

**Overseas Investment Office**

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[www.linz.govt.nz](http://www.linz.govt.nz)

Our Ref: 201900453

10 August 2020

**TO:** Cloudy Bay Vineyards Limited


**BY EMAIL**

**CC BY EMAIL:** Catherine Reid

**CONSENT FOR YOU TO ACQUIRE LAND AT 164 JACKSONS ROAD, RAPAUHA, BLENHEIM**

1. We<sup>1</sup> have now considered, and approved, your application for consent to acquire approximately 9.5213 hectares of land at 164 Jacksons Road, Rapaura, Blenheim.
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. 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

  
Will McGrath  
Solicitor  
Overseas Investment Office

DDI: +64 4 462 4435  
Email: [wmcgrath@linz.govt.nz](mailto:wmcgrath@linz.govt.nz)

<sup>1</sup> 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.

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

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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.

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### Consent

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**Decision date:** 10 August 2020

The following people have been given the following consent:

<b>Case</b>	201900453
<b>Consent</b>	Cloudy Bay Vineyards Limited may acquire the Land subject to the Conditions set out below.
<b>Consent holder/s</b>	Cloudy Bay Vineyards Limited We will also refer to the Consent holder as <b>you</b> .
<b>Land</b>	Approximately 9.5213 hectares of land at 164 Jacksons Road, Rapaura, Blenheim contained in Record of Title 776679.
<b>Timeframe</b>	You have until 31 July 2021 to acquire the Land.

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## 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:

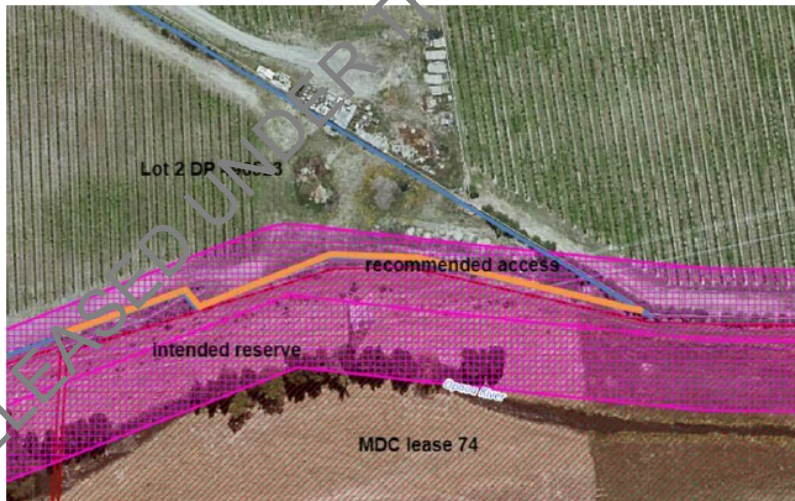
Details	Required date
<b>Special condition 1: Replant the pinot gris vines with sauvignon blanc vines</b>	
You must replant at least 1.2 hectares of the pinot gris vines on the Land with sauvignon blanc vines.	By 31 December 2021
<b>Special condition 2: Additional Investment for Development Purposes</b>	
You must introduce into New Zealand at least [REDACTED] of additional investment for the purposes of any or all of the following purposes: <b>9(2)(b)(ii)</b> <ul style="list-style-type: none"><li>- purchasing new vines;</li><li>- removing old vines;</li><li>- planting and vine establishment;</li><li>- irrigation;</li><li>- trellis and vine training;</li><li>- purchasing new vineyard equipment; and</li><li>- purchasing stainless steel tanks.</li></ul>	By 30 June 2023
<b>Special condition 2: Jobs</b>	
You must create at least 0.6 FTE additional seasonal roles, and an additional 0.1 FTE permanent roles on the Land.	By 30 June 2023
<b>Special condition 3: Walking access</b>	
If requested by Marlborough District Council ( <b>MDC</b> ), you must (at your cost) create certain and enduring public access alongside the Ōpaoa River using access strips under section	Within 12 months of being requested by MDC.

237B of the Resource Management Act 1991, namely:

(a) An access strip along the stopbank (as detailed in orange in the image below); and



(b) An access strip along the title boundary where it adjoins MDC lease 74 (as detailed in orange in the map below)



## 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
<b>Standard condition 1: acquire the Land</b>	
<p>You must acquire the Land:</p> <ol style="list-style-type: none"> <li>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</li> <li>using the acquisition, ownership and control structure you described in your application.</li> </ol> <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
<b>Standard condition 2: tell us when you acquire the Land</b>	
<p>You must tell us in writing when you have acquired the Land. Include details of:</p> <ol style="list-style-type: none"> <li>the date you acquired the Land (<b>Settlement</b>),</li> <li>consideration paid (plus GST if any),</li> <li>the structure by which the acquisition was made and who acquired the Land, and</li> <li>copies of any transfer documents and Settlement statements.</li> </ol>	As soon as you can, and no later than two 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.</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"> <li>Allow a person we appoint (<b>Inspector</b>) to:</li> </ol>	At all times

<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 records, and</li> <li>(f) do all other things reasonably necessary to carry out the Inspection.</li> </ul> <p>2. Take all reasonable steps to facilitate an Inspection including:</p> <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> <p>3. During an Inspection:</p> <ul style="list-style-type: none"> <li>(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,</li> <li>(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.</li> </ul>	
<b>Standard condition 4: remain of good character</b>	
<p>You and the Individuals Who Control You:</p> <ul style="list-style-type: none"> <li>1. must continue to be of good character, and</li> <li>2. must not become an individual of the kind referred to in <a href="#">section 15</a> or <a href="#">section 16</a> 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</li> </ul>	<p>At all times</p>

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<p>interest.</p> <p>The <b>Individuals Who Control You</b> are individuals who:</p> <ul style="list-style-type: none"> <li>(a) are members of your governing body,</li> <li>(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</li> <li>(c) are members of the governing body of the people referred to in paragraph (b) above.</li> </ul>	
<p><b>Standard condition 5: tell us about changes that affect you, the people who control you, or people you control</b></p>	
<p>You must tell us in writing if any of the following events happens to any of the Consent holders:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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 <a href="#">section 15</a> or <a href="#">16</a> of the Immigration Act 2009 (see standard condition 4).</li> <li>3. You cease to be an overseas person or dispose of all or any part of the Land.</li> <li>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: <ul style="list-style-type: none"> <li>(a) becomes bankrupt or insolvent</li> <li>(b) has an administrator, receiver, liquidator, statutory manager, mortgagee's or chargee's agent appointed, or</li> <li>(c) becomes subject to any form of external administration.</li> </ul> </li> </ol>	<p>Within 20 working days after the change</p>

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**Standard condition 6: dispose of the Land if you do not comply with key special conditions**

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.

If all or part of this standard condition 6 applies to a special condition, we have said so in that condition.

We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:

**Value the Land:** obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.

Within six weeks of the date of our notice.

**Market the Land:** instruct a licensed real estate agent to actively market the Land for sale on the open market.

Within six weeks of the date of our notice.

**Dispose of the Land:** dispose of the Land to a third party who is not your associate.

Within six months of our notice.

**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.

Within nine months of our notice.

**Report to us about marketing:** tell us in writing about marketing activities undertaken and offers received for the Land.

By the last day of every March, June, September and December after our notice or at any other time we require.

**Report disposal to us:** send us, in writing, evidence:

- (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.

Within one month after the Land has been disposed of.

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## Reporting conditions

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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.

1. You must report to the OIO (by email to [oiomonitoring@linz.govt.nz](mailto:oiomonitoring@linz.govt.nz)) each year on 31 August until 31 August 2026. Your report must include:
  - (a) the amount of export receipts per annum produced that year in total, and then specifically the export receipts produced that year from the grapes grown on the Land;
  - (b) the amount of additional investment introduced into New Zealand to complete the replanting on the Land and additional equipment required to process the grapes from the Land in that year, and in total; and
  - (c) the number of jobs created on the Land in that year, and in total.
2. You must also report to the OIO:
  - (a) if you are requested by Marlborough District Council to complete the walking access as part of their Walking & Cycling Strategy as detailed in Special Condition 3 and forward to the OIO the recommendations by Marlborough District Council relevant to the walking access; and
  - (b) once you have completed the walking access set out in Special Condition 3.
3. Your reports must follow the format of the template annual report published on our [website](#).
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.