

REVIEWED AND ACCEPTED BY THE BOARD OF DIRECTORS ON DECEMBER 7, 2020

## 1.0 NOTICE

Violations of insider trading and tipping laws carry severe consequences both for Westport Fuel Systems Inc. (the "**Corporation**") and the individuals involved. Compliance with this Policy is a condition of employment with Westport Fuel Systems Inc. and its subsidiaries (collectively referred to as "**WFS**"). A violation of this Policy may be grounds for discipline, up to and including immediate dismissal. The violation of this Policy may also violate certain securities laws. If it appears that an employee, officer or director may have violated such securities laws, WFS may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

## 2.0 PURPOSE

This Policy outlines the trading obligations of Board members, Board advisors, officers and employees and consultants of WFS (see definition of special relationship in paragraph 5.1.2 below) (each, a "**Covered Person**"). Generally, a Covered Person, who knows of material non-public information about WFS may not trade in securities of the Corporation and may not use or disclose the information until the information is publicly known. In addition to this general policy, to reduce potential exposure for liability under securities laws, Covered Persons must not trade in the Corporation's securities during the "Blackout Periods" described in this Policy.

## 3.0 SCOPE

Violations of insider trading laws carry severe consequences for both WFS and the individuals involved. Additionally, timely notifications of significant changes in WFS' share price, trading volume and/or shareholder base allows for more effective investor engagement and is valuable to WFS. Therefore, all Covered Persons must comply with this Policy.

## 4.0 DISCLOSURE OF CORPORATION INFORMATION

All Covered Persons should assume that all information about WFS is confidential unless told otherwise. Under securities laws, all material information concerning WFS, favourable or otherwise, is, once known to WFS, required to be released to the public forthwith. In addition, disclosure of material non-public information cannot be made to select outside parties before broad public disclosure is made, other than in exceptional circumstances that fall within the permissible securities law exceptions. Any Covered Person privy to material non-public information (see definition of material non-public information in paragraph 4.1 below) is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business and except to the extent permitted by the Corporation's policies. In WFS's business, such disclosures would be normally made under the protection of a non-disclosure agreement. Outside parties to whom this information is made known should be told that they must not divulge such information other than in the necessary course of business, and may not trade in WFS securities until the information is publicly disclosed. All readers of this Policy should refer to Westport Fuel Systems Inc.'s Disclosure Policy for the full text of WFS's policy on the disclosure of information.

## 4.1 Definition of Material Nonpublic Information

Material non-public information is information that has not been publicly released by WFS that has, or is reasonably expected to have, a significant effect on the market price or value of the Corporation's securities.

While it may be difficult under this standard to determine whether particular non-public information is material, there are various categories of information that are particularly sensitive and as a general rule, should always be considered potentially material. In making materiality judgements, it is necessary to take account of the volatility of the Corporation's securities, the nature of the information, prevailing market conditions and other factors that cannot be adequately captured in a simple bright-line standard or test. When in doubt, please consult with the Corporation's Chief Financial Officer, Chief Legal Officer and Investor Relations Lead.

## 5.0 TRADING IN SECURITIES OF THE CORPORATION

### 5.1 Insider Trading

#### 5.1.1 RULES AGAINST INSIDER TRADING AND TIPPING

Under applicable securities laws, a person in a "special relationship" with WFS (see the following section of this Policy) may not trade in securities of the Corporation if that person knows material information about WFS which has not been fully disclosed to the public or a reasonable period of time for dissemination of the information has not passed. If such a trade takes place, the person in the special relationship with WFS may be liable for penalties, damages, imprisonment or other remedies that exist under law for such transactions as well as the sanctions enumerated in this policy. A "trade" includes a purchase or sale of securities, an offer or solicitation to purchase or sell securities or an exercise of an option, warrant or other convertible security including any sale of shares to cover tax liability associated with a grant of shares.

In addition, a person in a special relationship with WFS may not disclose ("**tip**") to any other person any material non-public information about WFS unless such disclosure is necessary in the course of WFS's business and except to the extent permitted by the Corporation's policies. In WFS's business, such disclosures would be normally made under the protection of a non-disclosure agreement.

#### 5.1.2 DEFINITION OF "SPECIAL RELATIONSHIP"

All Covered Persons, in each instance, are in a special relationship with WFS, as are former Board members, Board advisors, officers and employees who acquired material non-public information while in office. In addition, anyone who acquires material non-public information from a person in a special relationship with WFS, including a partner, spouse, relative, or anyone living under the same roof of such person, is deemed to be in a special relationship with WFS if they knew or reasonably ought to have known that the party providing them with material non-public information was in a special relationship with WFS. Both the person who provides the information and the person who receives the information could be liable under securities laws if the person who receives the information trades in securities. Covered Persons are responsible for ensuring that such third-party persons comply with the obligations contained in this Policy. All Covered Persons are reminded that they have access to non-public information about WFS, which must be maintained as confidential, including avoiding disclosure of such information to the additional third-party persons noted above.

#### 5.1.3 RULE AS IT APPLIES TO OTHER CORPORATIONS

Where WFS is involved in an undisclosed material transaction with another corporation, each Covered Person is in a special relationship with that other corporation and, therefore, cannot trade in securities of the other corporation while aware of any material non-public information about that other corporation which was learned of in the course of service as a Covered Person.

#### 5.1.4 WHEN INFORMATION BECOMES PUBLIC

Information is considered to become public when it has been released to the public through appropriate channels, such as by news release or public statements by senior officers and a reasonable period of time for dissemination of the information has passed.

#### 5.1.5 BLACKOUT PERIODS

To clarify for WFS and Covered Persons who have access to material information, such as financial results, and to ensure that material information is broadly disseminated to the investment community, WFS has established "**Blackout Periods**" during which such individuals may not trade in securities of the Corporation. The "Blackout Periods":

- a) with regard to financial results, apply during the period beginning on the fifth business day of the month following the end of a quarter and ending following the public disclosure of the financial results for the quarter by news release. The ending of the Blackout Period typically provides a reasonable amount of time for the public disclosure to be disseminated. This Blackout Period applies to all Covered Persons, with knowledge of, or could acquire knowledge of, the non-public financial results for the quarter in question, and includes, but is not limited to, Board members, Board advisors, senior leadership, finance and accounting staff, investor relations staff, corporate communications staff and all WFS employees and consultants who are aware of or could become aware of the financial results prior to the date of their release;
- b) apply to all Covered Persons who are aware of material non-public information until after public disclosure of the material information plus sufficient time for the public disclosure to be disseminated; or
- c) apply for offerings and include, but is not limited to, all Board members, Board advisors, and officers of WFS for the period from one business day prior to the determination of the offering price until the closing of the offering, unless, if the Covered Person such as the Board member, Board advisor or officer is buying shares and the total amount of purchases by all such Covered Persons such as the Board members, Board advisors or officers in this period is less than 2% of worldwide average daily trading volume during the two calendar months immediately preceding the beginning of the period, or any consecutive 60 calendar days ending within the 10 calendar days preceding the beginning of the period; or
- d) apply any other time and for any length of time as deemed necessary by the Corporation's Chief Financial Officer, after consultation with the Corporation's Chief Executive Officer, Chief Legal Officer and Investor Relations Lead provided the Chief Financial Officer, or his or her delegate, provides written notice of such Blackout to the specified persons.

#### 5.1.6 STOCK SURVEILLANCE PROGRAM

WFS shall implement and maintain a stock surveillance program (the "**Surveillance Program**") which shall be overseen by the Corporate Controller and the Head of Investor Relations. Pursuant to the Surveillance Program WFS shall:

- a) monitor WFS' SEDAR profile for new SEDAR filings, including but not limited to, the filing of any press releases and early warning reports;
- b) monitor any new insider reports which are filed in respect of the securities of WFS;
- c) monitor the trading price and volume of WFS's publicly traded securities and identify any material or unusual patterns or changes with respect to such trading;
- d) monitor and identify any significant changes in the type of investor, or the specifically identified investors, of WFS; and
- e) periodically report to the Board with respect to any material changes or filings which have been identified.

## 6.0 INSIDER TRADING REPORTING

It is the personal duty of each Board member, Board advisor, officer and other insider (as defined below) to file insider reports following any trade or other change in holdings of securities of the Corporation (including the exercise of any options or transfer of securities into or out of an individual's RRSP, or similar tax deferred account) in accordance with applicable securities laws. WFS assists certain Board members and officers with the filing procedures by providing administrative support. This administrative support does not remove individual responsibility to file insider reports in a timely and accurate fashion. Currently, insider reports must be filed within a defined time limit which is currently 5 days after a change in direct or indirect beneficial ownership of, or control or direction over, the securities of the Corporation (including any change in stock options, restricted share units, performance share units or similar equity based compensation awards).

Failure of insiders to comply with the prescribed time limits for declaring their control or a change in their control over the securities of the Corporation, or their failure to provide complete information constitutes a violation under securities law and may result in a fine.

For purposes of this section, an "insider" of the Corporation means:

- a) every person who is a Board member or senior officer of the Corporation;
- b) every person who is a Board member or senior officer of a company that is itself an insider or subsidiary of the Corporation;
- c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation, or who exercises control or direction over the voting securities of the Corporation, or a combination of both, carrying more than 10 per cent of the voting rights attached to all voting securities of the Corporation.

## 7.0 LIABILITY AND PENALTIES

Severe penalties under securities laws apply to Covered Persons who trade in securities of the Corporation using material information about WFS that has not been publicly disclosed or who tip others who are not authorized to receive material non-public information and who may use it for the purpose of trading. A Covered Person, who is convicted of contravening the securities laws in this regard is liable for penalties or fines and/or imprisonment.

Covered Persons who violate this Policy or securities regulations may also be subject to disciplinary action by the Corporation, which may include termination of employment for just cause, or other sanctions as the Corporation may deem appropriate. Covered Persons who breach securities laws may furthermore be liable in any civil action as a result of or consequence of the breach.