

## 1. Decision Date

27 March 2023

## 2. Duration of the Exemption

This Exemption comes into force on 27 March 2023 and expires at the close of 31 December 2027.

## 3. Interpretation

- (1) In this notice, unless the context otherwise requires—

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

**Exemption** means the exemption in paragraph 4.

**Exemption Holder** means FFW PubCo, Inc.

**LINZ** means Toitū Te Whenua Land Information New Zealand

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

**Transaction** means the Exemption Holder's acquisition of up to 100% of the LLC units in FFW OpCo, LLC and the managing membership (control interest) of FFW OpCo, LLC.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this Exemption has the same meaning as in the Act or the Regulations (as the case may be).

## 4. Exemption from the requirement for consent provisions of the Act

The requirements in sections 10(1)(a) and 10(1)(b) to apply for consent do not apply to the Transaction.

## 5. Conditions of the Exemption

- (1) The Exemption Holder must notify LINZ in writing as soon as practicable, and no later than the expiry of the Exemption, whether the transaction in paragraph 4 took place. If the transaction did take place, the notice must include:
- (a) the date upon which settlement of the transaction occurred;
  - (b) final consideration paid (plus GST, if any);
  - (c) the structure by which the acquisition was made, and who acquired the property;
  - (d) where applicable, copies of transfer documents and settlement statements; and
  - (e) any other information that would aid LINZ in its function to monitor the conditions of the Exemption.
- (2) If requested in writing by LINZ, 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 and plans made or submitted in support of the application for the Exemption; or
  - (b) the conditions of the Exemption.

## 6. Amendment or revocation of the Exemption

The Exemption and conditions of the Exemption may at any time be amended or revoked by LINZ.

## 7. Sanctions

The Act provides for civil and criminal sanctions for breaching the Act, failing to comply with conditions of exemption and failing to provide information required by LINZ. LINZ has an obligation to investigate and act upon alleged and suspected breaches of the Act.

## 8. Reasons for Exemption

FFW PubCo, Inc is part of the Foley Group of companies, owned by US investor William P. Foley II, his family and related entities (the **Foley Interests**). The Foley Group owns various wine brands and operates wineries in New Zealand, California and the Pacific Northwest of the United States.

The Foley Interests are restructuring the Foley Group in anticipation of a US IPO of the Foley Group's various international wine interests sometime between early 2024 and the end of 2027.

The Transaction is the final step in the restructure. The restructure will result in FFW PubCo, Inc (a newly incorporated company owned by the Foley Interests) acquiring an ownership and control interest in FFW OpCo, LLC (which will indirectly own between approximately 63.7% and 66.5% of Foley Family Wines Limited (**FWL**)).

FWL is a New Zealand company which is part of the Foley Group and owns various New Zealand wine brands, is listed on the NZX and holds direct or indirect interests in approximately 520.9190 hectares of sensitive land in Central Otago, Marlborough and Wairarapa.

Without the Exemption, the Transaction would require consent under the Act because it would involve an overseas person acquiring an interest in significant business assets and in sensitive land.

We consider that there are circumstances that mean it is necessary, appropriate, or desirable to provide an exemption from the requirements for consent; and that the extent of the Exemption is not broader than reasonably necessary to address these circumstances. Specifically:

- it would be unduly costly and unduly burdensome for the Exemption Holder to apply for consent under the Act (taking into account the sensitivity of the assets and the nature of the overseas transaction).
- the assets are already owned by and controlled by the Foley Interests and would continue to be so, including being subject to any existing conditions of consent relating to their acquisition (consistent with the purpose of the Act which acknowledges that it is a privilege for overseas persons to own New Zealand's sensitive assets);
- there is no material change in the ultimate ownership and control of the New Zealand assets as a result of the Transaction.

Acquisitions of any other sensitive New Zealand assets by the Exemption Holder will remain subject to any applicable requirement for consent under the Act.