



Wellington Drive Technologies Limited

Share Purchase Plan

Terms & Conditions

19 October 2009

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**This is an important document. If you have any doubts as to what you should do, please consult your financial adviser**

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## KEY DATES\*

Date	Event	
23 October 2009	Record Date	The date on which Wellington determines the Eligible Shareholders.
27 October 2009	Opening Date	Share Purchase Plan opens.
6 November 2009	Special Shareholders Meeting	To consider the HHIML Placement.
13 November 2009	Closing Date	Share Purchase Plan closes. Applications must be received by 3.00pm NZ time.
13 November 2009	Price Announcement Date	Issue Price announced.
By 20 November 2009	Allotment Date	Shares allotted. Trading is expected to commence on the NZSX on the next Trading Day.
23 November 2009	Despatch Date	Transaction confirmation despatched to shareholders.

\* Wellington reserves the right to alter the key dates.


Defined words and expressions used in this booklet are capitalised - see the Glossary for their definition.

Signed by the Wellington directors



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Richard Boven



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Ray Thomson




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Simon Mander



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Ross Green



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Shawn Beck

## QUESTIONS AND ANSWERS

### *What is the Share Purchase Plan (SPP)?*

The SPP is a convenient way for Eligible Shareholders to purchase additional Shares in Wellington without incurring brokerage or other transaction costs and at a discount to the Shares' average closing price during the Pricing Period.

You are an Eligible Shareholder if:

- you were registered as a holder of fully paid Shares at 5.00pm (NZ time) on the Record Date; and
- your registered address is in New Zealand.

Wellington has decided that the SPP is not available to overseas shareholders so as to avoid the risk of breaching laws in the relevant jurisdictions. Wellington, in making this decision, has taken into account the small number of overseas shareholders in Wellington.

All shares issued under the SPP will rank equally with all existing fully paid ordinary shares in Wellington and, on issue, will carry the same voting rights and other entitlements.

### *Why is Wellington issuing more Shares?*

The funds raised from the SPP, together with the funds raised under the HHIML Placement and Institutional Placement, will be used to finance the completion of development and launch of new products with improved performance and lower manufacturing costs, to fund working capital expansion as further sales growth is achieved and to fund near-term operating losses.

### *Do I have to participate in the SPP?*

No - participation is entirely voluntary. Before you apply for Shares under the SPP, we recommend you seek independent financial advice from your financial adviser.

### *How much can I invest under the SPP?*

The amount you may invest under the SPP is limited. Eligible Shareholders may elect to apply for a parcel of Shares with a value of \$1,000 or any multiple of \$1,000 up to a maximum of \$5,000.

If you receive more than one copy of this booklet, or if you hold Shares in more than one capacity (eg, because you are both a sole and joint holder of Shares), the total value of the Parcels that you may apply for in all capacities is \$5,000. By applying to purchase Shares under the SPP, you certify you have not exceeded this limit.

Custodians that hold Shares on behalf of one or more beneficial owners may apply for Shares to the value of up to \$5,000 per beneficial owner (who is a New Zealand resident), provided that they comply with the requirements set out in the terms and conditions of the SPP.

If you hold shares in your personal capacity as well as through one or more Custodians, you may only make one application up to a maximum of \$5,000.

The offer is non-renounceable, so you cannot transfer your right to purchase Shares under the SPP to anyone else.

### ***What is the Issue Price of the Shares under the SPP?***

The Issue Price will be the LESSER of:

- NZ\$0.10 – being the price paid for Shares under the HHIML Placement and the Institutional Placement; and
- a discount of 10% to the Average Closing Price of the Shares calculated over the five Trading Days prior to and including 12 November 2009.

For example:

- If the average closing price of the Shares over the five Trading days prior to and including 12 November 2009 is \$0.12, then the Issue Price will be \$0.10 (i.e., the price paid in the HHIML Placement and Institutional Placement).
- If the average closing price of the Shares over the five Trading Days prior to and including 12 November 2009 is \$0.09, then the Issue Price will be \$0.081 (i.e., a 10% discount to the average closing price over the five Trading Day period).

The Issue Price will be announced on or around midday on 13 November 2009 to the NZX and will be available on Wellington's website ([www.wdttl.com](http://www.wdttl.com)) shortly after this time. It is expected that Shares will be allotted by 20 November 2009.

### ***What are the risks to investing in the SPP?***

The market price of Wellington Shares may rise or fall between the date of this offer, the date the Issue Price is determined and the date when Shares issued under the SPP are allotted to you. As a result, the Issue Price you pay for Shares issued to you under the SPP may exceed the price of Wellington Shares trading on the NZSX. In other words, the value of the Shares issued to you under the SPP may be, at the time of issue, lower than the Issue Price.

There can be no certainty that Wellington Shares will trade at or above the Issue Price following the issue of the Shares under the SPP. Accordingly, you should seek your own financial advice in relation to this offer and your participation in the SPP.

### ***How do I apply for Shares under the SPP?***

If you wish to participate in the SPP, follow the step-by-step instructions set out on the reverse of the enclosed personalised Application Form.

You must send your completed Application Form with your cheque or money order made payable to "Wellington Drive Technologies Limited" to Wellington's share registry

Computershare Investor Services Limited, as per the instructions on the Application Form, to be received no later than **3.00pm on Friday, 13 November 2009** (unless extended).

You will not be able to withdraw or revoke your application once you have sent it in.

### *How long is the SPP open?*

The SPP opens on 27 October 2009 and is expected to close at 3.00pm (NZ time) on 13 November 2009, unless extended.

Please allow adequate time for mail deliveries. Applications received after this time may not be accepted.

### *When will I receive my Shares?*

You will receive Shares issued to you under the SPP on the Allotment Date, which is currently expected to be by 20 November 2009.

A certificate confirming the number of Shares issued to you under the SPP will be sent on or around 23 November 2009.

### *How many Shares will I receive?*

The parcel you have applied for may not equal a whole number of Shares once the Issue Price is determined. In this case, the value of the Shares allotted to you will be rounded down to the nearest Share.

Rather than return any balance remaining (which will necessarily be less than \$0.10 per Eligible Shareholder), it will be paid to a charity nominated by Wellington.

### *When will the Shares be quoted?*

Shares will be quoted on the NZSX and are expected to commence trading on the Trading Day after the Allotment Date (which will be 23 November 2009 based on the current timetable).

### *Further assistance*

If you have any questions, please contact your financial adviser before making an investment.

If you need to contact Wellington, you can do so by contacting the Company Secretary on (09) 414 6590 or by email: [Ron.Jackson@wdtl.com](mailto:Ron.Jackson@wdtl.com).

# TERMS AND CONDITIONS

## IMPORTANT NOTICE:

If you apply to participate in the SPP by completing and returning the Application Form, you are accepting the risk that the market price of Shares may change between the Record Date, the date at which you send in an Application Form and the Allotment Date. This means that it is possible that up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Issue Price. The definition of Issue Price in the Glossary shows you how the Issue Price is calculated.

We encourage you to seek your own financial advice regarding your participation in the SPP.

Defined words and expressions used in this booklet are capitalised - see the Glossary for their definition.

These Terms and Conditions set out the terms and conditions of the offer made pursuant to the SPP. Please read these Terms and Conditions carefully.

## 1 Offer timetable

- 1.1 This offer is dated, and taken to be made on, 23 October 2009 (**Record Date**).
- 1.2 The offer opens on 27 October 2009 (**Opening Date**).
- 1.3 The offer closes at 3.00pm (NZ time) on 13 November 2009 (**Closing Date**), unless extended. Application Forms and cheques or money orders may not be processed or held to be valid if they have not been received by Wellington by this time.
- 1.4 The Issue Price will be announced on or around midday on 13 November 2009 (**Price Announcement Date**). The Issue Price will be fixed and publicly notified before allotment of the Shares pursuant to the SPP.
- 1.5 The Shares are proposed to be allotted by 20 November 2009 (**Allotment Date**).
- 1.6 Wellington expects the Shares will commence trading on the NZSX on the Trading Day after the Allotment Date.
- 1.7 Wellington expects that a transaction confirmation will be despatched to you on or around 23 November 2009 (**Despatch Date**).
- 1.8 Wellington has a discretion to change, at any time, any of the Closing Date, the Price Announcement Date, the Allotment Date and the Despatch Date (notwithstanding that the offer has opened or Application Forms have been received) by lodging a revised timetable with NZX.
- 1.9 Any Shares that are not issued under the SPP may be issued by Wellington to such persons and in such manner as the Board considers equitable and in the interests of Wellington, provided that the price and terms and conditions of the issue are not materially more favourable to the offerees than those offered under the SPP.

## 2 Eligible Shareholders

- 2.1 You may participate in the SPP if you are an Eligible Shareholder.

- 2.2 Joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and the certification on the Application Form is taken to have been given by all of them.
- 2.3 If you are an Eligible Shareholder, your rights under this offer are personal to you and non-renounceable, so you may not transfer them.

### **3 Applications for Parcels of Shares**

#### **Limitations on applications**

- 3.1 Subject to clause 3.3, if you are an Eligible Shareholder you may apply to purchase Shares to the value of the Parcel you select on your Application Form. Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity) may apply on different Application Forms for more than one Parcel, but may not, subject to clause 3.3, apply for Shares with an aggregate value of more than \$5,000.
- 3.2 The total issue price of all Shares issued by Wellington to an Eligible Shareholder under the SPP or any similar arrangement in the 12 months prior to and including the date of an application for Shares under the SPP (as if Shares up to the value of the Parcel applied for in this SPP were issued and whether the Shares are issued through any Custodian or to the Eligible Shareholder in his or her own right) must not exceed \$5,000. This limit applies only to Shares issued by Wellington under the SPP or any similar arrangement and does not include any Shares the Eligible Shareholder may have acquired on the NZSX or through a rights offer.

#### **Custodians**

- 3.3 Custodians may apply to purchase Shares for greater than \$5,000 but only up to the total value of Shares applied for by each beneficial owner (which is a New Zealand resident) for which the Custodian acts as a custodian. Custodians must confirm to Wellington that they are holding shares as a custodian for that beneficial holder by providing the written certification to Wellington described in clause 3.5 below. Each such beneficial owner may only direct the Custodian to apply on behalf of that beneficial owner for Parcels up to the value of \$5,000 (subject to clause 3.4).
- 3.4 The total issue price of all Shares issued directly or indirectly by Wellington to a beneficial owner under the SPP or any similar arrangement in the 12 months prior to and including the date of an application for Shares under the SPP (as if the Shares up to the value of the Parcel applied for through the Custodian pursuant to the SPP were issued and whether the Shares are issued through any Custodian or to the beneficial owner in his or her own right) must not exceed \$5,000. This limit applies only to Shares issued by Wellington under the SPP or any similar arrangement and does not include any Shares the beneficial owner may have acquired on the NZSX or through a rights offer.
- 3.5 If a Custodian applies to purchase Shares pursuant to clause 3.3, the Custodian must certify to Wellington in writing together with the application:
- (a) that the Custodian holds Shares directly or indirectly as a custodian for beneficial owners who are New Zealand residents;
  - (b) the number of those beneficial owners;

- (c) in respect of each of the beneficial owners, how many Shares the beneficial owner or the beneficial owner's agent has instructed the Custodian to accept on behalf of that beneficial owner;
- (d) that the Custodian undertakes not to accept on behalf of any of those beneficial owners for which it acts directly or indirectly as a custodian, in any 12 month period, Shares in Wellington under the SPP or any similar arrangement the total issue price of which is more than \$5,000; and
- (e) that the beneficial owner on whose behalf the Custodian is submitting an application is not making an application as an Eligible Shareholder for Shares under the SPP, and no other Custodian is submitting an application under the SPP for that beneficial owner.

### **Rounding**

- 3.6 The Parcels (including those to be issued to Custodians) are subject to rounding (see Part 5 below).

### **Completing the Application Form and paying for Shares**

- 3.7 If you wish to participate in the SPP, you must complete the Application Form and provide a cheque or money order in accordance with the instructions on the Application Form. Cheques must be drawn on a New Zealand bank account.

### **Wellington's discretions regarding applications**

- 3.8 Wellington has complete discretion to accept or reject your application to purchase Shares under the SPP, including (without limitation) if:
- (a) your Application Form is incorrectly completed or incomplete or otherwise determined by Wellington to be invalid; or
  - (b) your cheque is dishonoured or has not been completed correctly; or
  - (c) the cheque or money order that you enclose with your Application Form is not made out for the exact amount of the Parcel that you have selected on the Application Form; or
  - (d) you are applying to buy more than \$5,000 (in aggregate) of Shares (except if you are a Custodian applying on behalf of more than one beneficial owner in accordance with clause 3.3); or
  - (e) your Application Form is received after the Closing Date. While Wellington has discretion to accept late Application Forms and cheques or money orders, there is no assurance that it will do so. Late Application Forms and cheques or money orders, if not processed, will be returned to you at your registered address; or
  - (f) Wellington believes that you are not an Eligible Shareholder or Custodian; or
  - (g) Wellington considers that your application does not comply with these Terms and Conditions.

### **Interest**

- 3.9 No interest will be paid on any application money returned to you.

### **Significance of sending in an application**

- 3.10 If you apply to participate in the SPP by completing and returning the Application Form:
- (a) your application, on these Terms and Conditions, will be irrevocable and unconditional (it cannot be withdrawn);
  - (b) you certify to Wellington that you are an Eligible Shareholder entitled to apply for Shares under these Terms and Conditions;
  - (c) you agree to be bound by the constitution of Wellington;
  - (d) you certify to Wellington that you are not applying for Shares with an aggregate application price in excess of \$5,000 under the SPP (including applications made through a Custodian) even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP and the total issue price of those Shares for which you are applying, if issued, together with the total issue price of all and any other Shares applied for by you under the SPP or any similar arrangement and issued by Wellington to you in the 12 months prior to and including the date of the application for Shares under the SPP will not exceed \$5,000 (excluding any Shares you may have acquired in that period on the NZSX or under any rights offer);
  - (e) you authorise Wellington (and its officers or agents) to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details;
  - (f) you acknowledge that Wellington may at any time irrevocably determine that your Application Form is valid, in accordance with these Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
  - (g) you accept the risk associated with any refund that may be despatched to you by cheque to your address shown on Wellington's share register;
  - (h) you consent to not being refunded any excess of your application monies over the value of the Shares you are issued due to rounding under Part 5 below and you acknowledge that any such excess will be paid to a charity nominated by Wellington;
  - (i) you agree to indemnify Wellington for, and to pay to Wellington within five business days of demand, any dishonour fees or other costs Wellington may incur in presenting a cheque for payment which is dishonoured;
  - (j) you acknowledge that none of Wellington, its advisors or agents has provided you with investment advice or financial product advice, and that none of them has an obligation to provide advice concerning your decision to apply for and purchase Shares;
  - (k) you acknowledge the risk that the market price for the Shares may change between the Record Date, the date you apply for Shares under the SPP, the Price Announcement Date and the Allotment Date. A change in market price during

this period will affect the Issue Price and may affect the value of the Shares issued to you under the SPP;

- (l) you acknowledge that Wellington may disclose any information in or relating to your application and accompanying cheque or money order to Computershare Investor Services Limited in connection with their management of the SPP;
- (m) you acknowledge that Wellington is not liable for any exercise of its discretions referred to in these Terms and Conditions; and
- (n) you irrevocably and unconditionally agree to these Terms and Conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP.

If a Custodian applies to purchase Shares for a beneficial owner pursuant to clause 3.3, the certification referred to in clause 3.10(d) will be taken to be given by the beneficial owner on whose behalf the Custodian is applying to purchase Shares.

#### **4 Issue Price**

You agree to pay the Issue Price per Share up to a maximum of the Parcel you have selected on the Application Form.

#### **5 Rounding of Shares**

- 5.1 If you apply for Shares under the SPP, you will apply for a certain value rather than a certain number of Shares. The number of Shares you receive will be determined by dividing the value of the Parcel you have applied for by the Issue Price, once it is determined.

If this calculation produces a fractional number, the number of Shares you will be allotted will be rounded down to the nearest whole number of Shares.

- 5.2 If the number of Shares you are allotted is rounded down, your application monies will be slightly greater than the value of the Shares you are allotted and any such excess will be paid to a charity nominated by Wellington. The donated amount per application will always be less than the Issue Price for one Share (that is, a maximum of \$0.10).

#### **6 The Shares**

- 6.1 Shares issued under the SPP will rank equally with, and have the same voting rights, dividend rights and other entitlements as, existing fully paid Shares quoted on the NZSX.
- 6.2 Wellington will apply for Shares issued under the SPP to be quoted on the NZSX, with effect on or shortly after the Allotment Date. You cannot trade in any Shares issued to you pursuant to the SPP, either as principal or agent, until official quotation on the NZSX in accordance with the Listing Rules. Wellington expects the Shares will commence trading on the NZSX on the Trading Day after the Allotment Date (that is, on 23 November 2009 on the current timetable).

## **7 Financial Statements**

You may obtain free of charge the most recent annual report and financial statements of Wellington by contacting Wellington, or you may download the reports from the Wellington website [http://www.wdtl.com/investor\\_info](http://www.wdtl.com/investor_info).

## **8 No Underwriting of the Offer**

The SPP is not subject to any underwriting arrangement.

## **9 Amendments to the Offer and waiver of compliance**

9.1 Wellington will not change these Terms and Conditions (subject to its discretion to revise the timetable under clause 1.8 and subject to clause 9.2 below). However, Wellington reserves the right to waive compliance with any provision of these Terms and Conditions. If Wellington waives compliance with any provision of these Terms and Conditions, that waiver may, if so expressed, apply to all Eligible Shareholders.

9.2 Wellington reserves the right to, in its absolute discretion, modify, suspend, withdraw, terminate or correct the offer and the SPP, at any time. Wellington will notify the NZX if it does so modify, suspend, withdraw, terminate or correct the offer or the SPP. Without limitation, Wellington may seek to exercise this right if the HHIML Placement does not proceed for any reason.

9.3 Wellington may issue fewer Shares than an Eligible Shareholder applies for under this offer (or none at all) if Wellington believes that issuing those Shares would break any law or rules of any stock exchange on which Wellington Shares are quoted.

## **10 Interpretation of Documents**

In the event of any conflict between these Terms and Conditions (including the Glossary) and the accompanying letter from the Chairman and Questions and Answers and the Application Form, these Terms and Conditions will take precedence.

## **11 Governing Law**

These Terms and Conditions are governed by, and are to be construed in accordance with, the laws of New Zealand.

## **12 Dispute Resolution**

If any dispute arises in connection with the SPP, Wellington may settle it in any manner it thinks fit. It may do so generally or in relation to any particular participant, application or Shares. Wellington's decision will be final and binding.

## **13 Inconsistency**

Unless otherwise determined by the directors of Wellington, in the event of any inconsistency between the terms and conditions of the SPP and Wellington's constitution, Wellington's constitution shall prevail.

## GLOSSARY

<b>Allotment Date</b>	By 20 November 2009, unless extended.
<b>Application Form</b>	The personalised application form relating to the SPP that you received with this booklet, including the instructions on the reverse of the form.
<b>Average Closing Price</b>	The average of the daily closing share price of Shares sold on the NZSX during the Pricing Period.
<b>Closing Date</b>	13 November 2009, unless extended.
<b>Custodian</b>	A holder of Shares that is a trustee corporation or a nominee company and holds Shares by reason only of acting for another person, where that person is resident in New Zealand, in the ordinary course of business of that trustee corporation or nominee company, or a holder of Shares by reason only that the person is a bare trustee of a trust to which the Shares are subject, where the beneficiary of that trust is a resident in New Zealand.
<b>Despatch Date</b>	On or around 23 November 2009, unless extended.
<b>Eligible Shareholder</b>	A person who, at 5.00pm (NZ time) on the Record Date, was recorded in Wellington's share register as being a registered holder of Shares and having an address in New Zealand, unless that person holds Shares on behalf of another person who resides outside New Zealand. For the avoidance of doubt, no U.S. person (as defined in Regulation S under the US Securities Act of 1933) will be an Eligible Shareholder.
<b>HHIML Placement</b>	The conditional placement of Shares to the Hunter Hall Value Growth Trust, the Hunter Hall Global Deep Green Trust, Hunter Hall Global Value Limited and Hunter Hall International Ethical Fund plc, the investments of each of which is managed by Hunter Hall Investment Management Limited, pursuant to a subscription agreement entered into between Wellington and Hunter Hall Investment Management Limited dated 14 September 2009.
<b>Institutional Placement</b>	The conditional placement of Shares to various institutions and professional investors announced on 21 September 2009.
<b>Issue Price</b>	The price at which the Shares will be issued pursuant to the SPP, being the lesser of: <ul style="list-style-type: none"><li>• \$0.10 – being the price paid for Shares by under the HHIML Placement and the Institutional Placement; or</li><li>• a 10% discount to the Average Closing Price.</li></ul>
<b>Listing Rules</b>	The NZSX listing rules of NZX.

<b>NZX</b>	NZX Limited.
<b>NZSX</b>	The main board equity security market operated by NZX.
<b>Opening Date</b>	27 October 2009.
<b>Parcel</b>	The value of the parcel of Shares that you apply for, which may be \$1,000 or multiples thereof up to \$5,000, in each case at the Issue Price per Share.
<b>Price Announcement Date</b>	Date on which the Issue Price is announced, expected to be on or around 13 November 2009, unless extended in accordance with the Terms and Conditions.
<b>Pricing Period</b>	A period of five Trading Days ending on and including 12 November 2009.
<b>Record Date</b>	23 October 2009.
<b>Shares</b>	Fully paid ordinary shares of Wellington Drive Technologies Limited.
<b>SPP</b>	The Share Purchase Plan detailed in these Terms & Conditions.
<b>Trading Day</b>	A full day on which the Shares are quoted, and not suspended from quotation or made subject to a trading halt, on the NZSX. A day on which the NZSX is closed or on which trading on the NZSX is suspended is not a Trading Day.
<b>Wellington</b>	Wellington Drive Technologies Limited.

All references to “\$” or “dollars” are to New Zealand dollars unless specified otherwise.

## **DIRECTORY**

### **Registered Office**

Wellington Drive Technologies Limited  
16-22 Omega Street  
North Harbour  
Auckland, New Zealand  
www.wdtl.com

### **Share Registry**

Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142  
New Zealand

### **Legal Advisers**

Bell Gully  
Vero Centre  
48 Shortland Street  
Auckland, New Zealand

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The logo for Wellington, featuring the word "Wellington" in a green serif font. A thin, dark grey arc is positioned above the "l" and "l" in "Wellington", starting under the first "l" and ending under the second "l".

Share Purchase Plan

2009