

Exemption

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

Exemption

Decision date	19 September 2024
Case	202400466
Exemption from the definition of overseas person	<p>Seasonal Solutions Cooperative Limited (Company number 1589160) (SSCL) is exempt from the definition of overseas person provided the eligibility requirements are met.</p> <p>The eligibility requirements are:</p> <ol style="list-style-type: none"> 1. <u>Ownership of SSCL</u> Less than 50 per cent of the shares in SSCL are held by overseas persons. 2. <u>Control of SSCL</u> 10%+ investors cannot exercise, or control the exercise of, more than 25% of the voting power at a meeting of SSCL. 3. <u>Involvement of foreign governments</u> No foreign government (or its associates) holds a 10% or more interest in SSCL. 4. <u>Suitability of investors</u> Every Relevant Person is not unsuitable to own or control New Zealand assets in accordance with section 18A(1) of the Act.
Exemption from the requirement for consent	Every person is exempt from the requirement for consent for an acquisition of securities or rights or interests in securities in SSCL provided SSCL will continue to meet the eligibility requirements.
Timeframe	This exemption expires on 19 September 2029.

Definitions

10%+ investor means an overseas person that (alone or together with its associates) can exercise or control the exercise of more than 10% or more of the voting power at a meeting of SSCL.

Act means Overseas Investment Act 2005.

Primary Business of SSCL means:

- (i) providing seasonal workers to its shareholders, including, if required, arranging accommodation for those workers;
- (ii) pastoral care and support to seasonal workers;
- (iii) associated and ancillary activities (such as marketing, maintaining a database of jobs available, office and administrative activities).

LINZ means Toitū Te Whenua Land Information New Zealand. LINZ is also referred to as 'us'.

Overseas Person has the same meaning as defined in section 7 of the Act.

Regulations means Overseas Investment Regulations 2005.

Relevant Person means an overseas person that:

- (i) is a director of SSCL, or
- (ii) (alone or together with its associates) can exercise or control the exercise of more than 10% or more of the voting power at a meeting of SSCL, or
- (iii) is a member of the governing body of the people referred to in paragraphs (i)-(ii).

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.

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.

Details:	Required date:
Condition 1: Business of SSCL	
The Primary Business of SSCL must not change.	At all times
Condition 2: Not unsuitable to invest in New Zealand	
Every Relevant Person must remain not unsuitable to own or control New Zealand assets in accordance with section 18A(1) of the Act.	At all times.

Details:	Required date:
You must tell us in writing if any relevant person establishes any of the investor test factors listed in section 18A(4) of the Act.	Within 20 working days after the factor is established.
Condition 3: Reporting Conditions	
<p>If requested in writing by LINZ, SSCL must provide a written report on any matter relating to its compliance with:</p> <ol style="list-style-type: none"> 1. the Exemption 2. the conditions of the Exemption 3. the ownership and control of SSCL 	

Amendment or revocation of exemption

The Exemption and conditions of the Exemption may at any time be amended or revoked in the same way as it may be made.

Reasons for exemption

Seasonal Solutions Cooperative Limited (**SSCL**) is a cooperative of its 49 shareholders. All of the shareholders are growers, manufacturers, processors or contractors in the viticulture and horticulture industries. The Applicant provides administrative support for seasonal workers, including owning properties for worker accommodation.

A discretionary exemption from the definition of overseas person under the Overseas Investment Act 2005 (**the Act**) is warranted, because the Applicant is majority owned and substantively controlled by New Zealanders.

Persons or entities acquiring shares in SSCL are exempt from the requirement for consent for so long as SSCL remains exempt from the definition of overseas person.

Section 61D provides for exemptions from the definition of overseas person. There are two criteria for exemption in section 61E(1), namely:

- whether there are circumstances that mean that it is necessary, appropriate, or desirable to provide an exemption for any of the matters referred to in section 61B(a) to (c), and
- that the extent of any exemption granted is not broader than reasonably necessary to address the circumstances referred to in the first criterion.

The specific matter applicable in this exemption is set out in section 61(b)(c)(viii), which refers to an exemption in respect of persons considered to be majority owned and substantively controlled by New Zealanders.

The criteria are met in this case.

- it is necessary, appropriate, or desirable to provide an exemption because Applicant is majority owned by New Zealanders and is substantially controlled by New Zealanders.
- the exemption is no broader than is reasonably necessary as only the Applicant (and persons acquiring shares in the Applicant) are to be exempted, the period is limited to five years from the date of the exemption, and limited only to investments in worker accommodation and associated office and administration facilities required to operate the Primary Business of SSCL.

It is also reasonable to grant the exemption having regard to the purpose of the Act and the considerations included in the Ministerial Directive Letter dated 6 June 2024. In particular, the exemption has conditions to ensure that the Applicant will not be majority owned or substantively controlled by overseas persons, not open to access or control by a foreign government, and is suitable to own sensitive New Zealand assets.