

REVIEWED AND APPROVED BY THE NOMINATING & CORPORATE GOVERNANCE COMMITTEE ON JULY 30, 2019

1.0 PURPOSE

Westport Fuel Systems Inc. ("WFSI ") recognizes the value of individual differences and supports diversity and inclusion within every level of the organization. With this regard WFSI has adopted the following policy on Diversity which sets out the guidelines by which WFSI will endeavor to promote Diversity and Inclusion (both as defined below) throughout the global organization.

2.0 APPLICATION AND SCOPE

WFSI's commitment to diversity and inclusion begins with its Board of Directors (the "Board"), which considers diversity in the selection criteria for new WFSI board members and senior management team appointments. Thus, this policy is intended to set out expectations to promote diversity on the Board, Executive Leadership, Management and employee positions across the WFSI organization.

3.0 TERMS AND DEFINITIONS

Where used in this document, the following terms have the following meanings:

Board or Board of Directors - Means Westport Fuel Systems Inc.'s Board of Directors.

Company - Westport Fuel Systems Inc. and its affiliates.

Covered Persons - Includes all Directors, Officers, Executive Leadership, Employees, of the Company ("Members").

Diversity - Means the differences in age, ethnicity, Indigenous origin or heritage, gender, physical attributes, beliefs, language, sexual orientation, education, nationality, social background and culture or other personal characteristics.

Executive Leadership - Includes the position of Chief Executive Officer ("CEO") and positions with the highest business or functional level responsibility and are typically direct reports to the CEO.

Inclusion - Means the practice of making sure that WFSI fosters the involvement and engagement of Diversity in all our practices relating to our customers, our communities and our members.

Management - Includes positions with business or functional level with decision responsibility and or policy accountability.

WFSI - Means Westport Fuel Systems Inc.

4.0 STATEMENT OF POLICY

The Company recognizes that Diversity and Inclusion enriches the discussion, debate and facilitates a broader exchange of perspectives, which in turn, will enable innovation, enhance balanced decision making, and improve business performance leading to greater organizational strength.

The greater Diversity of the organization will better reflect the Company's relationships with its customers, employees, shareholders, business partners and other stakeholders and supports sustainability and social responsibility objectives.

The Company will adhere to, respect and appreciate differences in age, ethnicity, Indigenous origin or heritage, gender, physical attributes, beliefs, language, sexual orientation, education, nationality, social background and culture or other personal characteristics. In addition, the Company will respect and appreciate differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem-solving skills.

4.1 Board Of Directors

The Charter of the Nomination and Corporate Governance Committee ("**NCGC**") of the Board tasks the NCGC with recommending director candidates for election to the Board and annually evaluating the overall performance of the Board based on merit. Within that overriding emphasis on merit, in seeking to fill Board vacancies the NCGC will consider candidates that bring a diversity of background and industry or related expertise and experience to the Board.

The NCGC will periodically assess the size and composition of the Board and will include in that assessment identifying imbalances and gaps in expertise, experience, skills and backgrounds of its directors in light of the needs of the Board. In assessing Board composition and identifying suitable candidates the NCGC will review the current composition of the Board with a view of ensuring it reflects a diverse mix of knowledge, experience, education, skills, gender, age, ethnicity and geographic location, including an appropriate number of women directors.

Any search firm engaged to assist the Board or a committee of the Board in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates generally, and multiple women candidates in particular.

4.2 Executive Leadership and Management

The Executive Leadership provide the leadership framework and direction for the Company and it is the responsibility of everyone within the Company to sustain a respectful workplace culture that promotes and supports Diversity and Inclusion.

In order to promote Diversity at the Executive Leadership and Management level, the Board and or the Company, where appropriate, will:

- consider candidates for promotion on merit while giving due consideration to the benefits of Diversity and the current composition of management at all levels with respect to Diversity and, in particular, gender diversity;
- actively seek out and review candidates for appointment from a variety of backgrounds, with the Company objectives of Diversity and Inclusion in mind including, in particular, gender diversity;
- direct any search firm engaged to assist in identifying candidates for appointment to Executive Leadership to include diverse candidates generally, and women candidates in particular;

- with a view to promoting diversity within the pool of current employees who may be considered for management positions, review periodically Company processes for internal promotion and leadership development.

4.3 Employees

As a global company, we seek to attract and retain talent at all levels from the countries in which we operate and to provide workplaces in which employees from all backgrounds are treated with respect, feel included and are supported to succeed. The Company seeks to build and maintain a respectful workplace culture in which differences are respected and valued, and in which the interests of diverse stakeholders are taken into account in decision-making.

The Company requires that all employees be treated fairly and with respect and dignity as more particularly detailed in the Code of Conduct and Respectful Work Policy and the Company does not tolerate any discrimination, bullying or harassment in the workplace.

The basis for employment, advancement, performance appraisal and remuneration within the Company is based on merit, competence, performance and behaviour in line with Company values.

The Company will strive to promote and educate the global organization on the importance of Diversity and Inclusion and to recognize and respect the heritage, culture, lifestyle and preferences, environment of the local communities which host Company operations.

4.4 Measuring and Reporting

A summary of this policy along with discussion of the Diversity and Inclusion objectives and education, will be included on an annual basis in the shareholder proxy circular of WFSI and any applicable Sustainability Report.

At a minimum, the number and percentage of women directors, and the changes in such number and percentage from the previous year, shall be disclosed in the WFSI shareholder proxy circular. In addition the number and percentage of women in management positions, and the changes in such number and percentage from the previous year, shall be reported in WFSI's annual Sustainability Report.

The Company will follow and meet the Diversity reporting requirements in accordance with applicable law and regulations.

5.0 POLICY ENFORCEMENT

The Company is committed to ensuring that any complaints are dealt with fairly, thoroughly, confidentially and in a timely manner.

5.1 Reporting Violations

If an individual believes that someone is violating this policy or applicable law, they are asked to report it immediately to their manager/supervisor, Executive Leadership, Human Resources and/ or Legal. Alternatively reporting of violations or suspected violations of this Policy can also be reported confidentially:

1. To the Legal Department:
By Telephone: Corporate Counsel – +1 (604) 718-2000
By Email: legal@wfsinc.com

2. Or through the Ethics/Whistleblower Hotline:
By Telephone: Ethics Hotline: +1(855) 227-0663
Online: westport.ethicspoint.com

5.2 Periodic Audits

The Company and the NCGC and the Human Resources and Compensation Committee (“**HRCC**”) of the Board measures compliance with this policy as part of the periodic evaluation process of Company policies and governance of the Board and its committees and its directors.

This policy will be reviewed by the Policy Owner, bi-annually, with final approval by the NCGC of the Board.

The Internal Audit Department or any other internal or external auditing party may perform periodic audits to ensure compliance with this policy.