

MINUTES OF THE 14TH ANNUAL MEETING OF SHAREHOLDERS OF RUBICON LIMITED

Hunterville Room, Ascot Stand, Ellerslie Event Centre

9th December 2016

Present: Steve Kasnet (Chairman)
Hugh Fletcher
George Karaplis
Luke Moriarty
Paul Herrod – KPMG
Brynn Gilbertson – Bell Gully
Management of Rubicon
Rubicon shareholders
Tim Hunter NBR (for part of the meeting)

Apologies: David Knott
Bill Hasler

Notice of Meeting: The Chairman opened the meeting at 2:30 pm and welcomed shareholders. He advised that a quorum was present, outlined the programme for the meeting and introduced the Board members. He noted apologies from both Messrs Hasler and Knott, who were unable to attend due to circumstances completely beyond their control.

Chief Executive Officer's Review:
The CEO addressed shareholders, reviewing the 2016 financial year. The text (including slides) of his presentation is attached to these minutes.

Chairman's Comments:
The Chairman then addressed shareholders (the text (including slides) is attached to these minutes).

Shareholder Questions:
The Chairman asked for shareholder questions.

The shareholders discussed a wide range of topics, including that:-

- Tenon post the US business sale still remained a significant business. It was confirmed that in fiscal '16 it generated US\$80m+ of revenue and EBITDA of more than US\$11m, it currently had no debt, and the expectation was that dividends would continue to be paid if the business was retained by Tenon;
- ArborGen did actively use patenting and trade secrets as key methods to protect its intellectual property;
- ArborGen was an acknowledged global leader in commercial development and production of treestocks;
- With three equal stockholders Rubicon did not control ArborGen, and that in this regard Rubicon did not have the same ability to determine the value outcome as it had had with Tenon.

- The residual cash from the Tenon capital return would only be used to bring value to Rubicon's existing investments – i.e. new step-out investments would not be made;
- In response to a question about the size of the Rubicon corporate office it was confirmed that Rubicon consisted of four employees and the Board, who oversaw the ArborGen investment and actively managed the Tenon investment, and that Luke Moriarty's annual Tenon Chairman fees were paid to Rubicon;
- The history of the Clearwood strategy and the success it had been;
- It was noted that if Clearwood was sold Rubicon would just become the ArborGen investment;
- The significant increase in sales that had occurred under the Brazil strategy;
- A shareholder question that it was difficult to value ArborGen. Two (attached) slides were discussed at length at the meeting as representing one way of viewing the future potential of ArborGen, although it was stated that any view of the future would be necessarily subject to a list of caveats as many of the drivers were outside the control of management, and
- It was confirmed that, if one partner in ArborGen decided to sell its shareholding, that the partnership agreement offers the remaining partners pre-emptive and minority protection voting rights.

Resolutions:

The Chairman noted that Bill Hasler and George Karaplis retired by rotation, and being eligible, offered themselves for re-election.

Steve provided some background to Bill's contribution to the Board and Company, following which Steve gave shareholders the opportunity to ask any questions relating to the resolution (there were none), and he then moved the resolution

To re-elect Bill Hasler as a Director of Rubicon Limited.

Steve then asked George to talk to his candidacy, following which Steve gave shareholders the opportunity to ask any questions relating to the resolution. He then moved the resolution

To re-elect George Karaplis as a Director of Rubicon Limited.

The Chairman then asked if there were any questions relating to the final resolution. A shareholder inquired as to the Board's policy on rotation of Audit firms and whether the Audit Committee reviewed the performance of the external auditor. It was confirmed that in accordance with best governance practises, the lead audit partner was rotated every five years and that the Audit Committee reviewed the performance of the external auditor annually. The Chairman then moved the resolution -

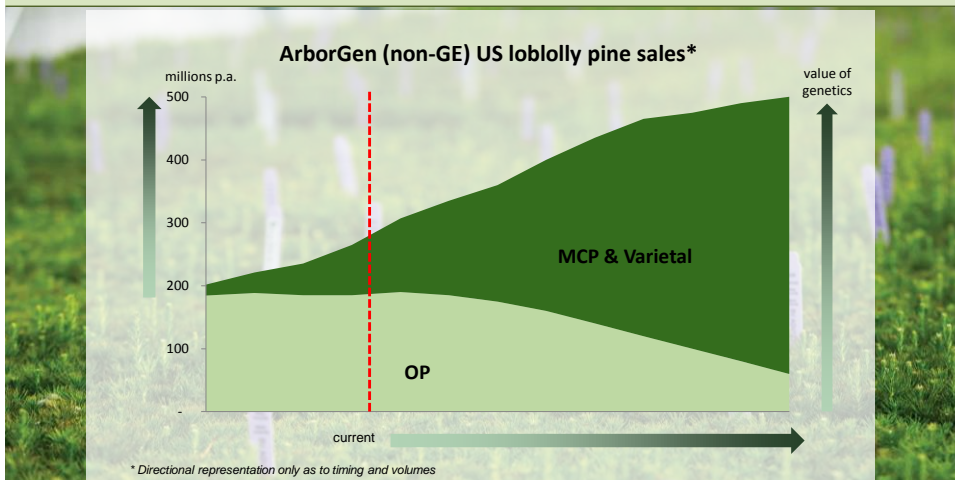
To record the re-appointment of KPMG as the Auditors and to authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

The Chairman announced that, on the basis of postal votes and directed proxies, all resolutions were passed.

Closure of Meeting:

The Chairman closed the meeting at 4:00 pm and invited all present to join the Directors and Management for refreshments.

ArborGen – US higher value genetics adoption



Four things happening here -

1. Total market size growing – US housing recovery ~ 50%
2. ArborGen to take a greater share of that market
3. Increased adoption of higher value genetics
4. Price points increasing – new product launches

ArborGen – thinking about value ...

- In NZ, 85% advanced genetics adoption took circa 10 years
 - Looking forward, if you assume -
 - ArborGen's US sales reach 85% sales level
 - Gross margins of circa 50%+ on a 60:40 MCP : varietal product split
 - US market sales of circa 425-450 million seedlings
 - Improved-product launches (and pricing) commensurate with 10-year \$60 million product development spend
 - Apply appropriate EBITDA multiple and discount back to today
- ⇒ Well in excess of US\$60m implied in RBC share price today
- This analysis ignores the value of -
 - Brazil
 - Future biotech-GE products
 - New growth geographies – e.g. China and Europe
 - New end-uses - bioenergy

Luke Moriarty - CEO's address

Good afternoon ladies and gentlemen.

Let me begin today with a discussion of Tenon.

And given very recent events at Tenon, our review today will be somewhat shorter than usual.

As you know, Tenon has been subject to a full Strategic Review process. The underlying purpose of that Review was to find the most appropriate risk-adjusted path to close the value-gap that had been evident in the Tenon share price for some time. The obvious follow-on logic was, that, if we could close that gap, then that should also help in fixing the disappointing share price performance that Rubicon's shares have displayed – more on that topic later from our Chairman.

The Strategic Review was separated into two processes – one in respect of Tenon's USA operating business, and another in relation to its NZ-based Clearwood operation. The USA review ran ahead of the Clearwood review, and a week ago the outcome was a sale of the USA business for US\$110 million in cash. Tenon has now repaid all its debt, and is currently in the process of returning US\$70 million to its shareholders by way of pro-rata capital return.

Rubicon is one of those shareholders – and we will receive US\$42 million of that capital return later this month. After repayment of all our bank debt and subordinated debt notes, that will leave Rubicon with approximately US\$15 million in cash. As you know, Rubicon hasn't been in a net cash position for almost 10 years, so it will be a good feeling for sure. I'll come back to the use of this cash later on.

Tenon has yet to conclude its second Review, in relation to its Clearwood operations, but we are expecting an announcement some time over the next couple of months. Whether or not this results in a sale of that business remains to be seen. Regardless, Clearwood is a great business. Last year it earned US\$11.5 million in EBITDA*. It has just completed a US\$7 million capital upgrade, and apart from US\$2.5 million in kiln cost should it choose to expand production to a 4th shift in future, all major capex is now behind it. It has the leading clear wood position in the European and US markets, and has the benefit of a 5-year take-or-pay contract with the new owners of Tenon's USA operation, in relation to supply volumes into Lowe's. It is strongly positioned for growth. We would happily continue to maintain a shareholding position in Tenon in order to receive the future earnings and cash flow from the Clearwood operation ... but we will keep an open mind, and await the final outcome of the Tenon Strategic Review of this asset.

Before we leave the Tenon discussion, it's worth pausing for a moment and reviewing our investment from a 'big picture' standpoint. As you will recall, Tenon's share price hit a low of 49-50 cents per share during the housing crisis and GFC. At the time, we had scores of people telling us to sell Tenon for whatever we could get for it ... before the company went under. In fairness to that view, many industry players did go under. However, we chose not to sell to Tenon – we were convinced that we could 'fix' the company, and that its future value path would be much higher than 50 cents per share. To be honest, it was a monumental task. We had to completely pull the company apart and put it back together again. We changed management, cut cost, refined and expanded product offerings, introduced new systems, expanded margin through better procurement practises, and when others were in survival mode we invested in and grew the company ... such that it became the leading specialty millwork provider in the US. We then set about fixing the share price, by introducing an on-market share buy-back program, commencing the payment of dividends, and (finally) initiating the Strategic Review process that I have just discussed. The bottom line here is that '50-something' cents per share has become \$2.50+ per share today – some 5x the value that some had been earlier telling us to sell at.

To round the discussion out, let me show you two slides from the Tenon ASM just a week or so ago. This first one shows the US dollar performance of Tenon over the past 18 months compared with its listed US competitors – you can see quite clearly that the company has outperformed both against individual stocks and against the various sub-sectors within the wider industry. And this next slide shows Tenon's performance against the various stock market indices around the world. Again, you can see that Tenon has been somewhat of a 'star' in comparison. It's important that we all acknowledge that this hasn't just happened by chance. Rather, it has come about as a result of a lot of hard work and an intense focus on that one investment ... as well as a strong desire to prove the sceptics wrong. We believe we have done that.

And with the Tenon process winding to a close, our focus will turn to **ArborGen**.

And a critical difference here is that, unlike Tenon, we do not unilaterally control ArborGen. It is a 3-way partnership, with decision making reflecting consensus or majority views. In this respect, our partners' ownership rationales have changed significantly over time as their own company strategies have evolved and been refined. By way of example, we have had one partner who was one of the largest corporate owners of forest estate exit their entire US forest landholdings, while the other merged in a public market transaction to become a much larger global entity which is now in direct business competition with their fellow ArborGen partner. In addition, ArborGen has become a lesser focus for the partners as they have built their core businesses into materially larger operations – one of our partners now has a US\$13 billion market capitalisation, and the other US\$21 billion. So it's an interesting and changing dynamic for sure ... and it is also one that unfortunately we do not control.

And with that introduction, let's recap now on what happened at ArborGen in fiscal '16.

As you know, each year ArborGen sets targets which we can use to measure performance

and chart progress. This slide categorises those milestones for the past year into five 'buckets.' Let's deal with each of these ...

And I'm very pleased to begin by saying that the year saw the conclusion of the ArborGen employee litigation. There were a lot of unnecessary 'swings and roundabouts' along the way, but in the end the Court dismissed the litigation and vacated in its entirety its prior order. A confidential settlement was reached with the plaintiffs, at immaterial cost to Rubicon. And that's the end of the matter.

In relation to the balance sheet, ArborGen undertook some 'tidy-ups' during the period, including the completion of non-core land sales and the reassessment of its patent activity. More importantly however, ArborGen's bank lines were expanded, with a new 20-year US\$13 million facility put in place with Ag South in April. This, together with a US\$15 million working capital facility from NBSC, and an existing NZ\$4.5 million facility covering the Australasian operations, mean ArborGen has US\$30 million of bank facilities now available to it.

In relation to product development, ArborGen received approval from CTN-Bio – the decision-making regulatory authority in Brazil - to trial a new eucalyptus herbicide tolerant 'GE' product there. Weed competition is a core 'killer' of young eucalyptus seedlings, so the ability to spray with weed killer without also killing the seedling would be a major plus for the industry. As you know, ArborGen only pursues GE-developed products where –

- Trait performance is relatively certain
- Product performance can be proven early in a tree's life
- Market demand is clearly evident, and
- The product cannot be developed through non-GE biotech techniques.

The herbicide tolerance trait meets these requirements.

In terms of production and sales performance for the fiscal 16 year –

- Total production was up 5% to 324 million. We were hoping for a higher volume in the year, but the number was negatively impacted by severe US weather conditions, which result in serious flooding and wash-outs
- The high point for the year was Brazil –
 - Varietal eucalyptus volume was up 300% y-o-y, from 6m to 25m seedlings
 - Loblolly pine sales were 5m, up from nil in the prior year
 - So, over 2-3 years years, Brazil has gone from zero to 30m seedlings sales
 - ... and that platform is now well-established, with Brazil firmly now a core geography for ArborGen moving forward
- Advanced genetics sales in the US continued to improve – moving up to 25% of all loblolly pine sales in fiscal 16
- ... And the percentage of total Australasian sales in advanced genetics form remained firmly in the 85% range
- Gross margin from commercial sales activity increased 20% y-o-y, to US\$12 million

- This year, ArborGen is forecasting EBITDA (before R&D expense) of US\$6 million
- And, including those costs, their forecast is for EBITDA to meet the break-even target.

As ArborGen moves to EBITDA positive, funding demands will primarily be in relation to growth capital – either to meet working capital needs as volumes expand in the US and Brazil, or, to be in a position to ‘trigger’ growth options as they arise – e.g. ‘bolt-on’ acquisitions that allow it to more quickly expand the addressable market for its advanced genetics product offerings. Absent any acquisitions, the current ArborGen projection is that the need for partner funding in the next fiscal year should only be around US\$2-3 million per partner.

While to date, ArborGen has taken longer than we would have liked to build its earnings profile, that is, unfortunately, often the nature of technology companies. Having said that, there can be no argument that ArborGen has built, the leading technology and global commercialisation platform in the industry. It is now producing more than 325 million seedlings, per annum, globally. It has also largely passed through the heavy product development spend phase ... and past EBITDA losses - which peaked at US\$(18) million – are also behind it, with ArborGen forecasting a breakeven result this year, and moving to profit from here on.

Accordingly, we do still believe in the fundamental ArborGen story, and we remain convinced of ArborGen’s underlying value proposition – however, just like Tenon we will have to prove it out. And unlike Tenon, where we did not have the financial resources to apply to its growth (we had to make do with internal cash generation), after we have received our share of the Tenon capital return from Tenon’s US business sale we will be in a position to apply capital to ArborGen opportunities.

And this is an appropriate point for me to stop and hand back to our Chairman, to pick up the story from here.

Thank you.

Non-GAAP Measures

- * *We used EBITDA when discussing financial performance. EBITDA (i.e. Earnings before interest, taxation, depreciation and amortisation) is a non-GAAP financial measure that is not recognised within IFRS. As it is not uniformly define or utilised this measure may not be comparable with similarly title measures used by other companies. Non-GAAP financial measures should not be viewed in isolation or considered as a substitute for measures reported in accordance with IFRS. Management believes that EBITDA provides useful information, as it is used internally to evaluate performance, and it is also a measure that equity analysts focus on for comparable company performance purposes, as the measure removes distortions caused by differences in asset ages, depreciation policies, and debt:equity structures.*

Stephen Kasnet – Chairman's address

Ladies and Gentlemen,

Welcome to the Annual Meeting of Shareholders of Rubicon Limited. My name is Stephen Kasnet and I am Chairman of the Board of Rubicon. It is a pleasure to be here today.

I am pleased to advise that a quorum is present and that this meeting is duly constituted.

The Notice of Meeting has been circulated to all shareholders.

I would like to begin by thanking you for your attendance today as it gives us the opportunity to update you on what has happened this past year and also discuss the way forward for the Company. Accordingly your presence here is very important to us. In addition to the formal sessions of this meeting, my fellow directors, management and I look forward to meeting with you informally for afternoon tea at the conclusion of the meeting.

Let me begin today by introducing the members of your Board to you:

At the far end of the table on my right is George Karaplis. George has held a number of management positions in Canada and Europe and has relevant experience in the forestry and wood products industries from his previous employment with Domtar, a large Canadian Paper and Forest Product producer. George is currently also a Director of Tenon.

Next to George is Hugh Fletcher. Hugh will be well-known to most of you and serves on the Boards of Vector, and IAG and is Trustee of The University of Auckland Foundation, the Dilworth Trust, and The New Zealand Portrait Gallery.

Next to me is Luke Moriarty – our Chief Executive Officer, who is also Chairman of Tenon, a director of ArborGen, and a former Monetary Policy Advisor to the Governor of the Reserve Bank of New Zealand.

Unfortunately both David Knott (our major shareholder and a director of the Company) and Bill Hasler are unable to be with us today in person, due to circumstances completely beyond their control.

Our programme for today is as follows -

- ⇒ Firstly, Luke will review our 2016 financial year and update you on the recent Tenon transaction.

⇒ I will then provide some further additional comments from the Board's perspective, and following that, you will have the opportunity to raise any questions you may have in relation to Rubicon.

⇒ We will then deal with the formal resolutions to be considered by this meeting.

In fairness to those shareholders who cannot attend but have postal voted, all resolutions included in the Notice of Meeting will be decided by poll. In the interests of full information disclosure to shareholders present today, I can inform you that on the basis of the postal votes and directed proxies already received, all resolutions will be passed today. We have received votes in respect of more than 320 million Rubicon shares, representing over 80% of the Company's outstanding shares. 88% of those votes have been cast in favour of the three resolutions in front of this meeting today. This a high voter turn-out, and shows strong support for the Company, for which we are very grateful. I give you this voter detail, not to constrain you from asking questions, but only to ensure you have full knowledge of the current position.

⇒ Upon completion of the meeting we will have tea and coffee and a light snack.

With that said, I will now ask Luke to review our last year of operation for you.

LUKE

[Luke Talks]

STEVE

Thank you Luke.

And as Luke said, following the receipt of our Tenon capital return at the end of this month, we will have paid off all our bank debt and subordinated debt notes. The US\$15 million we will then have in cash will be applied to meet ArborGen working capital and growth opportunities as they arise. Any and all surplus capital generated in future will be returned to our shareholders. . To the extent that any uncertainty on this point may have impacted our share price, I trust I have just removed that concern.

More generally, I can't, of course, proceed through this meeting without discussing the disappointing Rubicon share price performance. Some context may be helpful here. The orange line on this graph shows the path of the Rubicon share price over the past 18 months. There's no question that it has been unimpressive ... and I know I'm not telling you anything you aren't already well aware of. What is interesting however, is how the 'make-up' of the share price has changed over this period. The two bars underneath the orange line, show the change that has occurred in relative percentage that each of our ArborGen and Tenon investments make up of Rubicon's total enterprise value. ArborGen is represented by the green blocks and Tenon by the blue. As you can see, 18 months ago our two investments were evenly balanced – each making up 50% of Rubicon's total value.

Today however, the position is dramatically different, with ArborGen's value now representing only 17% of Rubicon's total value.

And apparently this has occurred over the same period that has seen ArborGen –

- Lift its total sale volume to 324 million seedlings ...
- Establish Brazil as a new Core geography, moving from a standing start to 30 million seedlings in 2+ years ...
- Increase its advanced genetics sales to 25% of its total US loblolly pine volumes ...
- Expand its banking relationships to provide total facility funding of US\$30 million ...
- Increase its Gross Margin from commercial sales to US\$12 million ...
- And this current year it is forecast to achieve EBITDA (before R&D) of US\$6 million ...
- ... with no further permanent capital infusion from its Partners forecast

So it just doesn't make a lot of sense. While the employee litigation did not help the share price 'cause, there is also no doubt that we have also had selling pressure from a few shareholders ... who have found themselves in positions where they have had no choice but to sell in order to address their own internal cash liquidity needs. And although this selling is totally unrelated to underlying Rubicon business performance or value, it has still had the effect of 'capping' the Rubicon price, as that stock is sold into Rubicon market liquidity that arises on any good news – e.g. the settlement of the law suit. This is the fundamental reason Rubicon's share price has 'flat-lined' in recent times. There is nothing we can do about that ... and we wait for that selling pressure to alleviate, so that the price can begin to move back up. But at the end of the day, we do not determine the share price. That is impacted by a lot of factors outside of Rubicon itself.

And one of those factors is the NZ dollar, particularly given Rubicon's investments – Tenon and ArborGen – are each US functional currency assets. A year ago the NZD:USD cross rate was around 65 cents. Today it is almost 72 cents. This materially stronger cross rate converts into a lower NZ dollar share price, as our US dollar investments are translated into NZ dollars at a higher NZ dollar rate. So, currency has been another non-controllable factor that has affected price.

However, what we can and should be held to account for, is the underlying business performance of Tenon, and the oversight of our ArborGen investment ... and we report to you in detail on each of these every six months in order to keep you current with developments. And over the past year the greatest focus has been on proving out Tenon's value through the Strategic Review process. We will now move to our ArborGen investment – which is subject to the key caveat that Luke made earlier. That is, that unlike Tenon, we do not unilaterally control or determine ArborGen outcomes.

Thank you – that ends my formal comments today.

I will now open up the floor to you to ask me any questions you might have. If I get any difficult ones, I will pass them on to one of my fellow directors to answer!

So do we have any questions today?

[Take Questions]

Thank you.

I now propose that we move to the resolutions we need to address.

You will have the opportunity to raise questions or comment on each resolution after I have moved it.

Your voting forms will not be collected until all resolutions have been voted upon. You will have ample opportunity to complete your forms, and I will make it quite clear when your forms will be collected.

With all of that said, let's now turn to the individual resolutions.

Election of Director

The first resolutions today relate to the re-election of Directors. Bill Hasler and George Karaplis retire by rotation, and being eligible, offers ourselves for re-election.

So to resolution 1.

Bill Hasler retires by rotation, and being eligible, offers himself for re-election. Your Board unanimously supports the re-election of Bill as a Director of the Company. Bill's formal details, background and experience were included in the Notice of Meeting but I would like to add that Bill is a highly valued director, who brings a broad range of experience and wisdom to board discussions. He has always believed in and supported Rubicon, reinvesting his directors fees in either shares or loans to the company. Unfortunately as noted earlier, due to circumstances beyond his control Bill is unable to be with us today.

Accordingly, I now move the resolution

To re-elect William Halser as a Director of Rubicon Limited. Are there any questions in relation to this resolution?

[Questions]

Thank you

I now ask you to vote, marking your voting form in respect of the resolution to appoint William Hasler, and continue to hold them for now.

So to resolution 2.

George Karaplis retires by rotation, and being eligible, offers himself for re-election. Your Board unanimously supports the re-election of George as a Director of the Company.

Although George's formal details, background and experience were included in the Notice of Meeting I will ask George to address you regarding his re-appointment.

[George to speak]

Thank you

Accordingly, I now move the resolution

To re-elect George Karaplis as a Director of Rubicon Limited. Are there any questions in relation to this resolution?

[Questions]

Thank you

I now ask you to vote, marking your voting form in respect of the resolution to appoint George Karaplis, and continue to hold them for now.

We now move to the final resolution, relating to our Auditors. KPMG have been our Auditors since incorporation and have confirmed their willingness to continue in that role. KPMG is automatically re-appointed at the Annual Shareholders' Meeting as auditor of the Company. The proposed ordinary resolution is required to authorise the Directors of the Company to fix KPMG's fees and expenses for the following year.

Accordingly, I move:

To authorise the Directors to fix the fees and expenses of KPMG as the Company's Auditor for the ensuing year.

Are there any questions in relation to this resolution?

[Questions]

As there are no [further] questions, can you vote on the resolution, marking your voting form accordingly.

There are no further resolutions. Please ensure you sign your voting forms and now pass them to the nearest end of your row where they will be collected.

[Pause while voted are being collected]

RESULTS OF VOTING

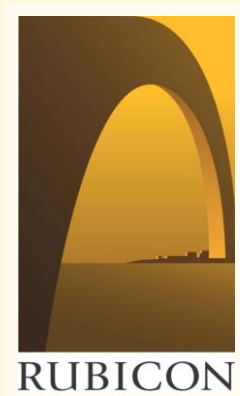
Ladies and Gentlemen, on the basis of the number of postal votes and directed proxies received all resolutions have been carried today.

Again, I thank you for your attendance at this meeting today, and now declare the meeting closed.

I would now like to invite you to join the Directors and Management of the Company for tea and coffee.

Thank you.

Annual Shareholders' Meeting - 2016



Notes to ASM presentations

FORWARD-LOOKING STATEMENTS

There are statements included in this presentation that are "forward looking statements". As these forward-looking statements are predictive in nature, they are subject to a number of risks and uncertainties relating to Rubicon, and our Tenon and ArborGen investments, which are beyond our control. As a result of the foregoing, actual results and conditions may differ materially from those expressed or implied by such statements.

Tenon's risks and uncertainties include - that its operations and results are significantly influenced by the level of activity in the various sectors of the economies in which it competes, particularly in North America and Europe. Fluctuations in industrial output, commercial and residential construction activity, capital availability, housing turnover and pricing, levels of repair and remodelling and additions to existing homes, new housing starts, relative exchange rates, interest rates, and profitability of customers, can each have a substantial impact on Tenon's results of operations and financial condition. Other Tenon risks include competitor product development and demand, pricing and customer concentration risk, customer adoption rates for wood-modified clear products, and the outcome of the Tenon Clearwood Strategic Review which is unknown and uncertain. Grant Samuel prepared a valuation report for Tenon shareholders in relation to the Blue Wolf North American transaction, which referenced a value for Clearwood. However that valuation was only indicative, in as much as the purpose of the report was not to value Clearwood but rather to value the North American business being sold to Blue Wolf. Should the Strategic Review of Clearwood result in a sales proposal, Grant Samuel will be asked to prepare a more detailed valuation assessment and report specifically in respect of the Clearwood business. Accordingly, the Clearwood valuation included in the Blue Wolf offer assessment should be seen as being subject to further analysis and change by Grant Samuel, subject to a number of uncertainties and risks beyond the control of Tenon, and it is also pre-transaction / wind-up costs. The actual value outcome will be determined by the Strategic Review process, which may differ materially from the indicative Grant Samuel valuation. Tenon discloses its results separately on the NZX, and those releases may contain additional information on its performance, risks and opportunities than are presented in Rubicon's reporting of Tenon's activities. Accordingly, Rubicon shareholders should also refer to Tenon's separate NZX announcements.

ArborGen's risks and uncertainties include (in addition to the macro condition risks noted above) - the global markets and geographies in which it operates, intellectual property protection, regulatory approvals, competitor performance, public and customer acceptance of genetically engineered products, customer adoption of advanced seedling products, the success of ArborGen's research and development activities, weather conditions and biological matters. Rubicon is the majority shareholder in Tenon, and effectively controls the operational / financial performance and strategic direction of Tenon as a result. In contrast, Rubicon is only a minority equity investor in ArborGen, and accordingly it does not control the operational / financial performance and strategy of ArborGen, and it is therefore dependent upon another of ArborGen's partners voting in a like-minded manner in order for Rubicon to achieve its desired ArborGen outcomes.

As a result of the foregoing, actual results and conclusions may differ materially from those expressed or implied by such statements.

All references in this document to \$ or "dollars" are references to United States dollars unless otherwise stated.

Non-GAAP Measures

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Annual Shareholders' Meeting - 2016

Stephen Kasnet

Chairman

Annual Shareholders' Meeting - 2016

▪ Introduction of Board members

- George Karaplis
- Hugh Fletcher
- Luke Moriarty
- David Knott
- Bill Hasler

Agenda

- CEO's Review
 - Chairman's Comments
 - Shareholder Questions
 - Resolutions
 - Refreshments
- All resolutions decided by 'poll'
 - 320+ million shares voted
 - \approx 80% of total shares outstanding
 - \approx 88% voted in favour of all resolutions
 - Very high investor turn-out
 - Shows strong support for the Company

Annual Shareholders' Meeting - 2016

Luke Moriarty
CEO

Tenon 2016 review



Tenon – Strategic Review

- To find appropriate risk-adjusted path to close value gap
- Separated into two distinct Review processes -
 - Tenon's USA business
 - NZ Clearwood operations
- Sale of the USA business for US\$110m cash completed ✓
- Tenon has repaid all debt ✓
- Returning US\$70m capital to its shareholders ✓
- Rubicon will receive US\$42m as its 60% share ✓
- After all debt repayment, will leave Rubicon US\$15m in cash ✓

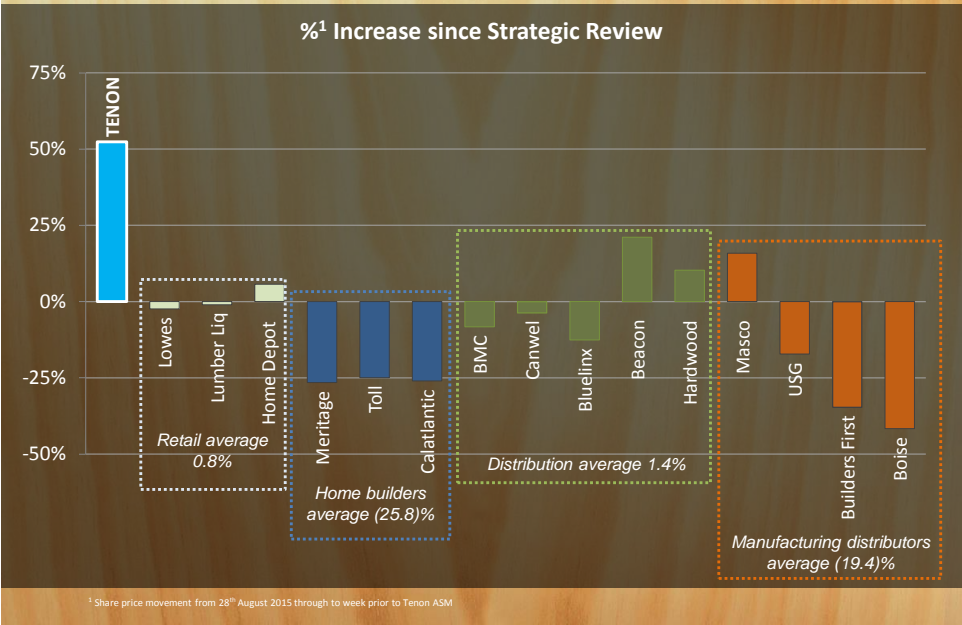
Tenon – Strategic Review ... continued

- Yet to conclude 2nd Review - Clearwood operations review
- Announcement some time Dec/Jan
- Outcome is unknown at this stage
- Clearwood is a 'great' business –
 - FY 2016 US\$11.5m EBITDA
 - All major capex completed (kiln if 4th shift added) - US\$7m capital upgrade completed
 - The leading clear-wood position in the European & US markets
 - 5-year 'take or pay' contract with new owners of Tenon USA
 - Strong growth positioning
- Keeping an open mind as to the final outcome

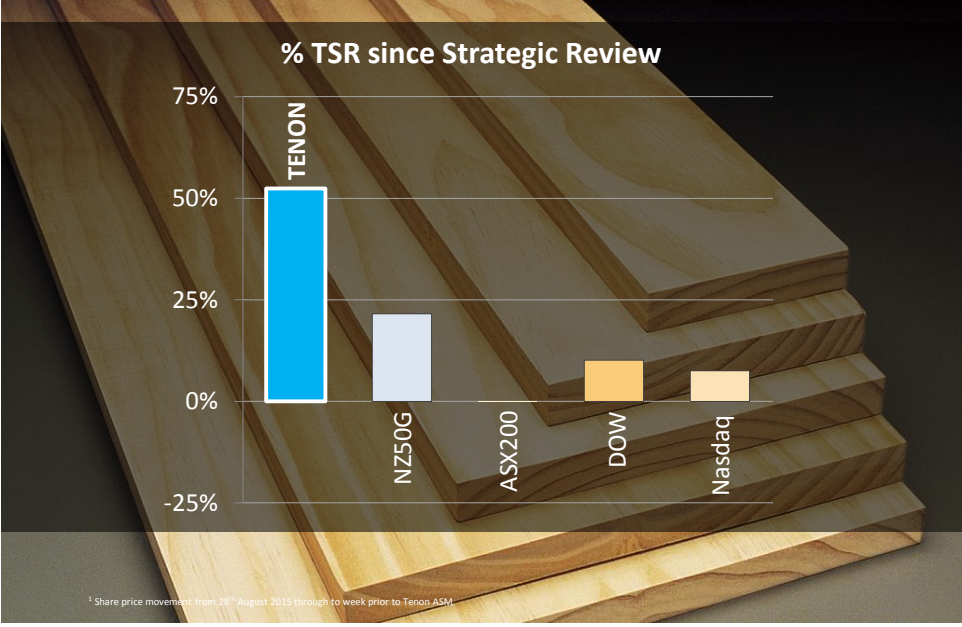
Tenon – 'big picture' review

- Share price low of 49-50¢ during the housing crisis and GFC
- We chose not to sell but to 'fix' the company
- This was a monumental task
 - Changed management
 - Cut costs
 - Refined and expanded product offerings
 - Introduced new systems
 - Expanded margins
 - Invested and grew the company
- Tenon became the leading specialty millwork provider in the US
- We set about fixing the share price
 - Introduced share buy-back
 - Commenced dividend payments
 - Initiated the Strategic Review
- 50 cents per share ⇒ \$2.50+ per share today

Tenon – comparable TSR performance



Tenon – comparable TSR performance



ArborGen 2016 review



ArborGen – partnership dynamics

- Unlike Tenon – we do not unilaterally ‘control’ ArborGen
 - ArborGen is a three-way partnership
 - Decision-making reflects majority / consensus views
 - Partners’ ownership rationales have changed over time
 - One partner exited their entire US forest landholding
 - The other merged in a large public market transaction
 - Now in direct competition with their fellow partner
 - ArborGen is a lesser focus for them -
 - One has US\$13 billion market capitalisation
 - The other, US\$21 billion market capitalisation
- ⇒ Interesting and changing dynamic ... which we do not control

ArborGen – milestones review

Legal

Balance sheet

Product development

Operational

Future funding

- Employee dispute concluded
- US Court
 - Dismissed the litigation
 - Vacated in its entirety its prior order
- Confidential settlement reached
- ... at immaterial cost to Rubicon

ArborGen – milestones review ... continued

Legal

Balance sheet

Product development

Operational

Future funding

- 'Tidy-ups'
 - Surplus land sales completed
 - Patents assessment
- New Ag-South US\$13m, 20-year bank facility
- NBSC existing US\$15m working capital loan
- Westpac NZ\$4.5m facility
- ⇒ US\$30m+ facilities available

ArborGen – milestones review ... continued

Legal ✓

Balance sheet ✓

▶ Product development

Operational

Future funding

- Field trial approval from CTNBio in Brazil
- Eucalyptus herbicide tolerant GE product
 - Weed killing without killing seedling a major plus
- GE products pursued only where
 - Performance outcome is certain
 - Product performance can be proven early
 - Market demand is evident
 - Cannot be developed using traditional methods
- Herbicide tolerance meets these hurdles

ArborGen – milestones review ... continued

Legal ✓

Balance sheet ✓

Product development ✓

▶ Operational

Future funding

- Total volume ↑5% to 324 million seedlings
- High-point was Brazil
 - 6m → 25m eucalyptus y-o-y
 - Nil → 5m pine y-o-y
 - So from 'nil' 2-3 years ago to 30m seedlings
 - Brazil now a core geography for ArborGen
- Advanced genetics sales %
 - US up to 25% of loblolly pine sales (22% PY)
 - Australasia ≈ 85% of total sales
- Gross margin \$ from commercial sales ↑25% ... to US\$12m
- EBITDA pre R&D ≈ US\$6 million this year
- EBITDA through break-even this year

ArborGen – milestones review ... continued

Legal ✓

Balance sheet ✓

Product development ✓

Operational ✓

▶ Future funding

- EBITDA positive reduces need for Partner \$
- Future Partner funding to be 'growth-based'
 - Working capital, as volume expands
 - 'Triggering' growth options
- Absent any acquisitions
 - Next year, circa \$2-3 million per partner

ArborGen – higher value advanced genetics

- Longer than we would have liked to build its earnings profile
- That said, no argument ArborGen has –
 - Built the leading technology and commercialisation platform ✓
 - It is now producing over 325 million seedlings pa globally ✓
 - Past EBITDA losses (which peaked at US\$(18) million) are behind it ✓
 - ... break-even this year
 - ... moving on to profit from here on
- Convinced of fundamental story and underlying value proposition ✓
- Will be in a position to apply capital to ArborGen opportunities ✓

Annual Shareholders' Meeting - 2016

Stephen Kasnet

Chairman

Rubicon capital allocation

- Following the receipt of Tenon's capital return we will pay off all Rubicon's bank debt and subordinated debt notes
- US\$15m cash will be applied to meet ArborGen needs / opportunities as they arise
- Any surplus capital in the future will be returned to shareholders



Rubicon share price



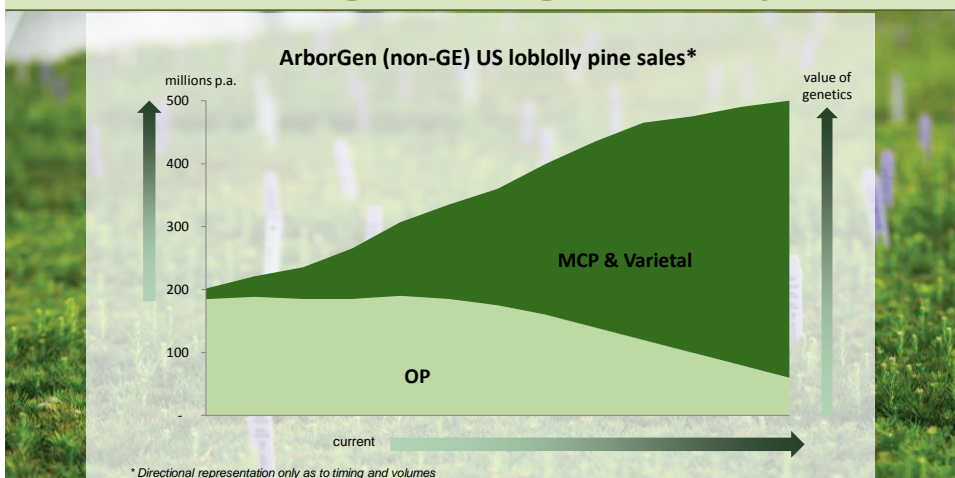
Rubicon – ArborGen component of share price

- ArborGen component of RBC share price has declined, despite -
 - Lifting current sales volume to 324 million seedlings per annum
 - Brazil being established as a new Core geography
 - Advanced genetics sales increasing to 25% of total US Loblolly pine
 - Expanded bank facilities to US\$30 million
 - Increased gross margin from commercial sales to US\$12 million
 - Current year forecast EBITDA of US\$6 million (re R&D)
 - No further permanent capital infusion from partners forecast
- Does decline make sense?

Rubicon – share price and accountability

- Shareholder ‘liquidity’ has played a big role
 - Not specific to RBC performance – internal shareholder fund liquidity needs
 - But has the effect of ‘capping’ RBC share price
- We can’t set the RBC share price – outside our control
 - NZ dollar is another key factor
 - RBC investments (Tenon & ArborGen) are each USD functional currency
 - NZD:USD has moved from 65 cents → 72 cents
 - Translates into lower NZD share price for constant USD value
- **But we should be held to account for what we can control –**
 - Underlying business performance of Tenon
 - Oversight of our investment in ArborGen
 - Report to you every 6 months in detail on these
 - Greatest focus over past year has been on Tenon
 - Proving out value in Strategic Review process
 - Now moving our attention to our ArborGen investment
 - ... which, unlike Tenon, we do not unilaterally control

ArborGen – US higher value genetics adoption



Four things happening here -

1. Total market size growing – US housing recovery ≈ 50%
2. ArborGen to take a greater share of that market
3. Increased adoption of higher value genetics
4. Price points increasing – new product launches

ArborGen – thinking about value ...

- In NZ, 85% advanced genetics adoption took circa 10 years
 - Looking forward, if you assume -
 - ArborGen's US sales reach 85% sales level
 - Gross margins of circa 50%+ on a 60:40 MCP : varietal product split
 - US market sales of circa 425-450 million seedlings
 - Improved-product launches (and pricing) commensurate with 10-year \$60 million product development spend
 - Apply appropriate EBITDA multiple and discount back to today
- ⇒ Well in excess of US\$60m implied in RBC share price today
- This analysis ignores the value of -
 - Brazil
 - Future biotech-GE products
 - New growth geographies – e.g. China and Europe
 - New end-uses - bioenergy

Resolutions

Resolution 1

To re-elect William Hasler as a Director

Resolution 2

To re-elect George Karaplis as a Director

Resolution 3

To authorise the Directors to fix the fees and expenses of KPMG as the Company's Auditor for the ensuing year