

Rules for Staff Trading in Wellington Securities

Introduction

Wellington Drive Technologies Limited is a listed Company, and, as a consequence, there are legal restrictions under New Zealand Securities Legislation applying to trading in the Company's securities by directors, officers and employees of the Company and any of its group companies within and outside New Zealand. These categories of people are often called "insiders" of a company.

These rules (**Rules**) have been adopted by the Company to regulate trading in the Company's securities by its directors (including directors of the Company's subsidiaries), officers and employees (**staff**) and to outline a procedure which staff must use to buy or sell the Company's securities.

Securities Legislation has a much broader application than just share trading, and these Rules are also intended to explain the impact of the Securities Legislation on the Company's staff.

The Rules also apply to contractors of Wellington who are specifically advised that the Rules apply to them and any reference to "staff" or "employee" in these Rules includes such contractors.

A "trade" may include a trade by trusts and companies controlled by a member of staff. In this respect, "control" is not to be construed in a technical way but by looking at how decisions are made in practice.

This policy does not apply to acquisitions through an issue of new securities by the Company, such as an issue of new shares on the exercise of options or under a rights issue, or to acquisitions or disposals by gift or inheritance, although if you are an officer or director you will still have an obligation to disclose the transaction to the NZX.

The Wellington Board of Directors may approve updates, amendments to and exemptions to these Rules from time to time, which may be implemented by written notice to you or by posting on the Company's intranet.

The Company may monitor the trading by staff in Wellington's securities as part of the administration of this policy.

Consequences of Non-Compliance

The Board of Directors has determined that **in order to minimise the risk** of inadvertent breaches of the Securities Legislation and to focus attention on those obligations at the time of any proposed trading in the Company's securities **all staff are required to conduct any such trading in accordance with the requirements of the following procedure.**



It is therefore essential that staff familiarise themselves with these Rules as compliance with them is a condition of all contracts of employment. **Failure to observe the Rules will be considered a serious disciplinary matter which may lead to sanctions being imposed on the staff member, up to and including summary dismissal.**

It is important to note, that approval by the Company under these Rules to any share trade does not give anyone a defence against legal action being taken in respect of any activity that breaches the Securities Legislation.

What is Insider Trading?

The Financial Markets Conduct Act 2013 (the **Securities Legislation**) regulates insider trading in the Company's shares. The Securities Legislation applies to our staff outside New Zealand in addition to our New Zealand based staff.

The basic principle behind the Securities Legislation is to impose liability upon persons who have non-public information concerning a public company that, if it were generally available to the market, a "reasonable person" would expect the information to have a material effect on the price of its securities (in these Rules "price sensitive" or "material" information) where those persons:

- ❖ buy or sell the Company's securities;
- ❖ advise or encourage any person to buy or sell or hold the Company's securities;
- ❖ advise or encourage any person to advise or encourage another person to buy, sell or hold the Company's securities;
- ❖ disclose the material information to anyone else, including colleagues, family or friends, knowing (or where that person ought to have known) or believing that the other person is likely to use that information to buy or sell or continue to hold, or advise or encourage someone else to buy or sell or hold, the Company's securities.

This means that you should not do any of the above at a time when you are in possession of non-public, material information in relation to the Company's securities. This applies not only if you **know** the information you hold is "material information", but also if you **ought reasonably to know** that the information is material information. That means that you must be very diligent with regard to complying with your legal obligations and with your obligations under these Rules.

It does not matter how you came to know the material information, and the Securities Legislation applies even if, for example, you obtained the information in passing in the corridor, or in a lift or at a social function and even if the source was from outside the Company.

"Material information" is information that would materially impact our share price about such things as:

- important business transactions the Company is negotiating;
- important financial information such as Wellington's financial forecast;
- important business acquisitions or disposals;
- senior management changes;
- the introduction of an important new product or service or technology;
- entry into or termination of material contracts that are not publically known; or
- a possible change in the capital structure of the Company.



It can also include rumours, matters of supposition and the intentions of a person (including the Company) if these impact on our share price. The potential scope of what might be regarded a material information is broad, and this is one of the reasons why it is essential that a careful review of this issue must be undertaken when considering trading in Company securities.

“Generally available to the market” means that (i) the material information must have been released as an announcement on the New Zealand Stock Exchange (NZX), or (ii) investors who commonly invest in securities can readily obtain the information (whether by observation, use of expertise, purchase or other means).

“Securities” includes shares, options, rights, warrants and futures and debt instruments issued by the Company, both exchange traded and over the counter.

Breaching the Insider Trading Law may subject you to Civil and Criminal Penalties and Costs

Civil Penalties

Under the Securities Legislation, anyone who breaches the insider trading laws will be liable for substantial civil penalties. The maximum penalty in any case will be the greater of:

- the consideration paid for the shares;
- three times any profit made or loss avoided; or
- NZD1 million for an individual and \$5 million for a body corporate.

Criminal Penalties

In addition to exposing a person to substantial civil penalties, **knowingly** breaching the Securities Legislation will be a criminal offence. Anyone convicted could face up to:

- five years imprisonment and a fine of up to \$500,000 for an individual;
- and a fine of up to \$2.5 million for a body corporate.

Substantial Defence Costs

A claim against you for a breach of the Securities Legislation will also expose you to substantial legal costs relating to your defence.

Relationship to the Continuous Disclosure Regime

Except in the limited circumstances described below, New Zealand legislation and the NZX Listing Rules require the Company to release immediately to the NZX any material information concerning the Company.

As a result of the operation of this continuous disclosure regime, usually all material information about the Company will be generally available to the market.

However, there are limited circumstances in which immediate disclosure of material information by the Company is not required by the continuous disclosure regime. In these situations, there may be people with material information who would breach the insider trading prohibition if they dealt in securities at that time or undertook any of the other prohibited acts.



Specifically, the NZX Listing Rules **do not require disclosure** where:

- ❖ a reasonable person would not expect the information to be disclosed; **and**
- ❖ the information is confidential and its confidentiality is maintained; **and**
- ❖ one or more of the following applies:
 - it would be a breach of law to disclose the information; or
 - the information concerns an incomplete proposal or negotiation (e.g., the Company has not yet executed the agreement); or
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
 - the information is generated for internal management purposes (e.g., internal management accounts or an internal management report); or
 - the information is a trade secret.

Although information that satisfies these conditions does not need to be immediately disclosed under the NZX Listing Rules, it remains material information. If a person deals in the Company's securities at a time when that person is aware of information which, but for a carve-out to the NZX Listing Rules, would need to be disclosed to the market, that person will be in breach of the Securities Legislation.

Confidential Information

The loss of confidentiality of material non-public information concerning the Company will require the Company to immediately disclose that information to the market, potentially causing significant commercial damage to the Company.

You have a duty of confidentiality to the Company. You must not reveal any confidential information concerning the Wellington Group to a third party unless that party has signed a confidentiality agreement with the Company and you have been authorised to disclose the confidential information.

Importantly, failure to obtain a signed confidentiality agreement may result in an obligation to disclose details of an incomplete negotiation to the market, causing damage to the Company.

You must also not use confidential information in any way which may injure or cause loss to the Company or use confidential information to gain an advantage for yourself.

You should ensure that external advisers keep the Company's information confidential.



Securities Trading Procedure

Request to Wellington

A staff member wishing to trade must fill out and sign a “request to trade” form (*S:\Forms and Templates\Company\WT787 5 Application to Trade in Wellington Equities.dot*) and send it to the Company Secretary for processing prior to any trading in the Company’s securities (“share trade”). All the information requested on the form must be provided.

If you intend to trade in the Company’s securities through an associate, for example a trust or nominee company, or if you intend to trade in the name of another person (for example a family member), you must still apply for approval for the trade. In an addition, you should make an application for approval if you are aware that an associate of you intends to trade in Wellington securities. The application for approval must include full details of the person or entity purchasing or selling the securities and its relationship to the applicant.

“Associate” means (i) your spouse (legal or de facto), (ii) any dependant children, (iii) any company, partnership or other entity in which you have a material interest or can materially influence, or (iv) any trust or managed fund in which you either have a beneficial interest or in respect of which you are a trustee or manager and can influence the decision of that trust or managed fund in the investment of funds.

The Company Secretary will ask management (being all members of the senior management team) if they are aware of any material information that has not been disclosed to the market. In doing so, if the Company Secretary forms a view that the application should be declined you will be advised accordingly, and your application will not be processed further.

The request is then forwarded to all members of the Board along with the Company’s Secretary’s recommendation as to whether the application should be allowed. All members of the Board need to consent to the application. Once these consents have been received the Chairman of the Wellington Board or (where the Chairman is unavailable) the Chairman of the Board’s Audit & Risk Committee, will approve or decline the application.

If a member of the senior management team or member of the Board (including the Chairman) is making the request, they shall abstain from this process.

The Board must be reasonably satisfied as to the truth of the statements made in the application form before approval will be granted. The Board may require further information from the applicant to corroborate the statements made.

The Company is under no obligation to consent to any trade, and may decline an application without giving any reasons for doing so.

In addition, the Company will generally not approve any trades:

- of a short-term nature unless there are exceptional circumstances disclosed to and approved by the Board. In broad terms, a sale of securities within six months of purchase will be regarded as short term trading, although the board may fix a different period for this purpose in any given circumstance;
- for completion within the following black-out periods:



- (a) 1 day prior to the Company's half year balance date, until the first trading day after the half-year results are released to the market;
- (b) 1 day prior to the Company's year-end balance date, until the first trading day after the full-year results are released to the market; and
- (c) Where the Company is providing quarterly market updates, 1 day prior to the Company's first and third quarter balance dates, until the first trading day after the quarterly market update is released to the market; and
- (d) 30 days prior to release of an offer document for a public offer of securities by the Company.

The approved form requires, amongst other things, that the applicant certify that he or she does not hold material information. It is for the applicant to establish the grounds pursuant to which the required certifications can be made.

All acquisitions and disposals of the Company's securities are subject to the above procedure.

Timing

A trade which has been approved by the Company **must occur within 15 stock exchange trading days after the approval has been given** but may only occur whilst each of the certifications and other matters given in the application remain correct.

If the Company makes a market announcement of price-sensitive information after the trade has been approved by the Company in accordance with these Rules, then if you have not at the time of the announcement already completed that trade you must not complete that trade until at least one trading day (being 24 hours from one trading day to the next trading day) after the time of the announcement. In particular, trades may not be made until one trading day (being 24 hours from one trading day to the next trading day) after the announcement of the annual results or half-yearly results.

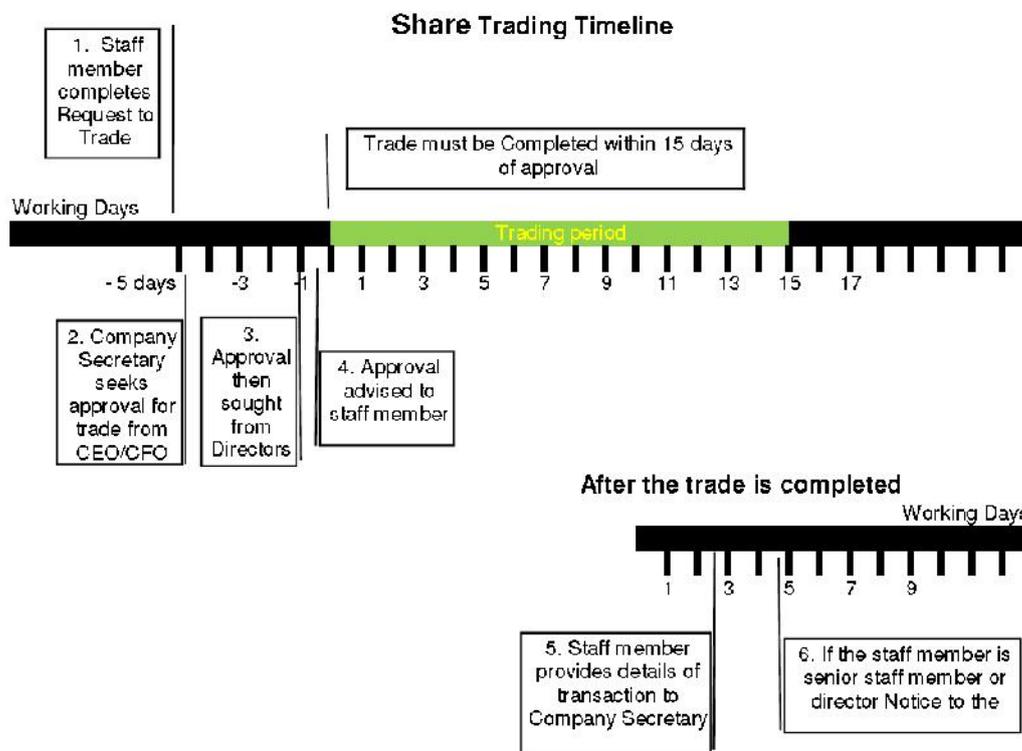
The Company may revoke an approval given to you by notice to you, in which case you must not conduct any further trades from the time of such notice.

Noting of Transactions

The directors will be advised by the Company Secretary of securities trading by insiders by the Company Secretary providing a copy of each consent granted by the Board before the Board meeting next after the consent is given.

The Company Secretary will maintain a "Securities Dealing Register" which will contain copies of all applications for consent and consents given and which will record the date and time of receipt of each request received under of these Rules, any matter the Board considers appropriate to record, the decision made and the time it was notified to the applicant and the date of the transaction/s.

If you have any doubts or questions as to compliance with these Rules or the Securities Legislation generally, please contact the Company Secretary before entering into any transaction or agreeing to do so or undertaking any other action that may potentially be in breach of these Rules or the Securities Legislation.



Additional Reporting Requirements for Senior Staff and Directors

In addition, **directors and officers of the Company that acquire or dispose of a “relevant interest” in a security of the Company** (or a related body corporate) **must disclose that fact within five trading days** of the disposal or acquisition to the NZX and in the Company’s interest register. That disclosure must be made in the prescribed form specified below. An “officer” will normally include the Chief Executive Officer and all direct reports to the Chief Executive Officer.

This requirement continues for six months after a person ceases to be a director or officer.

If an employee has any doubts as to whether they are an “officer” for the purposes of these requirements, whether he or she is acquiring or disposing of a relevant interest or the form of disclosure, he or she should contact the Company Secretary.

The form that must be sent directly to the NZX and copied to the Company Secretary:
<\\wdtdc01\shared\Procedures\Directors and Officers Relevant Interests Disclosure Notice.xls>



Summary for Employees

- **Before you buy, sell or transfer shares or any other type of Wellington security, you have to fill out a form [S:\Forms and Templates\Company\WT787_5 Application to Trade in Wellington Equities.dot](#) and send it to the Company Secretary for approval. A copy of that form is set out below.**
- The directors or management may discuss your application with you.
- **You must wait until you physically receive your application back approved and signed by a director before you may conduct your trade.** Once signed off you have 15 trading days to complete the trade.
- You must immediately stop trading if any of the certifications or other statements in your application ceases to be true, or if directed to do so by the Company.
- You must delay any trade for one trading day if the Company makes an NZX announcement.
- When each trade or part of a trade is complete **you must immediately send the Company Secretary a copy of the contract note.**
- **A breach of these Rules will result in disciplinary action being taken against you, up to and including termination of your employment.**
- This summary is a guide only and does not replace the full rules above.

Questions

If you do not understand any part of these Rules, or how the Rules apply to you, you should raise the matter with the Company Secretary.

Approved by the Board : 26th October 2017



REQUEST FOR APPROVAL OF A WELLINGTON SECURITY TRANSACTION

Chairman
Wellington Drive Technologies Limited
21 Arrenway Drive, Rosedale
Auckland 0632
New Zealand

Dear Sir

Wellington Drive Technologies Limited Securities

In accordance with the provisions of the Rules for Employee Trading in Wellington Securities, I advise of [my intention/the intention of *state name of person/s or entity intending to conduct transaction*] to enter into the following transaction:

- (a) My name:
Address:
Position held:
- (b) Name of registered holder transacting (if different): (*Note: if securities are not in the applicant's own name or are in joint names, insert details and relationship of other party to applicant .If purchasing off market insert details of seller*)
- (c) The class and number of securities that will be the subject of the proposed transaction are:
- (d) The proposed transaction is the Purchase/Sale (*delete one*) of the securities set out in (c).
- (e) The transaction will take place on a stock exchange: Yes/No (*If no, give details of the manner of the transaction*)
- (f) The date of the transaction will be on or about:

(Note: the transaction must be completed within 15 trading days of the date of approval and must not be made within 24 hours of an announcement by the Company of price-sensitive information)

- (g) I declare that, following appropriate due diligence into those areas concerning the Company that I ought, in my position at the Wellington Group of companies, to be knowledgeable of, I [*and/or any other party conducting the transaction*] do not hold information which:
 - (i) is not generally available to the market; and
 - (ii) would or would be likely to have a material effect on the price of Wellington's listed securities if it were generally available to the market.



- (h) I [*and/or any other party conducting the transaction*] will not sell the securities purchased within 6 months of the date of purchase (*delete if selling securities*).
- (i) I know of no reason to prohibit me [*and/or party conducting the transaction*] from trading in Wellington's listed securities and certify that the details given above are complete, true and correct.
- (j) Immediately upon completion of each transaction I will forward details of the transaction to the Company Secretary.
- (k) I acknowledge that Wellington is not advising or encouraging me [*and/or any other party conducting the transaction*] to trade or hold Wellington securities and does not provide any recommendation with regard to the Wellington securities.
- (l) I further acknowledge that, after authorisation by the Company, should any of the certifications and other matters above become incorrect before the transaction has been completed, I [*and/or any other party conducting the transaction*] will not conduct the above transaction.

Accordingly, I ask that the Company's consent to the transaction be given.

Signature of Applicant

Date

APPROVED / NOT APPROVED

Chairman of the Board/Chairman of the Audit & Risk Committee/Director (*as relevant*)

Date Approved by Board:

(to be used for the purposes of the 15 trading day rule in (f) above)

Date and Time Approval Given to Applicant: