

Beyond the Motor



Wellington[®]

Wellington Drive Technologies Limited

Share Offer

5 for 6 Renounceable Rights Offer of up to 105,310,930 Ordinary Shares at 3 cents each

14 April 2015

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

Key Terms of the Offer

Issuer	Wellington Drive Technologies Limited (WDT or Wellington)
Nature of investment	The Offer is a pro rata, renounceable rights offer to Eligible Shareholders of five Ordinary Shares for every six Ordinary Shares held by Eligible Shareholders at the Record Date (5.00 pm on 17 April 2015).
Eligibility	You are an Eligible Shareholder and can participate in the Offer if you are registered as a Shareholder at the Record Date (5.00 pm on 17 April 2015) and have a registered address in New Zealand or are otherwise a person to whom WDT considers it is not unduly onerous for an offer of the New Shares to be made as a result of the legal requirements of your jurisdiction.
Issue price	\$0.03 per New Share.
Offer size	105,310,930 New Shares to raise approximately \$3.2 million before costs.
Oversubscriptions	If you accept your entitlement in full, you may apply for any number of additional New Shares in accordance with the Oversubscription Facility – see section 4.
How to apply	Application must be made on the enclosed Entitlement and Acceptance Form together with payment in New Zealand dollars by 8 May 2015.

Key Dates WDT reserves the right to alter key dates

Date	Event	
15 April 2015	Rights trading opens	Rights' trading commences on the NZX Main Board. Existing ordinary shares quoted "Ex-Rights" on the NZX Main Board.
17 April 2015	Record Date	The date on which WDT determines the Eligible Shareholders.
21 April 2015	Mailing of Offer	Offer Document and Entitlement and Acceptance Form mailed to shareholders.
4 May 2015	Rights trading ceases	Quotation and trading of Rights ceases on the NZX Main Board.
8 May 2015	Closing Date	Applications or renunciations, together with payment of the Application Monies, must be received by 3.00pm NZ time.
By 15 May 2015	Allotment Date	New Shares allotted. Trading is expected to commence on the NZX Main Board on the next Trading Day.
By 22 May 2015	Despatch date	Transaction confirmation despatched to shareholders.

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1. Business review and the need for additional capital

Wellington's Strategy

Our mission since 2012 has been to move 'Beyond the Motor' to deliver solutions to solve our customers' refrigeration energy consumption and system control problems through the development of Advanced Motor and Intelligent Control Solutions. The two main pillars of the strategy are:

1. Continued improvement in the core Electronic Motor and Airflow Solutions business through customer led product development, executing core 'bottle cooler' market growth plans, diversifying Motor Revenue streams into new market streams, deploying business process improvements and delivering cost reduction programmes; and
2. Innovating for our customers by developing Intelligent Electronic Control Solutions that solve their refrigeration systems maintenance problems, providing connectivity solutions that support their market needs and reducing the total cost of ownership for their refrigeration systems.

As we enter 2015, that vision and strategy is intact and execution is well underway. We had a setback in 2014 with the Latin America demand situation and some product development challenges, and these setbacks have delayed the company in achieving its financial goals. In 2015, we will focus on five main priorities that we expect will achieve our profit and growth turnaround objectives:

1. Expanding geographical reach and customer diversification through sales distribution partnerships;
2. Developing new customer relationships and growing revenues in the Supermarket sector;
3. Launching the new ECR2 motor, a motor targeted at supporting Supermarket display case customers;
4. Launching the 'SCSConnect' fleet management solution, the company's first Smart Controller product; and
5. Delivering a lower cost, higher capability supply chain with partner East West and other strategic suppliers.

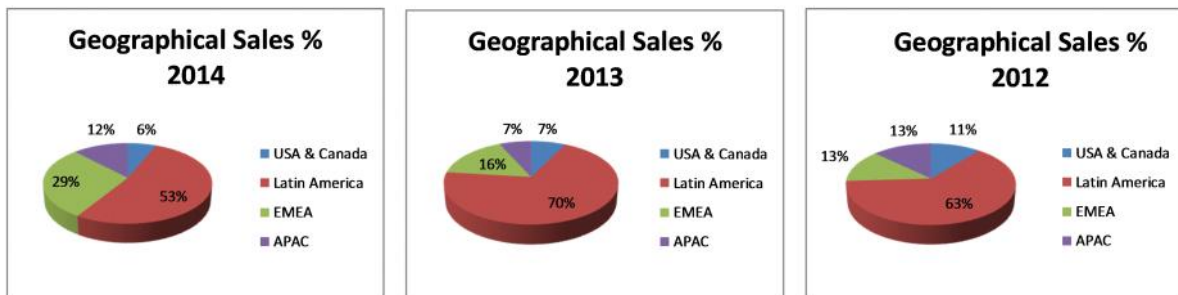
Operational Summary

In 2014, Wellington continued to improve the fundamentals of its business, including supply chain costs and manufacturing capability, product costs, operating cost structure, new customer and new product pipelines. However, our financial performance in 2014 was disappointing; predominantly due to Latin American demand weakness, while Asia Pacific and Europe each experienced 27% growth when compared to 2013. Our 2014 Annual Report provides a comprehensive commentary on the 2014 result and is available on our page of the NZX's website www.nzx.com/companies/WDT.

2015 will see continued focus on customers' new product needs by launching the new 'super quiet and highly efficient' ECR2 supermarket motor and the 'cloud connected' SCSConnect refrigeration fleet management solution. With a marginally improved Latin American demand environment, sales from new distributors and the commencement of revenue from our new products, we expect commercial refrigeration revenues to again show growth as compared with the exceptional lows of 2014. With further supply chain cost reductions planned, we expect to achieve gross margins around our strategic goal of 25%. EBITDA (earnings before interest, tax, depreciation, amortisation and impairment) losses are expected to improve markedly compared to 2014, as we make significant progress towards breakeven EBITDA.

Revenue Growth

Geographical Revenue Analysis



Latin America and USA

Revenues in 2014 were down significantly on 2013 due to:

- o Carbonated soft drink volumes declining in Latin America;
- o The Mexico sugar tax temporarily depressing volumes;
- o Competitive pressure resulting in some lost share in Columbia and Mexico; and
- o Argentina foreign currency restrictions stopping the import of motors.

During the first quarter of 2015, we have seen some improvement in market demand from our Latin American customer base, particularly in Mexico. We believe we have been successful in regaining some of the market share lost in 2014 and we are seeing small increases from retail brands and bottlers flowing through our bottle cooler customers. For example, in 2014 we were unsuccessful in winning the business of a large beer brand due to not having a motor with the specification to support their needs. By the end of 2014, our team had successfully remedied this situation by modifying an existing motor to meet the specification, and we will be supplying this customer in 2015.

Europe, Middle East and Africa (EMEA)

Revenue from the EMEA region grew by 27% in 2014, after adjusting for ventilation products that were discontinued in 2012, with our main bottle cooler customers bouncing back from the lows of 2013. We saw renewed interest in our EC motors from customers in Western Europe with several new customers sampling and testing our products. Our largest supermarket refrigeration customer started ordering our modified 4-watt ECR01 product and we are anticipating supporting this customer with our ECR2 motor in the second half of 2015. We started new relationships with sales agencies in South Africa and the United Kingdom and expect these agencies to develop new customer relationships for us in 2015.

Asia Pacific (APAC)

Revenue from APAC grew by 27% in 2014, with our new distribution partnerships in Australia and South China starting to win business and ship EC motors. We started new relationships with customers in Taiwan, Thailand and China and expect to continue delivering product to these customers in 2015. Our non-EC AMV shaded pole motor business grew modestly, with our largest customer for the AMV product line taking a greater number of units than in the previous year. We are seeing continued interest for our AMV product line in Asia generally and are exploring a number of new growth opportunities that could mean expansion of this product range.

What has changed as we enter 2015?

In 2015 we will launch our most comprehensive new product offering in five years, the ECR2 motor and the SCSCConnect controller, both of which are expected to deliver our strategic objective of revenue diversification. The success of these new products is the key to Wellington achieving revenue and margin growth beyond 2015. We will also commence field sampling of our new EC-CFrame motor, which is designed to compete in the low-cost bottle cooler segment of the market (a large part of the bottle cooler market that we do not supply today). We expect to continue to lower our manufacturing costs and manage operating costs tightly, both proven areas of success over the last three years.

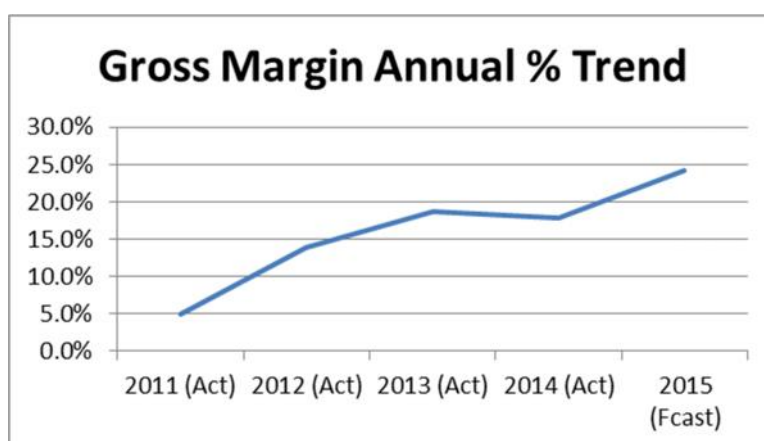
In addition to the improvements we are seeing in Latin American demand, we are enabling our current motors to extend to new uses and we are exploring other new markets to ensure we continue to diversify our concentrated customer base. The first new markets, which will see growth opportunities for the company in 2015, are the supermarket display case market and the refrigeration controller market.

Gross margins will continue to improve

Gross margin for 2014 was 18.0%, compared to 18.7% in 2013 and 14% in 2012. Our supplier pricing is confirmed for 2015 and is projected to deliver further reductions in cost of goods timed for the second half of the year. Supplier pricing and the expected improvement in customer demand will enable us to be back on track to our target of 25% gross margin by the end of our 2015 financial year.

Our ECR2 and SCSCConnect products have been designed with material and assembly cost as a focus, as well as offering the features that customers need. We expect to achieve product margins of 25% for these products.

Gross Margin Trend



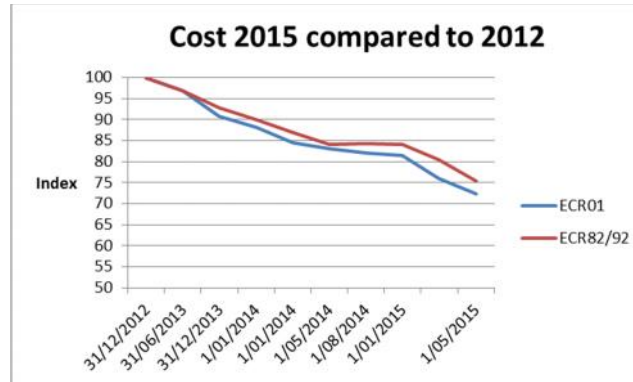
Cost reduction and our improving breakeven point

Continuous cost reduction is part of the Wellington culture. We are always striving to find more efficient ways to work and create value for customers.

Since 2011, we have been focused on improving our supply chain capability and cost by bringing in our new partner East West, moving to a new Singaporean-based electronics supplier with factories in Indonesia and Malaysia, and working with our existing China-based motor supplier to deliver lower product costs. This strategy is proving successful, and has allowed us to be more competitive and support our customers more effectively.

Our engineering team does not focus only on developing new products. They have also been making changes in the existing products to take cost out and improve reliability. One example of this 'value engineering' process is the implementation of new 'lower cost' microprocessors in our ECR92 motor, which was a technically challenging solution to implement, but one that will provide around a 3% motor cost reduction.

Product Cost Reduction Trend

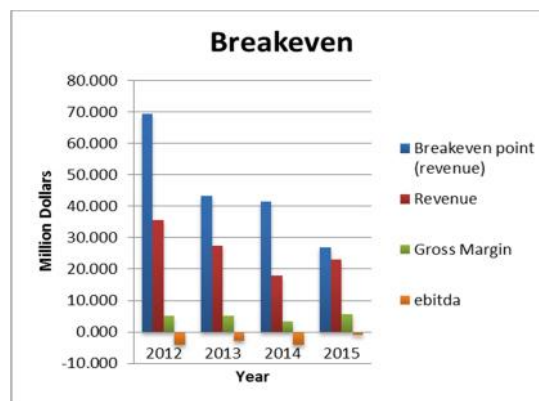


As a result of our gross margin improvement over the past three years, from 4% in 2011 to 18% in 2014, the revenue level we now need to achieve break-even is becoming lower and more achievable. This lowering of the company's projected breakeven point was also supported by the significant reduction in operating costs from \$12 million in 2011 to \$8 million in 2014.

Of course, we need to continue to grow revenue, which we expect to do with our new products, new distributors and new market entry strategies. However it is encouraging that we are moving towards a cost structure that will allow us to generate profits without needing to achieve significant growth.

Our projected breakeven revenue point has fallen from \$70 million in 2012 to around \$25 million, based on the gross margin percentage expected to be achieved in the second half of 2015 and an USD/NZD exchange rate of 0.80. This is a breakeven revenue number, which we believe is possible over the next 12 to 24 months. The breakeven revenue number does have a dependency on USD/NZD exchange rate. We estimate that every 1 cent change in the USD/NZD rate would change the breakeven revenue point +/- NZD \$0.3 million per annum.

Breakeven Analysis



Product offering expanded to deliver growth

Our product vision since 2012 has been to develop and supply 'quiet and highly efficient' EC motors and 'cloud connected' refrigeration control solutions into our core bottle cooler market and new markets to help solve our customers' refrigeration system and equipment management problems. The first two products being launched that are expected to fulfil that vision are the ECR2 motor and the SCSCConnect controller.

SCSConnect



We remain six to nine months behind our original plan to have the first two new products in the market. This is due to pressure on cash through the declining sales of our older products in 2014, an appropriate bias towards reducing overheads rather than increasing our engineering and sales capacity and additional time needed to resolve unplanned technical challenges to ensure the products meet customers' needs.

Despite these challenges, in 2014 we announced that we were launching a modified ECR01 product with a 4-watt power rating more suitable for supermarket fridges, while also continuing to refine and sell our integrated fan-pack solution that attaches to our ECR01 motor and designed specifically for supermarket customers. Both of these product derivatives were designed to support our market diversification strategy. They achieved sales in 2014 and have helped us establish new sales channels for our new ECR2 product.

Supermarket Fanpack



Our product engineering team has now completed development of the ECR2 and SCSConnect platforms and the sales team has been actively positioning customers to buy these new products as they become available. The ECR2 and SCSConnect will be commencing manufacturing qualification in May 2015. The SCSConnect controller is currently in field test with several global customers, and the ECR2 motor, has been tested and approved by our main supermarket customer. These new products have compelling value propositions and are receiving positive feedback from the market.

Beyond the new products nearing launch the team is researching a new approach to low cost EC motors, designed to take share away from the inefficient and unreliable shaded pole technology used in lower end

beverage, ice cream and food coolers. Product validation models are targeted for completion by the end of 2015 and if customer feasibility testing goes well then this product would contribute to revenue in 2016.

ECR2



Wellington's progress towards expanding its product range, to diversify revenues and expand margin is continuing, with orders for ECR2 and SCSCConnect expected in the second half of 2015. The SCSCConnect and ECR2 products are each targeting annual revenue levels of more than USD\$10m by the end of 2018, with approximately 50% of the ECR2 revenues substituting for ECR01 revenue and with the ECR2 also selling into the bottle cooler segment. Gross margins are expected to be 25% and greater. This outcome does depend on the success of cost reduction programmes in the supply base (an area in which we have proven that we can be successful), the success of field trials, how market pricing develops, customer adoption rates and competitive responses in the markets that we are targeting; however we are confident these products will provide revenue growth and margin expansion opportunities as they will improve the value we are adding for customers.

The SCSCConnect will allow us to enter the 'Industrial Controls' market and will offer 'internet of things' connectivity solutions to help customers manage their equipment fleets more effectively and improve their refrigeration equipment performance. There is significant potential to diversify beyond bottle coolers and deploy SCSCConnect type smart control solutions into supermarket display cases, refrigerated transportation and medical refrigeration. We are already opening up conversations in this space.

Additional capital

Wellington closed financial year 2014 with assets of \$15.1m, including inventory of \$4.7m and a cash balance of \$1.2 million. Liabilities were \$5.6m (exclusive of borrowings which mandatorily convert into ordinary shares).

There were a number of one-off adjustments made in arriving at our 2014 result:

- Patent impairment – we were granted a particular patent in NZ and Mexico but in the course of extending coverage we identified "prior art" in Germany which effectively means that the asset is impaired. We recognised a \$55,000 charge;
- For many years we have carried VAT assets in our Turkish and Italian subsidiaries. The asset is only recoverable out of VAT on domestic business and at current forecast volumes and pricing, it will take many years to recover in cash. Accordingly on advice of our Auditors we decided to impair the asset resulting in a \$339,000 charge in 2014; and

- A former customer has notified us of a claim in respect of our discontinued ventilation motor product. Legal advice is that we have no liability but normal commercial considerations suggest that there will be a cost to us. We subsequently recognised a \$78,000 charge.

There were no other significant write-offs or provisions. This demonstrates the improvement we have made in materials management, patent management, quality improvement and overall balance sheet risk management.

Wellington expects to invest the capital raised from this issue to complete the commercialisation of the ECR2 and SCSCConnect products, set up manufacturing capability for those products, position inventory to ensure customer delivery needs are met, develop marketing programmes and launch successfully; all of which are expected to be completed by the end of first half 2015. We also plan to invest in the development of further new EC Motor and Smart Controller products, currently being sought by our customers, as part of the product strategy for revenue growth.

Support by SuperLife

Our 19.46% shareholder, SuperLife Limited (**SuperLife**) has agreed to take up its Rights in full and to underwrite any shortfall under the Offer. The underwriting of the Offer by SuperLife is subject to receipt of shareholder approval at the Annual Shareholders Meeting to be held in June 2015.

2. Opportunity to participate

These Rights are being offered to all Eligible Shareholders on the same basis, with the intention of raising \$3.2 million. The Offer is renounceable so there is no obligation to subscribe for New Shares. When making your decision as to whether take up your Rights, you may wish to consider the following:

- Wellington is in the final year of a turnaround strategy that was instigated at the beginning of 2012. The plan seeks to achieve profitability through strategic initiatives which can be summarised as:
 1. Improving the core EC Motor and Airflow Solutions business through customer-led product development and executing growth initiatives in the bottle cooler market;
 2. Expanding sales channels by adding distribution partners in selected markets, such as China, United Kingdom, USA, South Africa and Australasia;
 3. Diversifying motor revenue streams by entering and growing the Supermarket Display case business with our new ECR2 motor;
 4. Innovating for customers with Smart Control Solutions that improve equipment management, reduce maintenance costs, provide connectivity to deliver business improvement data through the cloud, and reduce total cost of ownership;
 5. Continually reduce manufacturing and delivery costs through an efficient supply chain, improved production and purchasing capability, product cost and quality improvement projects;
- The company considers that it has taken one year longer than planned to make the changes and improvements envisaged in the 2012 strategic plan and that the inability to achieve expected revenue growth and supply chain cost has been impacted by the demand situation in Latin America and delays in completing the development of its new products. Those problems are now substantially behind us and the ECR2 and SCSCConnect products will be launched in 2015;
- The 3 cent price per New Share under this offer was purposefully set at a discount to market price (which was 5.5 cents as at the close of 8 April 2015) recognising the historical financial performance of Wellington and to incentivise all shareholders to participate; and
- It is important that before making any investment decision, you give consideration to the suitability of an investment in the New Shares in light of your investment needs, objectives and financial circumstances. You should read this Offer Document in its entirety and, if you are in any doubt as to the action to take, consult your NZX Primary Market Participant, lawyer, accountant and/or other professional adviser before deciding whether to take up your Rights to New Shares.

Dilution

Should you decide not to take up your rights pursuant to this Offer, you have the option of selling your Rights on the NZX Main Board. If you do not take up your Rights and/or if you sell your Rights, there will be some dilution of your shareholding.

3. Important Information

General Information

This Offer Document relates to a pro rata, renounceable rights offer (the **Offer**) by Wellington to Eligible Shareholders of five ordinary shares (**Ordinary Share**) for every six ordinary shares held at an Issue Price of 3 cents per Ordinary Share.

This Offer is made to Eligible Shareholders pursuant to the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand). This document is not a prospectus, investment statement, disclosure document or product disclosure statement for the purposes of the Securities Act 1978 or the Financial Markets Conduct Act 2013 and does not contain all of the information that an investor would find in a prospectus or product disclosure statement or which may be required in order to make an informed investment decision or about the Offer or Wellington.

The Rights to which you are entitled under the Offer are renounceable, which means that you may choose to sell any Rights that you do not wish to take up, including on the NZX Main Board. Your Rights may have value. If you do nothing (i.e., do not take up or sell all or some of your Rights), the Rights you choose not to take up or sell will lapse. You will then not be able to subscribe for New Shares to which those Rights relate or realise any value for those Rights.

Continuous Disclosure

Wellington is subject to continuous disclosure obligations under the Listing Rules. Copies of our most recent market releases, including the most recent financial statements, are available on our page on NZX's website www.nzx.com/companies/WDT.

Future performance and forward-looking statements

This Offer Document contains both historical and forward-looking statements in connection with WDT. The forward-looking statements in this Offer Document are not based on historical facts, but rather reflect our current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as 'believe', 'aim', 'expect', 'anticipated', 'intending', 'likely', 'should', 'planned', 'may', 'estimated', 'potential', or other similar words and phrases. Similarly, statements that describe our objectives, plans, goals or expectations are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to differ materially from those expressed, projected or implied by these forward-looking statements. Differences in our future results, performance and achievements are normal and to be expected. You should review carefully all of the information included or referred to in this Offer Document. The forward-looking statements included in this Offer Document are made only as of the date of this Offer Document. Neither WDT, nor any of our Directors, officers, employees, agents or advisers, makes or gives any representation, assurance or guarantee that any forward-looking statements will actually occur or be achieved and Applicants are cautioned not to place undue reliance on these forward-looking statements. Neither WDT nor any other person warrants our future performance or any return on any investment made under this Offer Document, except as required by law and then only to the extent so required.

Subject to any continuing obligations under law or the Listing Rules, we disclaim any obligation or undertaking to disseminate, after the date of this Offer Document, any updates or revisions to any forward-looking statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based, other than to comply with our obligations under the Financial Markets Conduct Act 2013, the Financial Reporting Act 2013 or the Listing Rules.

Dividend Policy

For the purposes of Listing Rule 7.1.16, the Directors' intentions and expectations as to Wellington's future dividend policy is that payment of future dividends will depend on Wellington's results of operations, available imputation credits, financial condition and cash requirements and other factors considered relevant by Wellington's board. Wellington is required to pay a six monthly coupon in respect of its convertible mandatory preference shares. Wellington will not pay any dividend on its Ordinary Shares in respect of the year ended 31 December 2015.

Overseas Shareholders

The Offer is only open to Shareholders with registered addresses in New Zealand or who are otherwise a person to whom Wellington considers it is not unduly onerous for an offer of the New Shares to be made as a result of the legal requirements of their jurisdiction. These materials do not constitute an offer of securities for sale in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933) and may not be sent or disseminated, directly or indirectly, in the United States or to any such U.S. person in any place. Wellington's Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933 or the securities laws of any state of the United States.

Privacy Act Notice

Any personal information provided by Shareholders will be held by us or the Registrar at the addresses shown in the Directory or such other place as is notified upon request. This information will be used for the purposes of managing your investment in Wellington. Under the Privacy Act 1993, you have the right to access and correct any personal information held about you.

Governing Law

This Offer Document, the Offer and the contracts formed on the acceptance of the Offer are governed by the laws of New Zealand. Each Applicant submits to the exclusive jurisdiction of the courts of New Zealand.

No Guarantee

Neither we, nor our Directors, nor any of our other agents or any other person (including any Shareholder named in this Offer Document), guarantees:

- (a) the New Shares to be issued; or
- (b) that the Issue Price per New Share will be recovered by investors; or
- (c) the payment of any monies in respect of the Ordinary Shares, or any return on the Ordinary Shares.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied upon as having been authorised by Wellington or any of its Directors, officers or employees.

Risks

The company's business is the commercialisation of a new electric motor technology. Commercialisation of a new technology is inherently a high-risk activity. The current stage of the company's development means that it is a higher risk investment than a more mature business and Wellington faces a wider range of potential variances to its future financial performance.

Investors should be aware that there are material risks associated with an investment in Wellington's Ordinary Shares, some of which are addressed in the business discussion in Section 1 of this Offer Document. Some financial risk factors which may, either individually or in combination, affect our future operating performance and value are disclosed in the Wellington Drive Technologies Limited 2014 Annual Report – particularly those risk factors summarised in Note 2 (a) Significant Accounting Policies, Note 3 Financial Risk Management and Note 5 Critical Accounting Estimates.

If approval for the acquisition by SuperLife Limited of any New Shares which SuperLife has agreed to underwrite (to be sought at the 2015 Annual Shareholders Meeting to be held in June 2015) is not given by Shareholders, we would need to seek alternative or additional funding (e.g., by placing new shares with investors). There is no guarantee that we would be able to do so, and were we to place new shares with investors it might need to be effected at a material discount to our then current share price, resulting in dilution to existing shareholders. If we were not able to raise all of the new capital we are seeking, then we would need to scale back our new product marketing, product development and new market growth initiatives and our ability to achieve profitable growth would be negatively impacted.

This Offer Document also does not take account of your personal circumstances, financial position or investment requirements. It is important that before making any investment decision, you give consideration to the suitability of an investment in the New Shares in light of your investment needs, objectives and financial circumstances. You should read this Offer Document in its entirety and, if you are in any doubt as to the action to take, consult your NZX Primary Market Participant, lawyer, accountant and/or other professional adviser before deciding whether to take up your Rights to New Shares.

Definitions

Capitalised terms used in this Offer Document have defined meanings, which appear in the Glossary section or within the relevant section of this Offer Document in which the term is used.

All references to “\$”, “NZD” or “dollars” in this Offer Document are to New Zealand dollars and all references to dates and times are to New Zealand dates and times.

Enquiries

Enquiries about the Offer should be directed to an NZX Primary Market Participant and/or your lawyer, accountant or other financial adviser.

If you have any queries about the number of New Shares shown on the Entitlement and Acceptance Form, which accompanies this Offer Document, or how to complete the Entitlement and Acceptance Form, please contact the Registrar:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road, Takapuna, North Shore City
Private Bag 92119
Auckland 1142, New Zealand
Facsimile: 64 9 488 8787
Investor Enquiries: 64 9 488 8777
Email: enquiry@computershare.co.nz

4. Details of the Offer

Issuer

The Offer is made by Wellington Drive Technologies Limited, which has its registered office at 21 Arrenway Drive, Rosedale, Auckland 0632, New Zealand.

The Offer

The Offer is a pro rata renounceable rights offer of Ordinary Shares.

Eligible Shareholders are entitled to subscribe for five Ordinary Shares for every six Ordinary Shares held at 5.00pm on the Record Date (17 April 2015). The maximum number of Ordinary Shares being offered is 105,310,930.

The Issue Price of \$0.03 per New Share (the Issue Price) is payable in cash and in full on application. You are not required to pay for your Rights, only for the New Shares which will be issued to you if you choose to take up all or some of your Rights.

The Offer opens on 22 April 2015 and closes at 5.00pm on 8 May 2015. The timetable for the Offer is set out on the inside cover of this Offer Document.

Ordinary Shares Issued

The New Shares to be issued are of the same class as existing Ordinary Shares previously issued by us and that are listed on the NZX Main Board under the code "WDT". As such, the New Shares issued will be fully paid and rank equally in all respects with other fully paid existing Ordinary Shares. It is a term of the Offer that Wellington will take any necessary steps to ensure that the New Shares are, immediately before the issue, quoted on the NZX Main Board.

Each such New Share will confer on the holder the rights described in our constitution and as provided for in the Companies Act 1993, including the right to:

- (a) one vote on a poll at a meeting of Shareholders (subject to any restrictions in our constitution or the Listing Rules);
- (b) an equal participation with all other Ordinary Shares in any dividend declared after the issue of the New Shares;
- (c) an equal participation with all other Ordinary Shares in the residual assets on a liquidation of WDT;
- (d) be sent reports, notices of meetings and other information sent to Shareholders; and
- (e) any other rights conferred on a Shareholder by WDT.

Holders of the New Shares issued will be bound by our constitution and the terms of the Offer set out in this Offer Document.

Your Rights

If you are an Eligible Shareholder, your entitlement to Rights under the Offer is shown on the personalised Entitlement and Acceptance Form which accompanies this Offer Document. Fractional Rights, if any, have been ignored.

If you are an Eligible Shareholder you can choose to accept your Rights in whole or in part. If you accept your Rights in full, you may also apply for additional New Shares under the Oversubscription Facility.

Oversubscription Facility

If you take up all of your Rights, you may apply for an additional number of New Shares in excess of your Rights (**additional New Shares**) through the Oversubscription Facility at the same Issue Price of \$0.03 each. You may apply for any number of additional New Shares, but there is no guarantee that you will be allocated any or all of the additional New Shares for which you have applied and paid for.

The number of New Shares available under the Oversubscription Facility will be equal to the number of New Shares for which valid applications have not been received by the Closing Date (ignoring any applications for additional New Shares) (known as the **Shortfall**).

In the event that the applications for additional New Shares exceed the Shortfall, each application for additional New Shares will be allocated as follows:

- (a) first, additional New Shares will be allocated to any applicants who would otherwise be allotted less than a minimum holding of Ordinary Shares (in accordance with the Listing Rules) to the extent necessary to bring such applicants up to a minimum holding of Ordinary Shares;
- (b) if there is any remaining Shortfall, applicants will be allocated the lesser of:
 - (i) the number of additional New Shares they applied for; and
 - (ii) the number of additional New Shares they applied for, multiplied by the proportion that the number of Ordinary Shares they hold as at the Record Date bears to the number of Ordinary Shares held by all other applicants for additional New Shares; and
- (c) any remaining Shortfall following the allocations set out in paragraph (b) above will be allocated among the remaining unsatisfied applicants on the same basis, until the entire Shortfall has been allocated.

If you are a beneficial owner of Ordinary Shares, a custodian holds Ordinary Shares on your behalf, and you have instructed the custodian to apply for additional New Shares on your behalf, you will be allocated a number of additional New Shares calculated in accordance with the above, on the basis that you and each other beneficial owner who applies for additional New Shares is treated as a separate Shareholder.

If you hold Ordinary Shares as a custodian, please provide, in addition to and with your Entitlement and Acceptance Form, details of the underlying beneficial shareholders for which you are subscribing for New Shares and the number of New Shares and, if applicable, any additional New Shares for which each such holder is subscribing.

These allocations are subject, in each case, to our right to limit the allotment of additional New Shares to any person when that allotment may result, or be likely to result, in that person breaching the Takeovers Code or materially increasing their ability to exercise, or direct the exercise of, effective control of WDT (causing Listing Rule 7.5 to be triggered) or when Listing Rule 9.2.1 would be triggered by such allotment.

Renounceable Offer

The Offer is renounceable, which means that if you do not wish to subscribe for some or all of your Rights, you may sell or otherwise transfer your entitlement to all or any part of your Rights. To do so, you should complete the steps set out on the reverse of the Entitlement and Acceptance Form distributed with this Offer Document.

If both a renunciation and an acceptance are received in relation to the same Rights, the renunciation will take priority.

Application

Instructions on how to apply for New Shares under the Offer are set out in Section 5 of this Offer Document entitled 'Actions to be taken by you'.

A properly completed Entitlement and Acceptance Form, together with payment of the Issue Price of \$0.03 per New Share you are taking up, must be received by Computershare Investor Services Limited no later than 3:00 pm on the Closing Date (8 May 2015).

We reserve the right to accept late applications but are not obliged to do so. We further reserve the right to accept or reject (at our discretion) any Entitlement and Acceptance Form which is not completed correctly, and to correct any errors or omissions on any Entitlement and Acceptance Form.

Application Monies and Refunds

Application Monies received will be held in a trust account until the corresponding New Shares are allotted. We will establish the trust account solely for the purpose of depositing Application Monies. Interest earned on the Application Monies will be for our benefit, will remain our property, and will be retained by us whether or not the issue and allotment of New Shares takes place.

We reserve the right to withdraw the Offer and/or the issue of New Shares at any time prior to allotment, in which case all Application Monies will be refunded (without interest) as soon as practicable and, in any event, within five business days.

If your application is not accepted for any reason, or is accepted in part only (including with respect to the Oversubscription Facility), you will receive a refund of the balance payment (without interest), by direct credit or cheque as soon as practicable and, in any event, within five business days after the date of allotment of the New Shares.

Allotment

The New Shares will be allotted and Securities Transaction Statements will be issued and mailed as soon as practicable after the Offer closes. Allotment will be no later than five business days after the Closing Date.

You should ascertain your allocation under the Offer before attempting to sell your New Shares. You can do so by contacting the Registrar at the address set out in the Directory. **If you sell New Shares prior to receiving a Securities Transaction Statement you do so at your own risk.** WDT, its Directors, officers, employees and advisers do not accept any liability or responsibility should you attempt to sell or otherwise deal with New Shares before you receive the Securities Transaction Statement showing the number of New Shares allotted to you.

Underwriting

We have entered into an underwriting agreement (**Underwriting Agreement**) to provide certainty as to the amount of subscription funds to be raised under the Offer. SuperLife Limited (a major shareholder which holds, through related entities, approximately 19.51% of WDT's existing Ordinary Shares) has agreed to support the Offer by underwriting any shortfall of New Shares that may occur if other Wellington shareholders do not take up their Rights in full (the **Underwritten Amount**), pursuant to the Underwriting Agreement (the **Underwriting Arrangements**). The issue of New Shares in respect of the Underwritten Amount to SuperLife is conditional upon receipt of Shareholder approval from the non-participating Shareholders by way of ordinary resolution for the purposes of the Takeovers Code and any applicable Listing Rules. This approval will be sought at our annual shareholders' meeting which will follow the close of the Offer. The total fees payable by us under these Underwriting Arrangements are \$100,000.

Waiver from Listing Rules

We have been granted a waiver by NZX from Listing Rule 9.2.1 to enable the Offer to proceed without prior Shareholder approval, as the Underwriting Arrangements, together with the Offer itself, constitute a material transaction which related parties will participate in. This waiver has been granted subject to the following conditions:

- (a) All directors of WDT certify to NZX that:
 - they are not interested (in terms of Listing Rule 3.4.3) in the Underwriting Arrangements;
 - WDT will receive fair value from the Underwriting Arrangements and the Offer;
 - the terms of the Underwriting Arrangements have been negotiated, agreed and entered into on an arm's length and commercial basis, and are fair to, and in the best interests of, WDT and WDT shareholders that are not associated with SuperLife; and
 - WDT was not influenced in its decision to enter into the Offer and Underwriting Arrangements by the interests of SuperLife.
- (b) With the exception of the Underwriting Arrangements, SuperLife will participate in the Offer on terms identical to those offered to all other WDT shareholders.
- (c) The waiver, its conditions, and its effect are disclosed in this Offer Document and our half year and annual reports for the year in which the Offer takes place.

Eligibility

The Offer for New Shares is open to Shareholders with a registered address in New Zealand on the Record Date (5:00 pm on 17 April 2015) and to any other Shareholders to whom we consider it is not unduly onerous to make the Offer under the legal requirements of their jurisdiction. In accordance with Listing Rule 7.3.4(h), Wellington has determined that it would be unduly onerous to satisfy itself that the Offer complied with the legal requirements of jurisdictions outside New Zealand.

No person resident outside New Zealand who receives a copy of this Offer Document or an Entitlement and Acceptance Form may treat either of them as an offer or invitation to subscribe for New Shares (except where advised otherwise by us). Those Shareholders outside New Zealand who wish to take up New Shares should contact us.

We reserve the right to determine whether you or any other Shareholder are eligible to participate in the Offer, and to reject any application that we consider has been made by a person who is not an Eligible Shareholder. We and our Directors, officers and employees accept no liability whatsoever for determining whether a person is an Eligible Shareholder.

In accordance with the proviso to Listing Rule 7.3.4(h), if you are not an Eligible Shareholder, the Rights that you would otherwise receive will be issued to a nominee who will endeavour to sell those Rights on your behalf and account to you for the proceeds of sale (if any) on a pro rata basis.

Persons who are not resident in New Zealand and who hold interests in New Shares through a New Zealand resident nominee should not allow their nominee to accept the Offer if to do so would cause the Offer to be contrary to the laws of their country of residence. Such persons can request Wellington to sell their Rights by contacting us via the company Secretary:

Mr Ron Jackson
Wellington Drive Technologies Limited
21 Arrenway Drive, Rosedale, Auckland 0632,
PO Box 302-533, North Harbour, Auckland 0751
Phone 09 477 4504
Fax 09 479 5540
Email: ron.jackson@wdtl.com

Any person outside New Zealand who applies for New Shares through a New Zealand resident nominee will be deemed to represent and warrant to us that the Offer can be lawfully made to their nominee pursuant to this Offer Document. We accept no responsibility for determining whether a Shareholder is able to participate in the Offer under laws applicable outside New Zealand.

This Offer Document is intended for use only in connection with the Offer to Eligible Shareholders and does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Use of Proceeds

If the Offer is subscribed for in full, the total gross proceeds of the Offer received by Wellington will be approximately \$3.2 million, and approximately \$3.0 million net of fees and costs.

The purpose of the Offer is to raise new capital, which will be used by Wellington to invest in the development and commercialisation of new products (see “Product offering expanded to deliver growth” in Section 1 of this Offer Document for details) and working capital that will be needed as sales expand.

Brokerage

You will not pay brokerage upon taking up your Rights or as a subscriber for New Shares under the Offer.

If you sell your Rights or New Shares (following the Offer) on the NZX Main Board, you may be liable for normal brokerage.

NZX Main Board Quotation

Application has been made for permission to quote the Rights on the NZX Main Board and all the requirements of NZX relating thereto that can be complied with on or before the date of this Offer Document have been duly complied with. However, NZX accepts no responsibility for any statement in this Offer Document.

The New Shares have been accepted for quotation by NZX and will be quoted upon completion of allotment procedures. NZX Main Board is a licensed market operated by NZX, a licensed market operator, under the Financial Markets Conduct Act 2013.

5. Actions to be taken by you

Accompanying this Offer Document is a personalised Entitlement and Acceptance Form showing the number of New Shares to which you are entitled.

You may take the following action in respect of your entitlement to Rights under the Offer:

- take up all of your Rights; or
- take up all of your Rights and apply for additional New Shares through the Oversubscription Facility; or
- take up some of your Rights and endeavour to sell the balance of your Rights; or
- endeavour to sell all of your Rights; or
- do nothing with all or some of your Rights, in which event, such Rights for which no action has been taken will lapse.

If the Offer closes, and you do nothing, you will be deemed to have elected not to take up your Rights and your shareholding will be diluted accordingly. If you apply to take up some but not all of your Rights, you will be deemed to have not taken up your Rights to the balance of New Shares and your shareholding will be diluted accordingly.

To Apply for New Shares

To apply for all or part of the New Shares set out in your personalised Entitlement and Acceptance Form (and any additional New Shares under the Oversubscription Facility), you must:

- complete and sign the enclosed Entitlement and Acceptance Form, following the instructions on the reverse of that form;
- make payment by direct credit or international payment (telegraphic transfer) or attach your cheque or bank draft in New Zealand dollars to the completed Entitlement and Acceptance Form for the amount required to be paid made payable to “The WDT Offer” and crossed “Not Transferable”; and
- forward your completed Entitlement and Acceptance Form and, if applicable, your (New Zealand dollar) cheque or bank draft (including if applicable, the additional New Zealand dollar amount you are applying for under the Oversubscription Facility) in the reply-paid envelope to:

Wellington Drive Technologies Limited
c/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland
Private Bag 92119
Auckland 1142

Your completed Entitlement and Acceptance Form, together with Application Monies, must be received by the Registrar no later than 3:00 pm on 8 May 2015.

Alternatively, your completed Entitlement and Acceptance Form and, if applicable, your (New Zealand dollar) cheque or bank draft may be lodged with any NZX Primary Market Participant or any other channel approved by NZX provided that you must deliver your completed Entitlement and Acceptance Form in time to enable it to be forwarded to the Registrar before the Closing Date (3.00 pm on 8 May 2015).

Payment of Application Monies

Payments in New Zealand dollars will only be accepted as follows:

- personal cheque drawn on and payable at any New Zealand bank;
- bank cheque or bank draft issued by and payable at any New Zealand bank; or
- direct credit or international payment (telegraphic transfer) to the New Zealand dollar trust account established by WDT (details of which are set out in the Entitlement and Acceptance Form). Applicants paying by direct credit or international payment must submit their payment instruction to their bank to

make payment by no later than 3.00 pm two business days before the Closing Date (i.e. by 3.00 pm on 8 May 2015, or such other date as we may determine).

Processing of applications and the banking of cheques will take place on the day of receipt by the Registrar (or the first business day after that day if it is not a business day), with subscriptions received held in trust until the New Shares are allotted. Receipts for payment will not be issued. The banking of Application Monies will not constitute allotment of any New Shares. The New Shares are expected to be allotted by 12 May 2015 (and will be allotted no later than 15 May 2015) and Securities Transaction Statements issued within five business days after that.

General

For applications to be valid, an Entitlement and Acceptance Form, properly completed, together with the associated Application Monies, must be received by the Registrar no later than 3:00pm New Zealand time on 8 May 2015.

We reserve the right to accept late applications but are not obliged to do so.

Applications for the issue of New Shares (including, if relevant, additional New Shares under the Oversubscription Facility) cannot be revoked or withdrawn.

Notwithstanding anything to the contrary in this Offer Document, an Entitlement and Acceptance Form submitted by you will constitute an irrevocable offer by you to subscribe for and acquire the number of New Shares (including, if relevant, additional New Shares under the Oversubscription Facility) which you have specified on the Entitlement and Acceptance Form (or such lesser number as we may determine) on the terms and conditions set out in this Offer Document and on the Entitlement and Acceptance Form. By submitting an Entitlement and Acceptance Form, you agree to be bound by these terms and conditions and our constitution.

Entitlement and Acceptance Forms must be completed in full and may be rejected if any details are not entered. If the Application Monies accompanying your Entitlement and Acceptance Form are incorrect, your Entitlement and Acceptance Form may still be treated as valid. You will not under any circumstances be treated as having offered to purchase a greater number of New Shares than the number for which payment is made.

If we receive on or before 3.00pm on the Closing Date, both an acceptance and a renunciation (sale or transfer) by you in respect of the same Rights, the renunciation (sale or transfer) will take priority to the acceptance.

If Application Monies are paid by a cheque which does not clear or a direct credit or international payment that is not processed by the Closing Date, that application may be rejected or an allotment made to you may be cancelled. Any Rights in respect of a rejected application or cancelled amount will be made available to Eligible Shareholders participating in the Oversubscription Facility.

Our decision on the number of New Shares (including, if relevant, additional New Shares) to be allotted to you and as to whether to reject an Entitlement and Acceptance Form, or to treat it as valid (and then how to construe, amend or complete the Entitlement and Acceptance Form) will be final. We reserve the right to reject any application we believe comes from a person who does not meet the eligibility criteria for the Offer.

If you need any assistance you should contact an NZX Primary Market Participant, lawyer, accountant or other professional adviser.

6. Glossary

A reference in this Offer Document to “we”, “us” “the company” or “our” is a reference to Wellington Drive Technologies Limited, or to the WDT Group, as the context requires.

The following definitions apply throughout this Offer Document unless the context requires otherwise:

Application Monies means money received by us from investors who have applied for New Shares under the Offer.

Applicant means a Shareholder whose application for New Shares has been received by the Registrar prior to the Closing Date (5:00pm on 8 May 2015) (or later if accepted by us).

Board or Directors means the board of directors of WDT.

Closing Date means the date by which Entitlement and Acceptance Forms, together with Application Monies, must be received by the Registrar, being 8 May 2015.

Eligible Shareholders means the shareholders who are registered as Shareholders at the Record Date (5.00 pm on 17 April 2015) and who have a registered address in New Zealand, or are otherwise persons to whom WDT considers it is not unduly onerous for an offer of the New Shares to be made as a result of the legal requirements of their jurisdiction.

Entitlement and Acceptance Form means the entitlement and acceptance form to be completed by Eligible Shareholders when applying for New Shares, which accompanies this Offer Document.

Issue Price means 3 cents per New Share.

Listing Rules means the listing rules of the NZX Main Board.

New Shares means the fully paid ordinary shares in WDT offered under this Offer.

NZX means NZX Limited.

NZX Main Board means the main board equity security market operated by NZX.

Offer means the rights offering set out in this Offer Document.

Offer Document means this document dated 14 April 2015.

Ordinary Shares means the fully paid ordinary shares in WDT of the class quoted on the NZX Main Board on issue immediately prior to the Offer.

Oversubscription Facility means the facility that enables an Eligible Shareholder who accepts their Rights in full to apply for additional New Shares at the Issue Price (details of which are set out in Section 4 of this Offer Document).

Record Date means 5:00pm on 17 April 2015.

Registrar means Computershare Investor Services Limited.

Rights means the pro rata renounceable right of each Eligible Shareholder to subscribe for five Ordinary Shares for every six Ordinary Shares held on the Record Date, as described in this Offer Document.

Shareholder means a holder of Ordinary Shares in WDT.

Trading Days means any day on which the NZX Main Board is open for trading.

Underwriting Arrangements has the meaning set out in Section 4 under the heading “Underwriting”.

WDT means Wellington Drive Technologies Limited.

WDT Group means WDT and its subsidiaries.

7. Directory

Directors

Tony Nowell, *Chairman*
Shawn Beck
Dr Lisbeth Jacobs
Gottfried Pausch
John McMahon

Senior Staff

Greg Allen, *Chief Executive Officer*
Howard Milliner, *Chief Financial Officer*
Steven Hodgson, *Senior Vice President Commercial*
David Howell, *Chief Technical Officer*
Ali Karahasanoğlu, *Sales Director, Europe/Eurasia*
Erick Layseca-Flores, *Business Development Director, Americas*
Clayton Thomas, *Sales & Marketing Director, Asia / Pacific*
Gerardo Gonzalez, *VP Intelligent Systems Business Unit*
Ron Jackson, *Secretary*

Phone/Fax

Ph: 64-9-477 4500
Fax: 64-9-479 5540

Internet

Website: www.wdtl.com
Email: info@wdtl.com

Address

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PO Box 302-533, North Harbour,
Auckland 0751, New Zealand

Registered Office

21 Arrenway Drive
Rosedale, Auckland 0632, New Zealand

Auditor

PricewaterhouseCoopers
188 Quay Street, Auckland 1142, New Zealand



Share Offer

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