
Exemption

Read this exemption carefully - you must comply with all the conditions.

Exemption

Decision date: 13 June 2024

The following people have been given the following exemption:

Case	202400297
Exemption	The requirements in sections 10(1)(a) and (b) of the Act to apply for consent do not apply to the Transaction.
Exemption holder	Kaingaroa Timberlands Limited (Company number 4448818) We will also refer to each Exemption holder and the Exemption holders together as you .
Transaction	The amalgamation of the Exemption holder with NZSF Timber Investments (No 4) Limited (Company number 1833645) under Part 13 of the Companies Act 1993 and the acquisition by the Exemption holder of up to 100% of interests in Kaingaroa Timberlands Partnership.
LINZ	Toitū Te Whenua Land Information New Zealand
Timeframe	This exemption expires on 31 December 2025.

Conditions

Your Exemption is subject to the conditions set out below. You must comply with them. The Overseas Investment Act 2005 (**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.

Conditions

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

Amendment or revocation of exemption

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

Reasons for exemption

The purpose of this Exemption is to exempt the Transaction from the requirement for consent for overseas investments in significant business assets and sensitive land.

Kaingaroa Timberlands Limited indirectly owns a more than 25% interest in Kaingaroa Timberlands Partnership (**KT Partnership**). KT Partnership has interests in sensitive land (notably Crown forestry licences and forestry rights covering in excess of 200,000ha in the central North Island, including the Kaingaroa Forest, the largest forest plantation in New Zealand).

The upstream ownership structure of KT Partnership is being restructured to amalgamate the Exemption holder with NZSF Timber Investments (No 4) Limited (**NZSF Timber 4**), which currently is one of the partners of, and therefore holds a direct interest in, the KT Partnership (the **Restructure**). As a result of the Restructure, the (now amalgamated) Exemption holder will be a partner of and hold NZSF Timber 4's interest in KT Partnership, which, together with the Exemption holder's existing indirect interests in the KT Partnership, will result in the Exemption holder owning 100% of the KT Partnership.

The purpose of the Restructure is to reduce complexity in the ownership structure of the KT Partnership and to reduce administrative costs through simplifying the corporate structure of the business group.

The Restructure will not result in any changes to the ultimate owners' effective economic ownership or control of KT Partnership, including that of the one overseas ultimate owner.

The Restructure is akin to the intra-group restructuring transactions contemplated in and covered by the class exemption pertaining to intra-group restructuring transactions under regulation 37(1) of the Overseas Investment Regulations 2005.

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 sensitive land. The process of acquiring consent would be a costly and unduly burdensome process, given the scale of the forestry interests involved.

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

- the assets are already owned by and controlled by an overseas person and would continue to be so; and
- there is no material change in the ultimate ownership and control of the New Zealand assets.

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