

EFFECTIVE DATE
MAY 7, 2024

2024

MANAGEMENT INFORMATION
CIRCULAR

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS JUNE 13, 2024

Your vote is important.

This document tells you who can vote,
what you will be voting on, and how to vote.



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Letter to Shareholders

Fellow Shareholders,

On behalf of the Board of Directors, I am pleased to present this year's Management Information Circular and invite you to attend our Annual General Meeting to be held on Thursday, June 13, 2024, at 10:00 am PST via webcast. Details on accessing the meeting can be found in "**Section 1: Voting**" within this document.

The agenda will include votes for the election of directors, the selection of our independent auditors, and the adoption of an advisory resolution to support our 2024 executive compensation plan. The Annual General Meeting also allows shareholders to ask questions of the Board of Directors and Executive Management team members. We encourage you to read this Management Information Circular and vote your shares in advance, at the meeting, online, by phone, or by completing and mailing your proxy or voting instruction form by mail or fax.

In 2023, we made significant progress against our strategic priorities of implementing operational efficiencies, achieving cost reductions, and improving our balance sheet. As we move forward, we remain committed to enhancing our capabilities and seizing new opportunities for sustained growth and success. As part of our pursuit to innovate and evolve, the recent announcement with the Volvo Group to establish a joint venture focused on global adoption and commercialization of Westport's HPDI fuel system technology demonstrates our commitment to reducing CO2 emissions for long-haul and off-road applications.

With our new CEO Daniel Sceli, management and the Board are unified in Westport's growth strategy to drive success via our HPDI joint venture (JV) with the Volvo Group, improve operational excellence and reimagine a hydrogen-powered future.

Board of Directors

In our effort to better align resources and achieve cost reductions at the Board level, the Technology and Product Strategy Committee was discontinued in early 2024 with the intention of redirecting its functions and attention towards the JV. We also proactively decided to reduce the size of the Board with the retirement of Rita Forst at the end of her term. On behalf of the Board of Directors, I want to thank Rita for her invaluable insight and dedicated service to the organization.

Driving innovation, supporting the achievement of our strategic plan, and increasing shareholder value requires a Board of Directors comprised of experienced, independent-minded people. Our diverse Board continues to draw from deep areas of expertise including engineering and manufacturing in the global transportation sector, energy industry, c-suite leadership, legal, finance/accounting, governance, and risk management. I welcome you to read in detail about our director nominees and the Board of Directors Skills Matrix within this Circular.

Corporate Governance

Our central aim at Westport is to hasten the impact of the energy transition by bringing our products to market, all while meticulously minimizing our environmental footprint. In 2023, we enacted our Environmental Policy, which underscores our awareness of the necessity for ongoing initiatives and projects dedicated to minimizing the environmental footprint of our organizational activities. This commitment extends to influencing the practices of our suppliers, customers, and other stakeholders, aligning with our dedication to sustainability and responsible corporate citizenship.

Executive Compensation

At the Meeting, we will conduct our fifth annual "say-on-pay" advisory vote on executive compensation. Our most recent "say-on-pay" vote, held at the 2023 Annual General Meeting of Shareholders resulted in 86.99% of voted shares in favor of the resolution accepting our approach to executive compensation. In keeping with governance trends in North America and in the interest of soliciting your feedback, we continue to offer an annual "say-on-pay" advisory vote and encourage you to vote this year.

We appreciate your continued support in Westport, and we look forward to you joining us virtually at the 2024 Annual General Meeting.

Sincerely,



Daniel M. Hancock
Chair of the Board of Directors



Notice of Annual General Meeting of Shareholders

To be held on June 13, 2024 at 10:00 a.m. (Pacific Time)

Items of Business		Board's Voting Recommendation		
1	Election of directors	 FOR ALL	By Internet  Visit 24/7 proxyvote.com	By Mailing Your Proxy Card  Cast your vote, sign your proxy card, and mail free of postage
2	Ratification of KPMG LLC as our independent registered public accounting firm for 2023	 FOR		
3	Advisory vote to approve our named executive officer compensation	 FOR	By Phone  Call toll free 24/7 at 1-800-474-7493	Participate in the Annual Meeting*  You will need the 16-digit control number, which can be found on your Notice, on your proxy card.

Meeting Date: June 13, 2024 at 10:00 a.m. (PST)

Record Date: May 7, 2024

The Annual General Meeting (the "Meeting") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Westport Fuel Systems Inc. ("**Westport Fuel Systems**," "**Westport**" or the "**Corporation**") will be held virtually on Thursday, June 13, 2024, at 10:00 a.m. (Pacific Time).

The Meeting will be conducted in a virtual-only format via live webcast. Registered Shareholders (as defined in the Management Information Circular (the "Circular") under the heading "Voting at the Meeting") and duly appointed proxyholders can attend the Meeting online at <https://meetnow.global/MSM4VF4> where they can participate, vote, or submit questions during the Meeting's live webcast.

* For those who wish to vote during the Meeting, pre-registration is required 48 hours prior to the Meeting. Details on how to register are available in "**Section 1: Voting**" of this Circular.

Who Can Vote

Persons registered as holders of Common Shares on the records of Westport Fuel Systems as of the close of business on May 7, 2024, are entitled to receive notice of the Meeting.

- Individuals, corporations, or other persons directly registered as Shareholders on the share register maintained by Computershare Trust Company of Canada ("**Computershare**") on May 7, 2024 ("**Registered Shareholders**") may virtually attend the Meeting and vote. Shareholders owning Common Shares through a brokerage firm or in any other manner who are not directly registered with Computershare on May 7, 2024 ("**Beneficial Shareholders**") and who wish to attend the Meeting and vote should strike out the current names on the form of proxy (the "**Proxy**"). You may then enter your own name(s) in the blank space on the Proxy provided by your broker (or the broker's agent) and return that Proxy to your broker (or the broker's agent) in accordance with the Proxy instructions well in advance of the Meeting.

- Registered and Beneficial Shareholders who do not wish to attend the virtual Meeting or to vote their Common Shares may be represented by Proxy. A person appointed as proxyholder does not need to be a Shareholder of Westport Fuel Systems. Shareholders who are unable to attend the virtual Meeting are requested to date, sign and return the accompanying Proxy, or other appropriate form of Proxy, in accordance with the instructions set forth in the Circular.
- For Registered Shareholders, the Proxy, or other appropriate form of Proxy, will not be valid unless it is deposited in person or by fax at the offices of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, fax numbers: 1-866-249-7775 (toll free North America), or 1-416-263-9524 (international) not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the Meeting, or any adjournment of the Meeting. Registered Shareholders may also vote by telephone or over the Internet as described in the Proxy.
- For Beneficial Shareholders, the Proxy provided by your broker (or the broker's agent) can be mailed to Broadridge Financial Solutions, Inc. ("Broadridge") at the address on the Proxy or, alternatively, a Beneficial Shareholder can call Broadridge's toll-free number to vote (1-800-474-7493) or access the Broadridge dedicated voting website at **www.proxyvote.com**.

Dated at Vancouver, BC as of the 7th day of May 2024,

By order of the Board of Directors,



William Larkin
Chief Financial Officer

Certain statements contained in this Circular and in certain documents incorporated by reference in this Circular, constitute "forward-looking statements". When used in this document, the words "may," "would," "could," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect," "project" and similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties and are based on several assumptions. While the Corporation has a reasonable basis for such forward-looking statements, readers are cautioned that actual results may vary materially from the forward-looking statements in this Circular. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Circular. We undertake no obligation to update the forward-looking statements set forth in this Circular, whether because of new information, future events, or otherwise, unless required by applicable securities law

Section 1: Voting

Solicitation of Proxies

Solicitation of proxies will be primarily by mail but may also be by online voting, telephone, facsimile or oral communication by the directors, officers, or regular employees, at no additional compensation to them. The cost of proxy solicitation will be an expense of the Corporation.

Accessing the Virtual Annual General Meeting

The Annual General Meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Westport Fuel Systems Inc. ("**Westport Fuel Systems**", "**Westport**" or the "**Corporation**") will be held virtually on Thursday, June 13, 2024, at 10:00 a.m. (Pacific Time) for the purposes set forth in the accompanying notice of meeting (the "**Notice**"). Registered Shareholders (as defined in this Management Information Circular (the "**Circular**") under the heading "**Voting at the Meeting**") and duly appointed proxyholders may attend the virtual Meeting, ask questions and, where votes were not previously submitted, vote by phone, all in real time provided you register as a voter 48 hours ahead of the Meeting

Non-registered Shareholders (Shareholders who hold Common Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not appointed themselves as proxyholder will be able to attend the Meeting as a guest but will not be able to vote.

ATTENDEE	MEETING ACCESS INFORMATION
Registered Shareholders and Appointed Proxyholders	- Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking "Shareholder" and entering a Control Number or an Invitation Code before the start of the Meeting. - Registered Shareholders - The 15-digit control number is located on the form of proxy or in the email notification you received. - Duly appointed proxyholders – Computershare will provide the proxyholder with an Invite Code after the voting deadline has passed.
All Other Attendees (Guest Access)	Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-Registered Shareholders who have not appointed themselves may attend the meeting by clicking "Guest" and completing the online form.

To streamline the virtual meeting process, we encourage you to vote in advance of the Meeting using the voting instruction form or the form of proxy (the "Proxy") emailed or mailed to you with the Meeting materials. Please review "**Section 1: Voting of Common Shares**" below for information on how to properly vote your Common Shares.

Participating at the Meeting

The Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the virtual Meeting is provided below. **The Meeting will begin at 10:00 am PST on June 13, 2024.**

- Registered Shareholders that have a 15-digit control number, along with duly appointed proxyholders who were assigned an Invitation Code by Computershare Trust Company of Canada ("**Computershare**") (see details under the heading "Appointment of Proxies"), will be able to vote and submit questions during the Meeting. To do so, please go to <https://meetnow.global/MSM4VF4> prior to the start of the Meeting to login. Click on "Shareholder" and enter your 15-digit control number or click on "Invitation" and enter your Invite Code. Non-Registered Shareholders (as defined in this Circular under the heading "**Non-Registered Shareholders**" who have not appointed themselves to vote at the Meeting, may login as a guest, by clicking on "Guest" and complete the online form.
- United States Beneficial holders: To attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:
Computershare 100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1
OR
Email at uslegalproxy@computershare.com

Requests for registration must be labeled as "Legal Proxy" and be received no later than June 11, 2024 by 10:00 am PST. You may attend the Meeting and vote your shares at <https://meetnow.global/MSM4VF4> during the meeting. Please note that you are required to register your appointment at <http://www.computershare.com/WestportFuel>

1. Non-Registered Shareholders who do not have a 15-digit control number or Invite Code will only be able to attend as a guest which allows them listen to the Meeting however will not be able to vote or submit questions. Please see the information under the heading "Non-Registered Shareholders" for an explanation of why certain shareholders may not receive a form of Proxy.
2. If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

Voting at the Meeting

A registered Shareholder of "Common Shares" (a "Registered Shareholder"), or a Non-Registered Shareholder who has appointed themselves or a third party proxyholder to represent them at the Meeting, will appear on a list of Shareholders prepared by Computershare, the transfer agent and registrar for the Meeting. To have their Shares voted at the Meeting, each Registered Shareholder or proxyholder will be required to enter their control number or Invite Code provided by Computershare at <https://meetnow.global/MSM4VF4> prior to the start of the Meeting. In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder must register with Computershare at <http://www.computershare.com/WestportFuel> after submitting their voting instruction form in order to receive an Invite Code (please see the information under the headings "Appointment of Proxies" below for details).

If a Shareholder who has submitted a Proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the meeting online, any votes cast by such shareholder on a ballot will be counted and the submitted proxy will be disregarded.

Appointment of Proxyholders

The persons named in the Proxy are Daniel Sceli, Chief Executive Officer (CEO) of Westport Fuel Systems and Jeremy Chan, Associate General Counsel and Corporate Secretary, who will be secretary for purposes of the Meeting. A Shareholder has the right to appoint another person (who does not need to be a Shareholder) to represent them at the Meeting.

- Shareholders who wish to appoint a third party proxyholder to represent them at the virtual Meeting must submit their proxy or voting instruction form (if applicable) prior to registering your proxyholder.
- Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving an Invite code to participate in the Meeting. To register a proxyholder, shareholders must **visit <http://www.computershare.com/WestportFuel> by (June 11, 2024/10:00 am PST)** and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invite Code via email.
- The Proxy or an alternative form of Proxy ("**Alternative Form of Proxy**") will not be valid unless it is deposited in person or by fax at the offices of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (fax numbers (1-866-249-7775 toll free North America), or 1-416-263-9524 (international)) not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or any adjournment of the Meeting. The proxy must be deposited with Computershare by no later than 10:00 am PST on June 11, 2024.

Without an Invite Code, proxyholders will not be able to vote at the Meeting.

Revocation of Proxies

A Proxy or Alternative Form of Proxy may be revoked by means of a written document signed by you (the Shareholder) or by your duly authorized attorney, or if the Shareholder is a corporation, by an authorized officer or officers or attorney of the corporation.

The document revoking the Proxy or Alternative Form of Proxy must be deposited either:

- at the registered office of Westport Fuel Systems (Suite 4500, 855 2nd Street S.W., Calgary, Alberta, T2P 4K7) at any time up to and including the last business day prior to the day of the Meeting, or any adjournment of the Meeting, at which the Proxy or Alternative Form of Proxy is to be used; or
- with the Chairman of the Meeting on the day of, but prior to, the Meeting or any adjournment of the Meeting.

In addition, a Proxy or Alternative Form of Proxy may be revoked:

- by the Shareholder virtually attending the Meeting and voting the securities represented by the Proxy or an attorney authorized in writing by you (the Shareholder), or, if the Shareholder is a corporation, by an authorized officer or officers or attorney of the corporation attending the Meeting and voting the securities; or
- in any other manner permitted by law.

Exercise of Discretion by Proxyholders

The persons named in the Proxy, Daniel Sceli and Jeremy Chan, will vote or withhold from voting the Common Shares for which they are appointed, on any ballot that may be called for, and in accordance with the instructions of the Shareholder(s) appointing them.

If a Shareholder specifies a choice to any matter to be acted upon at the Meeting, the person named in the Proxy will vote the Common Shares accordingly. In the absence of such direction, the proxyholder shall have the authority to vote the relevant Common Shares **FOR**:

1. The election of the directors, as set forth in this Circular
2. The appointment of auditors, at such remuneration as may be determined by the Board of Directors
3. The advisory "say-on-pay" resolution, as set forth in this Circular

The Proxy also gives discretion to the persons named in the Proxy with respect to any amendments to, or variations of, the matters identified in the Notice and to any other matters that may properly be brought before the Meeting. As of the date of this Circular, we know of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice.

Signing the Proxy

Person(s) acting as an attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate their capacity (following their signature) and provide the appropriate documents confirming qualification and authority to act (unless these documents have previously been filed with us or Computershare).

Communication Process for Proxy-Related Materials

The *Business Corporations Act* (Alberta) ("**ABCA**") requires us to deliver a written copy of the annual financial statements to persons registered as Shareholders on the share register maintained by Computershare .

Broadridge is the approved intermediary for mailing proxy-related materials to objecting beneficial shareholders ("**Objecting Beneficial Owners**" or "**OBOs**") and non-objecting beneficial shareholders ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"). Computershare, as our transfer agent, is the approved intermediary for mailing proxy-related materials to Registered Shareholders.

Voting of Common Shares

General

As of May 7, 2024, there were 17,233,960 Common Shares issued and outstanding, each of which carries the right to one vote at the Meeting. Only Registered Shareholders as of the close of business on May 7, 2024 (the "Record Date") are entitled to receive notice of and to vote at the Meeting.

Beneficial Shareholders are not entitled to receive notice of the Meeting or vote their Common Shares at the Meeting and should refer to the section entitled "Beneficial Holders of Common Shares" for details regarding how they may exercise their voting rights.

Any person who acquires Common Shares after the Record Date may vote those Common Shares if, not later than ten days prior to the Meeting, that person makes a request to Computershare to have their name included as a Registered Shareholder on the list of Shareholders for the Meeting and establishes that he or she owns the Common Shares.

Beneficial Holders of Common Shares

The information below is important as most shareholders do not hold Common Shares in their own name, but rather by a broker or an agent of that broker.

1. If your Common Shares are held in a brokerage account, then in almost all cases those Common Shares will not be registered in your name on the share register maintained by Computershare. Those Common Shares will most likely be registered in the name of your broker or an agent of that broker.
2. In Canada, the vast majority of Common Shares are registered in the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers, or their agents or nominees can only be voted (for or against resolutions) on the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients.
3. Beneficial Shareholders cannot be recognized at the Meeting for purposes of voting virtually or by way of proxy unless your brokers or agents are given specific instructions. If you are a Beneficial Shareholder and wish to vote virtually at the Meeting, please contact your broker or agent in advance of the Meeting to determine how you can vote at the Meeting.

Applicable regulatory policies require brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every brokerage has its own mailing procedures and provides its own return instructions to its clients, which should be carefully followed by Beneficial Shareholders if you wish to ensure your Common Shares are voted at the Meeting. In certain cases, the form of proxy supplied to you as a Beneficial Shareholder by your broker (or agent of the broker) is identical to the proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

Many Canadian brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically prepares a machine-readable voting instruction form, mails that form to Beneficial Shareholders and asks them to return the instruction forms to Broadridge. Alternatively, Beneficial Shareholders can either call Broadridge's toll-free telephone line, 1-800-474-7493, or access the Broadridge dedicated voting website at www.proxyvote.com to deliver voting instructions. Broadridge then tabulates the results of all instructions received and provides instructions respecting the voting of Common Shares to be represented at the Meeting.

Beneficial Shareholders who receive a voting instruction form from Broadridge cannot use that form to vote Common Shares directly at the Meeting - voting instructions must be provided to Broadridge (in accordance with the instructions set forth on the voting instruction form provided by Broadridge) in advance of the Meeting to have the Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as a proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should cross out the names currently on the provided form of proxy, enter their own name(s) in the blank space on the Proxy and return the Proxy to their broker (or the broker's agent) in accordance with the instructions provided by the broker (or broker's agent) in advance of the Meeting.

Objecting Beneficial Owners (OBOs) and Non-Objecting Beneficial Owners (NOBOs)

Beneficial Shareholders fall into two categories: 1) those who object to their identity being made known to the issuers of securities which they own (OBOs); and 2) those who do not object to their identity being made known to the issuers of the securities they own (NOBOs). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs.

Principal Holders of Common Shares

To our knowledge, as of Dec. 31, 2024 Mr. Kevin Douglas, beneficially owns, or controls or directs, directly or indirectly, approximately 1,816,699 Common Shares. He owns 10.5% of the shares outstanding.

Currency and Nomenclature in this Management Information Circular

Unless otherwise specified, all currency amounts are stated in United States dollars. All references to "dollars," "\$" or "US\$" are United States dollars, and all references to "C\$" or "CDN\$" are Canadian Dollars. Unless otherwise stated, references to "we," "us," "our," "Westport Fuel Systems" or the "Corporation" are to Westport Fuel Systems Inc. and all its directly and indirectly majority owned subsidiaries.

Matters to be Acted Upon

1. Receipt of 2023 Financial Statements

Westport Fuel Systems' consolidated financial statements for the fiscal year ended December 31, 2023, are contained in its Annual Report, and will be forwarded to Registered Shareholders. No formal action will be taken at the Meeting to approve the financial statements, with requirements of the ABCA being met with advanced circulation of the financial statements. If any shareholders have questions regarding the financial statements, your questions may be asked at the Meeting.

2. Election of Directors

Our board of directors (**the "Board of Directors" or the "Board"**) has fixed the number of directors to be nominated at the Meeting at eight (8) with each director being elected individually. All the current nominees were elected as directors by the Shareholders at the Annual General Meeting of Shareholders on April 6, 2023 (with the exception of Daniel Sceli who was appointed to the Board in January 2024). In addition to being an elected director, Ms. Eileen Wheatman is a nominee of Mr. Kevin Douglas according to the terms of a nomination agreement between us and members of the Douglas Group dated March 17, 2016. Each director elected will hold office until the next Annual General Meeting of Shareholders or until their successor is appointed unless their office is vacated earlier in accordance with the By-Laws of the Corporation.

Unless otherwise directed, the persons named in the Proxy, Daniel Sceli, CEO and Jeremy Chan, Associate General Counsel and Corporate Secretary, intend to vote **FOR** the election of each of the proposed nominees whose names are in this Circular under "**Section 2: Board of Directors.**"

Majority Voting Policy

Our Board of Directors has adopted a majority voting policy (the "**Majority Voting Policy**") requiring any nominee for director who receives a greater number of votes "withheld" than votes "for" his or her election as a director to immediately submit his or her resignation to the Chair of the Board of Directors ("**Board Chair**"). The Board Chair will give notice of any resignation to the Nominating and Corporate Governance Committee of the Board of Directors ("**NCG Committee**") for consideration promptly following the Meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected.

The NCG Committee shall consider the resignation and shall provide a recommendation regarding the resignation to the Board of Directors within 45 days of the applicable meeting of Shareholders. In considering whether to accept the offer of resignation, the NCG Committee will consider all information and factors deemed relevant including:

- any stated reasons why Shareholders "withheld" votes from the election of the director
- the length of service and the qualification of the director
- the director's contribution to Westport Fuel Systems
- the effect such resignation may have on our ability to comply with applicable governance rules and policies
- the dynamics of the Board of Directors

The Board of Directors will consider the recommendation of the NCG Committee and determine whether to accept the resignation within 90 days of the applicable meeting and a news release will be issued announcing the Board of Directors' determination. In considering whether to accept the offer of resignation, the Board of Directors will consider the information and factors discussed by the NCG Committee and any additional information and factors deemed relevant by the Board.

The Board will only determine not to accept the offer of resignation in exceptional circumstances or where the acceptance of the resignation would be reasonably expected to have a material detrimental effect on the Corporation. A director who tenders his or her resignation will not participate in any meetings of the NCG Committee (if they are a member thereof) or the Board of Directors to consider whether the resignation shall be accepted. Shareholders should note that, in view of the Corporation's Majority Voting Policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election.

3. Appointment of Auditors

KPMG LLP was first nominated, then elected and appointed as the auditor of the Corporation, effective September 30, 2015. Upon the unanimous recommendation of the Audit Committee, the Board of Directors has proposed that KPMG LLP be nominated for appointment as independent auditor for the current fiscal year.

Reasons for Re-Appointment of KPMG LLP

The Audit Committee considers several factors in deciding to re-engage KPMG LLP as the independent registered public accounting firm, including the following:

- Independence controls and objectivity
- Length of KPMG's service to Westport
- KPMG's audit quality, performance, and results

- Impact of engaging a new auditor
- Appropriateness of KPMG's audit fees
- KPMG's reputation, integrity, and competence
- KPMG's institutional company-industry knowledge, experience, and expertise

Based on the above factors, the Audit Committee and Board believe the continued retention of KPMG LLP as our independent registered public accounting firm is in the best interests of the Corporation and its Shareholders. Unless otherwise instructed, the persons named in the Proxy, Daniel Sceli, CEO and Jeremy Chan, Associate General Counsel and Corporate Secretary, intend to vote **FOR** the appointment of KPMG LLP, Chartered Accountants, 777 Dunsmuir Street, Vancouver, British Columbia, as auditor to hold office for the ensuing year at remuneration to be set by the Board of Directors.

A description of the nature of services and the aggregate fees (including those related to audit and non-audit services) billed to us by KPMG LLP and other members of its network is included in the Annual Information Form for the year ended December 31, 2023, which has been filed on SEDAR+ at www.sedarplus.ca under the heading "**External Auditor Fees and Services.**"

4. Advisory Vote on Approach to Executive Compensation

At the Meeting, we will conduct our fifth annual "say-on-pay" advisory vote on executive compensation. Our most recent "say-on-pay" vote, held at the 2023 Annual General Meeting resulted in 86.99% of voted shares in favor of the resolution accepting our approach to executive compensation. Although there were no substantive changes to our executive compensation structure in 2023, in keeping with governance trends in North America and in the interest of soliciting your feedback, we continue to offer an annual "say-on-pay" advisory vote and encourage you to vote this year.

A "say-on-pay" vote gives Shareholders the opportunity to cast an advisory vote regarding a corporation's approach to executive compensation. In the United States, the U.S. Securities and Exchange Commission (the "SEC") has established "say-on-pay" advisory shareholder vote requirements for certain issuers. Although our shares are traded on the NASDAQ Global Select Market ("**NASDAQ**"), we are a "foreign private issuer" under applicable SEC rules. Accordingly, these requirements do not apply to us. "Say-on-pay" shareholder votes have yet to be mandated in Canada. However, several larger issuers in Canada have voluntarily implemented advisory votes and we have decided to voluntarily implement a "say-on-pay" advisory vote as well. At the Meeting, Shareholders will be asked to consider and, if thought fit, to vote for this resolution, accepting our philosophy and approach to executive compensation. For information on our general approach to executive compensation please see "**Section 4: Compensation of Executive Officers**" of this Circular.

Unless otherwise instructed, the persons named in the proxy, Daniel Sceli, CEO and Jeremy Chan, Associate General Counsel and Corporate Secretary, intend to vote **FOR** the advisory "say-on-pay" resolution.

As the vote is advisory, results will be non-binding on the Board. The Board and its Human Resources and Compensation Committee ("**HRC Committee**") will, however, consider the outcome of the vote when reviewing and approving future executive compensation policies and decisions, as well as feedback and comments received from Shareholders during regular shareholder communications.

Interest of Certain Persons or Companies in Matters to be Acted Upon

We are unaware of any material interest, direct or indirect, by way of beneficial ownership of Common Shares or otherwise, of any director, any executive officer or anyone who has held office since January 1, 2023, any proposed nominee for election as director, or of any associate or affiliate of any of the foregoing in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

Section 2: Board of Directors

Nomination of Directors

The NCG Committee is responsible for recommending nominees for election at each Annual General Meeting of Shareholders. The NCG Committee considers the Board's composition and assesses any potential skill or expertise enhancements that can be addressed in future recruitment. The Committee is responsible for the recruitment of additional directors and provides the Board with potential nominees for discussion and approval.

Any new appointees or nominees to the Board of Directors must have a demonstrated commitment to high personal and professional integrity and ethical standards, a favorable record of accomplishment in general business management, special expertise in areas of strategic interest to our organization, the ability to devote the time required, and a willingness to serve as a director. The NCG Committee responsibilities are fully outlined in "**Section 3: Nominating and Corporate Governance Committee**." Additionally, the Board is committed to having women represent at least 30% of our Board. This commitment is reflected in our Board of Directors Charter and our Diversity Policy. For further detail, please refer to the "**Diversity**" section.

We have not established term limits for members of our Board of Directors; however, we are committed to renewing Board membership, on a measured basis. A review and assessment of our Board of Directors is conducted annually, and we periodically review and rotate Board Chair and Committee Chair positions to ensure diversity of views.

Nominees for Election to the Board

In our effort to achieve cost reductions at the Board level, this year we have proactively decided to reduce the size of the Board from nine directors to eight, with the retirement of Rita Forst at the end of her term. The director nominees are:

1. Michele J. Buchignani
2. Brenda J. Eprile
3. Anthony Guglielmin
4. Daniel M. Hancock
5. Philip B. Hodge
6. Daniel Sceli
7. Karl-Viktor Schaller
8. Eileen Wheatman

The following biographies and accompanying notes provide the names and residence location of all persons proposed to be nominated for election as directors, their principal occupations or employment for the preceding five years, the dates they became directors, the positions with Westport Fuel Systems now held by them, the current committee memberships with applicable fiscal year attendance, and the number of Common Shares, restricted share units, restricted phantom shares or performance share units, ("**RSUs**," "**RPSs**", "**PSUs**" and "**DSUs**" collectively, "**Share Units**" or "**Units**") of Westport Fuel Systems owned by them or over which they exercised control or direction as of the Record Date.

MICHELE J. BUCHIGNANI		
 Age 60 Independent Director since Mar. 2018; Joined Advisory Board in Sept. 2017; Interim Chair and Member of the Audit Committee (August 2023 – January 2024); NCG Committee (Chair) COMMITTEES and MEETINGS (From April 6, 2023 to May 7, 2024) • Board of Directors 12 of 12 • NCG Committee (Chair) 3 of 3 • HRC Committee 7 of 7 • AC Committee 1 of 1	REASON FOR NOMINATION Our Board concluded Ms. Buchignani should serve as a director because of her strategic business leadership and extensive senior level experience in law, finance, private equity, strategy, governance and compensation. CAREER HIGHLIGHTS MCLEAN DRIVE CONSULTING LTD., a consulting firm to private equity owned and growth companies (2010 to current) • Chief Executive Officer MCLANE DRIVE HOLDINGS LP, a US real estate holding company (2012 to current) • Managing Partner TEACHERS' PRIVATE CAPITAL, the private equity arm of the Ontario Teachers' Pension Plan (2005 to 2009) • Director CIBC WORLD MARKETS (1996 to 2003) Managing Director and Canadian General Counsel Managing Director and Head of Private Equity Funds Group, Toronto and New York STIKEMAN ELLIOTT (1989 to 1996) Practiced corporate law in Toronto, Canada and London, England; elected partner in 1995	CURRENT PUBLIC COMPANY BOARDS None OTHER ENGAGEMENTS AND RECOGNITIONS • Holds ICD.D designation from the Institute of Corporate Directors • Various board and advisory positions with several corporate, investment committees and not-for-profit organizations including TSX Trust Company, Dane Creek Capital Corp., CAI Capital Partners V LP, and RCF Jolimont Innovation Fund II EDUCATION • Bachelor of Arts with Honours, English, University of British Columbia • JD, University of Toronto • Stanford Executive Program, Graduate School of Business, Stanford University
	RESIDES IN Vancouver, BC, Canada PRINCIPAL OCCUPATION FOR LAST 5 YEARS Corporate Director, CEO of McLean Drive Consulting Ltd since 2010; Managing Partner of McLane Drive Holdings LP since 2012	2023 VOTING RESULTS For: 88.35% Withheld: 11.65%
CITIZENSHIP	SHAREHOLDINGS / SHARE UNITS⁽¹⁾	
Canadian	Common Shares – 6,276; DSUs – 15,052	

BRENDA J. EPRILE		
 Age 70 Independent Director since Oct 2013 Board of Directors, Previous Chair (February 2017 to April 2020) Audit Committee HRC Committee (Chair) COMMITTEES and MEETINGS (From April 6 2023 to May 7, 2024) • Board of Directors 12 of 12 • Audit Committee 5 of 5 • HRC Committee 7 of 7	REASON FOR NOMINATION Our Board concluded Ms. Eprile should serve as a director because of her strategic business leadership and extensive experience as a securities regulator in Canada. CAREER HIGHLIGHTS PRICEWATERHOUSECOOPERS (2000 to 2012) • Senior Partner; led the Risk Advisory Services practice ONTARIO SECURITIES COMMISSION(1985 to 1997) • Executive Director and Chief Accountant	CURRENT PUBLIC COMPANY BOARDS • Atlantica Sustainable Infrastructure (NASDAQ: AY) OTHER ENGAGEMENTS AND RECOGNITIONS • Holds ICD.D designation from the Institute of Corporate Directors • Fellow Chartered Public Accountant • Board Chair for GCT Inc. (non-public company) • Director of Assuris, Canary Medical and One Queen Capital EDUCATION • Master of Business Administration with major in Accounting, York University • Bachelor of Music in Performance, Faculty of Music, University of Toronto
	RESIDES IN	PRINCIPAL OCCUPATION FOR LAST 5 YEARS
	Toronto, ON, Canada	Corporate Director
	CITIZENSHIP	SHAREHOLDINGS / SHARE UNITS⁽¹⁾
Canadian	Common Shares – 23,475; RSUs – 6,500; DSUs - 8,552	2023 VOTING RESULTS
		For: 90.19% Withheld: 9.81%

ANTHONY GUGLIELMIN		
 Age 66 Independent Director since Jan 2021 Audit Committee (Chair)* Nominating and Corporate* Governance Committee*	REASON FOR NOMINATION Our Board concluded Mr. Guglielmin should serve as a director because of his strategic business leadership, his financial acumen, and extensive experience in the clean energy industry. CAREER HIGHLIGHTS WESTPORT FUEL SYSTEMS INC. Interim Chief Executive Officer (August 2023–January 2024) BALLARD POWER SYSTEMS, a global leader in clean energy fuel cell products and services (2010 to 2021) - Most recently served as Senior Vice President and Chief Financial Officer before retiring in 2021 CANADA LINE RAPID TRANSIT, a \$2 billion rapid transit project connecting the Vancouver International Airport, the City of Richmond and downtown Vancouver - Senior Vice President and Chief Financial Officer	CURRENT PUBLIC COMPANY BOARDS - Information Services Corporation (TSE: ISV); - Next Hydrogen Systems (TSXV: NXH); Chair of the Audit Committee OTHER ENGAGEMENTS AND RECOGNITIONS - Chartered Financial Analyst - Member, Financial Executives Institute - Awarded Business in Vancouver 2017 "CFO of the Year" in the Transformation Agent category - Board member of various private and not-for-profit organizations EDUCATION - Master of Business Administration, McGill University - Bachelor of Arts, Economics and Political Science, McGill University
	COMMITTEES and MEETINGS (From April 6, 2023 to May 7, 2024) - Board of Directors 12 of 12 - Audit Committee (Chair)** 4 of 4 - NCG Committee** 1 of 1 - TPS Committee** 1 of 1	
RESIDES IN	PRINCIPAL OCCUPATION FOR LAST 5 YEARS	
Vancouver, BC, Canada	Interim Chief Executive Officer, Westport Fuel Systems (August 2023–January 2024); Corporate Director, Senior Vice President and Chief Financial Officer, Ballard Power Systems (June 2010 - May 2021)	
CITIZENSHIP	SHAREHOLDINGS / SHARE UNITS⁽¹⁾	2023 VOTING RESULTS
Canadian	Common Shares – 7,023; DSUs – 39,631	For: 90.89% Withheld:9.11%

*Anthony Guglielmin was a member of the committee except during his time as interim CEO between Aug. 2023 - Jan. 2024.

**The committee attendance count reflects the number of meetings attended outside the period Anthony Guglielmin served as interim CEO.

DANIEL M. HANCOCK			
 Age 73 Independent Director since July 2017; joined Advisory Board in March 2017 Board of Directors (Chair) HRC Committee	REASON FOR NOMINATION Our Board concluded Mr. Hancock should serve as a director because of his executive leadership experience and extensive background in transportation, engineering and strategic alliances.	CURRENT PUBLIC COMPANY BOARDS • Cryoport Systems, Inc. (NASDAQ: CYRX) OTHER ENGAGEMENTS AND RECOGNITIONS • Various board and advisory positions with several organizations focused on new powertrain technologies and STEM (Science, Technology, and Mathematics) education • President, SAE International (2014) • Member, National Academy of Engineering • Recipient, SAE Medal of Honour • Recipient, Franz F. Pischinger Powertrain Innovation Award • President, FISITA (2004-2006) • Kettering University Distinguished Alumnus (2022) EDUCATION • Master's degree in Mechanical Engineering, Massachusetts Institute of Technology • Bachelor's degree in Mechanical Engineering, General Motors Institute (now Kettering University, Michigan)	
	COMMITTEES and MEETINGS (From April 6, 2023 to May 7, 2024)	CAREER HIGHLIGHTS GENERAL MOTORS (GM) • 43 years in GM's powertrain engineering and general management positions (1968 to 2011) • President, Allison Transmission Division • Chief Executive Officer, Fiat-GM Powertrain • Vice President, Global Powertrain Engineering • Vice President, Global Strategic Product Alliances • Chairman, DMAX and VM Motori diesel joint ventures with Isuzu and Fiat	
	Board of Directors12 of 12 HRC Committee7 of 7 TPS Committee4 of 4		
RESIDES IN	PRINCIPAL OCCUPATION FOR LAST 5 YEARS		
Indianapolis, IN, USA	President of DMH Strategic Consulting since 2011		
CITIZENSHIP	SHAREHOLDINGS / SHARE UNITS⁽¹⁾	2023 VOTING RESULTS	
United States of America	Common Shares – 23,230 RSUs – 13,500 DSUs 17,763	For: 90.69% Withheld: 9.31%	

PHILIP B. HODGE		
 Age 58 Independent Director since Jan 2022 Audit Committee COMMITTEES and MEETINGS (From April 6, 2023 to May 7, 2024) - Board of Directors 12 of 12 - Audit Committee 5 of 5	REASON FOR NOMINATION Our Board concluded Mr. Hodge should serve as a director in view of his 30 years of public company board experience, including serving on the Westport Board of Directors and chairing the NCG Committee (2012 to 2016), as well as his legal, international business, investment banking, and mergers and acquisitions experience. CAREER HIGHLIGHTS PINE CLIFF ENERGY LTD. (2012 to present) - President, Chief Executive Officer and Director; founder and first employee PENN WEST EXPLORATION (2010 to 2011) - Vice President, Business Development and President, Acquisitions and Divestments J.F. MACKIE & COMPANY LTD. (2006 to 2010) - Calgary-based investment bank - Managing Director; lead advisor on China Investment Corporation's \$1.2 billion investment in Penn West Energy Trust WESTPORT INNOVATIONS, INC. (2000 to 2006) - Vice President and General Counsel; BENNETT JONES LLP. (1991 to 2000) - Articling Student, Associate and Partner - Corporate, securities and M&A focus	CURRENT PUBLIC COMPANY BOARDS - Pine Cliff Energy Ltd. (TSX: PNE) EDUCATION - Faculty of Law, University of Alberta (1991) with distinction - Faculty of Business, University of Alberta (1987) with distinction
RESIDES IN	PRINCIPAL OCCUPATION FOR LAST 5 YEARS	
Calgary, AB Canada	President, Chief Executive Officer and Director of Pine Cliff Energy. Governor of the Explorers and Producers Association of Canada.	
CITIZENSHIP	SHAREHOLDINGS / SHARE UNITS⁽¹⁾	2023 VOTING RESULTS
Canadian	Common Shares – 2,000; DSUs – 15,052	For: 90.85% Withheld: 9.15%

DANIEL SCELLI		
 Age 61 Chief Executive Officer (Appointed January 2024) COMMITTEES and MEETINGS (From January 16, 2024 to May 7, 2024) Board of Directors 4 of 4	REASON FOR NOMINATION Mr. Scelli brings to the Board 37 years of global manufacturing experience, operational expertise and a proven record of accomplishment in driving profitable growth and productivity for numerous companies across a variety of industries. CAREER HIGHLIGHTS CADILLAC PRODUCTS AUTOMOTIVE COMPANY Chief Executive Officer (2019 to 2022) Board Member (2019 to current) PETERSON AMERICAN CORPORATION Chief Executive Officer (2008 to 2019) THE WOODBRIDGE GROUP Various leadership roles including President, Woodbridge Sales & Engineering, President, Lear Business Unit, Vice President, NA Operations, General Manager, Europe, and Commercial Director, Europe (1989 to 2008)	CURRENT PUBLIC BOARDS None OTHER ENGAGEMENTS AND RECOGNITIONS Original Equipment Suppliers Association (Past Chair) Motor & Equipment Manufacturers Association EDUCATION Master of Business Administration - Michigan State University Industrial Engineering Technologist – Fanshawe College Internal Education - Woodbridge Institute of Learning
	RESIDES IN Ottawa, Canada	PRINCIPAL OCCUPATION FOR LAST 5 YEARS Chief Executive Officer of the Corporation since January 2024 Chief Executive Officer (2019-2022) and Board Member (2019-Present), Cadillac Products Automotive Company
CITIZENSHIP Canadian	SHAREHOLDINGS / SHARE UNITS⁽¹⁾ Common Shares 0 – RSU's 50,000	2023 VOTING RESULTS NA

KARL-VIKTOR SCHALLER		
 Age 65 Independent Director since April 2020 Audit Committee NCG Committee TPS Committee COMMITTEES and MEETINGS (From April 6, 2023 to March 7, 2024) - Board of Directors 12 of 12 - Audit Committee 5 of 5 - NCG Committee 3 of 3 - TPS Committee 4 of 4	REASON FOR NOMINATION Our Board concluded Prof. Dr. Schaller should serve as a director because of his extensive knowledge of product development, purchasing and planning, and the development of alternative drive systems including hybrids, natural gas, hydrogen and fuel cells. CAREER HIGHLIGHTS KVS Consulting (2009 to current) - Founder and Managing Director TECHNICAL UNIVERSITY OF MUNICH (2001 to current) - Honorary Professor BMW AG (2014 to 2019) - Executive Vice President Engineering of Motorcycles MAN TRUCK AND BUS SE (now part of Volkswagen, 1990 to 2009) - Board member - Technical Director of the Engineering and Purchasing Department - Various roles leading departments including those responsible for the development of alternative drive systems (batteries, various hybrids, natural gas, hydrogen in ICE and fuel cells)	CURRENT PUBLIC COMPANY BOARDS None OTHER ENGAGEMENTS AND RECOGNITIONS - Awarded honorary professor at the Technical University of Munich for his lecture on "commercial vehicles" in 2006 EDUCATION - Diploma and a Doctorate (Dr.-Ing, magna cum laude), Mechanical Engineering, Technical University of Munich
	RESIDES IN Munich, Germany	PRINCIPAL OCCUPATION FOR LAST 5 YEARS Honorary Professor and Managing Director of KVS Consulting; Executive Vice President, Engineering at BMW from April 2014 to July 2019
CITIZENSHIP German	SHAREHOLDINGS / SHARE UNITS⁽¹⁾ Common Shares – 5,828; DSUs – 15,052	2023 VOTING RESULTS For: 90.66% Withheld: 9.34%

EILEEN WHEATMAN		
 Age 65 Independent Director since April 2020 HRC Committee NCG Committee COMMITTEES and MEETINGS (From April 6, 2023 to May 7, 2024) • Board of Directors 12 of 12 • HRC Committee 7 of 7 • NCG Committee 3 of 3	REASON FOR NOMINATION Our Board concluded Ms. Wheatman should serve as a director because of her considerable senior executive level management experience in a variety of industries including finance and telecommunications, as well as a broad background in business planning, finance, corporate strategy, and public accounting, audit and estate taxation. CAREER HIGHLIGHTS DOUGLAS TELECOMMUNICATIONS INC. (1996 to current) • President (2017) • Joined Douglas Telecommunications as controller and named Chief Financial Officer in 1999	CURRENT PUBLIC COMPANY BOARDS None OTHER ENGAGEMENTS AND RECOGNITIONS • Director and Audit Committee member of KSR International Co., Tier 1 auto parts manufacturer (non-public) • Director of Quantum Fuel Systems, LLC, an alternative fuel storage development company (non-public) • Certified Public Accountant • Wall Street Journal award for the highest GPA in Business Management in graduating class • Pistenti and Brinker, CPAs (1987-1996); Senior Manager, Audit Department EDUCATION • Bachelor's degree, Business Management with emphasis in accounting from Humboldt State University supplemented with Masters' classes in Estate Taxation from San Francisco Golden Gate University
	RESIDES IN Petaluma, CA, USA	PRINCIPAL OCCUPATION FOR LAST 5 YEARS President of Douglas Telecommunications since 2017; Corporate Director
CITIZENSHIP United States of America	SHAREHOLDINGS / SHARE UNITS⁽¹⁾ Common Shares – 5,614; DSUs – 11,802; RSUs – 3,250	2023 VOTING RESULTS For: 94.80% Withheld: 5.20%

We have a specific policy for our non-management directors of compensating such directors primarily with an annual retainer payment and equity-based compensation. See information in this Circular under the heading "**Section 2: Director Compensation.**" Additionally, non-employee directors are required to meet share ownership guidelines and hold equity in the Corporation of a minimum five times their annual cash retainer in Common Shares or Units, to be acquired over a five-year period.⁽³⁾ For further information see "**Section 2: Share Ownership Requirements**" of this Circular.

Notes:

1. The number of Common Shares and Units beneficially owned or controlled are provided as of May 7, 2024. The information as to these numbers, not being within the knowledge of Westport Fuel Systems, has been furnished by the respective nominees. The number of Common Shares held by directors varies in shareholding positions primarily due to purchase price or grant amounts at varying times and share prices.
2. Certain of such Units are subject to a time-based or performance-based restriction.
3. In April 2020, the Board approved a change to the share ownership requirements for non-employee directors, increasing it to five times their annual cash retainer from the prior requirement of three. As a result, the expected acquisition period has been reset to five years for all non-employee directors.

Mandate and Charter of the Board of Directors

Our Board of Directors is responsible for the shareholder stewardship of the Corporation and oversees the management of the organization's business and affairs in accordance with our By-Laws and applicable law. Together with the CEO, CFO and other executive officers ("**Executive Management**"), the Board of Directors is charged with pursuing the creation of long-term shareholder value.

Each director and executive officer, in exercising his or her powers and discharging his or her duties, is required by law to:

- i. act honestly and in good faith with a view to the best interests of the Corporation; and
- ii. exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

Our Board of Directors conducts its business under the guidance of the Board of Directors Charter (the "**Charter**") a copy of which is attached as Schedule "A" to this Circular. The Charter is reviewed annually and updated as appropriate in accordance with new regulation and governance practices. The Charter also works in conjunction with the charters of the committees of the Board of Directors and with the various position descriptions of Board members, the Board Chair, committee chairs and the CEO. All documents are on our website at investors.wfsinc.com/governance.

Our Board of Directors has several core responsibilities and oversight of specific areas including:

- corporate culture and purpose
- executive leadership and oversight
- corporate and stakeholder communications
- corporate governance
- long-term strategic planning
- annual operating plan and budget
- material financing activities
- material transactions, including acquisitions or divestitures
- risk assessment and internal controls processes
- technology and cybersecurity risk management

The Board will carry out these responsibilities and discharge its obligations either directly or through Board committees. Any responsibility not delegated to one or more of its committees remains with the Board of Directors.

Structure and Composition of the Board and Election of Directors

Earlier this year, we took proactive steps to achieve cost reductions at the Board level by deciding to reduce the number of directors from nine to eight with Rita Forst's retirement at the end of her term. Also, to better align resources more effectively, in early 2024, the TPS Committee was discontinued with the intention of redirecting its functions and attention towards the JV.

The NCG Committee annually reviews the composition of the Board of Directors with consideration of our business strategy, all relevant facts and circumstances, individual director contributions, tenure, risk of over boarding and potential candidates for election as directors. The NCG Committee also has the responsibility to determine the optimum mix of business skills, experience, and diversity of the members of the Board of Directors to effectively fulfill its mission.

The NCG Committee then recommends to the Board a slate of directors for election by Shareholders that brings a diversity of background and industry or related expertise and experience to the Board. Directors are individually nominated and elected annually at Westport Fuel Systems Annual General Meeting of Shareholders. There are no term limits for directors since the directors are subject to an election by Shareholders each year. If a nominated director fails to achieve a majority of votes for their appointment in an uncontested election that nominated director is required to submit his or her resignation to the Board Chair in accordance with Westport Fuel Systems Majority Voting Policy.

Board Leadership

The Board Chair sits at the intersection between the Board of Directors and Executive Management and, although the Board Chair is also a director and shares all the duties and responsibilities of any director, the Board Chair has several unique duties and responsibilities that include:

- presiding at all meetings of the Board of Directors and at Annual General Meetings of Shareholders, or delegate a substitute chair if necessary
- engaging with the chair of each committee to build strong and effective committees and, together with the NCG Committee, develops and oversees an effective annual performance review process to improve the performance of Board members and their committees
- leading special projects or taking on special assignments from the Board of Directors
- ensuring the Board of Directors operates independently from management and, for example, ensuring *in camera* sessions of the Board, excluding any directors who are also officers or employees, will be held at each meeting of the Board of Directors

The Board Chair is elected annually by the independent directors following the Annual General Meeting of Shareholders.

Board Independence and Effectiveness

Our business is conducted by Executive Management under the oversight of the Board of Directors. We believe an effective Board of Directors has a high degree of independence from management and, while a working culture of trust and collaboration must exist with Executive Management for us to succeed, the Board of Directors must exercise its duties and responsibilities in accordance with its own best judgment and its own views of the long-term interests of the organization and its Shareholders. The Board of Directors have adopted the following organizational principles:

- The Board of Directors must have a majority of independent directors. All directors except Mr. Sceli, who is our CEO, are considered independent within the meaning of National Instrument 58-101 - Corporate Governance Disclosure ("NI 58-101") and the listing rules of the NASDAQ and the TSX;
- The Chair of the Board of Directors, Mr. Hancock, is considered independent within the meaning of NI 58-101 and the listing rules of the NASDAQ and the TSX;
- During 2023, the Board of Directors maintained four standing committees ("Standing Committees") and delegated specific responsibilities to each Committee. Each Committee operates under a charter and has a chair ("Committee Chair") responsible for leadership and overall operation of the Committee. The Standing Committees are the Audit Committee, the HRC Committee, the NCG Committee, and the TPS Committee.
- The Audit Chair, the NCG Chair and the HRC Chair positions are held by independent directors and all members of these Standing Committees are independent directors.

- The Board frequently reviews the need for new committees and may establish new committees or disband current committees at its discretion according to evolving circumstances, legal and regulatory requirements, as well as best corporate governance practices;
- The Board may form special committees and delegate specific responsibilities to address extraordinary matters;
- At every Board and committee meeting, time is set aside for in camera discussion excluding any directors who are also officers or employees; and
- Where appropriate, executive sessions of only independent directors are held, with these sessions being overseen by the Board Chair.

Certain functions shall be the exclusive responsibility of independent directors, consulting closely with the Board Chair and CEO, who will then bring recommendations to the full Board of Directors for approval. These functions include:

- revising the Board of Director charter from time to time
- developing a position description for the Board Chair, the Chairs of each Committee, and the directors
- developing a position description for the CEO, as well as indicators to measure the CEO's performance

The Board, as well as each Standing Committee, may, in its discretion, and in consultation with the Board Chair, retain the services of independent outside professional advisors (financial, legal, compensation, other), at the expense of the Corporation, for the purpose of advising the Board or a Standing Committee in the execution of its responsibilities and duties.

Board of Directors Skills Matrix

Together with the Chair of the Board of Directors, the NCG Committee determines the expected skill set of new candidates by considering existing Board strengths and the needs of the organization. Directors must have an appropriate mix of skills, knowledge and experience in business and an understanding of the industry and the geographical areas in which we operate. We maintain a critical skills matrix which identifies areas which are necessary for the Board to carry out its mandate effectively – now and in the future. The NCG Committee reviews the matrix annually to confirm it continues to reflect the most relevant skills, experience, and competencies. The skills matrix is also used in determining the appropriate mix of directors on each of the Standing Committees. The following table identifies the skills and experience of our directors as ranked on a scale of one to three by each nominated director and defined below.

AREAS OF EXPERTISE	MICHELE BUCHIGNANI	BRENDA EPRIE	ANTHONY GUGLIEMMIN	DANIEL HANCOCK	PHILIP HODGE	DAN SCELI	KARL-VIKTOR SCHALLER	EILEEN WHEATMAN
ACCOUNTING/ AUDIT/ FINANCIAL EXPERTISE Ability to critically read and analyze financial statements, knowledge of accounting and financial disclosure and reporting processes								
CAPITAL MARKETS Work experience involving extensive exposure to public capital markets and institutional investors (including financing and funding activities)								
C-SUITE LEADERSHIP Experience as a CEO or executive management position for a large publicly listed or large private organization								
DIGITAL, TECHNOLOGY AND INFORMATION SECURITY Experience in digital technology tools and oversight of information security (including cybersecurity and privacy) and technology risk management programs								
ENGINEERING EXPERIENCE Experience involving development and implementation of technology strategies including product development, technology/product portfolio management and R&D								
GLOBAL EXPERIENCE Management or executive experience in a multi-national organization, understanding of the challenges faced in different cultural, political or regulatory environments								
GOVERNANCE/BOARD Understanding the requirements of good corporate governance, dynamics and operations of a corporate board and the legal and regulatory landscape								
MERGERS AND ACQUISITIONS Experience in mergers, acquisitions, integrations or other business combinations								
MANUFACTURING EXPERIENCE Experience with direct operations, including operational optimization and direct responsibilities for workplace health, safety, environment								
MARKETING/ SALES/ BRAND MANAGEMENT Management or executive experience involving the marketing, sales and branding of products								
REGULATORY AND LEGAL Experience in regulatory, legal and public policy matters including government relations								
RELEVANT INDUSTRY EXPERIENCE Management or executive experience or relevant education in the company's core industry for understanding of the company's markets, strategy, risk management and operations								
RISK MANAGEMENT Knowledge of and experience with internal risk controls, risk assessments and reporting								
STRATEGIC PLANNING AND EXECUTION Experience with identifying value creation opportunities and development and implementation of business growth and optimization strategies								
SUSTAINABILITY/ ESG Experience with and responsibility for sustainable business practices, including environmental impacts and assessment and analysis of sustainability metrics								
TALENT MANAGEMENT AND COMPENSATION Experience in leadership continuity, succession planning, diversity and inclusion, compensation programs and management of compensation-related risks								

3 - Expert


A person who has a comprehensive and authoritative knowledge of or skill in a

2 - Proficient


Depth of understanding of discipline and area of practice; a thorough competence derived

1 - Competent


Having requisite or adequate ability

Diversity

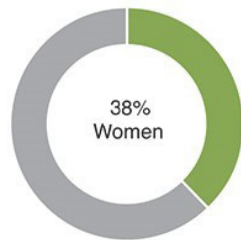
The Board recognizes that diversity (including gender, as well as members of minority groups, geography, skills, competency and age) enriches the discussion, debate and facilitates a broader exchange of perspectives, which in turn, helps enable innovation, enhance balanced decision making, and improve business performance leading to greater organizational strength. Westport upholds its commitment to diversity through its diversity policy (the "**Diversity Policy**"), which sets out our commitment to actively considering candidates from diverse backgrounds based on merit, with a focus on gender diversity. The Diversity Policy guides the identification and nomination of diverse directors and executive officers and sets forth expectations aimed at promoting diversity throughout the organization. For more information, please view the Diversity Policy here:

https://s26.q4cdn.com/361830528/files/doc_govs/our_commitment/Diversity-Policy.pdf

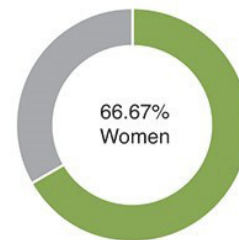
The Board makes director nominee decisions based on merit and remains committed to selecting the best person to fulfil these roles. We recognize that diversity at both the Board and within all levels of management is important to provide the wide range of perspectives, experience and expertise required in building an effective team. We also recognize that gender diversity is a significant aspect of this and acknowledge the significant role that women with appropriate and relevant skills play in contributing to the diversity of the Board and within all levels of management.

Our Board is committed to upholding a gender balanced board as turnover occurs, and consistent with this commitment, the Board has adopted a target of having women represent at least 30% of our Board. This commitment is reflected in both the Charter and in the Diversity Policy. We have 38% representation of women on our Board for nomination (three out of eight Board members are women) with two of the three Standing Committees chairs being women. Our current director nominees represent a well-rounded diversity of skills, knowledge, experience, and perspectives. All of our nominees are seasoned leaders. We also have a mix of newer and longer-term directors among the nominees. The average tenure of our current director nominees is 3.9 years and director nominees range in age from 58 to 73.

Gender Diversity



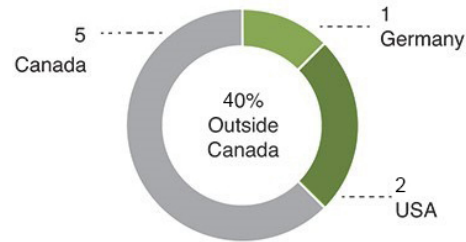
Committee Chairs



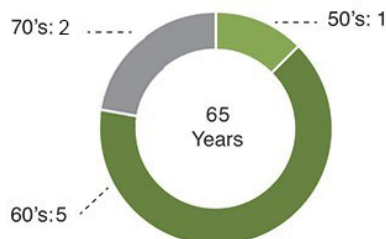
Average Tenure



Nationality



Average Age



Independence



At the executive level, the Corporation has not adopted a target regarding women in executive officer positions. In our hiring practices, we consider candidates for executive officer positions based on merit, with a proactive approach to seeking candidates from diverse backgrounds. As reflected in our Diversity Policy, the Corporation believes that having diversity at the executive officer level, including gender diversity, enhances management effectiveness, and as such diversity is among many factors that the Corporation considers when evaluating the composition of its executive officers. In assessing potential new executive officer candidates, consideration is given to the existing number of women and other diverse candidates in executive officer roles and active measures are being taken to ensure candidate pools are diverse.

Additionally, when using search firms to find executive officer candidates, the Corporation directs them to prioritize diversity, especially by including women candidates. While the Corporation has not set a specific gender target for executive officers, over the last year, among the many changes in our executive team, two women were promoted to vice president roles: Vice President of Investor Relations (reporting to the CEO) and Vice President of Finance and Tax (reporting to the CFO).

The diversity representation on the Board and among executive officers is set out in the following table

BOARD AND EXECUTIVE OFFICER DIVERSITY MATRIX				
Country of Principle Executive Offices	Canada			
US Foreign Private Issuer	Yes			
Disclosure Prohibited Under Home Country Law	No			
Total Number of Directors	8			
	Female	Male	Non-Binary	Did not Disclose Gender
Part 1: Gender Identity				
Directors to be nominated	3 (38%)	5 (62%)	-	-
Executive Officers*	0	7	-	-
Part 2: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction	-			
LGBTQ+	-			
Did not disclose demographic background	-			

*As of May 7, 2024

The level of representation of women and other diverse candidates has been and will continue to be considered by the Board, the HRC Committee and the NCG Committee in the making of executive officer appointments and director nominations. The Board and Executive Management continue to review and implement diversity practices to ensure we benefit from the broader range of perspectives and experience made possible by diversity of thought, background, and experience. For more information on diversity throughout the organization, please refer to our ESG Report available on our website at wfsinc.com/sustainability.

Position Descriptions

Position Description for the Board Chair and Committee Chairs

The Board of Directors has established a written description of the positions of the Board Chair and a general position description for the Standing Committee Chairs. A copy of each is posted and available on our website at investors.wfsinc.com/governance/.

Position Description for Chief Executive Officer

The Board of Directors has adopted a written position description for the CEO, a copy of which is posted and available on our website at investors.wfsinc.com/governance/.

Orientation & Continuing Education

Robust onboarding for new directors is critical, as well as ongoing comprehensive education and training for all Board members on key matters and to foster board effectiveness. In addition, all Board members are encouraged to participate in relevant external director education opportunities. The Board recognizes: (1) the importance of fostering an atmosphere of continuous enhancement, long-term value creation, and strengthening shareholder confidence; and (2) that institutional investors and

regulators expect directors at public companies to continually enhance their skills and remain up to date of company and industry matters.

Director onboarding involves a combination of written materials, oral presentations, meetings with the Board and management and site visits where possible. Among the topics covered during onboarding are company purpose, history, strategy, financial condition, risks, safety and soundness, ethics, core values, and corporate governance. To help new directors learn more about our business and their oversight roles within the organization, the onboarding process includes meetings with business segments, control and support groups, and visits to facilities as appropriate. This allows directors to better step into their oversight roles and begin making meaningful contributions to the Board more quickly. In-house educational sessions facilitated by management are provided to all directors throughout the year with a focus on topics specific to our business and industry. All new directors must participate in the director orientation program which commences promptly after the appointment of a new director. In addition, the Board of Directors periodically receives advice from outside legal counsel and its auditors regarding changes in the regulations applicable to the organization.

Directors also participate in continuous learning activities as part of our Continuing Education Program overseen by the NCG Committee. Continuing education covers a range of current topics including best practices in corporate governance, latest business and product information, cybersecurity, and data privacy matters, and ESG matters. Sessions are designed to maximize the knowledge and effectiveness of directors throughout their tenure and offer the opportunity to discuss in detail the changing risk environment, impacts on overall business strategy and achievement of our mission. In addition to continuing education topics addressed within a regular board meeting, at least two separate education sessions are scheduled within a year. During 2023 all directors attended the education sessions provided by the Corporation.

Meetings of the Board of Directors

Our Board of Directors meets as needed during the year and a quorum for Board meetings requires a majority of its members to be in attendance. At every meeting, time is set aside for independent directors to meet without management present to discuss any procedural or substantive issues. In 2023/2024, the independent directors met twelve times. The Audit Committee charter requires the committee to meet at least four times per calendar year in conjunction with the review and approval of annual and quarterly financial statements, management's discussion, and analysis ("**MD&A**") and related filing. From April 6, 2023 to May 7, 2024, the Audit Committee met five times. The HRC Committee, NCG Committee, TPS Committee charters require each committee to meet at least twice annually. From April 6, 2023 to May 7, 2024, the HRC committee met seven times, the NCG committee met three times and the TPS committee met four times. Detailed 2023/2024 attendance by current directors is summarized in each director biography found in "**Section 2: Nominees for Election to the Board.**"

Director Compensation

The compensation structure of the Board of Directors is designed to attract and retain exceptionally talented and experienced directors, leading to our long-term success. This requires our directors to be adequately and competitively compensated. The Board of Directors has determined that directors should be compensated in a form and amount which is customary for comparable corporations, considering time commitment, responsibility, and trends in director compensation. As part of its mandate, the HRC Committee considers the responsibilities and time commitment required to be an effective director, as well as the competitiveness of our program based on relevant market data and the advice of an external compensation consultant. The HRC Committee makes recommendations to the Board based on this data and advice regarding Director compensation.

Director Share Ownership Requirements

The Board encourages directors to obtain a meaningful share ownership interest in Westport Fuel Systems. In 2022 the Board approved an increase to the number of shares required to be held by non-employee directors. Under the share ownership guidelines applicable to all non-employee directors, each director must hold at least five times their annual cash retainer in Common Shares or Units, to be acquired over a five-year period. Due to the increased requirement for share ownership, the five-year acquisition time period was reset for all non-employee directors.

Each of the directors complied with the guidelines regarding share ownership as of December 31, 2023, or is reasonably proceeding with compliance as of the applicable five-year anniversary of his or her initial election to the Board. For further details on director share ownership, please review the individual director biographies in "**Section 2: Nominees for Election to the Board.**"

Director Compensation Schedule

Fixed annual retainers are used to compensate directors rather than a fee per meeting. Non-management directors are paid a base annualized cash board retainer and equity compensation as reflected in the schedule below. Directors are also reimbursed for travel and other reasonable expenses incurred in connection with Board or committee meetings. Share-based awards can be elected in DSUs or RSUs at the discretion of the directors.

DIRECTOR COMPENSATION SCHEDULE	
Annualized Cash Retainer	
Board Chair	\$65,000
Director	\$50,000
Committee Chair Retainer	
Audit Committee Chair	\$20,000
HRC Committee Chair	\$15,000
NCG Committee Chair	\$15,000
TPS Committee Chair	\$15,000
Committee Member Retainer	
Audit Committee Member	\$8,500
HRC Committee Member	\$8,500
NCG Committee Member	\$7,500
TPS Committee Member*	\$8,500
Equity Compensation	
Board Chair grant value	\$135,000
Director grant value	\$65,000
* The TPS Committee was discontinued in early 2024.	

2023 Director Compensation Summary

In early 2020 the HRC Committee engaged our independent compensation consultant, Hugessen Consulting (the "**Hugessen**"), to review director compensation. With the onset of the COVID-19 pandemic, the Committee deferred any implementation of findings and director pay was temporarily reduced for a portion of 2020 before returning to pre-pandemic levels later in the year. In 2021, the HRC Committee launched a refreshed director compensation review with Hugessen which resulted in an increase in the fees paid to the board chair by \$30,000 (increase in \$15,000 for cash retainer and \$15,000 in equivalent value of equity awards). This more closely aligned Director Chair compensation to market practice and that of our peer group and aligned cash versus equity compensation ratios with other directors at large. No changes were made to chair or non-chair director compensation levels in 2023.

The total aggregate compensation, including the date of grant value for all equity awards and all other compensation, earned by the directors during the financial year ended December 31, 2023 was \$1,153,264.

DIRECTOR COMPENSATION				
<i>(Figures are in U.S. Dollars)</i>	Fees Earned	Share-Based Awards⁽¹⁾	All Other	Total
Daniel Hancock	\$ 82,000	\$ 134,999	—	\$ 216,999
Michele Buchignani	\$ 79,913	\$ 64,995	—	\$ 144,908
Brenda Eprile	\$ 74,832	\$ 64,995	—	\$ 139,828
Rita Forst	\$ 68,732	\$ 64,995	—	\$ 133,727
Anthony Guglielmin	\$ 52,321	\$ 64,995	—	\$ 117,317
Karl-Viktor Schaller	\$ 81,000	\$ 64,995	—	\$ 145,995
Phil Hodge	\$ 58,500	\$ 64,995	—	\$ 123,495
Eileen Wheatman	\$ 66,000	\$ 64,995	—	\$ 130,995
			Total	\$ 1,153,264

1. This amount represents the accounting fair value determined at the time of grant.

Incentive Plan Awards

The following table and notes detail information concerning all share-based awards vested during the 2023 financial year and outstanding on December 31, 2023 for the following individuals who were directors during the year ended December 31, 2023, excluding Mr. Johnson who received no compensation for his service as a director.

DIRECTOR AWARDS: VESTED/EARNED VALUES				
<i>(Units or U.S. dollars)</i>	Vested		Unvested	
	Qty	Market Value (\$)	Qty	Market Value (\$)
Daniel Hancock	—	—	31,263	\$ 269,999
Michele Buchignani	—	—	15,052	\$ 129,995
Brenda Eprile	—	—	15,052	\$ 129,995
Rita Forst	—	—	15,052	\$ 129,995
Anthony Guglielmin	—	—	15,052	\$ 129,995
Karl-Viktor Schaller	—	—	15,052	\$ 129,995
Eileen Wheatman	—	—	15,052	\$ 129,995
Phil Hodge	—	—	15,052	\$ 129,995

Additional Disclosure Relating to the Directors

Other than as detailed below, no proposed director (in their personal capacity):

- is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Westport Fuel Systems) that,
 - was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (each, an "Order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- 2. is, as at the date of this Circular, or has been within ten years before the date of this Circular, a director or executive officer of any company (including Westport Fuel Systems) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- 3. has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; has entered into, at any time, a settlement agreement with a securities regulatory authority; or
- 4. has been subject to, at any time, any penalties or sanctions imposed by,
 - (a) a court relating to securities legislation or a securities regulatory authority, or
 - (b) a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Other Directorships

Some Board of Directors members are also directors of other reporting issuers (or equivalent). Such other directorships are disclosed in the individual nominee biographies under "**Section 2: Nominees for Election to the Board.**" The Board of Directors Charter limits directors to a maximum of four outside public company directorships. In addition, the Board has adopted a policy that no more than two of our directors may serve on the same public company board without the prior consent of the Board Chair. The NCG Committee reviews the number of boards on which our directors serve to ensure directorships align with the Charter mandate, to protect from any potential over boarding and to help ensure the Board does not exceed two board interlocks. As of May 7, 2024, no director served on another public company's board of directors together.

Indebtedness of Directors & Executive Officers

None of the director nominees, proposed directors, executive officers or employees, former directors, executive officers, or employees at any time during the Corporation's last completed financial year, nor any of the associates of such persons, are or have been indebted to the Corporation or any of its subsidiaries at any time since the beginning of our most recent completed financial year. Furthermore, none of these persons were indebted to another entity where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

Interest of Informed Persons in Material Transactions

Other than as described below or elsewhere in this Circular, no informed person, any proposed person nominated for election as a director, nor any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recent financial year, nor in any proposed transaction which has materially affected or would materially affect Westport Fuel Systems or any of its subsidiaries.

Section 3: Corporate Governance

Our Commitment to Integrity, Corporate Governance and Sustainability

Effective corporate governance plays a significant role in protecting shareholder rights, helping to maximize shareholder value over time and assisting in the creation of a vibrant, dynamic, and successful corporation. Corporate governance includes our commitment to a culture of integrity and ethical and sustainable business practices.

Corporate Governance at a Glance

Presented in the table below are some highlights of the Westport Fuel Systems corporate governance practices. All the policies referenced in this section are available on our website at investors.wfsinc.com/governance/

Board Independence	• 7 of our 8 directors are independent
Independent Board Chair/Lead Independent Director	• Daniel Hancock currently serves as our independent Board Chair • Our independent directors meet in regularly scheduled sessions without the presence of management • Shareholders can communicate with the independent directors through the Board Chair
Board Composition	• The Board has fixed the number of directors at eight (8) • Our Board regularly assesses its performance and can adjust the number of directors according to need or as the opportunity arises to enhance the overall mix of skills and experience represented on our Board • Our Board has a diverse mix of skills, experience, and background; see "Section 2: Nominees to the Board"
Majority Voting/Director Resignation Policy	• Our Majority Voting Policy provides that any nominee for director in an uncontested election who receives a greater number of votes "withheld" than votes "for" his or her election must promptly tender his or her resignation to the Board for the Board's consideration
Independent Board Committees	• We have three Board Standing Committees: Audit, Human Resources and Compensation; and Nominating and Corporate Governance • All Board committees are composed entirely of independent directors, and each has a written charter that is reviewed and reassessed annually by the NCG Committee and posted on our website
Strategic Planning Oversight	• Our Board and Executive Management dedicate at least one Board meeting per year to strategic planning • Strategic, financial, and capital plans are developed by the Executive Management team and reviewed by the Board for resource allocation and risk appetite before approval
Risk Oversight	• Our full Board is responsible for risk oversight and has designated committees to have particular oversight of certain key risks • Our Board oversees management as it fulfills its responsibilities for the assessment and mitigation of risks and for taking appropriate actions
Succession Planning	• Our Board actively monitors our management succession plans and receives regular updates on human capital management matters • At least annually, the Board reviews senior management succession and development plans • Our Board periodically evaluates Board succession processes to ensure directors with strong and diverse experiences can be attracted and selected for future Board seats
Self-Evaluations	• We have established an annual evaluation process for the Board, each Board Standing Committee, and each Board member which is overseen by the NCG Committee
Director and NEO Share Ownership Requirements	• Share ownership guidelines applicable to each non-employee director require a minimum holding of five times their annual cash retainer in Common Shares or Units, to be acquired over a five-year period • Executives are required to own Common Shares or Units with a value equivalent to: – CEO: three times base salary – Other Named Executive Officers: one times base salary
Continuous, Timely Disclosures	• Our Board has adopted a disclosure policy ("Disclosure Policy") that requires fair, accurate and timely disclosure of material information regarding Westport Fuel Systems and its business, and has established a disclosure committee ("Disclosure Committee") of management and legal counsel to ensure compliance with the policy • Our Board encourages management to consult with legal and financial advisors to confirm the Corporation is in compliance with securities legislation in Canada and the United States regarding material information about public companies and receives reports in this regard • The Board is cognizant of Westport Fuel Systems' timely disclosure obligations and, either directly or through committees, reviews all "core" disclosure documents, such as financial statements, MD&A, certain press releases (principally those relating to financial results, MD&A, Annual Information Forms, and other core disclosure documents), and ESG Reports prior to distribution

Insider Trading and Clawback Policies	- The Board has established a written Insider Trading Policy ("Insider Trading Policy"), an Anti-Hedging ("Anti-Hedging Policy") and a Clawback Policy ("Clawback Policy"), which outline the trading obligations of Board members, officers and employees and prohibit engagement in hedging against future declines in the market value of the Corporation's shares - The Insider Trading Policy establishes procedures relating to the disclosure of material non-public information, the disclosure of corporate information, and the filing of insider reports in accordance with securities law; insider trading training is a critical component of our annual ethics and code of conduct education for all employees - The Clawback Policy was recently updated to align with SEC rules and Nasdaq listing standards requiring publicly listed companies to adopt policies for the mandatory recovery of erroneously awarded incentive-based compensation.
Material Transactions	- Our Board has the expectation that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management - The Board must comply with the conflict-of-interest provisions of the ABCA and relevant securities regulatory instruments and stock exchange policies (which require that interested directors excuse themselves from the consideration of, and voting on, matters in which they have a material interest) - Our Board takes appropriate actions to ensure its directors exercise independent judgment in considering transactions and agreements with respect to whether a director or executive officer has a material interest. Under the Code—in the case of any material interest in a contract, directors have an obligation to disclose the information, followed by a review process led by the Board. - The Board is required to complete an annual independence questionnaire to assess and monitor any material transactions.
Ethics and Commitment to Integrity	- Our Code of Conduct, with annual certification by all directors, officers and employees, is disclosed on our website at https://wfsinc.com/about/commitment-to-integrity/ - We have an active ethics and compliance program led by our Director of Compliance, which includes regular employee and directors ethics training, Code of Conduct training and certifications by employees and directors - On a quarterly basis and at year-end, the Director of Compliance provides a comprehensive compliance report to the Audit Committee.
Environmental, Social and Governance	- The Board is undertaking oversight functions in this area with input from its Standing Committees on matters that fall within their specific responsibilities and expertise - The Audit, Human Resources and Compensation, and the Nominating and Corporate Governance Committees review and assess ESG-related issues specific to their committee responsibility.

Corporate Guidelines for Business Conduct

Demonstrating our commitment to the values of integrity, respect, and perseverance is key to the success of our Board of Directors, Executive Management, and all employees. We count on every employee and every member of our global network to build business relationships and make decisions in a way that honors our values. We adhere to complex and ever-changing laws, regulations, and requirements that impact our markets, our product offerings, and our compliance efforts. As part of its responsibility for the stewardship of Westport Fuel Systems, the Board of Directors seeks to foster a culture of ethical conduct by requiring Westport Fuel Systems to carry out its business in line with high business and moral standards and applicable legal and financial requirements.

Our Code of Conduct ("**Code**") reflects our commitment to a culture of honesty, integrity and accountability and outlines the guidelines for the conduct expected from directors, officers, employees, contractors, agents, and consultants who act on behalf of Westport Fuel Systems in any business dealings. A copy of our Code can be found on our website at wfsinc.com/about/commitment-to-integrity/

Only the Audit Committee can amend or grant waivers from the provisions of the Code relating to our directors and executive officers.

Compliance and Ethics Training

All directors, officers and employees are provided with a copy of our Code of Conduct each year and must certify their understanding of and compliance with the Code. In addition, all directors, officers, and employees must complete interactive online ethics training addressing subjects within the Code. This course is part of our broader compliance program led by our Compliance Officer and is administered by a third party. Topics include, but are not limited to:

- Discrimination
- Financial Integrity

- Gifts, Entertainment and Hospitality
- Information Security
- Insider Trading
- Working with Third Parties
- Anti-Corruption

We have established a written global policy called the Anti-Corruption and Prevention of Bribery Principles Policy that sets out our commitment to full compliance with Canada's Corruption of Foreign Public Officials Act ("**CFPOA**"), the U.S. Foreign Corrupt Practices Act ("**FCPA**"), and any local anti-bribery or anti-corruption laws that may be applicable in any jurisdiction in which we operate. This policy supplements the Code and provides guidelines for compliance with the CFPOA, FCPA, and other relevant laws world-wide along with definitions of bribery and corruption. Directors, officers, employees, and contractors must complete online training as part of our compliance certification requirements.

A written whistleblower policy (the "**Whistleblower Policy**") has been established which outlines our commitment to open communication and transparency. This Whistleblower Policy establishes standards and procedures that allow employees to report concerns or complaints about corporate conduct with the assurance they will be protected from retaliation, reprisals, or victimization for all such reporting.

Anyone conducting business with or on behalf of Westport Fuel Systems is encouraged to communicate concerns before they become problems. Concerns relating to any matter which, in the view of the person expressing the concern or complaint, is illegal, unethical, contrary to our Code or policies, or in some other manner not right or proper can be reported confidentially and anonymously through Westport Fuel Systems ethics hotline via **westport.ethicspoint.com**, email to the ethics hotline alert email address, or anonymously through our intranet. Alternatively, concerns may be directed to the Board Chair or the Audit Committee Chair.

The Board's Role in Risk Oversight

Our Board and its Standing Committees play a key role in oversight of our risk culture, setting the "tone at the top" and holding management accountable for its maintenance of high ethical standards and effective policies and practices to protect our reputation, assets, and business. In performing its oversight function, the Board and its Standing Committees maintain regular, active, and open communication and discussions with Executive Management. This is accomplished in several ways by:

- prioritizing the importance of specific qualifications for each individual Board member, and the overall Board and Standing Committee leadership structures and composition, as described earlier in this Circular;
- overseeing management's identification, measure, monitoring, and control of our material risks, including compliance risk and conduct risk;
- requesting and receiving briefings from Executive Management on matters relating to risk identification and assessment of principle risks; and
- overseeing our incentive plan design and governance processes to provide an appropriate balance of risk and compensation outcomes.

For more details see "**Section 4: Compensation Risk Management Practice.**"

Board

Accountability to stakeholders for organizational oversight

Roles: integrity, leadership, transparency

Audit Committee	Human Resources & Compensation Committee	Nominating & Corporate Governance Committee
- Oversees identification and assessment of principal risks that impact the financial reporting of the Corporation - Works with Executive Management to identify, monitor and address material financial and accounting risks to our business - Oversees legal and regulatory compliance pertaining to financial reporting and promotion of legal and ethical conduct - Reviews and assesses the adequacy of the reporting systems and related internal controls relating to ESG matters	- Ensures appropriate mitigation of compensation and talent risk, through review and approval of our compensation policies and practices. This includes: - Compensation risk management policies - Design and oversight of executive compensation program with objectives of attracting, retaining, motivating skilled and experienced executive leadership while appropriately balancing incentives and risk - Oversight of diversity and inclusion policies and any risk-related issues	- Monitors risks with respect to the effectiveness of the Board and considers aspects such as director succession and Board composition - Oversees the principal policies that guide our overall corporate governance - Reviews and assesses corporate governance issues and policies including ESG-related matters

Strategic Planning Oversight

The Board and Executive Management dedicate at least one Board meeting per year to strategic planning. During the strategic planning meeting the Board considers emerging trends, the competitive environment, risk management issues including cybersecurity and corporate social responsibility initiatives, and any other significant business issues and product portfolio adjustments that are important as it reviews and determines the Corporation's strategic direction. Strategic, financial, and capital plans are developed by Executive Management and reviewed by the Board for resource allocation and risk appetite before approval.

During the year, the Board monitors the progress in fulfilling our strategic and operating plans and receives regular updates from the CEO and other members of the Executive Management team on strategic developments and performance against the strategic plan.

Cybersecurity and Information Security Risk Oversight

The Corporation's Information Technology ("IT") function manages its cyber resilience efforts through a variety of relevant organizational functions.

Their mandate includes defining the Corporation's cyber resilience framework, identifying and measuring risks, building the business continuity strategy and tactics, disaster recovery plans, capturing key business information security risks beyond IT and reporting any incidents. The head of IT provides regular updates to the Audit Committee with analysis, mitigation strategies and incident reporting being reported to the Board. Additionally, the IT function's cybersecurity team works with local HR and stakeholders in our European locations to ensure compliance with GDPR (General Data Protection Regulations). The team consistently monitors our digital public presence and adjusts and updates our privacy protocols and procedures as necessary to protect our customers' privacy and internal data. In 2023 the task force continued its cybersecurity awareness initiative with a quarterly online training program designed to develop awareness of threats and how to recognize them. Working in concert with an information security partner, the task force has rolled out a full global security operations center with breach detection, prevention, event management and reporting.

The Board receives prompt and timely information from management on any cybersecurity or information security incident that may pose significant risk to our organization and continues to receive regular reports on the incident until its conclusion. In 2023 there were no reported incidents of information or cyber breaches. Also, our Board receives management reports on key developments and incidents across our industry and specific information about peers and vendors.

Cybersecurity governance highlights:

- Cross-functional approach to addressing cybersecurity risk with legal and internal audit group members presenting on key topics
- Global presence with employees and 24/7 cyber threat communications
- Collaborative approach, working with a wide range of key stakeholders to manage risk, and share and respond to intelligence

Environmental and Social Sustainability Oversight

At Westport Fuel Systems, we aspire to create a world where climate change is mitigated, and global air quality contributes to a healthy society making ESG part of the fabric of our business. Assessing environmental and social practices and understanding the potential impact of ESG issues on our operations and business is a critical oversight activity for the Board. The Board undertakes its oversight functions in this area with input from its Standing Committees on matters that fall within their responsibilities and expertise.

As we grow, we are strengthening our ESG governance practices and management processes, advancing our stakeholder engagement practices, and taking steps to engage our customers and supply chain. 2023 marked the third year since the launch of the company's ESG Steering Committee, which is led by our CEO and includes our CFO, executive vice presidents, and vice-presidents from across our businesses, regions, and functions. The 10-member committee oversees ESG management, approves core programs and targets, and works to integrate ESG into the company's goals and processes. The ESG Steering Committee oversees Westport Fuel Systems' ESG Strategy, aligned with our business strategy and informed by external research, materiality assessment outcomes, and ongoing internal and external stakeholder engagement. It focuses our efforts on four key areas across our value chain of climate action, safe, diverse, and inclusive culture, responsible sourcing, and our continued commitment to integrity.

ESG Reporting

Our 2023 ESG report will be published in June 2024. Our ESG report provides three years of environmental and social data across our global operations providing a valuable tool for investors and stakeholders to review specific material ESG topics, opportunities, and performance. Our most recent ESG report can be found on our website at wfsinc.com/sustainability/.

Board of Director Committees

Committees Purpose & Responsibility

Our Board of Directors has established three¹ Standing Committees including the Audit Committee, the HRC Committee, and the NCG Committee. All board members have access to all committee reports and materials and are welcome to attend any Standing Committee meetings. Only directors who are members of the Standing Committee receive remuneration for such attendance.

Quorum for Standing Committee meetings requires a majority of the committee members to be in attendance. The Audit Committee quorum has two members, and one must be the Audit Committee Chair. The quorum for the HRC and NCG Committees consists of a majority of committee members, and one must be the Committee Chair. From time to time, the Board of Directors may establish ad hoc committees with specific purposes. Detailed information about the Board's Standing Committees, including the committee members and a brief review of each committee's responsibilities is discussed below.

Changes to Composition of Standing Committees

The Board of Directors, on the advice of the NCG Committee, considers the periodic rotation of the membership of each Standing Committee and, from time to time as the Board of Directors sees fit, rotates chair leadership of the Committees.

¹ Westport had a fourth standing committee - the TPS committee during 2023 which as of 2024 has been discontinued

Standing Committee Descriptions and Membership

AUDIT COMMITTEE	
FY2023 Meetings (From April 6, 2023 to May 7, 2024): 5	KEY RESPONSIBILITIES The principal functions of the Audit Committee are to: • select, approve the compensation, and assess the independence of our independent registered public accounting firm; • review and approve management’s plan for engaging the independent registered public accounting firm during the year to perform non-audit services and consider what effect these services will have on the independence of our independent registered public accounting firm • review our annual financial statements and other financial reports which require review and/or approval by the Board • oversee the integrity of our financial statements and our systems of disclosure and internal controls over financial reporting and our compliance with legal and regulatory requirements • review the scope of audit plans of our independent registered public accounting firm and the results of its audit • evaluate the performance of our independent registered public accounting firm • review our quarterly earnings releases • review all related-party transactions for potential conflicts of interest and approve all such transactions • review and evaluate our risk management plans, including information technology security and data privacy compliance • oversee compliance with our Code of Ethics for the chief executive officer and senior financial officers; compliance with corporate securities trading policies; compliance with legal and regulatory requirements applicable to our financial statements; and financial risk exposures
MEMBERS • Brenda Eprile • Anthony Guglielmin, Chair • Philip Hodge • Karl-Viktor Schaller	
CHARTER The Board of Directors has adopted a written charter for the Audit Committee, a copy of which is available on our website at investors.wfsinc.com/governance/	
QUALIFICATIONS Each member of the Audit Committee is required to possess a basic level of "financial literacy" and at least one member should qualify as an "audit committee financial expert" (as defined by Item 407(d)(5) of Regulation S-K under the Securities Exchange Act of 1934, as amended, (the "Exchange Act")) and be financially sophisticated as described in Section 5605(c)(2)(A) of the NASDAQ Manual. All members of the Audit Committee are independent and financially literate.	
FURTHER INFORMATION Additional information relating to the Audit Committee required to be disclosed pursuant to Form 52-110F1 - <i>Audit Committee Information Required in an AIF</i> can be found under the heading "Audit Committee Matters" in the Annual Information Form of the Corporation.	

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

FY2023 Meetings (From April 6, 2023 to May 7, 2024): 3	KEY RESPONSIBILITIES
MEMBERS • Michele Buchignani, Chair • Eileen Wheatman • Anthony Guglielmin • Karl-Viktor Schaller CHARTER The Board of Directors has adopted a written charter for the NCG Committee, a copy of which is available on our website at investors.wfsinc.com/governance	The principal functions of the NCG Committee are to: • oversee the composition of the Board of Directors to assure that the appropriate knowledge, skills, and experience are represented including succession planning • oversee corporate governance to ensure effective functioning of the Board • discuss with the Board of Directors standards to be applied in making determinations as to the independence of directors • review the effectiveness of the Board of Directors, including but not limited to, considering the size and desired skills of the Board of Directors and the performance of individual directors, as well as the collective • performance of the Board of Directors • review and approve related party transactions • oversee the onboarding and continuing education for directors • oversee shareholder engagement
QUALIFICATIONS All members of the NCG Committee are independent.	
FURTHER INFORMATION The NCG Committee, with the Standing Committee Chairs, completes an annual review of the Charters of the Board and Standing Committees and makes recommendations to the Board for discussion and final approval.	

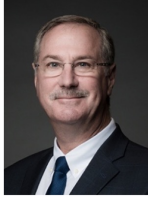
HUMAN RESOURCES AND COMPENSATION COMMITTEE

FY2023 Meetings (From April 6, 2023 to May 7, 2024): 7	KEY RESPONSIBILITIES
MEMBERS • Brenda Eprile, Chair • Daniel Hancock • Michele Buchignani • Eileen Wheatman CHARTER The HRC Committee operates under a Board approved charter that spells out the HRC Committee's major duties and responsibilities. This charter is available on our website at investors.wfsinc.com/governance/	The principal functions of the HRC Committee are to: • review and approve corporate goals and objectives tied to the compensation of our Chief Executive Officer • evaluate the performance of our Chief Executive Officer specific to our corporate goals and objectives and determine his compensation • review and approve the compensation of our other senior officers • review and establish our overall compensation philosophy policy • retain and approve the compensation of compensation advisor(s) • review and approve our policies and procedures for equity-based incentive awards • review and make recommendations to the Board concerning our director compensation • approve the report required by the rules of the SEC and Canadian Securities Administrators to be included in our annual management information circular • oversee our human capital management, including diversity, equity and inclusion initiatives
QUALIFICATIONS All members of the HRC Committee are independent.	
FURTHER INFORMATION For information relating to executive compensation, see "Section: Executive Compensation Discussion and Analysis"	

Section 4: Compensation of Executive Officers

Named Executive Officers

The following discussion relates to the compensation program for Westport Fuel Systems' CEO, the CFO and the next three most highly compensated executive officers in 2023 (collectively "**NEOs**"). In 2023, Westport's executive team underwent a transition process, during which the make-up of the team changed, including the CEO role. In January 2024, Westport appointed Daniel Sceli as the Company's new Chief Executive Officer and a member of the Westport Board of Directors – assuming the role from Anthony Guglielmin who served as Interim CEO from August 2023 through to January 16, 2024.

 Anthony Guglielmin (1) Interim Chief Executive Officer	 David Johnson (2) Former Chief Executive Officer	 Bill Larkin Chief Financial Officer
 Lance Follett Chief Legal Officer & Executive Vice President, Corporate Development	 Tim Smith (3) Former Executive Vice President & Chief of Staff	 Bart van Aerle Executive Vice President, Independent Aftermarket & Light Duty Original Equipment Manufacturing

Notes:

1. Mr. Anthony Guglielmin, who served on the Westport Fuel Board and was Chair of the Audit Committee, was appointed Interim CEO from August 22, 2023 to January 16, 2024.
2. Mr. David Johnson stepped down as Chief Executive Officer and resigned from the Board of Directors effective August 21, 2023.
3. Mr. Tim Smith served as Executive Vice President and Chief of Staff from November 16, 2020 to December 31, 2023.

Executive Summary

Executive Compensation Philosophy

Our compensation philosophy is to pay for performance over the long-term, as well as on an annual basis. Our performance considerations include both financial and non-financial measures—including the way results are achieved—for the Corporation, line of business, and the individual. The “**Compensation Governance**” section below presents the range of performance and governance considerations the HRC Committee considers as inputs into compensation decisions. These factors are evaluated each year and have remained consistent over time as part of a balanced and disciplined approach to the compensation decision process. Within that framework, key company, and segment performance considerations for 2023 and the “Individual performance highlights”, are the key considerations for the performance for each of our NEOs. These considerations reinforce and promote responsible growth and maintain alignment with our executive compensation philosophy. Our executive compensation program provides a mix of salary, incentives, and benefits paid overtime to align executive officer and shareholder interests. Our HRC Committee is responsible for approving our compensation strategy and philosophy and the compensation programs applicable to our named executive officers.

2023 Year End Financial Performance

Revenues of \$331.8 million for the year ended December 31, 2023 increased by 9%, compared to \$305.7 million in the prior year primarily driven by increased sales in the delayed OEM, electronics and fuel storage businesses and additional engineering service revenues from the heavy-duty OEM business. This growth is partially offset by the negative impact of the lower CNG sales volumes to customers in the India market, lower independent aftermarket sales volumes in Africa, and lower sales volumes in the hydrogen business.

We reported a net loss of \$49.7 million for the year ended December 31, 2023 compared to a net loss of \$32.7 million for the prior year. This change was primarily the result of:

- Sale of our interest in the CWI joint venture including a \$19.1 million gain on sale of investment recorded in the 2022 financial results;
- \$2.9 million loss on extinguishment of debt due to the settlement of the Cartesian royalty payable;
- increases in research and development expenditure to further invest in our hydrogen and light-duty OEM businesses;
- increases in general and administrative expenses, which included \$4.5 million of severance costs as well as consulting costs;
- increases in sales and marketing expenditures supporting hydrogen market activities and the rebranding of digital assets for awareness for global positioning;
- which were partially offset by a \$12.7 million increase in gross margin due to higher revenues earned and higher margins on engineering service revenues, where the gross margin included a \$7.1 million write down in inventory related to the heavy-duty OEM, light-duty OEM and IAM businesses.

Cash and cash equivalents were \$54.9 million as at December 31, 2023. Cash used in operating activities during the year was \$13.2 million, due to a net loss of \$49.7 million partially offset by improvements in working capital of \$9.4 million and \$27.1 million of other non-cash adjustments. Investing activities included the purchase of fixed assets of \$15.6 million. Cash used in financing activities were attributed to net debt repayments of \$2.2 million in the year.

Westport reported negative \$21.5 million Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”, see “Non-GAAP Measures” section in the MD&A) during the year ended December 31, 2023, as compared to negative \$27.8 million Adjusted EBITDA for the same period in 2022.

Compensation Governance

The HRC Committee is responsible for administering our executive compensation program which, among other things, includes:

- Determining the compensation for our Executive Management, including base salary, short- and long-term incentive opportunities, performance benchmarking and market analysis
- Reviewing, approving and administering our executive compensation plans, including our equity plans
- Establishing performance objectives under our short- and long-term incentive plans
- Determining the attainment of performance objectives and the resulting awards pursuant to our short-term incentive plan ("**STIP**") and long-term incentive plan ("**LTIP**")
- Evaluating CEO performance and the performance and capabilities of Executive Management, based on input from the CEO
- Evaluating executive officer compensation practices to ensure they remain equitable and competitive
- Reviewing succession planning for executive officer positions including the CEO
- Reviewing and approving the mandate and terms of the Compensation Consultant
- Approving employee benefit plans

To provide support and assistance to the governance and oversight of our compensation process, the HRC Committee retains Hugessen Consulting ("**Hugessen**") as an independent compensation advisor to provide executive and director compensation consulting services. Hugessen is selected and retained by and reports to the HRC Committee and participates in certain HRC Committee meetings where executive compensation matters are discussed. As part of its engagement, Hugessen provides the following services:

- reviews market data and participates in the design of executive compensation programs to help the HRC Committee evaluate the linkage between pay and performance, including selection of peer group companies and market data analysis;
- informs the HRC Committee on market trends, as well as regulatory issues and developments and how they may impact the Corporation's executive compensation programs; and
- reviews and advises the HRC Committee regarding director compensation, including market trends, as well as regulatory issues and developments regarding director compensation.

Proposals from management are reviewed for feedback by Hugessen. Additionally, the HRC Committee and Hugessen will meet without management present to make final decisions or recommendations to the Board. This supports responsible oversight of executive compensation. Recommendations made by the HRC Committee are based on multiple sources including advice received from our Compensation Consultant.

Services provided by Hugessen in 2023 were related to executive and director compensation. No other services were performed by Hugessen and no other fees were paid in 2023. The table below summarizes the fees paid in relation to executive and director compensation consulting services for the past two financial years. Any additional consulting services required by the Compensation Consultant outside of those relating to executive compensation must be pre-approved by the HRC Committee before proceeding.

COMPENSATION CONSULTANT SERVICES PERFORMED		
Hugessen Consulting Inc.	12/31/2023	12/31/2022
Executive and Director compensation-related fees	\$ 143,394	\$ 169,189
All other related fees	—	—
Total	\$ 143,394	\$ 169,189

Executive Compensation and Shareholder Interests

Westport Fuel Systems maintains its commitment to building long-term shareholder value by using a balanced performance measurement framework aligned with our key performance metrics and ensuring adherence to general governance best practices. The following table outlines some of the best practices the HRC Committee employs in implementing the compensation program:

What We Do	What We Don't Do
• Provide a meaningful part of pay which is "at risk" and contingent upon corporate and individual performance • Ensure the pay opportunity is capped • Retain external experts who report directly to the HRC Committee • Benchmark pay levels and mix to other organizations of comparable size in the same industry and geographic areas • Ensure the majority of executive long-term compensation vests based on performance • Ensure the short-term incentive award criteria is well defined, aligned to business strategy and reflects pay for performance • Mitigate risk by having Anti-Hedging and Clawback policies in place • Include a "double trigger" in executive employment agreements so that severance payments are due upon a change of control only if employment is also effectively terminated • Align executive interests with Shareholders' by having equity ownership guidelines • Provide Shareholders an opportunity to have their say on executive pay decisions through an annual advisory vote	• No offering or repricing of stock options • No offering of tax gross ups • No pledging of our Common Shares as collateral for a loan or holding our Common Shares in margin accounts • No hedging or "short sales" of our shares • No defined benefit retirement plan or supplemental executive retirement plan • No excessive executive perquisites • No issuance of severance above common-law entitlements; instead, efforts are made to keep severance entitlements in line with industry best practice

Compensation Risk Management

Promoting appropriately incented behaviors is an essential part of the compensation setting process. The HRC Committee believes measured risk is necessary for continued growth and innovation, but that risks should be encouraged within parameters that are appropriate for the long-term health and sustainability of the business. Performance relative to incentive targets is regularly reviewed and the HRC Committee is updated periodically to effectively monitor performance and manage inherent risk.

The HRC Committee believes annual STIP bonus plans and LTIP awards granted to Executive Management should tie to business performance goals, including revenue, adjusted EBIT, Operating Cash Flow, and strategic performance objectives. These metrics encourage an ownership mindset in overall business performance, and are subject to a maximum payout cap.

We have implemented a Clawback Policy to ensure that incentive compensation is paid based on accurate financial data. Executives may be required to forfeit or pay back any excess bonus amounts, or equity-based compensation should the Corporation's financial statements be restated because of material non-compliance with any financial reporting requirements under applicable securities laws (other than a restatement due to a change in financial accounting rules).

We have also adopted an Anti-Hedging Policy which prohibits officers, directors, and employees from engaging in hedging against future decreases in the market value of our securities of the Corporation through the purchase of financial instruments designed to hedge or offset such risk.

Additionally, Westport Fuel Systems, as a foreign private issuer, is subject to certain U.S. legislation, including provisions of the Sarbanes-Oxley Act. The Sarbanes-Oxley Act provides that in the event an issuer is required to prepare an accounting restatement as a result of the material non-compliance of the issuer with any financial reporting requirement, the chief executive officer and the chief financial officer of the issuer will be required to reimburse the issuer for certain elements of such executive's compensation. In Westport Fuel Systems' case, the elements include annual bonus and PSUs issued under our omnibus incentive plan (the "Omnibus Plan"). Westport Fuel Systems abides by these laws.

Share Ownership Requirements

Non-employee directors and executive officers are required to meet share ownership guidelines and hold equity in the Corporation to align their interests with those of our shareholders:

- Our non-employee directors are required to hold a minimum of five times their annual cash retainer in Common Shares or Units
- Each of our Executive Management, except for the CEO, is required to hold a minimum of one time of their annual base salary in Common Shares or Units
- The CEO is required to hold a minimum of three times of their annual base salary in Common Shares or Units

- Non-employee directors have five years from the later of April 2020 or the date the director joined the Board, as applicable, to accumulate the minimum threshold required under the share ownership guidelines. NEOs (including the CEO) have five years from the date they are appointed an executive officer to accumulate the minimum threshold required under the share ownership guidelines. For NEOs, the ownership threshold is based on the individual's annual base salary of the preceding financial year

The value of the Common Shares or Units owned by each non-employee director and NEO for the purposes of achieving the share ownership guidelines is the greater of: (i) the acquisition cost of any Common Shares and the grant price of any Units; and (ii) the market value of the Common Shares at the time of the determination. As of May 7, 2024, one of the named NEOs at December 31, 2023 complied with Westport Fuel Systems' share ownership guidelines. The below table summarizes each NEO's holdings:

CURRENT NEO SHARE OWNERSHIP AND MINIMUM REQUIREMENT					
Name	Common Shares	Share Units	Total Value of Equity ⁽¹⁾	Share Ownership Requirement ⁽²⁾	Years Remaining
Bill Larkin	11,816	40,562	\$ 320,942	\$ 400,000	In Progress
Lance Follett	18,257	23,192	\$ 562,885	\$ 274,133	Achieved
Bart van Aerle	1,880	11,026	\$ 89,631	\$ 286,441	In Progress

Notes:

- The value of the Common Shares or Units owned by each non-employee director and NEO for the purposes of achieving the share ownership guidelines is the greater of: (i) the acquisition cost of any Common Shares and the grant price of any Units; and (ii) the market value of the Common Shares at the time of the determination. In determining each executive's compliance with the share ownership guidelines in the table above, Westport included the value of Common Shares, Restricted Share Units, and 50% of the value of Performance Share Units assuming a target level of performance (1.0x multiplier).
- Shareholding requirements are calculated for the CEO as three times base salary and for the remaining NEOs at one times base salary.

Compensation Discussion and Analysis

Our executive compensation program is designed to retain, attract, motivate, and reward our executives who advance our strategic, financial and operational objectives and thereby enhance shareholder value. The HRC Committee believes the executive compensation program's underlying philosophy and related policies maintain a robust pay-for-performance alignment which factors in the median levels of both local market and peer compensation data to balance pay mix and level targets of its executives and employees.

Within our global operations, Westport Fuel Systems compensation program is based on the following philosophy:

- Pay for performance** - salary, bonus and equity awards are linked to both corporate performance and achievement of goals against an individual's area of responsibility
- Long term incentives** - balanced retention and performance-based equity compensation aligned with shareholder value creation
- Competitive total compensation** - factors in the median levels of both a defined comparator group of peers' compensation and local market data to balance pay mix and level targets for executives and employees across the geographies in which we operate

Determination of Compensation

As part of the compensation setting process, the HRC Committee establishes the compensation philosophy and evaluates the design and merits of executive compensation programs through comprehensive reviews to ensure the executive compensation and benefit programs align with shareholders' best interests, while considering any risks associated with our compensation policies and practices. The HRC Committee's recommendations are reached primarily by comparison of the remuneration paid by us with the remuneration paid by other comparable public companies to Westport Fuel Systems or companies of similar business lines, geography and complexity of operations and following consultation with Hugessen.

The HRC Committee considers a range of factors in making executive compensation decisions, including but not limited to an individual's performance, benchmarking data, compensation risk considerations (succession and retention), long-term strategic objectives, prior equity-based compensation awards, feedback from Shareholders and other stakeholders and general information relating to executive compensation trends and developments. A key component in such decisions is benchmark analyses conducted by Hugessen, which assists in determining whether our executive compensation program is both reasonable in relation to competitive pay levels and appropriate in supporting business objectives that encourage a positive performance-based culture. Our current philosophy is to target pay at the median of the Comparator Group (defined below) recognizing that pay is often correlated with company size.

Consistent with prior years, the HRC Committee examines in detail the compensation paid by similar companies that satisfy our selection criteria (the "Comparator Group"). The Comparator Group used for 2023 ("2023 Comparator Group") decisions was comprised of publicly listed companies to give a realistic view of market competitive compensation. The table below outlines the companies which formed the 2023 Comparator Group and includes 12 U.S., 5 European, and 3 Canadian based companies:

Ag Growth International Inc.	Motorcar Parts of America, Inc.	Standard Motor Products, Inc.
Ballard Power Systems Inc.	paragon GmbH & Co. KGaA	Stoneridge, Inc.
CECO Environmental Corp.	Plug Power Inc.	The Gorman-Rupp Company
Clean Energy Fuels Corp.	Progress-Werk Oberkirch AG	Twin Disc, Incorporated
Commercial Vehicle Group, Inc.	Ricardo plc	Wajax Corporation
Landi Renzo S.p.A.	SHW AG	XPEL, Inc.
Lydall, Inc.	The Shyft Group Inc.	

At the time, the HRC Committee believed this Comparator Group offered a reasonable benchmarking of compensation and was the primary data source used by Westport to determine design (structure and metrics), pay mix, position of base salary, and performance-based incentive programs for executive compensation for FY2023. For determining CEO compensation, only the Comparator Group is used. Additional local regional benchmarks are considered when determining other executive position compensation.

Subsequently, in the fall of 2023 Westport Fuel Systems completed a comprehensive review of the 2023 Comparator Group against selection criteria which included revenue, global scope, EBITDA, Total Enterprise Value ("TEV"), market capitalization, business complexity, industry presence and geography.

As a result, a new Comparator Group was adopted in fall 2023 to ensure a more robust and relevant set of peer data would be used as the basis for compensation program reviews and overall compensation decision making going forward. The table below outlines the 20 companies which form the new Comparator Group and includes 8 U.S., 7 European, 3 United Kingdom and 2 Canadian based companies:

Bulten AB (publ)	Ideanomics, Inc.	Somero Enterprises, Inc.
Ballar Dewhurst Group Plc	Landi Renzo S.p.A.	Strattec Security Corporation
FreightCar America, Inc.	Luceco plc	Tesmec S.p.A.
Gencor Industries, Inc.	Manitex International, Inc.	Tornado Global Hydrovacs
Glaston Oyj Abp	Mincon Group plc	Twin Disc, Incorporated
GreenPower Motor Company	Mpac Group plc	Xos, Inc.
hGears AG	PWO AG	

The new Comparator Group offers a more reasonable benchmarking of compensation and is the primary data source used by Westport Fuel Systems to determine design (structure and metrics), pay mix, position of base salary, and performance-based incentive programs for executive compensation. For determining CEO compensation, only the Comparator Group is used. Additional local regional benchmarks are considered when determining other executive position compensation.

For more information on the LTIP, please see **"Section 4: Elements of our Executive Compensation Program: Long-Term Incentive Plan."**

Executive Compensation At Risk

A significant portion of executive pay is "at risk" meaning that it is not a guaranteed payment, and that payment varies with performance. To align with our pay for performance philosophy, a substantial percentage of the executives' total compensation is comprised of short-term and long-term incentives which link directly to corporate performance and to our absolute and relative total shareholder return ("TSR"). The principles described earlier were used to determine base salaries and total direct compensation, and to set the at-risk targets under the short and long-term incentive programs. The following table shows the targeted mix of compensation components and demonstrates the proportion of "at risk" pay for the CEO, CFO and other NEOs relative to total compensation.

TARGETED MIX OF COMPENSATION COMPONENTS							
	Program Element	CEO		CFO		NEO	
Fixed	Base Salary	27%		40%		50% - 58%	
At-Risk	Short-Term Incentive	27%	73%	30%	60%	21% - 25%	42% - 50%
	Long-Term Incentive	46%		30%		21% - 25%	

For summary of actual compensation for financial year 2023, see the following section "**Executive Compensation Figures and Tables.**"

Elements of Our Executive Compensation Program

Element			Objective	Performance Period	Form
Total Direct Compensation					
Fixed	Short- Term	Base Salary	Market competitive compensation for skills and experience aligned with responsibilities to attract and retain key top talent.	1 Year	Cash
At Risk		Short-term Incentive	Motivate and reward achievement of financial, operating and strategic goals during the annual operating cycle.	1 Year	Cash
		Long- Term	Long-term Incentive – RSUs or Phantom Shares	Support retention, facilitate executive stock ownership and reward for multi-year shareholder value creation.	Vest 1/3 per year over a three-year period
	– PSUs		Vest at the end of defined points within a three-year period subject to achievement of performance criteria		
Total Indirect Compensation					
Health Benefits Regional Long-term Savings Plans			Retain key employees by providing market competitive health, wellness, and retirement benefits, and limited perquisites.	1 Year	n/a

Base Salary

Base salary guidelines and salary adjustments for executive officers are designed to recognize market compensation trends, acknowledge competencies and skills of individuals, and match the expected market value of senior executives based on executive experience and qualifications. We typically target median base salary levels of our Comparator Group and factor in local market adjustments for base salary where applicable. Executive officer base salaries remain fixed throughout the year unless a promotion, change in responsibilities, or special circumstances occur.

Short-Term Incentives

The STIP is the primary method for motivating business and individual performance during the financial year and is intended to link pay and performance by providing cash compensation if targeted results are achieved, up to a capped amount of base salary. For 2023, 75% of the value of the bonus was tied to financial targets including revenue growth, adjusted EBIT and Operating Cash Flow. These metrics were selected to align management focus on both our growth and the path to sustainable profitability. The balance, weighted at 25%, was linked to strategic target achievement within the annual operating cycle, designed to award specific achievements which contribute to shareholder value creation over time.

The CEO's performance metrics are approved by the HRC Committee for each annual financial period. The corporate performance metrics for NEOs are set by the CEO and reviewed by the HRC Committee before being recommended to the Board of Directors. Payouts are made after the HRC Committee reviews and approves the calculations of performance against the goals for the year and only after the Audit Committee approves audited fiscal year financial statements.

Long-Term Incentives

The long-term incentives ("**LTIs**") are established to support retention, facilitate executive stock ownership and reward for multi-year shareholder value creation. LTIs comprise a significant "at-risk" element of total compensation for Executive Management and the design and magnitude of long-term incentives are guided by several factors, including:

- the design must be aligned with shareholder value creation
- the design should be supportive of the Corporation's business goals and strategic plan
- the design must be retentive

The HRC Committee analyses market data, 2023 Comparator Group data and assesses recommendations from its Compensation Consultant and information provided by management in determining LTI program design, metrics and targets. A subset of the 2023 Comparator Group ("**2023 Subset Comparator Group**") comprised of selected North American based companies within the Comparator Group that are listed on a U.S. based stock exchange was also established to support the LTIP which uses a relative Total Shareholder Return ("**rTSR**") metric to determine performance against which to measure PSU payouts. The Subset Comparator Group is the group used to measure the LTIP rTSR performance. The table below outlines the companies included in the 2023 Subset Comparator Group:

Ballard Power Systems	The Gorman-Rupp Co.	The Shyft Group, Inc.
CECO Environmental	Lydall Inc.	Standard Motor Products
Clean Energy Fuels Corp.	Motorcar Parts of America, Inc.	Stoneridge, Inc.
Commercial Vehicle Group, Inc.	Plug Power Inc.	Twin Disc, Inc.
XPEL, Inc.	Shiloh Industries	

CEO recommendations on LTIs are limited to Executive Management and key employees (other than himself). The HRC Committee then approves the grants of LTI awards for the NEOs, other executives, and other key employees. CEO LTI awards are determined by the HRC Committee, with consultation from the Board Chair.

In 2010, Shareholders approved our current Omnibus Plan. The Omnibus Plan was re-approved by Shareholders for an extended term in 2020 and is designed to allow flexibility to the Board of Directors to issue equity-based incentives to align compensation with shareholder interests over the long-term and offer the ability to retain and attract the best talent globally.

Although the Omnibus Plan allows for the use of Options, virtually all grants made over the life of the Omnibus Plan have taken the form of Units which will ultimately convert into Common Shares of the Corporation following vesting. On a limited basis RPSs have been granted where the recipient receives cash compensation instead of Common Shares of the Corporation on vesting and to address differing taxation requirements across the various jurisdictions in which we operate.

Long-Term Incentive Plan

In 2019 the HRC Committee approved the adoption of an LTIP that consists of a combination of: (i) time restricted awards in the form of RSUs or Restricted Phantom Shares (RPSs) that ratably vest over three years; and (ii) performance-based awards in the form of PSUs that are linked to shareholder value creation, subject to a performance-based payout scale and fully at-risk with the potential for zero payout. RPSs are awarded to non-executive employees in operating regions outside North America to simplify the conversion process.

In 2023, the program was primarily designed to grant awards on an annual basis that are weighted 70% performance-based awards and 30% as time restricted awards for senior management, ensuring most of the awards are pay-for-performance and aligning reward with shareholder value creation.

The HRC Committee believes that a three-year ratable vesting for restrictive awards such as RSUs, RPSs and a three-year cliff vesting and performance period for PSUs are appropriate length of time to support retention, motivate executive performance, align with shareholder interest, and are consistent with common market practice and taxation principles. Performance awards only vest and entitle the holder to Common Shares or a cash payout if minimum thresholds are achieved. If the performance metrics are not attained in the three-year performance period, the PSU award will expire and be returned to the pool of awards available for grant under the Omnibus Plan for future grants. In 2020, the HRC Committee adjusted the LTIP grant timing to the first quarter and determined to use the 20-day volume weighted average price as of December 31st going forward as a best estimate of the market price on the date of grant for the annual grant of LTIP awards.

In 2023 the HRC Committee introduced restrictive cash-based awards that ratably vest over three years at the employee level outside of North America.

The following table summarizes the LTI factors and metrics that are used to provide grants under the LTIP:

	Performance Share Units	Restricted Share Units
LTI mix	70%	30%
Grant frequency	Annual	Annual
Grant methodology	Award value divided by 20-day VWAP at time of grant	Award value divided by 20-day VWAP at time of grant
Term	3 years	3 years
Vesting	3-year cliff 100%	3-year ratable 33%/33%/33%
Payout	Shares	Shares for RSUs or Cash for RPSs

Prior to 2023 the PSU performance metric consisted of both relative and absolute total shareholder return, as of 2023 the sole PSU performance metric is relative shareholder return as summarized in the table below:

PSU Metric	Weight	Threshold ⁽²⁾				Maximum	
		Performance	Multiplier ⁽¹⁾	Performance	Multiplier ⁽¹⁾	Performance	Multiplier ⁽¹⁾
Relative TSR	100%	25th Percentile	50%	50th Percentile	100%	75th Percentile	150%

NOTES:

1. Multiplier expressed as a % of target PSU award.
2. Performance below threshold results in a 0% payout.

Other Benefits

In addition to the executive compensation program described above, our executives participate in Corporation-wide employee benefit programs within their region of employment, such as short-term disability income benefit, health and dental care including dependent coverage, employee life insurance, dependent life insurance, accidental death and dismemberment insurance and the matching of regional long-term savings plans. These programs vary by region of operation and are offered to all employees employed within the region of operation. We offer an additional voluntary participation executive health and wellness benefit to our executives on a cost sharing basis. We do not offer a defined benefit pension plan to its executives. In addition, we offer only limited benefits and perquisites, and current offerings to our NEOs are consistent with market practice.

Payments Upon Termination

In the event of termination of employment without cause, such as may be the case in the event of a change of control, certain Westport Fuel Systems NEOs are entitled to an amount of compensation as outlined in the "**Employment Agreements - Termination and Change in Control**" section of this Circular.

2023 Executive Compensation

Base Salary Adjustments

In 2023, Mr. Larkin and Mr. Follett were paid additional base salary for increased responsibilities during the CEO transition period. See "Executive Compensation Figures & Tables" for details.

Short-Term Incentives

CORPORATE PERFORMANCE

Revenues of \$331.8 million for the year ended December 31, 2023 increased by 9%, compared to \$305.7 million in the prior year primarily driven by increased sales in the delayed OEM, electronics and fuel storage businesses and additional engineering service revenues from the heavy-duty OEM business.

The HRC Committee has evaluated these results and in line with our pay for performance compensation philosophy, the HRC Committee has approved a quantitative performance rating of 24.4% for the financial and operating measures of the STIP for 2023.

For more information on the financial performance during 2023, see the Corporation's MD&A and financial statements, filed on SEDAR+ www.sedarplus.ca and available on our website.

CEO SHORT-TERM INCENTIVE ACHIEVEMENT

As per the previous CEO's employment agreement, the short-term incentive ("**STI**") component of the CEO's compensation has a target of 100% of base salary, with potential payout between 0% and 150% of base salary depending on performance against predefined corporate and individual performance targets. As part of Mr. Johnson's mutual separation agreement, the Corporation paid Mr. Johnson \$203,333 USD. No other STI payment was made.

Other Named Executive Officer STI

Targeted bonuses for the other NEOs, range from 35% to 75% of base salary, with a potential payout between 0% and 150% of target bonus depending on performance against predefined corporate and individual performance targets. Depending on the NEO's area of responsibility, metrics were established and weighted in alignment with the STI design principles noted above. The consolidated and business unit financial performance metrics associated with the NEO's STI were based on the 2023 Annual Operating Plans approved by the Board of Directors in December 2022.

Payout amounts for each NEO are listed in full in the "**Executive Compensation Figures & Tables**" section.

2020 - 2022 and 2021- 2023 Long-Term Incentive Awards

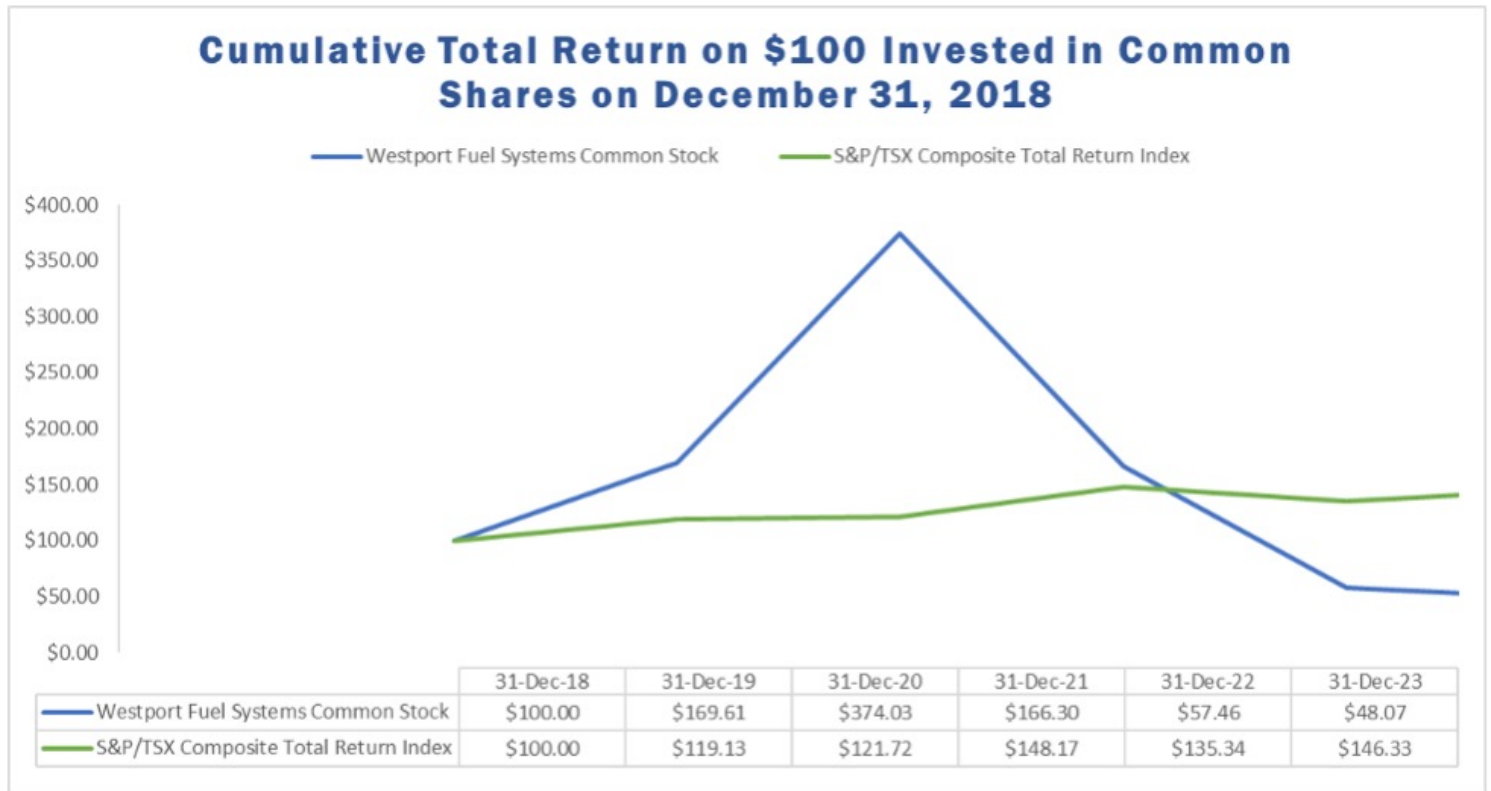
Under the LTIP, the Corporation awarded RSUs, RPSs and PSUs for the three-year retention and performance period of 2020 - 2022 in March 2020 and for the period of 2021 - 2023 in March 2021. A portion of the PSUs which were awarded in March 2020 and March 2021, respectively, were set to become available after December 31, 2022, and December 31, 2023, respectively. This was contingent upon the total shareholder return achieved over the applicable three-year period, calculated using the average share price of Westport Fuel Systems shares on the NASDAQ over the preceding 20 days.

Based on the achievement of the required vesting conditions, 0% of the PSUs awarded for the 2020-2022 period and the 2021-2023 period met the required vesting conditions and, therefore expired and were returned to the equity reserve under the Omnibus Plan.

Payout amounts for each NEO are listed in full in the table "**Value Vested or Earned During the Year**" in the "**Other Plan Awards**" section below.

Share Performance Graph

The Common Shares have been listed and posted for trading on the TSX under the trading symbol "**WPRT**" since November 10, 2016 (and under the trading symbol "**WPT**" prior hereto), and the NASDAQ under the trading symbol "**WPRT**" since August 18, 2008. The following graph and table compare cumulative total shareholder return from an investment of C\$100 in Common Shares of the Corporation made on December 31, 2018, with the cumulative total return of the S&P/TSX Composite Total Return Index over the same period, assuming reinvestment of dividends.



Sources: S&P, TMX

Executive Compensation Figures and Tables

Based on the 2023 STIP results, and the Share Unit awards received under the LTIP during fiscal year 2023, the sum of all NEO's actual fixed compensation was \$1,851,808 or 65% of total direct compensation and actual at-risk pay was \$997,629 or 35%.

Financial Year 2023 Summary Compensation Table

The following tables and notes thereto set out information concerning the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to our NEOs in financial years 2021, 2022 and 2023. The Corporation does not have a pension plan; therefore, the pension contribution for the NEOs is nil. The aggregate cash compensation (salary and non-equity incentive plan) earned by all NEOs during the financial year ended December 31, 2023, was \$1,903,922).

NEO COMPENSATION TABLE						
	Year	Actual Paid Salary(1)	Share-based awards(2)(3)(6)	Non-equity incentive plan compensation(4) STI	TOTAL Other (5)(7)	Total Compensation
		(US\$)	(US\$)	(US\$)	(US\$)	(US\$)
David Johnson Chief Executive Officer	2023	390,634	-	-	2,419,743	2,810,377
	2022	610,000	806,630	305,000	54,850	1,776,480
	2021	535,000	1,656,760	315,650	54,100	2,561,510
	2020	481,500	-	398,040	66,200	945,740
Tony Guglielmin Interim Chief Executive Officer						
	2023	133,333	172,790	-	-	306,124
William Larkin Chief Financial Officer -(Oct 3 - Dec 31)						
	2023	450,000	505,822	163,200	15,833	1,134,856
	2022	100,000	-	34,050	-	134,050
Fabien Redon Chief Technology Officer						
	2023	243,333	38,000	-	3,042	284,375
Tim Smith Executive Vice President & Chief of Staff	2023	290,000	91,082	24,766	15,225	421,073
	2022	290,000	78,952	35,931	14,500	419,383
	2021	280,000	196,420	45,080	14,500	536,000
	2020	-	-	-	-	-
Nicola Cossiani Executive Vice President, Global Operations	2023	158,708	-	-	111,732	270,440
	2022	231,814	97,233	35,236	146,752	511,035
	2021	236,280	204,960	37,805	155,214	634,259
	2020	172,184	21,887	60,027	104,289	358,387
Lance Follett Chief Legal Officer & Executive Vice President, Corporate Development	2023	307,721	225,518	67,711	11,402	612,352
	2022	284,160	108,899	53,904	10,698	457,661
	2021	240,000	256,200	76,090	11,132	583,422
	2020	206,250	-	75,094	2,579	283,923
Bart van Aerle Executive Vice President, Independent Aftermarket & Light Duty Original Equipment Manufacturing	2023	286,441	85,093	70,751	16,562	458,846
	2022	273,916	77,785	42,496	16,126	410,323
	2021	271,830	204,960	62,986	18,111	557,887
	2020	257,226	-	43,676	16,677	317,579

Notes:

- Annual base salaries for the current NEOs as of December 31, 2023, were \$400,000, \$400,000, C\$370,000, \$290,000, and €267,708 for Mr. Guglielmin, Mr. Larkin, Mr. Follett, Mr. Smith Mr. Van Aerle respectively. The table above translates the Canadian and Euro dollar salaries into US dollars at the average exchange rate during the year.
- The values of the RSUs and PSUs are determined by multiplying the number of RSUs and PSUs awarded by the NASDAQ exchange closing price of the Common Shares on the date of the award. These RSUs and PSUs typically vest over three years and the PSUs vest based on achieving performance criteria within a three-year performance period. The actual compensation earned by the NEO may ultimately be more or less than the amount indicated in this table based on whether the vesting criteria associated with such RSUs and PSUs are ultimately achieved. Historically, less than 100% of the issued share based awards have been vested.
- This represents Westport Fuel Systems short-term incentive awards. The amounts were accrued in the year reported but paid to the NEOs in the subsequent year. For details on non-equity incentive plan values paid during the fiscal year, see table titled "NEO Incentive Plan Awards: Value Vested/Earned".
- The column entitled "All Other Compensation" includes Westport Fuel Systems contributions to each NEO's long-term savings plan, where applicable. These are voluntary participation programs where the employer matches employee contributions up to a maximum of 5% of base salary per pay period. In addition, it includes additional bonuses and allowances (such as housing and vehicle).
- Mr. Guglielmin was appointed interim CEO effective August 22, 2023. Mr. Guglielmin was awarded DSUs as part of this appointment that will vest immediately upon his resignation, retirement, or termination as a Director of the Corporation. Settlement of the DSUs will be in cash.
- The Corporation entered into a mutual separation agreement dated August 21, 2023 in connection with Mr. Johnson stepping down as the Corporation's Chief Executive Officer. Pursuant to that agreement Mr. Johnson was entitled to be paid \$2,062,283 (\$400,000 in lieu of unvested / unexercised equity, \$203,333 short term incentive, \$1,626,666 severances, and \$35,617 in lieu of benefits), this amount was paid out in two installments on August 31, 2023 and February 9, 2024.
- Mr. Larkin and Mr. Follett were paid and additional \$50,000 and \$33,588 respectively and were award \$150,000, and \$100,000 PSU units respectively in relation to their additional duties during the CEO transition period.

Other Plan Awards

During the year ended December 31, 2023, a mix of RSUs and deferred share units ("DSUs"), as elected individually by them, were granted for Board of Director compensation (see section "**Director Compensation**") and RSUs were issued to certain employees of the Corporation (including grants made to NEOs) for retention purposes. Excluding director compensation, 332,922 PSUs, RSUs and RPS's were issued during the year ended December 31, 2023. The value of the PSUs, RSUs, and RPSs are based on the fair market value on the date of the grant.

Outstanding Share-Based Awards as of December 31, 2023

NEO INCENTIVE PLAN: SHARE-BASED AWARDS				
(Figures are in U.S. Dollars)	Not Vested		Vested Not Paid Out or Distributed	
	Qty ⁽¹⁾	Market/Payout Value (\$) ⁽²⁾	Qty	Market/Payout Value (\$) ⁽²⁾
David Johnson	—	—	—	—
Bill Larkin	54,459	\$ 360,519	—	—
Lance Follett	34,478	\$ 228,244	—	—
Tim Smith	14,753	\$ 97,665	—	—
Bart van Aerle	14,217	\$ 94,117	—	—

1. Represents the number of Units or Common Share awards that may vest based on either time or performance criteria. For PSUs where the measurement date and criteria has been determined, the actual conversion ratio has been used. Where it has not been determined, an estimate has been made.
2. This is a notional amount that is calculated by multiplying the number of Units by the closing price of the Common Shares underlying the Units on the NASDAQ as of December 29, 2023 (\$6.62). Such amounts may not represent the actual value of the Units that ultimately vest, as the value of the Common Shares underlying the Units may be of greater or lesser value on vesting.

Value Vested or Earned During the Year

NEO INCENTIVE PLAN AWARDS: VALUE VESTED/EARNED				
(Figures are in U.S. Dollars)	During the Year			
	Share-based Awards: Value Vested⁽¹⁾	Non-equity Incentive Plan Compensation: Value Earned	Total Value Vested and Earned	
David Johnson	\$ 69,097	\$ —	\$ 69,097	
Bill Larkin	\$ —	\$ 163,200	\$ 163,200	
Lance Follett	\$ 9,422	\$ 67,711	\$ 77,132	
Tim Smith	\$ 4,951	\$ 24,766	\$ 29,717	
Bart van Aerle	\$ 6,888	\$ 70,751	\$ 77,639	

1. This value was determined by multiplying the vesting price of the underlying Common Shares on the vesting date by the number of vested Units.

Omnibus Incentive Plan

In accordance with the rules of the TSX, the lower table below sets forth the annual burn rate, calculated in accordance with s. 613(d) of the TSX Company Manual, of each of our security based compensation arrangements for the three most recently completed financial years. A copy of the Omnibus Plan has been filed on SEDAR+ at www.sedarplus.ca.

COMPENSATION PLANS USING COMMON SHARES			
	Securities to be issued⁽¹⁾	Weighted-average exercise price⁽²⁾	Securities remaining for future issuance
Omnibus Plan	389,627	—	292,180

ANNUAL BURN RATE(3)			
	2023 Burn Rate	2022 Burn Rate	2021 Burn Rate
Omnibus Plan	0.26%	0.30 %	0.20 %

1. Securities to be issued value includes 13,190RPSs granted however these will be settled in cash and not in Common Shares. Once settled in cash the 13,190 RPSs will return to securities remaining for future issuance.
2. The awards in the Omnibus Plan are RSUs and PSUs and do not require the holder to pay a strike price.
3. Annual burn rate is expressed as a percentage and is calculated by dividing the number of securities granted under the specific plan during the applicable financial year by the weighted average number of securities outstanding for the applicable financial year.

In early 2023, the Committee considered the 2023 long term incentive award. The available reserve includes the PSUs issued in 2019 that were returned to the equity reserve under the Omnibus Plan. However, the decline in the stock price during 2022 limits the current value of equity available. With that context, the Committee took steps to balance the need for competitive long-term incentive awards for all LTIP participants with the remaining fixed equity pool.

Employment Agreements: Termination and Change in Control

Each NEO has signed an employment agreement which includes standard industry terms and conditions, such as intellectual property and confidentiality provisions. Pursuant to the terms of these agreements, in the event of termination of employment by Westport Fuel Systems without cause, each NEO may be entitled to an amount comprised of salary and benefits, an annual bonus, an immediate vesting of all unvested Options and Units previously granted to the NEO, and compensation for a non-compete period as further described below.

In the event of termination of any eligible recipient's employment with Westport Fuel Systems without cause, all PSUs granted under the Omnibus Plan for which the measurement period had been completed would immediately vest and the awards would have the period set out in the award grant, and pursuant to the terms of the Omnibus Plan, in which to exercise any such vested but not yet exercised Units.

Westport Fuel Systems has a change in control policy ("**Change in Control Policy**") intended to provide eligible executives of the Corporation with reasonable continuing financial security in their employment and position with the Corporation, without distraction from uncertainties or risks regarding their employment created by the possibility of a change in control of the Corporation. The Change in Control Policy applies to all permanent full-time officers, executive vice presidents, and senior vice presidents of the Corporation and certain affiliated entities as well as to certain other officers or executives who are designated by the CEO and ratified by the HRC Committee and entitles such participants to certain payments and benefits in the event the participant's employment is terminated as a result of a "**Qualifying Termination**" relating to a change of control, as defined in the policy.

"Qualifying Termination" for this purpose is defined in the policy to mean either: (a) receipt by a participant of notice of termination of the participant's employment without cause (regardless of the effective date of such termination); or (b) the resignation of the participant's employment as a result of constructive dismissal, in each case during the period commencing on the change in control and ending on the date which is eighteen (18) months after the change in control. The Change in Control Policy generally provides that, in the event of a Qualifying Termination, the executive will be entitled to a cash payment in an amount equal to twice the aggregate sum of: (a) that executive's annual base salary plus the executive's target annual bonus amount; and (b) an amount equal to the annualized cost of the Corporation-sponsored medical, dental, vision insurance and executive medical and health care benefits in effect for the executive as at the termination date at a cost equal to 200% of the Corporation's premium rate for such benefits, together with any accrued but unpaid salary as at the termination date. Pursuant to the Change in Control Policy, all unvested equity awards held by the terminated executive will also be deemed to be vested as at the date of the Qualifying Termination, with any such awards that are subject to any performance targets being subject to a good faith determination as to whether or not the performance target has been met by the HRC Committee and the related payout amount. To the extent that an executive is entitled to benefits under both the Change in Control Policy and the terms of their existing employment agreement, such executive may elect to receive payments and/or benefits under such employment agreement in lieu of the payments or benefits so provided by the Change in Control Policy.

Mr. Johnson entered into his original employment agreement effective January 14, 2019, with a term which ended on December 31, 2021. The Board of Directors and Mr. Johnson entered into a new open-ended employment agreement which was executed effective January 1, 2022. (the "**New Agreement**"). Under the New Agreement, upon termination Mr. Johnson was entitled to 1.25 times the aggregate sum of base salary plus target annual performance incentive, plus an additional one twelfth of the aggregate sum of base salary plus target annual performance incentive for every year of company service completed by Mr. Johnson to a maximum of 1.5 times the aggregate sum of base annual salary plus target annual performance incentive. In addition, under the New Agreement, on termination, Mr. Johnson was entitled to twenty-one months of the Company's cost of benefits coverage plus an additional month's cost of benefits coverage for every year of company service completed by Mr. Johnson to a maximum of twenty-four months' cost of benefits coverage.

Mr. Larkin entered into an employment agreement on September 26, 2022. Under the terms of this agreement, in case of termination without cause Mr. Larkin is entitled to: (a) during the first 3 months of employment, a lump sum severance equal to 3 months' base salary; (b) after the first 3 months and up to the first anniversary, a lump sum severance equal to 6 months' base salary, plus 6 months' cost of benefits coverage; and (c) after the first anniversary date, a lump sum severance equal to 12 months' base salary, plus 12 months' cost of benefits coverage and a partial incentive bonus calculated on a pro rata basis for months worked within the fiscal year in which termination occurs.

Mr. Smith entered into a three-year fixed term employment agreement starting on November 16, 2020, and ending on December 31, 2023. Under the terms of his agreement, in case of termination without cause, Mr. Smith is entitled to a lump sum payment equal to; the salary payable during the remaining number of months between the termination date and the end date, provided that such amount does not exceed a total of twelve months base salary, and to continued cost of benefit coverage for a similar period, provided that the remaining months between the termination date and the end date does not exceed a total of twelve months cost of benefit coverage.

Mr. Guglielmin had a fixed term agreement with no termination provisions.

Mr. Follett and Mr. Van Aerle do not have any termination provisions within their employment agreements. None of the NEOs have specific change in control provisions in their agreements, however they are covered under Westport Fuel Systems Change in Control Policy (described above).

The following tables set forth, for each NEO, the amount such person would have been contractually entitled to receive on the termination of their employment without cause on December 31, 2023, and the amount such person would have been contractually entitled to receive if a change in control triggered the termination event on December 31, 2023, as per such person's employment agreement or Westport Fuel Systems Change in Control Policy.

TERMINATION OF EMPLOYMENT WITHOUT CAUSE				
<i>All figures are in U.S Dollars</i>	Severance	Bonus	Value of Unvested Awards⁽¹⁾	Total⁽²⁾
David Johnson	\$ 1,626,666	\$ —	\$ —	\$ 1,626,666
Tony Guglielmin	\$ —	\$ —	\$ —	\$ —
Bill Larkin	\$ 421,484	\$ 163,200	\$ —	\$ 584,684
Lance Follett	\$ —	\$ —	\$ —	\$ —
Tim Smith	\$ 292,618	\$ —	\$ —	\$ 292,618
Bart van Aerle	\$ —	\$ —	\$ —	\$ —

TERMINATION OF EMPLOYMENT FOLLOWING CHANGE IN CONTROL				
<i>All figures are in U.S Dollars</i>	Severance	Bonus	Value of Unvested Equity Awards⁽¹⁾	Total⁽²⁾
David Johnson	\$ 1,626,666	\$ —	\$ —	\$ 1,626,666
Tony Guglielmin	\$ 800,000	\$ —	\$ —	\$ 800,000
Bill Larkin	\$ 800,000	\$ 600,000	\$ 360,519	\$ 1,760,519
Lance Follett	\$ 548,266	\$ 274,133	\$ 228,244	\$ 1,050,643
Tim Smith	\$ 580,000	\$ 290,000	\$ 97,665	\$ 967,665
Bart van Aerle	\$ 572,882	\$ 286,441	\$ 94,117	\$ 953,440

1. The value of unvested equity awards is calculated using the number of all unvested Options and Units valued at the price of the Common Shares underlying the Options and Units on the NASDAQ as of December 31, 2023 (\$6.62).
2. Total compensation due upon termination of employment does not include the sum of benefits

Section 5: Additional Information

Except as otherwise specified herein, the information set forth in this Circular is provided as of May 7, 2024. Additional information relating to Westport Fuel Systems is available on our website at **www.wfsinc.com** and on SEDAR+ at **www.sedarplus.ca**. The information relating to Westport Fuel Systems at **www.wfsinc.com** is not incorporated by reference herein. Financial information about Westport Fuel Systems is provided in the comparative financial statements and MD&A for Westport Fuel Systems for the most recently completed financial year. Copies of the financial statements and MD&A of Westport Fuel Systems may be obtained from Investor Relations, Westport Fuel Systems at 1691 West 75th Avenue, Vancouver, British Columbia V6P 6P2 or by facsimile at: +1-604-718-2001.

DATED effective May 7, 2024.

Section 6: Schedules & Attachments

Schedule "A": Board of Directors' Charter

REVIEWED AND ACCEPTED BY THE BOARD OF DIRECTORS ON MARCH 11, 2022

1.0 PURPOSE OF THE CHARTER

This Charter has been adopted by the Board of Directors (the "**Board**") of Westport Fuel Systems Inc. ("**WFS**") to assist the Board in the exercise of its duties and responsibilities. This Charter, together with the Charters of the Board's committees, key position descriptions, major policies, and codes and guidelines adopted by the Board, and WFS's By-Laws and Articles, collectively comprise WFS's overall corporate governance framework.

2.0 BOARD MISSION AND RESPONSIBILITIES

The Board is responsible for the overall stewardship of WFS and is charged with overseeing the management of the business and affairs of WFS pursuant to its By-Laws and applicable law and, together with Executive Management, pursuing the creation of long-term shareholder value. The Board serves as the ultimate decision-making body of WFS, except for those matters reserved to or shared with the shareholders.

The Board will carry out these responsibilities and discharge its obligations either directly or through committees of the Board. Any responsibility not delegated to one or more of its committees remains with the Board.

3.0 DEFINITIONS

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

"Executive Management" means the CEO, the CFO and other executive officers of WFS.

"External Auditor" means the independent, registered, external audit firm nominated for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for WFS.

"Independent Director" means a Director who meets the independence standards specified under Section 1.4 of National Instrument 52-110 of the Canadian Securities Administrators and Rule 5605(a)(2) of the NASDAQ Stock Market Listing Rules. In short, a Director will not be independent if he or she has any direct or indirect "material relationship" with WFS or any of its subsidiaries (other than his or her relationship as a Director).

4.0 COMPOSITION OF THE BOARD

The Board will consist of a minimum of five and a maximum of ten members (each, a "**Director**"), with the actual number decided by the Board from time to time consistent with the needs of WFS in order to effectively perform the duties of the Board. At least the majority of the Board will consist of Independent Directors.

Directors are elected at the annual meeting of shareholders and serve a one-year term. The Independent Directors will elect the Board Chair ("**Board Chair**") from among the Independent Directors serving on the Board annually at the first meeting of the Directors after the annual meeting of shareholders.

As at the date hereof, the Board has formed four standing committees (the "**Committees**") and delegated specific responsibilities to each Committee. Those Committees are: Audit, Human Resources and Compensation ("**HRC**"), Nominating and Corporate Governance ("**NCG**"), and Technical and Product Strategy Committee ("**TPS**"). Each Committee operates under its own Charter (a copy of which is available on WFS's website), and has a chairperson ("Committee Chair") responsible for leadership and overall operation of their respective Committee. There is an independent position description for the role of Committee Chair (a copy of which is also available on WFS's website).

All members of these Committees will be Independent Directors, and the Independent Directors will select the respective Committee Chairs, for an annual term starting at the first meeting of the Directors after the annual meeting of shareholders.

New committees of the Board may be established from time to time at the discretion of the Board in accordance with Section 22.

5.0 NOMINATION AND ELECTION OF DIRECTORS

The NCG Committee, with input from all Directors, will work together to determine the optimum size of the Board and the appropriate mix of business skills, experience, and diversity of the members of the Board in order to effectively fulfill its mission.

Prospective Directors must have a demonstrated commitment to high personal and professional integrity and ethical standards and a broad range of skills, expertise and experience that are relevant to WFS's business and/or its risk management,

significant achievement in their respective fields of endeavor, sound business judgment, the ability to effectively collaborate and communicate with other Directors and with management, and be committed to devoting the time and effort needed to perform their duties effectively. The Board also recognizes that diverse views and backgrounds will enhance balanced decision making. To that end, the Board has assumed a focused on sustaining a more gender-balanced board and has adopted a target of having at least 30% female representation on the Board.

The NCG Committee will annually review Board composition and requirements with consideration of any stated diversity targets, WFS's strategy and all relevant facts and circumstances, individual Director contributions and potential candidates for election as WFS Directors, and recommend to the Board a slate of Directors for election by shareholders that brings a diversity of background and industry or related expertise and experience to the Board. In assessing Board composition and identifying suitable candidates, the NCG Committee will review the current composition of the Board with a view to ensuring it reflects a diverse mix of knowledge, experience, education, skills, gender, age, ethnicity and geographic location, and in an effort to achieve any stated diversity targets. In support of this activity, the NCG Committee has implemented the WFS Diversity Policy.

If a nominated Director fails to achieve a majority of votes for their appointment in an uncontested election, that nominated Director will immediately submit his or her resignation to the Board Chair in accordance with WFS's Majority Voting Policy (a copy of which is available on WFS's website). Following receipt of a resignation tendered pursuant to WFS's Majority Voting Policy, the Board Chair shall promptly advise the NCG Committee and the Board thereof and the resignation shall be considered in accordance with the Majority Voting Policy.

6.0 BOARD INDEPENDENCE AND EFFECTIVENESS

The business of WFS is conducted by Executive Management under the oversight of the Board. WFS believes an effective Board means a Board that maintains a clear distinction between Board oversight functions and the responsibilities and duties of Executive Management. Although a working culture of trust and collaboration must exist between the Board and Executive Management in order for WFS to succeed, the Board must exercise its duties and responsibilities in accordance with its own best judgment and its own views of the long-term interests of WFS and its shareholders. This means that individual Directors must be technically independent as defined by applicable law and the regulations of the relevant stock exchanges where WFS shares are listed (except for any non-Independent Directors) but also independent in practice.

In addition, a Director must act strictly in the best interests of WFS and its shareholders generally and not in the interest of any one shareholder or group of shareholders.

To that end, the Board has adopted several organizational principles:

- At least the majority of the Board will consist of Independent Directors.
- The Audit Committee Chair, the HRC Committee Chair and the NCG Committee Chair will only be held by Independent Directors and all members of these committees will be Independent Directors.
- Executive sessions of the Board excluding any Directors who are also officers or employees of WFS will be held at each meeting of the Board. These sessions will be led by the Board Chair.
- Where appropriate, executive sessions of only the Independent Directors will be held. These sessions will be led by the Board Chair.

Certain functions shall be the exclusive responsibility of Independent Directors, led by the Board Chair, who will, if necessary, consult with appropriate stakeholders and then bring recommendations to the full Board for approval. These functions include:

- a. Revising the Charter of the Board from time to time;
- b. Developing position descriptions for the key positions in the WFS governance system, including that for Chair, Committee Chairs and Directors; and
- c. Developing a position description for the Chief Executive Officer, as well as indicators to measure his or her performance.

The Board, as well as each Committee, may, in their discretion, and in consultation with the Board Chair, retain the services of independent outside professional advisors (financial, legal, compensation, etc.), at the expense of WFS, for the purpose of advising the Board or a Committee in the execution of its responsibilities and duties.

7.0 BOARD LEADERSHIP

The Board Chair sits at the intersection between the Board and Executive Management and although the Board Chair is also a Director and shares all of the duties and responsibilities of any Director, the Board Chair has several unique duties and responsibilities:

- They will establish an annual calendar with the Board and Committee meetings scheduled at least 12 months in advance. Other Board meetings will be scheduled by the Board Chair with reasonable notice to all Directors.
- They will ensure that preliminary agenda and meeting materials are distributed to all Directors in advance of each Board meeting.
- They will preside at all meetings of the Board and at meetings of shareholders, or delegate a substitute chair if necessary.
- They will act as the Board's contact and spokesperson in discussions with third parties.

- Generally the Board believes that Executive Management has the primary responsibility for shareholder engagement, however where appropriate, he or she will lead shareholder engagement on behalf of the Board. The NCG Committee has primary responsibility for oversight of WFS's process and procedures for shareholder engagement.
- They are responsible for assessing the overall effectiveness of the Board and each of its committees and taking appropriate action to improve Board performance.

8.0 ROLE AND RESPONSIBILITY OF THE BOARD, DECISIONS OF THE BOARD

As part of its overall stewardship of WFS, the Board oversees the conduct of WFS's business by management and reviews WFS's financial objectives, strategic plans and activities. The Directors shall exercise their business judgment to act in what they reasonably believe to be the best interests of WFS and its shareholders in terms of corporate governance, fiduciary responsibilities, compliance with applicable law, and maintenance of appropriate financial or other controls.

Typically, matters before the Board will be decided by a majority vote of the Directors present at the meeting, provided that minimum quorum is met. Notwithstanding the previous sentence, the approval of any annual capital and operating budget(s) shall require the approval of not less than two-thirds of the members of the Board.

The Board has responsibility for the following matters:

- Executive Leadership and Oversight:** the Independent Directors have the authority to select, appoint, and, if necessary, terminate the CEO. Such a decision will be made by majority vote of the Independent Directors. Implicit in this responsibility is the duty to regularly assess CEO performance and without interfering in operational matters belonging properly to Executive Management, to take whatever actions required and appropriate to ensure that WFS is being led by people of integrity, honesty, acumen and good judgment, who are in turn fostering a culture of ethical business conduct throughout WFS. The Independent Directors have responsibility for producing an annual CEO performance assessment and this is delivered by the Chair of the HRC Committee to the CEO. The HRC Committee, working with the Board Chair, has primary responsibility for CEO and Executive Management succession planning and makes recommendations to the Board in this regard for discussion and final approval. The Board reviews Executive Management's succession plans on an annual basis.
- Corporate Communications:** the Board shall satisfy itself that WFS maintains appropriate programs and policies regarding corporate disclosure and will have oversight over WFS's programs and policies to effectively communicate with its stakeholders. The Board is responsible for reviewing and approving WFS's Disclosure Policy. The Board has specific responsibilities under applicable laws, rules and regulations to review and approve WFS's annual financial statements, the related Management's Discussion and Analysis of Results of Operations (the MD&A), and other public disclosure documents containing material financial information. The Board will also review and approve annual management information circulars/proxy statements, annual information forms (AIF)/(40-F) and other material press releases.
- Risk Management and Internal Controls:** the Board needs to regularly satisfy itself that Executive Management have identified and disclosed to the Board the principal business risks faced by WFS (including, without limitation, those risks related to cybersecurity, insurance, natural disasters, climate, human capital, environmental and social matters) and that there are appropriate management systems in place to manage those risks. The Board must also satisfy itself that effective management systems are in place to monitor the integrity of WFS's internal controls and critical information systems. The Audit Committee has primary responsibility to review and monitor the effectiveness of internal controls and critical information systems pertaining to financial reporting and to make any recommendations to the Board.
- Corporate Governance:** effective corporate governance plays an important role in protecting shareholder rights, helping to maximize shareholder value over time and assisting the creation of a vibrant, dynamic and successful corporation. The Board is responsible for the overall corporate governance of WFS and for setting its principles and processes in this regard, and has delegated primary responsibility for this to WFS's NCG Committee.
- Strategic Plan:** WFS operates in an industry in constant evolution, and the Board needs to be continuously aware of Executive Management's views on the various possible scenarios for future shareholder value creation. Executive Management will produce and present, no less than once a year, an updated Strategic Plan for WFS. The Strategic Plan will be reviewed and approved by the Board on an annual basis. The Board has delegated to the TPS Committee the primary responsibility for overseeing WFS' technology and product planning activities in support of its overall business strategy, as well as WFS' approach to monitoring current and evolving industry trends that could have a significant impact on WFS's technology, product and overall business and environmental, social and governance (ESG) strategies.
- Annual Operating Plan and Budget:** the Board will approve annual capital and operating budgets consistent with the Strategic Plan, and the CEO will report performance against those operating plans on a quarterly basis.
- Financing Activities:** the Board will review and approve all material financing activities whether by way of equity or debt and will satisfy itself that the proposed terms are fair, reasonable in the context of the market for similar offerings and that the transaction is in the long-term best interests of WFS shareholders.
- Major Acquisitions and Divestitures:** the Board will review and approve all material transactions to ensure they are consistent with the Strategic Plan, that sufficient independent information is available to assess transaction value, that sufficient due diligence has been conducted to fairly assess and mitigate the risks, and that the transaction is overall in the long-term best interests of WFS shareholders.

- i) **Oversight of Corporate Culture:** the Board has a duty to foster and nurture the unique WFS culture of innovation, entrepreneurship, integrity and discipline that has been the foundation of our long-term success. Primary responsibility for this has been delegated to the HRC Committee.
- j) **Diversity and Inclusion:** the Board recognizes the importance of a diverse, inclusive workforce which values individual difference and supports diversity and inclusion within every level of the organization. Responsibility for the diversity of directors has been delegated to the NCG Committee and responsibility for oversight of executive and workforce diversity and inclusion programs has been delegated to the HRC Committee.
- k) **Executive Compensation:** the Board is responsible for establishing and overseeing the operation of an executive compensation program that aligns Executive Management incentives with the Strategic Plan and the long-term interests of shareholders, and that meets the objectives of attracting, retaining, and motivating skilled and experienced executive leadership. The Board has delegated to the HRC Committee the primary responsibility for developing and overseeing the operation of the executive compensation program and in particular for making recommendations on CEO compensation and make recommendations on other Executive Management compensation programs to the Independent Directors for approval.
- l) **Sustainability and ESG:** The Board is committed to nurturing and fostering WFS's long-term and ongoing commitment to environmental stewardship and sustainability for the creation of long-term shareholder value. The Board oversees WFS's approach to ESG related matters, including climate strategy and associated risks and opportunities, the adequacy of management systems to identify and manage ESG related risks and opportunities, adoption of appropriate ESG standards, tracking and monitoring of WFS's ESG performance, and ESG performance disclosure. The Audit Committee has primary responsibility for oversight over the adequacy and effectiveness of the reporting systems and related internal controls developed and implemented by management in connection with disclosures relating to ESG matters and other non-financial data included in WFS ESG Reports.
- m) **Legal and Regulatory Compliance:** The Board is responsible for overseeing WFS's compliance with all applicable laws and regulations. The Board is also committed to fostering and nurturing WFS's ongoing commitment to the highest ethical standards and promoting a culture of integrity and ethical business conduct throughout WFS. WFS's Code of Conduct (a copy of which is available on WFS's website) reflects its commitment to a culture of honesty, integrity, and accountability and outlines the Board's and Executive Management's expectations for ethical behavior. The Board shall take such actions as it deems necessary to satisfy itself, to the extent feasible, as to the creation and fostering by the CEO and other members of Executive Management of a culture of integrity and legal and ethical business conduct throughout WFS. Where appropriate, specific responsibilities may be delegated to one or more of the committees of the Board in this regard.

9.0 DUTIES OF DIRECTORS

The fundamental responsibility of the Directors is to promote the long-term best interests of WFS and its shareholders generally, and to explicitly not have a duty to individual shareholders, employees, creditors, or other stakeholders except in exceptional circumstances and with full transparency and disclosure.

All Directors have both fiduciary and statutory duties and responsibilities defined by law and by good governance practices. Each Director of WFS, in exercising his or her powers and discharging his or her duties, is required by law to: (i) act honestly and in good faith with a view to the long-term best interests of WFS; and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. This Charter is by no means an exhaustive list of such duties and responsibilities.

Fiduciary duties are those that arise from the nature of the relationship of trust and confidence between Directors, WFS and its shareholders. The term "fiduciary" implies integrity and undivided loyalty. For example, Directors must avoid conflicts of interest and even the appearance of a conflict of interest. Directors must maintain strict confidentiality about all WFS matters. Decisions must be made in good faith and with the long-term interests of WFS and its shareholders in mind.

In order to effectively fulfill their duties, all Directors need to satisfy themselves that they have sufficient information to enable them to make knowledgeable decisions on all matters coming before the Board. It is the responsibility of each Director to ask such questions as may be necessary to reach an informed decision. Directors should be familiar at all times with the complex business and affairs of WFS and have a solid understanding of the strategic plan and the financial condition of WFS.

Directors are entitled to rely in good faith on the financial statements of WFS which are represented to them by an officer of WFS or in a written report of the External Auditor of WFS as fairly reflecting the financial condition of WFS, and on opinions or reports of independent professional advisors.

In order to fulfill their fiduciary duties to WFS and its shareholders, each Director must devote sufficient time and energy to preparation for and attendance at meetings of the Board and committees on which they serve and should: (i) prepare for and strive to attend all meetings of the Board and committees on which they serve, but in any event no less than 80% of such meetings; (ii) be sufficiently informed about the current and proposed activities of WFS; (iii) review the minutes of any meeting not attended as well as any resolutions passed or actions taken; (iv) review the minutes of the previous meeting of the Board and committees on which they serve to determine that they accurately represent the discussions that took place and the resolutions that were passed; and (v) be especially attentive to specific aspects of WFS's activities according to their own experience and occupation.

10.0 CONFLICTS OF INTEREST

A Director who is a party to a material contract or proposed material contract with WFS, or who is a director or officer of or has a material interest in any person who is a party to a material contract or proposed material contract with WFS, must disclose this interest in writing to the Board Chair at or before any meeting of the Board where this issue is considered by the other Directors. The nature and intent of this conflicting interest will be noted in the minutes of the meeting.

If the Director acquires an interest after a contract is made, he or she must disclose their interest at the first meeting of the Board after they became so interested. If a person who has an interest in a contract later becomes a Director of WFS, they must disclose their interest at the first meeting of the Board after they became a Director.

Where a proposed contract is addressed by a written resolution signed by all Directors in lieu of a meeting of the Board, the disclosure must be made immediately upon receipt of the resolution or, if the Director had no interest at the time of receipt of the resolution, at the first meeting of the Board after he or she acquired the interest.

A Director who discloses a conflict of interest must refrain from taking part in any discussions or voting on any resolution to approve the contract.

If a significant and persistent conflict exists which cannot be resolved, the Director should immediately submit his or her resignation to the Board Chair for consideration by the Board.

Directors of WFS have an obligation to maintain the confidentiality of all matters discussed at meetings of the Board unless:

- a) It was clearly understood at the Board meeting that the information was not required to be kept in confidence;
- b) The Director was required or authorized by law to disclose the information (and then only following having used all reasonable efforts to have given sufficient advance notice of such disclosure to allow WFS to seek a protective order);
- c) The Director was authorized expressly or implicitly by the Board to make disclosure of the information; or
- d) The information was previously disclosed publicly by a party that was not under a duty of confidentiality with respect to such disclosed information.

Directors must not misuse their position or make improper use of information acquired by virtue of their position to gain, directly or indirectly, an advantage for themselves or any other person or to cause detriment to WFS.

11.0 CORPORATE OPPORTUNITY

Directors are precluded from obtaining for themselves or diverting to another person or corporation with whom or with which they are associated, without the approval of the Board, any property or business advantage either belonging to WFS, for which it has been negotiating, or which is otherwise in line with the general business pursuits of WFS.

Each Director is also precluded from so acting even after their resignation where the resignation may fairly be said to have been prompted or influenced by a wish to acquire for themselves the opportunity sought by WFS, or where it was their position with WFS that led to the opportunity.

A Director may not use his or her position as a Director to make a profit on any transaction even if it was not open to WFS to participate in the transaction.

12.0 SECURITIES TRADING AND INSIDER REPORTING

Directors are insiders of WFS and, as such, must not use any material information to trade in securities or to assist others to trade in securities before the information is available to the public. Directors are required to comply with WFS's Trading Policy (including the blackout periods and any required clearances for trading instituted under that policy) and all applicable laws.

13.0 ACCESS TO MANAGEMENT

Directors will gain regular exposure to members of Executive Management at both formal Board meetings and in more informal settings such as Board dinners and strategic retreats. Any Director may, should they desire, consult with any member of management on an as-needed basis if they deem such a meeting or conversation necessary in carrying out their responsibilities and duties as Directors. Without restricting this right in any way, Directors will ensure that they will maintain the clear distinction between Board oversight functions and the responsibilities and duties of Executive Management and as such will not interfere with or usurp management responsibility and authority.

14.0 FINANCIAL STATEMENTS

The Board has a duty to approve the annual financial statements of WFS and to submit the financial statements of WFS for the preceding year, together with the External Auditors' report thereon, to the shareholders at the annual general meeting of the shareholders of WFS.

The Board has delegated to the Audit Committee the primary responsibility to review and approve the quarterly financial statements and management discussion and analysis of WFS. The Audit Committee additionally has the primary responsibility

to review and to recommend for Board approval the annual financial statements and management discussion and analysis of WFS. The Audit Committee is responsible for satisfying itself that management has developed and implemented appropriate programs and policies to provide assurance that all financial disclosures are in compliance with applicable regulatory requirements, provided that the Board as a whole shall in all cases approve the annual financial statements of WFS.

15.0 SHAREHOLDER MEETINGS

The Board is required to call the annual general meeting of the shareholders within the periods required by applicable law and the applicable rules of the TSX and NASDAQ stock exchanges and may, at any time, call a special meeting of shareholders. The Board has a duty to call a special meeting of the shareholders to approve any matter that requires the approval of shareholders by special resolution.

16.0 DIRECTOR COMPENSATION

The HRC Committee shall recommend for discussion and Board approval levels and forms of compensation for Directors, and shall work to ensure that such compensation realistically reflects the responsibilities and risk in being an effective WFS Director. In establishing such recommendation the HRC Committee will consider the following objectives:

- Directors should be competitively compensated in relation to Directors of companies of similar size, complexity, geographic scope and other relevant measures;
- Director compensation should align the interests of non-employee Directors with those of WFS shareholders by including a long term equity component, noting that the Board has adopted a compensation policy that excludes stock options for Directors; and
- Compensation should recognize the extra work and responsibility taken on by Board Chair, Committee Chairs and members of committees.

Notwithstanding any of the above, Directors who are also members of management or who are otherwise compensated by WFS will not receive additional compensation for serving on the Board in any capacity.

WFS will reimburse Directors for all reasonable expenses incurred in attending meetings or otherwise acting on WFS business, pursuant to WFS's Expense Reimbursement Policy.

17.0 DIRECTORS' SHAREHOLDINGS

In an effort to better align the interests of the Director with the common shareholders of WFS, each non-employee Director is required to hold a minimum of the number of WFS shares, or equity compensation grants exercisable for a number of shares, having a value equivalent to five times their cash annual retainer as of the date the Director was initially elected to the Board. New Directors will have a five year grace period in order to meet this expectation. Once the established minimum standard has been met, so long as the Director holds that number of shares or awards exercisable for such number of shares, there is no obligation to "top up" if the value of that position falls below five times the annual cash retainer.

18.0 LOANS AND OTHER FINANCIAL TRANSACTIONS WITH DIRECTORS AND EXECUTIVE MANAGEMENT

WFS shall be prohibited from making any loans to any of its Directors or Executive Management. For clarity, this prohibition is not meant to cover incidental instances where a Director or Executive Management may be in a position requiring repayment of expenses or taxes in the normal course of business, or employee payroll deductions.

WFS has adopted an Anti-Hedging Policy that prohibits Executive Management and Directors from personally trading in WFS derivatives including hedging and monetization schemes involving WFS shares. Directors shall comply at all times with WFS's Anti-Hedging Policy.

19.0 OTHER BOARD MEMBERSHIPS

Unless approved by the Board Chair:

- the CEO and other Executive Management are prohibited from accepting directorships of another public company;
- Directors will not sit on the Boards of more than four public companies;
- three or more WFS Directors are prohibited from sitting on another public company's board of directors together; and
- the CEO and Board Chair will also not accept a position on the board of a company whose CEO is a WFS Director.

20.0 ANNUAL REVIEW OF CHARTER

The NCG Committee shall annually review this Charter to ensure it is sufficient for assisting the Board in the exercise of its responsibilities in light of evolving circumstances and legal and regulatory requirements and with consideration having been given to best corporate governance practices, and shall recommend modifications to the Board as appropriate.

21.0 DIRECTOR ORIENTATION

The NCG Committee shall oversee a director orientation program developed by Executive Management to familiarize new WFS Directors with the role of the Board and its committees and WFS's Strategic Plan, financial condition, core values including ethics, corporate governance practices, and other key policies and practices through a review of background material, meetings with management, and visits to facilities as appropriate. All new WFS Directors must participate in the director orientation program, which shall generally commence promptly after the meeting at which the new WFS Director is elected. The Board Chair or NCG Committee Chair shall participate in the director orientation.

The Board also recognizes the importance of continuing education for its Directors and is committed to promoting such education in order to improve both Board and Committee performance in the exercise of their responsibilities, and has delegated primary responsibility for this to the NCG Committee. The NCG Committee shall make recommendations to the WFS Directors about their continuing education on subjects that would assist them in the exercise of their responsibilities. Continuing education may be provided in a variety of different forms, including through external or internal education programs as appropriate.

22.0 COMMITTEES

From time to time, the Board may establish new committees or disband a current committee in light of evolving circumstances and legal and regulatory requirements and with consideration having been given to best corporate governance practices. These committees will report directly to the Board regarding committee activities, issues and related recommendations.

The NCG Committee, working with the Board Chair, is responsible for recommending the assignment of Directors to the various committees, giving consideration to committee composition and requirements. Generally, the Board at its first meeting after the annual meeting of shareholders appoints the members of each Committee. The Board shall give consideration to the periodic rotation of committee membership as well as of the respective committee chairs (as part of the annual committee and chair appointment process or at such other times as the Board Chair sees fit).

Each committee will perform an annual evaluation of its performance, including a review of its compliance with its committee charter as applicable, and the results of the committee's review shall be presented to the Board. The purpose of such review is to increase the overall effectiveness of the committee. On an annual basis, each of the standing Committees shall review its Charter and present any recommended modifications to the Board for approval.

The NCG Committee, working with the Board Chair, performs an annual evaluation and review of the performance of the Board, its committees, and the Board Chair. The results of the evaluation and recommended improvements shall be presented to the Board. The qualifications and performance of all Board members shall be considered in connection with renomination and committee assignments.

