



Notice of the 2006
Tenon Annual Meeting of Shareholders

*Notice is hereby given that the 2006 Annual Meeting
of Tenon Limited shareholders will be held at
the Conference Room, Christchurch Town Hall,
Kilmore Street, Christchurch, on Friday, 3 November 2006
commencing at 2.00pm*

21 September 2006

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, 27 October 2006	Record date for determination of voting entitlements for the Annual Meeting
2.00pm, 1 November 2006	Latest time for receipt by the Company of postal votes and proxies
2.00pm, 3 November 2006	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 2.00pm on Friday, 3 November 2006, at the Conference Room, Christchurch Town Hall, Kilmore Street, Christchurch.

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 on 3 November 2006, 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 2.00pm, 1 November 2006 (NZ time).

I hope to see you at the Annual Meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Luke Moriarty', with a long horizontal flourish extending to the right.

Luke Moriarty
Chairman

BUSINESS TO BE CONDUCTED

Notice is hereby given that the annual shareholders meeting of Tenon Limited (the **Company**) will be held at the Conference Room, Christchurch Town Hall, Kilmore Street, Christchurch, New Zealand on Friday, 3 November 2006 at 2.00pm.

A. THE CHAIRMAN'S INTRODUCTION

B. ADDRESSES TO SHAREHOLDERS FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

C. SHAREHOLDER DISCUSSION

D. RESOLUTIONS

Resolution 1 – Election of Directors – Ordinary Resolutions

To elect Directors to the Board of the Company. For that purpose:

- (a) Simon Luke Moriarty retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election; and
- (b) Michael Carmody Walls retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

See Explanatory Note 1 for a biography of each Director offering himself for election. The election of each Director will be voted on separately.

Resolution 2 – Auditors' Remuneration – Ordinary Resolution

To authorise the Directors to fix the auditor's remuneration for the ensuing year.

See Explanatory Note 2.

Procedural Notes

- (i) These resolutions are ordinary resolutions and therefore are 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, 27 October 2006, 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 his/her/its voting preference 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 the Share Registrar. It is not necessary to also appoint a proxy. The completed voting/proxy form must be received no later than 2.00pm on Wednesday, 1 November 2006. The General Manager Corporate has been authorised by the Board to receive and count postal votes at the Annual Meeting.
- (v) Any shareholder who is entitled to attend and vote at the Annual Meeting may appoint a proxy to attend and vote in his/her/its 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 2.00pm, 1 November 2006. A proxy does not have to be a shareholder in the Company. A shareholder may appoint the Chairman of the Board to act as his/her/its 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 except in relation to that part of the meeting dealing with the resolution to re-appoint the Chairman as a director, when Michael Walls will act as chairman of the meeting and cast the proxy votes recorded for the "chairman of the meeting" on that resolution. The Chairman of the Board has advised that it is his intention to vote discretionary proxies held by him in favour of all of the resolutions set out above other than in respect of Resolution 1(a) where the Chairman of the Board has advised that he will not vote any discretionary proxies he has received. Michael Walls has advised that it is his intention to vote discretionary proxies held by the "chairman of the meeting" in favour of the resolution to re-appoint the Chairman as a director.
- (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 2.00pm on Wednesday, 1 November 2006.
- (vii) If shareholders plan to attend the Annual Meeting, their completion and return of the enclosed reply-paid attendance card would assist our planning.

By Order of the Board

Auckland

New Zealand

21 September 2006



Paul Gillard

General Manager Corporate

Tenon Limited

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.

A. Simon Luke Moriarty

MS (Stanford), LLB (Hons), BCA (VUW)

Chairman of Directors

Committees

Audit

Nominations

Initially appointed 2001. Last re-elected 2003

Mr Moriarty was appointed Chairman of Directors on 7 October 2005. He is the Chief Executive Officer and an executive director of Rubicon Limited. Prior to that he was a member of the Executive Office of the Fletcher Challenge Group, and was instrumental in structuring the financial separation of the Fletcher Challenge Group in 2001. He joined Fletcher Challenge Limited in 1982, and held a number of senior executive roles across the Fletcher Challenge Group Divisions in New Zealand and North America, including Chief Financial Officer of Fletcher Challenge Canada and Director of TimberWest Forests. He is a director of Horizon2, ArborGen LLC, American Wood Moulding LLC and The Empire Company, Inc. The Board has determined that Mr Moriarty is not an independent Director because he is a director of Rubicon Forests Limited, the Company's largest shareholder, and a director of Rubicon Limited, the holding company of the Company's largest shareholders.

B. Michael Carmody Walls

BA, LLB (VUW), LLM (London)

Non-Executive Director

Committees

Audit (Chairman)

Nominations

Initially appointed 2001. Last re-elected 2004

Mr Walls practises as a business consultant. He was previously the Managing Director, Investment Banking, for BZW New Zealand, and then for its successor, ABN AMRO New Zealand, from 1997 to 2000. Prior to that Mr Walls practised as a commercial lawyer at Chapman Tripp, where he was a partner from 1972 until 1996 specialising in mergers and acquisitions, international finance and corporate law. Mr Walls is a former Chairman of BHP NZ Steel Holdings, and a former Chairman of the listed Independent Press Communications (now a subsidiary of APN News & Media Limited). In addition, he has been a director of a number of unlisted companies. He is the Chairman of the Board of the New Zealand Institute of Economic Research. The Board has determined that Mr Walls is an independent Director.

The Board of Directors supports the nominations of Mr Moriarty and Mr Walls.

EXPLANATORY NOTE 2 – AUDITORS' REMUNERATION

PricewaterhouseCoopers are the existing auditors of the Company. They are automatically re-appointed by virtue of section 200 of the Companies Act. The proposed ordinary resolution is required to authorise the Directors to fix their remuneration for the purposes of section 197 of the Companies Act.

GLOSSARY

The following terms have the following meanings when used in this Notice of Annual Meeting:

"Annual Meeting" means the annual meeting of shareholders of the Company, to be held on 3 November 2006, and any adjournments or postponements thereof;

"Board" means the board of directors of the Company;

"Companies Act" means the Companies Act 1993 (New Zealand);

"Company" means Tenon Limited;

"Directors" means the directors of the Company;

"Explanatory Notes" means the explanatory notes to the proposed resolutions that form part of this Notice of Annual Meeting;

"Notice of Annual Meeting" means this notice of annual meeting and explanatory notes issued by the Company for the purpose of calling the Annual Meeting; and

"Share Registrar" means Computershare Investor Services Limited.