

OI Assessment Report 202400245 – PAR Global Australia Pty Ltd

Ki / To: Clare Needham
Principal Customer Regulatory
Specialist (Overseas Investment -
LINZ)

Rā / Date: 21 May 2024

Mai / From: Nick Leaming
Customer Regulatory Specialist
(Overseas Investment - LINZ)

**Rā Mutunga/
Deadline:** 10 June 2024

Pūtake/Purpose

We seek your decision on an application for consent to acquire significant business assets under the Overseas Investment Act 2005 (**Act**).

Summary

Applicant	PAR Global Australia Pty Ltd United States of America (90%) Ukraine (5%) India (2%) Canada (1%) Various (2%)
Vendor	Task Group Holdings Ltd Australia (73%) New Zealand (21%) United States of America (5%) Various (1%)
Type	Acquisition of assets
Asset	Up to 100% of the shares in TASK Group Holdings Ltd
Consideration	\$375,000,000

Relevant testsInvestor test¹National interest criterion²

The Applicant is a holding company ultimately owned by PAR Technology Corporation, a hospitality payment services provider which is listed on the New York stock exchange. TASK Group Holdings Ltd, is an Australian company which develops software for hospitality services.

The Applicant intends to expand beyond their market, absorb TASK's strong cash flow profile and bring global brands who work with TASK into its portfolio.

Timing

A decision is required by **10 June 2024** to enable the decision to be communicated to the Applicant in compliance with the prescribed assessment timeframe of 35 working days.

Decision

1. I have determined that, for the reasons set out in this report:
 - the relevant overseas person(s) and individuals with control are as set out in this report;
 - the investor test has been met;
2. I note that the transaction is not considered to be a transaction of national interest.
3. I therefore **grant consent** subject to the conditions in **Attachment 1**.

[s 9(2)(a)]



Clare Needham

Principal Customer Regulatory Specialist (Overseas Investment - LINZ)

Date: 23 / 05 / 2024

¹ Sections 18(a) and 18A of the Act.

² Section 18(b) of the Act.

A. Background and proposed transaction

4. PAR Global Australia Pty Ltd (**Applicant**) is an Australian company, ultimately owned by PAR Technology Corporation³ (**PAR**) which is listed on the New York stock exchange⁴. The Applicant is buying 100% of the shares in TASK Group Holdings Ltd (**TASK**) an Australian company, which has three New Zealand incorporated subsidiaries (**Investment**).

TASK Group Holdings Ltd

5. TASK develops and sells software applications to the global hospitality sector. This includes point of sale services, online ordering, loyalty apps, and kitchen management products. Task also develops application programming interfaces and supplies hardware products.
6. TASK has three New Zealand subsidiaries (collectively the **NZ subsidiaries**):
- Plexure Limited,
 - TASK Services Limited, and
 - VMob IP Limited.
7. An exact value for the NZ subsidiaries has not been calculated, but it is estimated that it may exceed NZ\$100m.

Transaction

8. PAR and TASK both operate in the hospitality industry but in separate markets. PAR is acquiring TASK to expand beyond the United States market, absorb TASK's strong cash flow profile and bring global brands who work with TASK into PAR's portfolio.
9. The proposed transaction will be completed through a scheme of arrangement under the Australian Corporation Act (the **Transaction**). Shareholders in TASK will be offered A\$0.81 per share, or a mixture of cash and common stock in PAR (at a rate of 0.015 share in PAR for each share in the TASK). This gives a range of consideration between NZ\$339m and NZ\$375m depending on the composition of the payout.
10. The Transaction is conditional on other regulatory approvals: FIRB Approval; confirmation from the Australia Tax Office that it is prepared to issue a class ruling in a form and substance satisfactory to TASK; and court approval in accordance with the Australian Corporations Act.

B. Application of the Act

11. The Asset is sensitive because the value attributable to TASK's New Zealand business may exceed NZ\$100 million. The following criteria for an investment in significant business assets apply to this application:⁵

⁴ Listed on 12 May 1994, trades as PAR.

⁵ Set out in section 18 of the Act.

- The investor test must be met.⁶
- You must also note whether the Investment is a transaction of national interest and, if so, whether the Minister of Finance has decided that the Investment is contrary to New Zealand's national interest.⁷

12. We assess the investor test in **Part C** and discuss national interest matters in **Part D**.

C. Applicant and investor test

13. This section describes the Applicant and assesses whether the investor test is met.

Business Activities

14. PAR is a Delaware incorporated corporation that is the ultimate parent for the PAR group. The group has two distinct arms, PAR Tech and PAR Government.
15. PAR Tech provides payment and computer systems to the restaurant and retail sector in over 100 countries. Products and services provided include point-of-sale, digital ordering and delivery, payment processing and related hardware and technologies.
16. PAR Government provides systems and software for the U.S. Department of Defence (**DoD**), the US intelligence community, and other federal agencies. This includes support services for satellite command and control, communication, and information technology systems at several DoD facilities worldwide.
17. The two arms operate separately, and none of the subsidiaries involved in this transaction are part of the PAR Government business.

Ownership and control

18. The Applicant is wholly owned by PTI Global Australia Pty Ltd (**PTI**) an Australian incorporated limited liability company. PTI and the Applicant are both holding companies established for the Transaction.
19. PTI is wholly owned, via a holding company by PAR. PAR is listed on the stock exchange with six shareholders holding ownership greater than 5%:
 - T. Rowe Price Group Inc – 15%,
 - ADW Capital Management LLC – 8%,
 - Capital Research Global Investors – 7%,
 - BlackRock, Inc. – 7%,
 - The Vanguard Group – 6%, and
 - Scott Stewart Miller (c/o Royce & Associates LLC) – 6%.

⁶ Sections 18(a) and 18A of the Act.

⁷ Section 18(b) of the Act.

20. The Applicant and PTI are both controlled by the sole director Steven Leo, who directly reports to the board of directors for PAR. Day to day management and ultimate decision-making power is held by the board of directors of PAR.
21. A diagram of the intended ownership structure is in **Attachment 2**.

Relevant overseas person and individuals with control

22. We recommend that the '**relevant overseas person**' is collectively:

Relevant overseas person	Reason
PAR Global Australia Pty Ltd	Applicant
PTI Global Australia Pty Ltd	Parent of Applicant
PAR Technology Corporation	Ultimate parent company

23. We recommend that the '**individuals with control of the relevant overseas person**'⁸ are:

Individuals with control	Reason
Savneet Amol Singh	CEOs of PAR Technology Corporation Directors of PAR Technology Corporation
Cynthia Ann Russo	
Douglas Gregory Rauch	
James Charles Stoffel	
Keith Elliot Pascal	
Narinder Singh	
Linda Marie Crawford	
Steven Cherg Hung Leo	Sole director of PAR Global Australia Pty Ltd & PTI Global Australia Pty Ltd

Summary of investor test

24. The relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act, therefore we consider the **investor test has been met**.

⁸ Section 15 of the Act.

D. Not a transaction of national interest

25. The Investment does not involve a transaction of national interest under the mandatory criteria of the Act.⁹ This is because the Investment does not involve a non-NZ government investor, or an investment in a strategically important business (as defined in the Act).
26. The Minister of Finance has not called the Investment in for a national interest assessment.¹⁰

E. Conclusion

27. For the reasons set out in this report, we consider that the criteria for consent have been met and our recommendation is to grant consent.
28. We refer you to **Attachment 1** to review the Proposed Decision (including consent conditions), and from page 8 of this Assessment Report to record your decision.

[s 9(2)(a)]

Nick Leaming

Matanga Ture Kiritaki / Customer Regulatory Specialist - Assessment

Overseas Investment – LINZ

21 May 2024

F. Attachments

1. Proposed Decision
2. Intended ownership structure

⁹ Under s 20A of the Act.

¹⁰ Section 20B of the Act

ATTACHMENT 1 PROPOSED DECISION

Consent for Overseas Person to Acquire Significant New Zealand Business Assets

Read this consent carefully - you must comply with all the conditions. If you do not, you may be required to dispose of the land and/or be subject to fines or other penalties.

Consent

Decision date: 24 May 2024

The following people have been given the following consent:

Case	202400245
Consent	The Consent holder may acquire the Asset subject to the Conditions set out below.
Consent holder	PAR Global Australia Pty Ltd (Australian Company Number 675 917 665) We will also refer to each Consent holder and the Consent holders together as you .
Asset	Up to 100% of the shares in TASK Group Holdings Ltd (Australian Company Number 605 696 820)
Timeframe	You have until 31 May 2025 to acquire the Asset.

Conditions

Your Consent is subject to the 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 you may be subject to fines or other penalties.

In the Consent and the Conditions, we refer to Toitū Te Whenua Land Information New Zealand as **LINZ, us or we**.

Act means the Overseas Investment Act 2005.

Standard conditions

You must also comply with the **standard conditions** set out below. These apply to all overseas people who are given consent to acquire sensitive business assets, including you:

Details	Required date
Standard condition 1: Acquire the Assets	
<p>You must acquire the Assets</p> <ol style="list-style-type: none"> 1. By the date stated in the Consent. If you do not, your Consent will lapse and you must not acquire the Assets, and 2. Using the acquisition, ownership, and control structure you described in your application. Note, only you - the named Consent holder - may acquire the Assets, not your subsidiary, trust, or other entity. 	As stated in the Consent
Standard condition 2: Tell us when you acquire the Assets	
<p>You must tell us in writing when you have acquired the Assets. Include details of:</p> <ol style="list-style-type: none"> 1. the date you acquired the Assets (settlement), 2. consideration paid (plus GST if any), 3. the structure by which the acquisition was made and who acquired the Assets, and 4. copies of any transfer documents and settlement statements. 	As soon as you can, and no later than two months after settlement
Standard condition 3: Remain not unsuitable to Invest in New Zealand	
You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to	At all times

Details	Required date
<p>own or control the Assets in accordance with section 18A(1) of the Act.</p> <p>The Individuals Who Control You are individuals who:</p> <ul style="list-style-type: none"> a. are members of your governing body b. directly or indirectly, own or control more than 25% of you or of a person who itself owns or controls more than 25% of you, and c. are members of the governing body of the people referred to in paragraph (b) above. <p>To avoid doubt, this includes the members of your governing body.</p>	
Standard condition 4: Tell us about changes that affect you, the people who control you, or people you control	
<p>You must tell us in writing if any of the following events happens to any of the Consent holders:</p> <ul style="list-style-type: none"> 1. You become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Act. 2. You cease to be an overseas person or dispose of all or any part of the Asset. 3. Your New Zealand Service Address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you. 	<p>Within 20 working days after the change</p>

Reporting conditions

If requested in writing by the OIO, the Consent Holder(s) 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 and plans made or submitted in support of the application and notified by the regulator as having been taken into account when the Consent was granted, or
- b. the conditions of this Consent.

Power to vary reporting date

The dates on which reports are due to be provided may be changed by agreement between LINZ and the Consent Holder, provided that this power may not be used to give a time extension for an individual report.

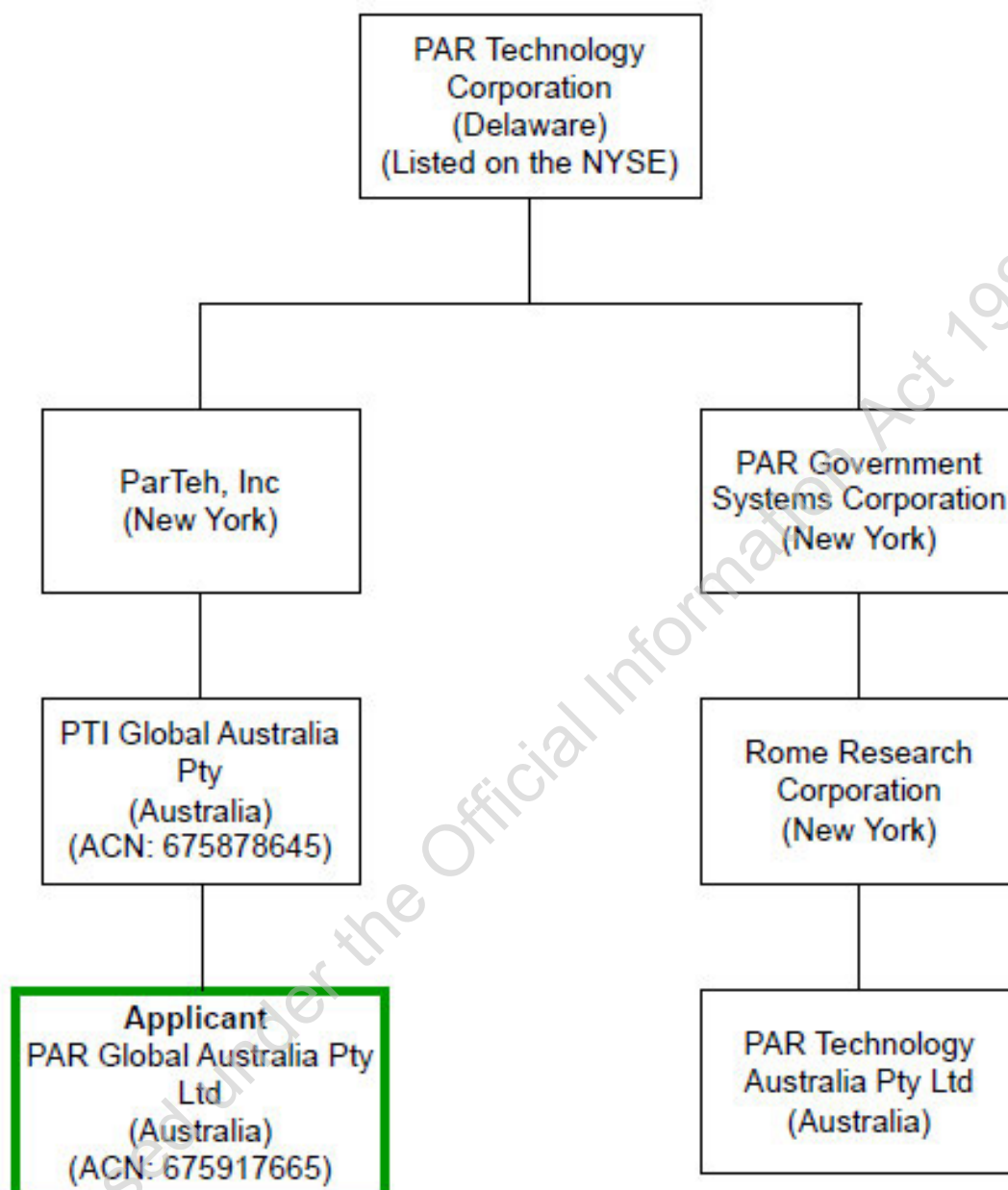
Power to narrow scope of reports

LINZ may temporarily or permanently waive the requirement to report on a particular matter.

Power not to require further reporting

LINZ may waive the requirement to submit a report and may waive the requirement for future reporting

ATTACHMENT 2 APPLICANT OWNERSHIP STRUCTURE



ATTACHMENT 3 TARGET OWNERSHIP STRUCTURE

