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## Exemption for relevant government enterprise from the definition of non-NZ government investor

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Read this decision carefully - you must comply with all the conditions. If you do not, we may revoke your exemption.

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### Decision

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**Decision date:** 16 May 2022

#### Decision

An exemption is **granted** under section 20AA of the Overseas Investment Act 2005 to the following relevant government enterprises.

<b>Case number</b>	202200084
<b>Exemption Holder</b>	ANZFF3 Limited (New Zealand company number 6618173) We will also refer to the Exemption Holder as <b>you</b> .
<b>Exemption</b>	The Exemption Holder is exempt from the definition of 'non-NZ government investor' in section 6(1) of the Act for the purposes of section 20A(1)(a) and (b). <sup>2</sup>
<b>Timeframe</b>	The Exemption continues in force until 31 December 2024.

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### Conditions

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Your Exemption is subject to the special conditions, standard conditions and reporting conditions (**Conditions**) set out below. You must comply with them all. Be aware that if you do not comply with the Conditions we may amend or revoke your Exemption.

In the Exemption and the Conditions, we refer to the Overseas Investment Office as OIO, us or we.

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### Definitions

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**Act** means the Overseas Investment Act 2005.

**ANZFF3** means the New Forests Australia New Zealand Forest Fund 3, a stapled entity of the New Forests Australia New Zealand Forest Operating Fund 3 and New Forests Australia New Zealand Forest Investment Fund 3.

**Government** has the same meaning as in regulation 64D(3) of the Regulations.

**Regulations** means the Overseas Investment Regulations 2005.

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<sup>2</sup> For the avoidance of doubt, the Exemption Holder is not exempt from sections 20A(1)(c)-(e).

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## Special Conditions

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You must comply with the following **special conditions**.

Details	Required date
<b>Special condition 1: beneficial ownership of the Exemption Holder</b>	
This exemption will cease to apply if:	
1. relevant government enterprises, including the Board of the Pension Protection Fund and NatWest Pension Trustee Limited, connected with the government of the United Kingdom, collectively have more than 50% of ANZFF3.	At any time.
2. if the Exemption Holder becomes a relevant government enterprise other than due to indirect ownership by relevant government enterprises connected with the government of the United Kingdom.	At any time.
<b>Special condition 2: control of the Exemption Holder</b>	
This exemption will cease to apply if:	
1. any person other than New Forests Asset Management Pty Limited (ACN 114 545 283) acts as manager of ANZFF3; or	At any time.
2. any person other than the Trust Company (Australia) Limited (CAN 000 000 993) acts as trustee of New Forests Australia New Zealand Forest Operating Fund 3.	At any time.
<b>Special Condition 3: notify the OIO</b>	
The Exemption Holder must notify the OIO of any change to the management arrangements of the Exemption Holder and/or ANZFF3.	Within 20 working days of the change.
If you do not, Standard Condition 2 will apply and we may revoke your exemption.	

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## Standard conditions

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You must also comply with the **standard conditions** set out below.

Details	Required date
<b>Standard Condition 1: tell us about changes that affect you, the people who control you, or people you control</b>	
<p>You must tell us in writing if any of the following events happens to any of the Exemption Holder:</p> <ol style="list-style-type: none"><li>1. you cease to be an overseas person;</li><li>2. you cease to be a relevant government enterprise;</li><li>3. you, any person that controls you, or any person you control:<ol style="list-style-type: none"><li>a. becomes bankrupt or insolvent</li><li>b. has an administrator, receiver, liquidator, statutory manager, mortgagee's or chargee's agent appointed, or</li><li>c. becomes subject to any form of external administration.</li></ol></li></ol>	Within 20 working days after the change.
<b>Standard Condition 2: amend or revoke your exemption</b>	
<p>The ownership and control structure you submitted as part of your application for exemption was key to the decision to grant an exemption.</p> <p>If we consider you have failed to comply with one of the Special Conditions listed above in a material way, we may amend or revoke your condition.</p> <p>If all or part of this Standard Condition 2 applies to a special condition, we have said so in that condition.</p> <p>We will give you written notice if we are revoking your exemption.</p>	At all times.

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## Reporting Conditions

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If requested in writing by the OIO, the Exemption Holder must provide a written report within 20 working days (or such other timeframe as specified) on any matter relating to its compliance with:

- (a) the representations made or submitted in support of the application for Exemption; or
- (b) the conditions of the Exemption.

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## Reasons for exemption

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ANZFF3 Limited is a New Zealand company that holds the New Zealand assets of the New Forests Australia New Zealand Forest Operating Fund 3 (**Operating Fund 3**). Operating Fund 3 and New Forests Australia New Zealand Forest Investment Fund 3 form a stapled entity known as the New Forests Australia New Zealand Forest Fund 3 (**ANZFF3**).

Of the 10 institutional investors in ANZFF3, there are three state pension funds from a single country, being the United Kingdom that hold a total of 30.51% combined stake in ANZFF3. These state pension funds are deemed to be 'non-NZ government investors' under the Overseas Investment Act 2005 (**the Act**). Applications for consent under the Act by ANZFF3 Limited, therefore, are considered to be 'transactions of national interest' and require a national interest assessment under section 20A of the Act.

Section 20AA of the Overseas Investment Act provides for exemptions from the definition of non-NZ government investor. Section 20AA(2) of the Act and Regulation 64D of the Overseas Investment Regulations 2005 set out the criteria for granting such exemptions.

The criteria are met in this case.

- The Government of the United Kingdom does not have the right to exercise or control the exercise of more than 25% of the voting power at a meeting of ANZFF3 Limited.
- No government has an ability to control or influence the investment or management decisions of ANZFF3 Limited or influence any individual investment decisions or the management of any individual investments, other than on a commercial basis.
- No earlier use of influence by a government in respect of ANZFF3 Limited was identified.
- An exemption is appropriate and desirable, given the low risk resulting from indirect investments of this nature and the significant costs associated with undertaking national interest assessments.
- The exemption is no broader than reasonably necessary.