



## Special Shareholders' Meeting - 2017



## Mark Eglinton – Chairman of the Meeting



## Principal Purpose of Meeting

- Sale of Clearwood business
- Full description in the Notice of Meeting



## Sub-committee of Independent Directors

- Mark Eglinton
- Stephen Walker



- ▶ **A. Chairman's introduction and address**
- B. Shareholder discussion**
- C. Resolutions**
  1. Proposed sale of Tenon's Clearwood business
  2. Capital Return
  3. Delisting from the NZX
  4. Solvent liquidation – Amendments to Constitution
- D. Refreshments**

## Clearwood Sale

- Sale of NZ-based Clearwood business for US\$55 million
- Deutsche Craigs
- Thorough Strategic Review process
- Eight parties expressed interest
- Tenon Clearwood Limited Partnership offer best received

## Grant Samuel Independent Advisors' Report

	<u>Scenario 1</u> Sale of Clearwood & Tenon liquidated	Consortium offer	<u>Scenario 2</u> No sale Tenon "as is"
Enterprise value pre-costs	US\$52.0-62.5m	US\$55.0m	US\$46.0-55.2m
Valuation post-costs	US\$45.8-56.3m		
Value per share post-costs	NZ\$1.99-2.45	NZ\$2.12	NZ\$1.74-2.08

## Clearwood Sale

- **Approval of the Clearwood sale means:**
  - Second capital return of US\$43 million
  - Delisting of Tenon on 31 July 2017
  - Voluntary solvent liquidation of Tenon
  - Final conclusion to the Strategic Review
  - On completion of sale and liquidation more than US\$125m returned to shareholders
  - Strategic Review process to deliver total return of approximately 50%



**A. Chairman's introduction and address**

**B. Shareholder discussion**

**C. Resolutions**

1. Proposed sale of Tenon's Clearwood business
2. Capital return
3. Delisting from the NZX
4. Solvent liquidation

**D. Refreshments**



**Resolution 1 - Proposed Transaction – Ordinary Resolution**

That the sale of the Clearwood business and associated assets on the terms set out in the Sale Agreement, for a price of approximately US\$55 million, as described in the Explanatory Memorandum, be approved.



**Resolution 1 - Proposed Transaction – Ordinary Resolution**

That the sale of the Clearwood business and associated assets on the terms set out in the Sale Agreement, for a price of approximately US\$55 million, as described in the Explanatory Memorandum, be approved.

**Resolution 2 – Capital Return – Special Resolution**

That, subject to Resolution 1 being passed and completion of the Proposed Transaction occurring, the arrangement relating to the return of capital to the Company's shareholders, as described in the Explanatory Memorandum and the Arrangement Plan, under which the Company will return approximately US\$43 million of capital pro rata to shareholders, be approved.





**Resolution 3 - De-Listing – Ordinary Resolution**

That, subject to Resolutions 1 and 2 being passed and completion of each of the Proposed Transaction and the Second Capital Return occurring, and with effect on 31 July 2017, the cessation of the Company's listing with NZX Limited, and cessation of quotation of the Company's ordinary shares on the NZX Main Board, be approved.



**Resolution 3 - De-Listing – Ordinary Resolution**

That, subject to Resolutions 1 and 2 being passed and completion of each of the Proposed Transaction and the Second Capital Return occurring, and with effect on 31 July 2017, the cessation of the Company's listing with NZX Limited, and cessation of quotation of the Company's ordinary shares on the NZX Main Board, be approved.

**Resolution 4 – Amendments to Constitution – Special Resolution**

That, subject to Resolutions 1 and 2 being passed and completion of each of the Proposed Transaction and the Second Capital Return occurring, the constitution of the Company be amended as set out in the Notice of Meeting

## Forward-Looking Statements

*There are forward-looking statements included in this document. As forward-looking statements are predictive in nature, they are subject to a number of risks and uncertainties relating to Tenon, its operations, the markets in which it competes and other factors (some of which are beyond the control of Tenon). As a result, actual results and conditions may differ materially from those expressed or implied by such statements. In particular, Tenon's operations and results are significantly influenced by the level of activity in the various sectors of the economies in which it competes, particularly in New Zealand, Europe and North America. Fluctuations in industrial output, commercial and residential construction activity, capital availability, housing turnover and pricing, levels of repairs, remodeling 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 risks include competitor product development, product demand and pricing, input cost and customer concentration risk.*

*All references in this document to \$ or "dollars" are references to New Zealand dollars unless otherwise stated. An exchange rate of 0.71 has been used to calculate any NZ\$ equivalents of US\$ amounts.*