

# OI Assessment Report 202400528 – Institut de Sélection Animale (South Island) Limited

**Ki / To:** Emma Kelly  
**Mai / From** Kynsléy Nazareth

**Rā / Date:** 29 October 2024  
**Rā Mutunga/** 12 November 2024  
**Deadline**

## Pūtake/Purpose

We seek your decision on an application for consent to acquire an interest in sensitive land under the Overseas Investment Act 2005 (**Act**).

## Summary

<b>Applicant</b>	<b>Institut de Sélection Animale (South Island) Limited</b> Cayman Islands 37% The Netherlands 37% New Zealand 7% USA 5.6% Various 13.4%
<b>Vendor</b>	<b>Southern Chicks Limited</b> New Zealand 74% Various 26%
<b>Land</b>	A freehold interest in approximately 10.9998 hectares of land located at 811 Two Chain Road, Swannanoa, Waimakariri and 620 North Eyre Road, Swannanoa, Waimakariri.
<b>Consideration</b>	\$2,575,000
<b>Sensitivity</b>	Is more than 5 hectares of non-urban land
<b>Pathway</b>	Benefit to NZ - Farm land benefit test

Relevant tests	Investor test <sup>1</sup> Benefit to NZ test <sup>2</sup> Farm land offer criterion <sup>3</sup> National interest criterion <sup>4</sup>
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The Applicant is a recently incorporated special purpose vehicle ultimately owned by Hendrix Genetics Holdings B.V. which is a multi-species animal breeding, genetics and technology company, incorporated in the Netherlands.

The Applicant is buying the Land which is used to support a 'breeder operation' business of producing and selling chicks and eggs.

This purchase is part of a wider transaction including the acquisition of four other properties in New Zealand (which are not sensitive under the Act) and the breeder operation business.

The key benefits likely to occur are capital expenditure and the retention and creation of jobs.

## Timing

A decision is required by **12 November 2024** to comply with the expectation in the Ministerial Directive Letter<sup>5</sup> that the majority of consent decisions are made within half the prescribed assessment timeframe.<sup>6</sup>

<sup>1</sup> Sections 16(1)(a) and 18A of the Act.

<sup>2</sup> Section 16(1)(c) & s16A(1A) and (1C).

<sup>3</sup> Section 16(1)(f) of the Act.

<sup>4</sup> Section 16(1)(g) of the Act.

<sup>5</sup> Dated 6 June 2024.

<sup>6</sup> The assessment timeframe for this application is 100 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 the report;
  - the investor test has been met;
  - the benefit test is met;
  - the farm land offer 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**.

s9(2)(a)

Emma Kelly

Principal Customer Regulatory Specialist

Overseas Investment - LINZ

Date: 31 October 2024

## A. Background and proposed transaction

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4. Institut de Sélection Animale (South Island) Limited (**Applicant**) is a New Zealand company, ultimately owned by Hendrix Genetics Holdings B.V (**Hendrix**) which is a global company undertaking animal genetics and breeding activities.
5. The Applicant is buying:
  - A business which produces and sells [REDACTED] chicks and eggs and includes breeder farms and hatcheries from Bromley Park Hatcheries Limited (**Business**)
  - A freehold interest in approximately 10.4333-hectares at 811 Two Chain Road, Swannanoa, Waimakariri (**Two Chain Road**)<sup>8</sup> and a freehold interest in an adjoining property that is approximately 0.5665 hectares at 620 North Eyre Road, Swannanoa, Waimakariri (**North Eyre Road**)<sup>9</sup>
  - 2 properties in the North Island which are not sensitive land<sup>10</sup> (**North Island Assets**)
  - two additional South Island properties which are not sensitive (**Additional South Island Assets**)<sup>11</sup>
6. Acquisition of the Business, Two Chain Road, North Eyre Road, the North Island Assets and the Additional South Island Assets are referred to as the **Wider Transaction**.
7. The Vendor of the Land is a subsidiary of Bromley Park Hatcheries Limited (**Bromley**)-the Vendor of the Business and the Land is used in support of the Business.
8. Consent is only required under the Act for the acquisition of Two Chain Road and North Eyre Road (together the **Land**)
9. The Applicant will continue to operate the Business and use the Land in support of operation of the Business (**Investment**). [REDACTED]

### *Mainfeeds Consent*

10. Bromley is 26% owned by Mainfeeds Limited (**Mainfeeds**), an overseas person. Following the transaction, Mainfeeds will acquire a 26% shareholding in the Applicant. So, consent is required under the Act.
11. Mainfeeds produces livestock feed and currently supplies Bromley. Mainfeeds is part of the Mainland Poultry group, which in addition to producing feed is also New Zealand's largest egg producer.

[REDACTED]

<sup>8</sup> Record of Title CB12K/878

<sup>9</sup> Record of Title CB12K/877

<sup>10</sup> Approximately 4.7773 hectares of land at 430b Highway 22, Pukekawa and 3.1995 hectares of land at 236 River Road, Tuakau which will be bought from Layerco Properties Limited which is majority owned by Bromley.

<sup>11</sup> Approximately 4.5654 hectares of land at 123-145 Bradleys Road, Ohoka and 2.9546 hectares of land at 56 Moffatts Road, Swannanoa

## Land

12. The Land is sensitive as it is non-urban land greater than 5 hectares. Although North Eyre Road is not residential land, it has a residential dwelling on it which is used as worker accommodation. The Applicant advised that this use is likely to continue once it acquires the Land.
13. The Land consists of 4 hectares of LUC<sup>12</sup> 2 and 7 hectares of LUC 3. The Land is shown in Figure 1 below

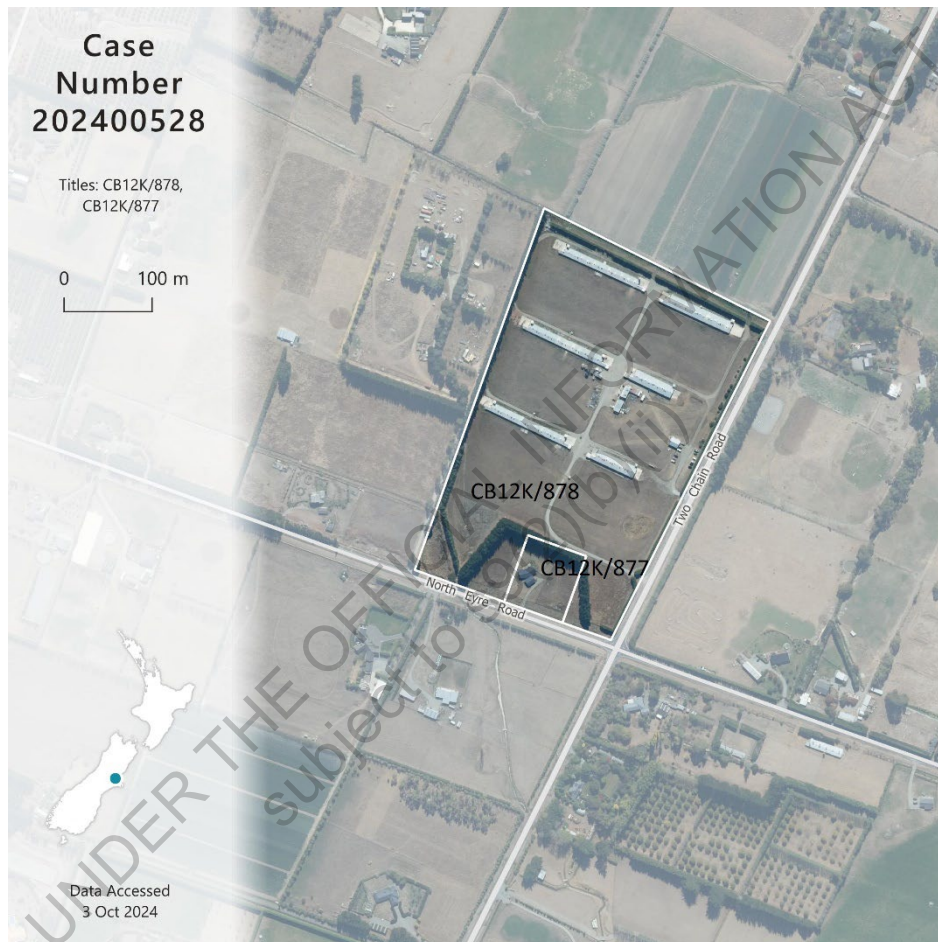


Figure 1: The 10.998-hectare Land comprising RT CB12K/878 with 10.4333 ha and RT CB12K/877 with 0.5665 ha

## Vendor

14. The Vendor is an overseas person as it is a near wholly owned subsidiary of Bromley<sup>13</sup>, which is 26% owned by Mainfeeds.

<sup>12</sup> The Land Use Capability (LUC) classification system is a system in which land is categorised into eight classes based on a broad assessment of the land's capability and versatility for different types of agricultural production. Generally speaking, lower numbered classes (classes 1-5) are more productive and lend themselves to a broader range of activities (e.g. quality and versatile soils for farming).

<sup>13</sup> Case 201710108

15. The remaining New Zealand owned 74% shareholding is held by Batkin Holdings Limited, whose shareholders and directors are four siblings (**Batkin Family**). s9(2)(a)

16. The Batkin Family have recently sold 2 related businesses, one of which required consent under the Act.<sup>14</sup>

## **B. Application of the Act**

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17. The Land is sensitive because it is non-urban land over 5 hectares in size,<sup>15</sup> so consent is required.<sup>16</sup> The following criteria for an investment in sensitive land apply to this application:<sup>17</sup>
- The investor test must be met.<sup>18</sup>
  - The benefit to New Zealand test must be met.<sup>19</sup>
  - The farm land must have been offered for sale on the open market,<sup>20</sup> unless exempt.<sup>21</sup>
  - 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.<sup>22</sup>
18. In order to satisfy the benefit to New Zealand test, the decision-maker must:
- Determine that the overseas investment will, or is likely to, benefit NZ (or any part of it or group of New Zealanders);<sup>23</sup> and
  - Determine that benefit will be, or is likely to be, substantial in relation to one of more of the factors of high relative importance for farm land<sup>24</sup> (unless the farm land benefit test is disapplied<sup>25</sup>); and
19. We assess the investor test in **Part C**, the benefit to New Zealand test in **Part D**, the farm land offer test in **Part E**, and discuss national interest matters in **Part F**.

<sup>14</sup> Case 202300221

<sup>15</sup> Table 1, Part 1, Schedule 1 of the Act.

<sup>16</sup> Sections 10(1)(a) and 12(1)(a) of the Act.

<sup>17</sup> Set out in section 16(1) of the Act.

<sup>18</sup> Sections 18A and 16(1)(a) of the Act.

<sup>19</sup> Section 16(1)(c)(ii) of the Act.

<sup>20</sup> Section 16(1)(f) of the Act.

<sup>21</sup> Section 20(1)(a) or (b) of the Act.

<sup>22</sup> Section 16(1)(g) of the Act.

<sup>23</sup> Section 16A(1)(a) of the Act.

<sup>24</sup> Section 16A(1C)(a)&(b) of the Act. This criterion applies because the Land is farm land over 5 hectares in size.

<sup>25</sup> Section 16A(1D) of the Act.

## C. Applicant and investor test

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

### Business Activities

21. The Applicant is a newly incorporated entity and is ultimately owned by Hendrix which is an animal breeding and genetics company. Hendrix has breeding programs around the world for turkeys, poultry, swine, salmon, shrimp, laying hens and trout<sup>26</sup>. Hendrix is one of only 2 companies in the world<sup>27</sup> that supply genetics for layer breed chickens<sup>28</sup> like the Shaver.
22. Mainfeeds is New Zealand's largest egg producer.

### Ownership and control

23. The Applicant is wholly owned by Institut de Sélection Animale (New Zealand) Limited (**ISA**). ISA is ultimately owned by Hendrix. Post transaction, the Applicant will be 74% owned by ISA, with Mainfeeds acquiring the remaining 26% interest.

#### Hendrix

24. Hendrix is ultimately owned by Paine Schwartz, a private equity firm (50%), and co-founders Thijs Hendrix (41.2%) and Antoon van den Berg (8%).

#### Mainfeeds

25. Mainfeeds is wholly owned by Mainland Poultry Limited (**Mainland**) which will make decisions regarding Mainfeed's interest in the Applicant. Mainland's ultimate holding company owned is Indus Valley Limited (**IVL**) which will not have any control in the operations of Mainfeed's 26% interest in the Applicant.
26. IVL is majority owned by Paul Newman Limited which is wholly owned by Navis Asia Fund which is controlled by Navis Capital Partners, a global private equity firm with a focus on investments in the Asia-Pacific region.
27. Diagrams of the pre-transaction and post-transaction ownership structures are in **Attachment 2**.

### Relevant overseas person and individuals with control

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

Relevant overseas person	Reason
Institut de Sélection Animale (South Island) Limited	The Applicant

<sup>26</sup> <https://www.hendrix-genetics.com/en/>

<sup>27</sup> The other being Germany company EW Group.

<sup>28</sup> Chickens used to produce eggs are called layers.

Mainfeeds Limited	26% shareholder of the Applicant post-transaction
Mainland Poultry Limited	Decision-maker regarding Mainfeeds interest in the Applicant
Hendrix Genetics Holding B.V.	Ultimate owner of the Applicant

29. We recommend that the **'individuals with control of the relevant overseas person'**<sup>29</sup> are:

Individuals with control <sup>*30</sup>	Reason
Wilhelmus Laurentius Duijmelinck	Director Institut de Sélection Animale (South Island) Limited
Shwanal Chand*	
Pelayo Casanovas Infiesta	
Hendrikus Anthonius Maria Maatman	Director Hendrix Genetics Holding B.V
Roger van Biljouw	
Michael Bruce Guthrie*	Director of Mainland Poultry Limited
Peter Kalan	
Philip Peter Latham	
Hamish Sutherland*	
Murray Graham Valentine*	
Jeffery Ian Winmill*	Director of Mainland Poultry Limited and Mainfeeds Limited
Peter Matthew McHugh	
Donald John McKay*	

### Summary of investor test

30. Mainland established an investor factor under section 18A(4)(a)(iii) - conviction of an offence and sentenced to pay a fine in the preceding 10 years.
31. A worker, while carrying out cleaning duties, severed her thumb due to Mainland's failure to ensure the health and safety of workers. On 23 May 2022, the Pukekohe District Court in South Auckland imposed on Mainland, a fine of \$200,000, reparation to the victim of

<sup>29</sup> Section 15 of the Act.

<sup>30</sup> Individuals marked with an asterisk are not overseas persons, either because they are New Zealand citizens or are ordinarily resident in New Zealand, therefore they do not need to meet the investor test.

\$30,119.80 and Costs to WorkSafe worth \$7,184.40. Additionally, Mainland has since implemented more stringent health and safety strategies.

32. Whilst an investor test factor has been met, it is noted Mainland has been in New Zealand since June 1997. Further, given the monetary penalties imposed, the subsequent mitigations with health and safety, and that it indirectly owns 26% in the Applicant and that is post-transaction, we consider this matter does not make the Applicant itself unsuitable to invest in New Zealand.
33. The remaining relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act.
34. For the reasons set out above, our conclusion is that **the investor test has been met.**

#### **D. Investment plan and benefit to NZ test**

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35. This section describes the Investment and our assessment of whether it is likely to meet the benefit to NZ test in the Act.

##### **Current state (counterfactual)**

36. The Land is currently used, and will continue to be used, in support of the Business for poultry production and housing poultry sheds.
37. While the Wider Transaction is made up of separate transactions which are not interdependent, the parties are treating it as a single transaction due to the crossover of operations and employment between the various assets. Some operations are split between the Land and the Additional South Island Assets (together the **SI Business**). Further, some employees are split between the North Island Assets and the SI Business, including some employees located in the North Island but working for the SI Business. As a result, it is difficult to split the current state of what the Land supports from what the Additional South Island Assets support.
38. The SI Business currently supports:
  - 58 full and part time employees<sup>31</sup>
  - Exports of approximately [REDACTED] as part of the SI Business
  - No capital works planned<sup>32</sup>
  - Livestock of: [REDACTED] grandparent chickens and [REDACTED] parents<sup>33</sup>
  - Hatching egg production of between [REDACTED] eggs per week, producing approximately [REDACTED] day old chicks per week

<sup>31</sup> The Vendor is unable to split out the jobs for the Land and the Additional South Island Assets. The jobs have not been provided as FTE but include those in the North Island who work for the SI Business. Figures current as of July 2024 as they fluctuate on a weekly basis

<sup>32</sup> Other than plans to replace plant and equipment as necessary and fix leaking roofs.

<sup>33</sup> Approximately [REDACTED] parents are located in the North Island

39. The Applicant submits the SI Business and the equipment and buildings on the Land are not suitable for local farmers due to their limited size. They are designed for grand-parent and parent stock, whose activities require smaller barns than commercial farms due to the multiplication factor between generations
40. If the Investment were not to proceed, the Vendor is likely to scale down its SI Business and up to 10 employees could be made redundant. Further exports of parent stock to overseas markets would be reduced as it would move to only exporting day old chicks (which have a lesser value than parents).

#### *Difficulty in selling the SI Business*

41. The Vendor tried selling the SI business in 2022 and received no offers. Other than Mainfeeds and Golden Coast Commercial (the Vendor's only competitor), there are no New Zealand based entities with the expertise required to appropriately manage the business and contain any biosecurity risks. While Mainland and Golden Coast Commercial are based in New Zealand, they are an overseas person under the Act.
42. As discussed at paragraph 21, there are only 2 businesses which supply the genetics for layer breed chickens in the world: Hendrix and EW Group. EW Group (also an overseas person) would require consent to acquire the Land, and the Applicant submits it may face issues under the Commerce Act 1986 as it would have a monopoly in the market for layer<sup>34</sup> supply in New Zealand.
43. The Applicant submits the very specialised nature of the business is the reason why there was no local interest when the Land was advertised in 2022 and again in 2023.

#### **Investment plan**

44. The Applicant submits the SI Business requires significant technical expertise and experience to manage these assets on a large scale and to manage the biosecurity measures that are required to ensure that disease outbreaks such as salmonella are prevented and contained.
45. The Applicant submits that if the Investment proceeds it will
- continue the SI Business at its current level of operations
  - retain at least 56 of the current SI Business employees<sup>35</sup>
  - create a net increase of 35 FTE roles across the Wider Transaction
  - continue the Vendor's current export arrangements resulting in approximately [REDACTED] per annum across the SI Business, whilst the Wider Transaction would create export receipts of between [REDACTED] per annum, and
  - invest approximately [REDACTED] of capital expenditure for the improvement and refurbishment of equipment and buildings on the Land, and [REDACTED] for equipment and buildings on the Additional South Island Assets.

<sup>34</sup> Layer poultry farming means raising egg-laying poultry birds for commercial egg production.

<sup>35</sup> [REDACTED]

46. The Applicant submits that, given the difficulty the Vendor had in selling the Land, that if consent is not granted, there is a high risk that the SI Business (of which the Land is part) will become an illiquid or stranded asset.

### Assessment of benefits

47. The benefits to New Zealand that are likely to result from the Investment and our assessment of the relative weight to be given to each are set out in the table below.

#### *Farm Land benefit test*

48. The Investment involves the acquisition of farm land exceeding 5 hectares in area. As a result, the farm land benefit test applies unless you decide it need not be met for one of the reasons set out in the Act<sup>36</sup>.
49. For the farm land benefit test to be met, the Applicant must demonstrate, in relation to either the economic or New Zealand participation factors, that the benefits of the Investment are of a size or nature that represent a substantial benefit to New Zealand.
50. In this case, the assets are of a mature nature and the size of the Land is small, being under 11 hectares, therefore the benefits have been weighed in context of these factors.
51. We have analysed the benefits that are likely to occur as a result of the Investment, compared to the current state of the Land, in the table below. This may include benefits that the Applicant did not specifically claim, but that we have identified may occur.
52. LINZ is directed<sup>37</sup> that where an investment demonstrates strong benefits under one or two key benefit factors, other factors may require less consideration if the threshold for meeting the benefit test is clearly met without reference to them. Therefore, benefits that were not considered to be key have not been considered as part of our assessment.
53. Factors that we considered were either not relevant to the Investment, or the benefit to New Zealand was not sufficient to be relied on, are noted in **Attachment 3**.

Benefit		Analysis
<b>Economic</b>	Jobs	The retention of at least 8 jobs and the creation of a net 35 FTE jobs across the Wider Transaction.
<b>Moderate</b>		

<sup>36</sup> Section 16A(1C)–(1D). You may decide not to apply the farm land benefit test if: the transaction is minor or technical; the transaction does not materially change the level of ownership or control that the relevant overseas person has over the asset; or the farm land has no or limited productive capacity as farm land and will, or is likely to, be used promptly, as a result of the overseas investment, for industrial or commercial development (for example, a supermarket) or for the construction of 1 or more buildings that, taken together, will consist of 20 or more new residential dwellings.

<sup>37</sup> Ministerial directive letter 6 June 2024.

Benefit		Analysis
	Capital Expenditure	Spending of approximately [REDACTED] towards improvement for buildings and equipment on the Land.

### Consultation and submissions about the investment

54. No third-party submissions were sought or received in relation to this application.

### Proposed conditions and rationale

55. We have recommended a condition requiring capital expenditure of at least [REDACTED] be spent on the Land.
56. We have not imposed any further conditions relating to jobs and export receipts given these are fluid over the Wider Transaction which do not require consent.

### Conclusion – benefit to NZ test

#### Key benefits

57. After considering the application, we are satisfied that the Investment is likely to result in the benefits considered above. In particular, the Investment is likely to result in economic benefits including retention of at least 8 jobs, the creation of 35 FTE as part of the Wider Transaction and capital expenditure to the tune of approximately [REDACTED] on the Land and a further [REDACTED] as part of the SI Business.

#### Proportionality

58. We have undertaken our assessment having regard to the sensitivity of the Land and the nature of the overseas investment transaction, reflecting the proportional nature of the benefit to NZ test.
59. The Applicant is acquiring a freehold interest in under 11 hectares. While the Land is LUC 2 to LUC 3, we note the Land will continue to be used for the operation of the SI Business.

#### Conclusion

60. After considering the application, we are satisfied that the Investment is likely to result in substantial economic benefits in proportion to the sensitivity of the Land and the nature of the Investment.
61. In relation to the farm land benefit test, the benefits we consider are the retention and creation of jobs, and the capital expenditure that will occur as a result of the Investment. While moderate, they are of sufficient benefit to New Zealand to be substantial in relation to the economic benefit factor.

## E. Farm land offer test

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62. Because the Land is farm land, we note that it was advertised for sale on the open market with the required information for a period exceeding 30 working days<sup>38</sup> on trademe.co.nz and in print through The Press<sup>39</sup> newspaper.
63. We are therefore satisfied the regulations requiring the farm land to be offered for acquisition on the open market have been complied with.

## F. Not a transaction of national interest

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64. The Investment does not involve a transaction of national interest under the mandatory criteria of the Act.<sup>40</sup> 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).
65. The Minister of Finance has not called the Investment in for a national interest assessment.<sup>41</sup>

## G. Conclusion

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66. 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.
67. We refer you to **Attachment 1** to review the Proposed Decision (including consent conditions), and from page 3 of this Assessment Report to record your decision.

## H. Attachments

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1. Proposed Decision
2. Ownership structures
3. Other benefit factors

<sup>38</sup> Advertised from 6 November 2023 to 18 December 2023

<sup>39</sup> A Christchurch daily newspaper by Stuff Limited – advertisement was published on 9 and 13 Dec 2023

<sup>40</sup> Under s 20A of the Act.

<sup>41</sup> Section 20B of the Act

## ATTACHMENT 1 PROPOSED DECISION

### Consent for Overseas Person to Acquire Sensitive New Zealand Land

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:** 31 October 2024

The following people have been given the following consent:

<b>Case</b>	202400528
<b>Consent holders</b>	<p>Institut de Sélection Animale (South Island) Limited (Company number 9146952); and</p> <p>Mainfeeds Limited (Company number 87365)</p> <p>We will also refer to each Consent holder and the Consent holders together as <b>you</b>.</p>
<b>Consent</b>	<ol style="list-style-type: none"><li>1) Institut de Sélection Animale (South Island) Limited may acquire the Land subject to the Conditions set out below.</li><li>2) Mainfeeds Limited (Company number 87365) may acquire up to 26% interest in Institut de Sélection Animale (South Island).</li></ol>
<b>Asset</b>	Up to 26% interest in Institut de Sélection Animale (South Island) Limited
<b>Land</b>	<p>A Freehold Interest in approximately:</p> <p>a) 10.4333 hectares of land located at 811 Two Chain Road, Swannanoa, Waimakariri comprised in Record of Title CB12K/878 (Canterbury); and</p>

	b) 0.5665 hectares of land located at 620 North Eyre Road, Swannanoa, Waimakariri comprised in Record of Title CB12K/877 (Canterbury)
<b>Timeframe</b>	You have until 31 December 2025 to acquire the Land and the Asset.

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982  
subject to s9(2)(b)(ii)

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## Conditions

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Your **Consent** 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, you may be subject to fines or other penalties and you may also be required to dispose of the Land.

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

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## Definitions

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**Act** means Overseas Investment Act 2005

**Regulations** means Overseas Investment Regulations 2005

**Improvement Works** means improvement and refurbishment work in relation to the buildings and equipment on the Land

Any term or expression that is defined in the Act or Regulations and used, but not defined, in this Consent has the same meaning as in the Act or Regulations.

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## Special Conditions

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You must comply with the following **special conditions**. These apply specifically to this Consent and include conditions that we must impose under the Act

Details	Required date
<b>Special condition 1: Capital Expenditure and Use of Land</b>	
<p>You must</p> <ul style="list-style-type: none"><li>a) spend at least [REDACTED] on Improvement Works.</li><li>b) operate a poultry production business on the Land</li></ul> <p>If you do not comply with this condition, Standard Condition 6 will apply, and we may require you to dispose of the Land</p>	<ul style="list-style-type: none"><li>a) By 31 December 2028</li><li>b) At all times</li></ul>

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## Standard Conditions

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

Details	Required date:
<b>Standard condition 1: Acquire the Land and/or the Asset</b>	
<p>You must acquire the Land and/or the Asset:</p> <ul style="list-style-type: none"><li>i. By the date stated in the Consent. If you do not, your Consent will lapse or become invalid and you must not acquire the Land and/or the Asset, and</li><li>ii. Using the acquisitions, ownership and control structure you described in your application. Note, only you-the named Consent Holder may acquire the Land and/or the Asset, not your subsidiary, trust or other entity.</li></ul>	As stated in the Consent
<b>Standard condition 2: Tell us when you acquire the Land and/or the Asset</b>	
<p>You must tell us in writing when you have acquired the Land and/or the Asset. Include details of:</p> <ul style="list-style-type: none"><li>i. The date you acquired the Land (<b>Settlement</b>) and the Asset</li><li>ii. Consideration paid (plus GST if any)</li><li>iii. The structure by which the acquisition was made and who acquired the Land / Asset, and</li><li>iv. Copies of any transfer documents and Settlement statements.</li></ul>	As soon as you can, and no later than 2 months after Settlement
<b>Standard condition 3: Allow us to inspect the Land</b>	
<p>Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions. We will give you at least 2 weeks written notice if we want to do this. A. You must then:</p>	At all times

<ul style="list-style-type: none"> <li>i. Allow a person we appoint (<b>Inspector</b>) to: <ul style="list-style-type: none"> <li>a. enter onto the Land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (<b>Inspection</b>)</li> <li>b. remain there as long as is reasonably required to conduct the Inspection</li> <li>c. gather information</li> <li>d. conduct surveys, inquiries, tests and measurements</li> <li>e. take photographs and video recordings and</li> <li>f. do all other things reasonably necessary to carry out the Inspection</li> </ul> </li> <li>ii. Take all reasonable steps to facilitate an Inspection including: <ul style="list-style-type: none"> <li>a. directing your employees, agents, tenants, or other occupiers to permit an Inspector to conduct an Inspection</li> <li>b. being available, or requiring your employees, agents, tenants, or other occupiers to be available, at all reasonable times during an Inspection to facilitate access onto and across the land. This includes providing transport across the Land if reasonably required.</li> </ul> </li> </ul> <p>B. During an Inspection:</p> <ul style="list-style-type: none"> <li>i. We will not compel you and your employees, agents, tenants or other occupiers to answer our questions or to let us look at, copy or take away documents</li> <li>ii. Our Inspector will comply with any reasonable instruction and cooperate with any reasonable health and safety policy or procedure you notify to us before the Inspection.</li> </ul>	
<b>Standard condition 4: Remain not unsuitable to invest in New Zealand</b>	
<p>You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to own or control the Land in accordance with section 18A(1) of the Act</p> <p>The <b>Individuals Who Control You</b> are individuals who:</p>	<p>At all times</p>

<ul style="list-style-type: none"> <li>i. Are members of your governing body</li> <li>ii. Directly or indirectly, own or control more than 25% of you or a person who itself owns or controls more than 25% of you, and</li> <li>iii. Are members of the governing body of the people referred to in ii above.</li> </ul>	
<b>Standard condition 5: Tell us about the 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 happen to any of the Consent Holders:</p> <ul style="list-style-type: none"> <li>i. 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.</li> <li>ii. You cease to be an overseas person or dispose of all or any part of the Land</li> <li>iii. 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.</li> </ul>	<p>Within 20 working days after the change</p>
<b>Standard condition 6: Dispose of the Land and/or Asset if you do not comply with key special conditions</b>	
<p>If all or part of this Standard Condition 6 applies to a special condition, we have said so in that special condition. If we consider you have failed to comply with one of those special conditions in a material way, we may require you to dispose of the Land and/or the Asset.</p> <p>We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:</p> <ul style="list-style-type: none"> <li>i. <b>Value the Land:</b> obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.</li> <li>ii. <b>Market the Land:</b> instruct a licensed real estate agent to actively market the Land for sale on the open market.</li> <li>iii. <b>Dispose of the Land and/or Asset:</b> dispose of the Land to a third party who is not your associate.</li> <li>iv. <b>Offer without reserve:</b> if you have not disposed of the Land within 6 months of our notice, offer the</li> </ul>	<p>Within 6 weeks of the date of our notice</p> <p>Within 6 weeks of the date of our notice.</p> <p>Within 6 months of our notice</p> <p>Within 9 months of our notice</p>

<p>Land for sale by auction or tender without a reserve price or minimum bid and dispose of the Land.</p> <p>v. <b>Report to us about marketing:</b> tell us in writing about marketing activities undertaken and offers received for the Land.</p> <p>vi. <b>Report disposal to us:</b> send us, in writing, evidence of the following:</p> <p>a. That you have disposed of the land (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor) and</p> <p>b. That the purchaser is not your associate.</p>	<p>By the last day of every March, June, September, and December after our notice or at any other time we require</p> <p>Within 1 month after the Land has been disposed of</p>
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## Reporting conditions

We need information from you about how your investment plan is tracking so we can monitor your progress against the conditions.

In addition to Settlement reporting (as set out in Standard Condition 2) you must provide LINZ with reports detailing the progress of the investment. The reports must:

- i. be submitted via our **Webform** by these dates:
  - a. 31 January 2026
  - b. 31 January 2029
- ii. contain information about:
 

your progress in implementing the special conditions (which can include photographs, maps or aerial imagery as evidence of compliance with relevant conditions)
- iii. Follow the format of the template annual report published on our website

If requested in writing by LINZ, 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:

- i. 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
- ii. 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(s), 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.

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982  
subject to s9(2)(b)(ii)

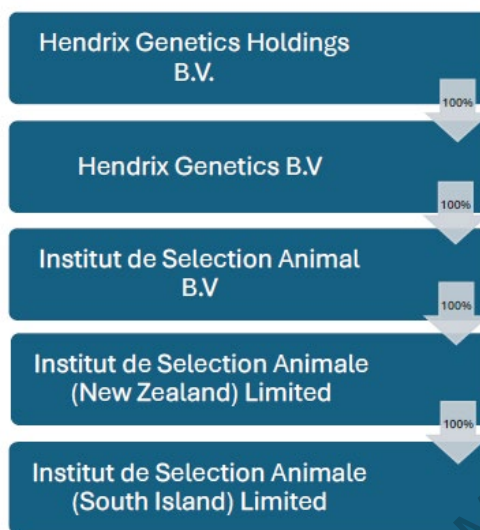


Figure 2 – Pre-transaction structure of the Applicant

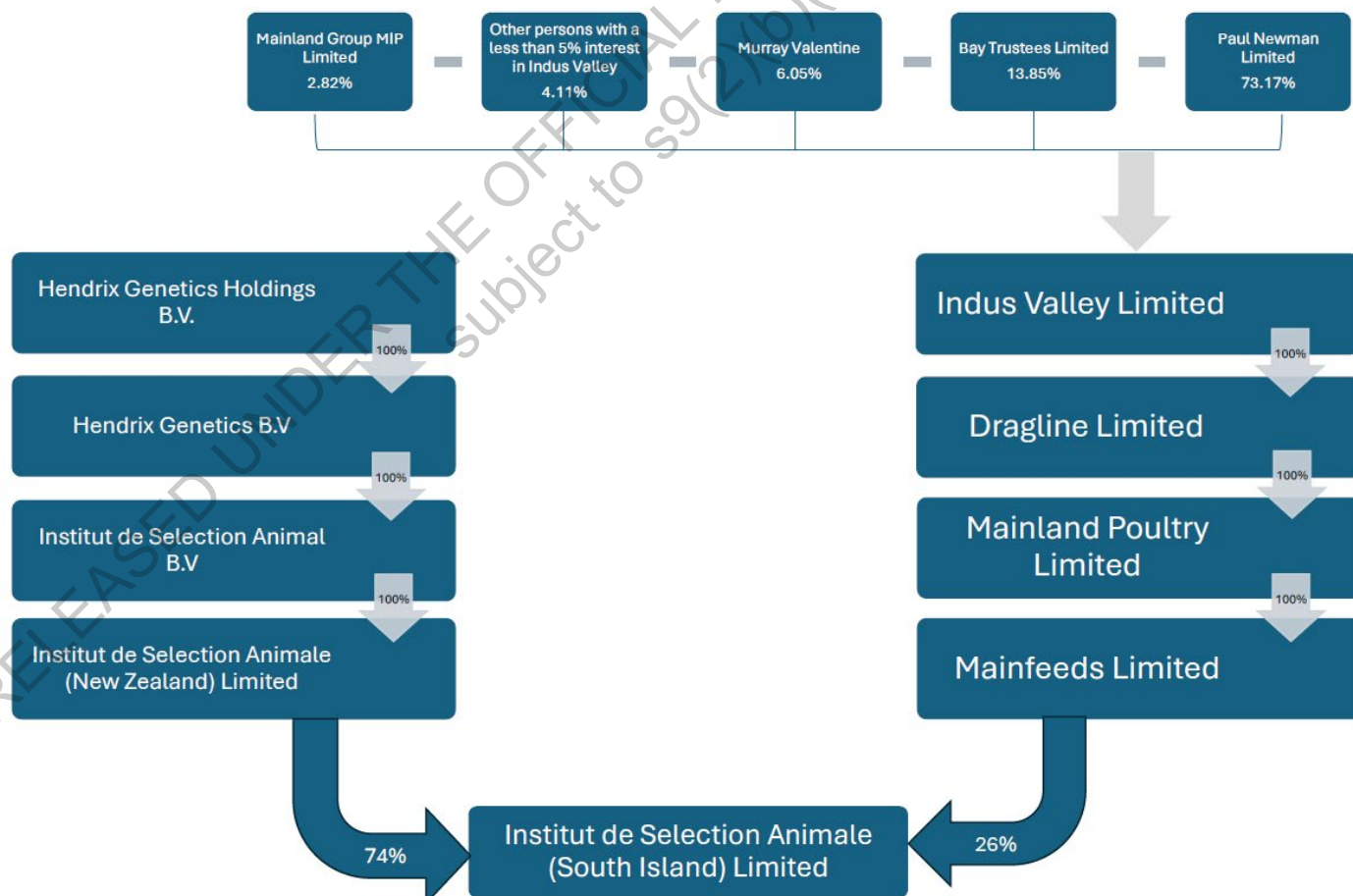


Figure 3 – Post-transaction structure of the Applicant

## ATTACHMENT 3      OTHER BENEFIT FACTORS

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The table **below** lists other factors in the Act for assessing the benefit of overseas investments.

We considered that the factors below were either not relevant to the Investment, or the benefit to New Zealand was not likely or sufficient to be relied on for the purposes of our assessment.

Factor	Reason not relevant or insufficient
Environmental benefits	Not relevant
Public access	Not relevant
Historic heritage	Not relevant
Significant government policy	Not relevant
Oversight or participation by New Zealanders	Not met – New Zealand ownership is going from 74% to 7%
Consequential benefits	Not relevant
Illiquid Assets	Not a key benefit
Extraction of water for human consumption / bottling	Not relevant