

Rubicon Annual Shareholders' Meeting – 9 December 2016

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.