the auditor's remuneration for the ensuing year.

See Explanatory Note 2.

Procedural Notes

- (i) These resolutions are ordinary resolutions required to be passed by a simple majority of the votes of those shareholders entitled to vote and voting on these resolutions.
- (ii) The persons who will be entitled to vote on the resolutions at the Annual Meeting are those persons who are shareholders at 5.00pm on Friday, 29 October 2010, and only the shares registered in those shareholders' names on that date may be voted at the Annual Meeting.
- (iii) The accompanying voting/proxy form should be used to vote on the resolutions. Shareholders can participate by postal vote, by proxy or by casting their vote in person at the Annual Meeting.
- (iv) Shareholders may cast a postal vote on the resolutions to be voted on at the Annual Meeting by indicating their voting directions on the enclosed voting/proxy form, signing the form and sending it either by post or by fax to the registered office of the Company or the office of Computershare Investor Services Limited (the **Share Registrar**). Postal votes must be received by Tenon no later than 2.30pm on Tuesday, 2 November 2010. Tenon's General Manager Corporate has been authorised by the Board to receive and count postal votes at the Annual Meeting.
- (v) Shareholders who are entitled to attend and vote at the Annual Meeting may appoint a proxy to attend and vote in their place. A shareholder wishing to appoint a proxy should complete the enclosed voting/proxy form and send it either by post or by fax to the registered office of the Company or the office of the Share Registrar. The completed voting/proxy form must be received no later than 2.30pm on Tuesday, 2 November 2010. A proxy does not have to be a shareholder in the Company. For example, shareholders may appoint the Chairman of the Board to act as their proxy, or another person (such as the chairman of the meeting). It is intended that the Chairman of the Board will be the chairman of the Annual Meeting. Please note that the Chairman of the Board intends to vote any discretionary proxies held by him in favour of the resolutions.
- (vi) Shareholders may revoke their proxies by giving written notice of revocation to the registered office of the Company or the office of the Share Registrar no later than 2.30pm on Tuesday, 2 November 2010.

By Order of the Board

Auckland
New Zealand
24 September 2010



Paul Gillard
General Manager Corporate
Tenon Limited