

Our Ref: 202000153

12 October 2020

TO: Happy Valley Nutrition Limited

BY EMAIL

CC BY EMAIL: Nicole MacFarlane

Overseas Investment Office

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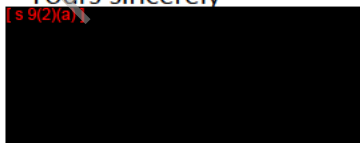
www.linz.govt.nz

CONSENT FOR YOU TO ACQUIRE APPROXIMATELY 309.25 HECTARES OF LAND IN ŌTOROHANGA

1. We¹ have now considered, and approved, your application for consent to acquire:
 - a freehold interest in approximately 309.25 hectares of land in Ōtorohanga; and
 - significant business assets where the expenditure before commencing business is expected to exceed \$100 million.
2. We enclose a copy of the decision. You will see it contains some important details of the consent you have been given, and of the conditions you must meet.
3. These include standard conditions that apply to all overseas people who are given consent to acquire sensitive New Zealand land and significant business assets. They also include special conditions that apply only to you and were important considerations that particularly influenced our decision to give consent.
4. The conditions are about the things you must do in order to be allowed to acquire, and keep, the land. They also require you to provide information to us either regularly or when particular events occur.
5. **Please read the conditions carefully and make sure you put processes in place so you can meet them. This is important because if you do not meet the conditions, you may be required to dispose of the land and/or be subject to fines or other penalties.**
6. You can find information about these penalties and how we monitor and enforce them on our website at: <http://www.linz.govt.nz/regulatory/overseas-investment/enforcement>.
7. Your legal advisers can advise you about the conditions and about the consequences of failing to comply with them, but only you are responsible for complying with them.
8. We look forward to hearing about the progress of your investment.

Yours sincerely

s 9(2)(a)



Daniel Mumford

Senior Solicitor

Overseas Investment Office

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¹ Your consent has been granted either by the Associate Minister of Finance and the Minister of Land Information, or by a manager at the Overseas Investment Office, acting under delegated authority from the Chief Executive of Land Information New Zealand.

Consent for Overseas Person to Acquire Sensitive New Zealand Land and Significant 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: 8 October 2020

The following people have been given the following consent:

Case	20200153
Consent	Happy Valley Nutrition Limited may acquire the Assets and Land subject to the Conditions set out below.
Consent holder/s	Happy Valley Nutrition Limited We will also refer to the Consent holder as you .
Assets	Significant business assets being the establishment of the Facility.
Facility	A vertically integrated nutritional grade milk processing blending and packaging plant on approximately 4.9984 hectares of land in Ōtorohanga, contained in record of title 846522. This is not sensitive land.
Land	A freehold interest in approximately 309.25 hectares of sensitive land in Ōtorohanga comprised of the land in records of title SA44D/701, 395723, SA15B/579, 528682, 22968, 515258, 33586, 33587, 33588, 33585, 395724, SA25B/1148, 738000, SA12D/125, SA1737/64, SA45D/93, 846523, SA837/90 and approximately 0.2 hectares of land being part of Redlands Road, Ōtorohanga for which there is no record of title.
Timeframe	You have until 30 September 2021 to acquire the Land.

Conditions

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 the Overseas Investment Office as OIO, us or we.

Special conditions

You must comply with the following **special conditions**. These apply specifically to this Consent and were considerations that particularly influenced us to give consent:


Details	Required date
Special condition 1: You must construct the Facility	
You must commence construction of the Facility and this includes commencing the earthworks required. If you do not, standard condition 6 will apply and we may require you to dispose of the Land.	30 November 2021
You must construct the Facility. If you do not, standard condition 6 will apply and we may require you to dispose of the Land.	31 December 2025
Special condition 2: Introduce capital into New Zealand	
You must introduce at least NZD \$178 million of additional capital into New Zealand, associated with the acquisition of the Lands and the construction of the Facility specified in special condition 1.	31 December 2025
Special condition 3: Create 300 FTE jobs during construction and 70 FTE jobs	
You must create at least 300 FTE jobs during the construction phase of the Facility. These jobs must be based in Ōtorohanga and wider New Zealand.	31 December 2025
You must create at least 70 FTE jobs during when the Facility is operation. These jobs must be based in New Zealand	31 December 2026

Special condition 4: Special Land

1. Should the Crown decide to accept the offer of Special Land, you must, upon becoming the registered proprietor of the Land, adopt and be bound by any offer or agreement that the Vendor has made or entered into with the Crown in relation to the Special Land that forms part of the Land. If the relevant Ministers make a decision to waive the offer of Special Land in accordance with Regulation 15(1), this special condition will be deemed to have been complied with.
2. If the Crown decides to accept the offer of Special Land within the timeframe as set out in clause 2.1 of each agreement for sale and purchase (the **Special Land Agreement**) attached as Appendix X, you must:
 - (a) deal with the Crown in accordance with the requirements of the Act as if you were the party making the initial offer of the Special Land to the Crown;
 - (b) transfer the Special Land for the benefit of the Crown and on terms acceptable to the crown as outlined in the Special Land Agreement; and
 - (c) except in the case of Special Land which is foreshore or seabed, agree to an encumbrance or covenant in gross being registered to protect the Crown's interest upon the Crown's request.
3. The Crown reserves the right to caveat the Land until an encumbrance or covenant has been registered or, in the case of Special Land which is foreshore or seabed, until the transfer of the Special Land has been completed.
4. You will be responsible for all of your own costs involved in the transfer of the Special Land.

At all times.

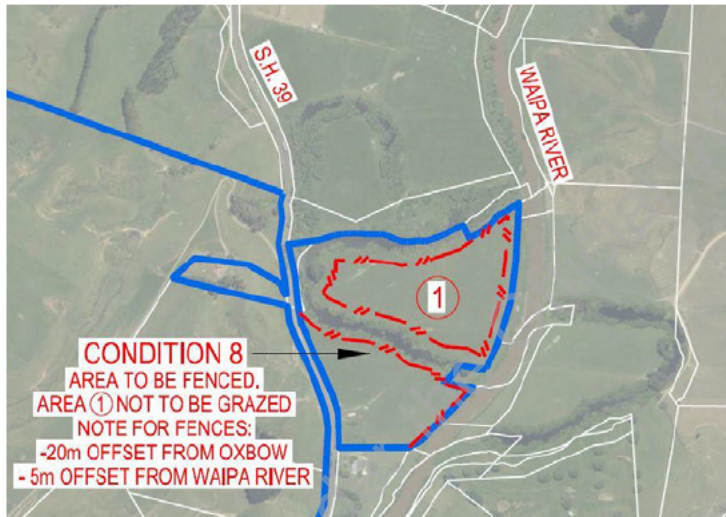
Released under the Official Information Act 1982

Special condition 5: Use Land non-residential purposes	
<p>The primary use of the Land is in support of the Facility. You must use the residential land (contained within records of title 846523 and SA837/90) for non-residential purposes.</p> <p>If you do not, standard condition 6 will apply and we may require you to dispose of the Land.</p>	At all times.
Special condition 6: Register a protective covenant	
<p>You must implement the following measures over the two areas outlined in red in the photo below (contained within records of title SA45D/93 and 738000):</p> <ul style="list-style-type: none"> (a) register a covenant (at your cost) that provides protection of the long-tailed bat habitat; and (b) implement an ongoing pest plant and animal control program to allow natural regeneration of native species. 	<p>30 September 2024</p> <p>30 September 2022</p>
Special condition 7: Build a carpark	
<p>You must build a carpark on the land in record of title 846523 that adjoins both Redlands Road and the esplanade strip contained in instrument 11288387.5 (registered on record of title 846523) and provides parking for at least five cars.</p>	30 September 2023

Special condition 8: Protection for oxbow lake

You must implement the following measures over the oxbow lake shown in the photo below (contained within record of title 395724):

- (a) not graze the oxbow lake area marked ① ; Ongoing
- (b) install fencing on the land (as indicated in red in the photo below) to protect the waterways from stock and to establish an approximately 20 metre wide buffer around the oxbow lake and wetland; and 31 December 2022
- (c) support the Waikato Regional Council and iwi efforts to: restore the oxbow lake, and connect the oxbow lake with remnant kahikatea wetland. 31 December 2022



LEGEND

	BOUNDARY (CURRENT OR PROPOSED) OF HAPPY VALLEY MILK LIMITED PROPERTY
	PROPOSED FENCELINE

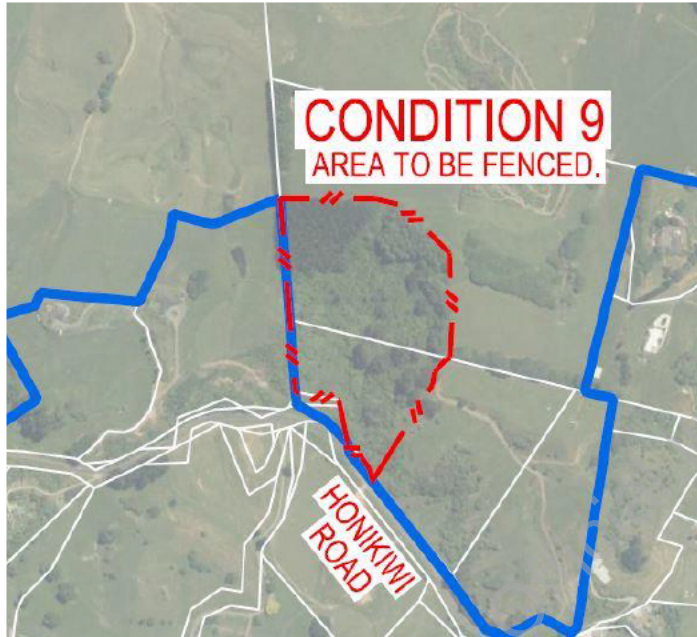
Special condition 9: Fencing and pest plan removal of bush and wetlands

You must implement the following measures over the 'Site 4' area outlined in red in the photo below (contained within record of title 22968):



- (a) ensure this area is fenced to prevent stock access; and
- (b) remove emergent exotic pine trees from this area.

31 December 2022

31 December 2022



LEGEND

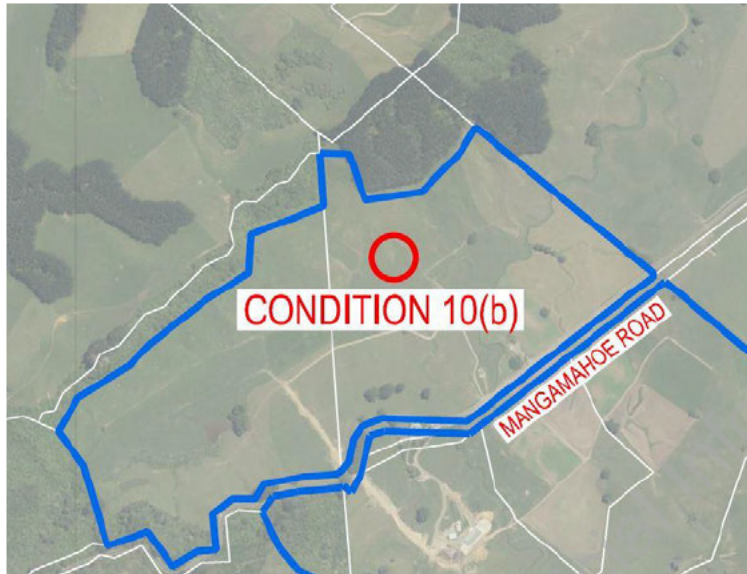
	BOUNDARY (CURRENT OR PROPOSED) OF HAPPY VALLEY MILK LIMITED PROPERTY
	PROPOSED FENCELINE

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Special condition 10: Protect archaeological sites

You must consult with Heritage New Zealand and implement any reasonable measures recommended by Heritage New Zealand to protect the following archaeological sites:

- (a) the Pit/Terrace (S16/359) located within the area encircled in red in the photo below (contained within record of title SA15B/579); and



- (b) the Burial cave (S16/13) located within the area encircled in red in the photo below (contained within record of title SA12D/125).



31 December 2022

31 December 2022

Information Act 1982

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 New Zealand land, including you:

Details	Required date
Standard condition 1: acquire the Land	
<p>You must acquire the Land:</p> <ol style="list-style-type: none">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, andusing the acquisition, ownership, and control structure you described in your application. <p>Note, only you – the named Consent holder - may acquire the Land, not your subsidiary, trust, or other entity.</p>	As stated in the Consent
Standard condition 2: tell us when you acquire the Land	
<p>You must tell us in writing when you have acquired the Land. Include details of:</p> <ol style="list-style-type: none">the date you acquired the Land (Settlement),consideration paid (plus GST if any),the structure by which the acquisition was made and who acquired the Land, andcopies of any transfer documents and Settlement statements.	As soon as you can, and no later than two months after Settlement
Standard condition 3: allow us to inspect the Land	
<p>Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions.</p> <p>We will give you at least two weeks' written notice if we want to do this.</p> <p>You must then:</p> <ol style="list-style-type: none">Allow a person we appoint (Inspector) to:<ol style="list-style-type: none">enter onto the Land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (Inspection),remain there as long as is reasonably required to conduct the inspection,gather information,conduct surveys, inquiries, tests, and measurements,	At all times

<ul style="list-style-type: none"> (e) take photographs and video records, and (f) do all other things reasonably necessary to carry out the Inspection. <p>2. Take all reasonable steps to facilitate an Inspection including:</p> <ul style="list-style-type: none"> (a) directing your employees, agents, tenants, or other occupiers to permit an Inspector to conduct an Inspection, (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. <p>3. During an Inspection:</p> <ul style="list-style-type: none"> (a) 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, (b) our Inspector will comply with any reasonable instruction and co-operate with any reasonable health and safety policy or procedure you notify to us before the Inspection. 	
Standard condition 4: remain of good character	
<p>You and the Individuals Who Control You:</p> <ul style="list-style-type: none"> 1. must continue to be of good character, and 2. must not become an individual of the kind referred to in section 15 or section 16 of the Immigration Act 2009. In summary, these sections describe convicted or deported people who are not eligible for visa or entry permission to enter or be in New Zealand and people who are considered likely to commit an offence or to be a threat or risk to security, public order or the public interest. <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 25% or more of you or of a person who itself owns or controls 25% or more of you, and (c) are members of the governing body of the people referred to in paragraph (b) above. 	At all times
Standard condition 5: tell us about changes that affect you, the people who control you, or people you control	
You must tell us in writing if any of the following events happens to any of the Consent holders:	Within 20 working days after the change

<ol style="list-style-type: none"> 1. You, any Individual Who Controls You, or any person in which you or any individual who controls you hold (or at the time of the offence held) a 25% or more ownership or control interest commits an offence or contravenes the law anywhere in the world. This applies whether or not you or they were convicted of the offence. In particular, please tell us about any offences or contraventions that you are charged with or sued over and any investigation by enforcement or regulatory agencies or professional standard bodies. 2. An Individual Who Controls You ceases to be of good character; commits an offence or contravenes the law (whether they were convicted or not); becomes aware of any other matter that reflects adversely on their fitness to have the Land; or becomes an individual of the kind referred to in section 15 or 16 of the Immigration Act 2009 (see standard condition 4). 3. You cease to be an overseas person or dispose of all or any part of the Land. 4. You, any Individual Who Controls You, or any person in which you or any Individual Who Controls You hold (or at the time of the event held) a 25% or more ownership or control interest: <ol style="list-style-type: none"> (a) becomes bankrupt or insolvent (b) has an administrator, receiver, liquidator, statutory manager, mortgagee's or chargee's agent appointed, or (c) becomes subject to any form of external administration. 	
Standard condition 6: dispose of the Land if you do not comply with key special conditions	
<p>Some of the special conditions were key to the decision to give consent. 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.</p> <p>If all or part of this standard condition 6 applies to a special condition, we have said so in that condition.</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>	
<p>Value the Land: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.</p>	<p>Within ten weeks of the date of our notice.</p>
<p>Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.</p>	<p>Within ten weeks of the date of our notice.</p>

<p>Dispose of the Land: dispose of the Land to a third party who is not your associate.</p>	<p>Within six months of our notice.</p>
<p>Offer without reserve: if you have not disposed of the Land within six months of our notice, offer the Land for sale by auction or tender without a reserve price or minimum bid and dispose of the Land.</p>	<p>Within nine months of our notice.</p>
<p>Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the Land.</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>Report disposal to us: send us, in writing, evidence:</p> <ul style="list-style-type: none"> (a) that you have disposed of the Land, (b) of disposal (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), (c) the purchaser is not your associate. 	<p>Within one 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 and so we can measure the benefits you have brought to New Zealand through your investment.

Every year, you must lodge a **report**. It must:

1. be sent to **oiomonitoring@linz.govt.nz** by these dates:
 - (a) Year one: 31 January 2022
 - (b) Year two: 31 January 2023
 - (c) Year three: 31 January 2024
 - (d) Year four: 31 January 2025
 - (e) Year five: 31 January 2026
2. contain information about:
 - (a) your progress in implementing the special conditions;
 - (b) your progress in integrating the solar arrays, including details of how many megawatts the solar arrays can accommodate;
 - (c) details of any construction undertaken, permits applied for, or resource consents granted (including copies of any resource consents obtained);
 - (d) the amount of FTE(s) employed on the Land (whether temporary or ongoing), their roles, and their salaries; and
 - (e) details of any overseas in-market registration that the Applicant has applied for and has been granted.
3. follow the format of the template annual report published on our website at <https://www.linz.govt.nz/overseas-investment/enforcement/how-we-take-action>
4. 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 content was granted or
 - (b) The conditions of this consent.

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