
REVIEWED AND ACCEPTED BY THE BOARD OF DIRECTORS ON MARCH 14, 2017

1.0 NOTICE

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

2.0 PURPOSE

This Policy outlines the trading obligations of Board members, Board advisors, officers and employees of WFS, and providers of service to WFS. Generally, a Board member, a Board advisor, an officer or an employee of WFS, or provider of service to WFS, who knows of material non-public information about WFS may not trade in securities of the Corporation and may not use or disclose the information until the information is publicly known. In addition to this general policy, to reduce potential exposure for liability under securities laws, Board members, Board advisors, officers and certain employees of WFS must not trade in the Corporation's securities during the "Blackout Periods" described in this Policy.

3.0 SCOPE

Violations of insider trading laws carry severe consequences for both WFS and the individuals involved. Therefore, all Board members, Board advisors, officers and employees of WFS and providers of service to WFS must comply with this Policy.

4.0 DISCLOSURE OF CORPORATION INFORMATION

All Board members, Board advisors, officers and employees of WFS and providers of service to WFS should assume that all information about WFS is confidential unless told otherwise. Under securities laws, all material information concerning WFS, favourable or otherwise, is required to be released to the public as soon as it is known to WFS. Disclosure cannot be made to select outside parties before broad public disclosure is made. All readers of this Policy should refer to Westport Fuel Systems Inc.'s Investor Relations Disclosure Policy for the full text of WFS's policy on the disclosure of information. Any Board member, Board advisor, officer or employee of WFS privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Outside parties to whom this information is made known should be told that they must not divulge such information other than in the necessary course of business, and may not trade in WFS securities until the information is publicly disclosed.

4.1 Definition of Material Nonpublic Information

Material non-public information is information that has not been publicly released by WFS that is likely to be considered important by an investor when making an investment decision about the Corporation.

While it may be difficult under this standard to determine whether particular non-public information is material, there are various categories of information that are particularly sensitive and as a general rule, should always be considered potentially material. When in doubt, please consult with any one of the Corporation's Chief Financial Officer, Corporate Counsel, or Investor Relations Lead.

5.0 TRADING IN SECURITIES OF THE CORPORATION

5.1 Insider Trading

5.1.1 RULES AGAINST INSIDER TRADING AND TIPPING

Under applicable securities laws, a person in a "special relationship" with WFS (see the following section of this Policy) may not trade in securities of the Corporation if that person knows material information about WFS which has not been fully disclosed to the public or a reasonable period of time for dissemination of the information has not passed. Otherwise, he or she may be liable to compensate the seller or purchaser of the securities, as the case may be, for damages resulting from the trade. A "trade" includes a purchase or sale of securities, an offer or solicitation to purchase or sell securities or an exercise of an option, warrant or other convertible security.

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

5.1.2 DEFINITION OF "SPECIAL RELATIONSHIP"

All Board members, Board advisors, officers and employees of WFS and providers of service to WFS, in each instance, are in a special relationship with WFS, as are former Board members, Board advisors, officers and employees who acquired material non-public information while in office. In addition, anyone who acquires material non-public information from a person in a special relationship with WFS, such as a partner, spouse, relative, or anyone living under the same roof of such person, is deemed to be in a special relationship with WFS if they knew or reasonably ought to have known that the party providing them with material non-public information was in a special relationship with WFS.

5.1.3 RULE AS IT APPLIES TO OTHER CORPORATIONS

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

5.1.4 WHEN INFORMATION BECOMES PUBLIC

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

5.1.5 BLACKOUT PERIODS

To clarify for WFS and its Board members, Board advisors, officers and employees and providers of service to WFS who have access to material information, such as financial results, and to ensure that material information is broadly disseminated to the investment community, WFS has established "Blackout Periods" where such individuals may not trade in securities of the Corporation. The "Blackout Periods" are:

- a) for financial results, the period beginning on the fifth business day of the month following the end of a quarter and ending immediately following the public disclosure of the financial results for the previous quarter by news release. This Blackout Period applies to all Board members, Board advisors, senior leadership, finance and accounting staff, investor relations staff, corporate communications staff and all WFS employees or providers of service who were aware of the financial results prior to the date of their release;
- b) for all other news releases, Blackout Periods apply to all Board members, Board advisors, and all WFS employees who were aware of the information described in the news release prior to the date of such release until immediately following public disclosure of the announcement; or
- c) for offerings, for directors and officers only, for the period from one business day prior to the determination of the offering price until the closing of the offering, unless, if the director or officer is buying shares and the total amount of purchases by all directors and officers in this period is less than 2% of worldwide average daily trading volume during the two calendar months immediately preceding the beginning of the period, or any consecutive 60 calendar days ending within the 10 calendar days preceding the beginning of the period; or
- d) any other time and for any length of time as deemed necessary by the Corporation's Chief Financial Officer, after consultation with the Corporation's Chief Executive Officer or Investor Relations Lead, and the Corporation's Corporate Counsel.

In order to avoid trading during a Blackout Period, WFS officers, Board members, and Board advisors are required to contact one of the Corporation's Corporate Counsel, Chief Financial Officer or Investor Relations Lead for clearance before they trade any of the Corporation's securities.

6.0 INSIDER TRADING REPORTING

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

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

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

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

7.0 LIABILITY AND PENALTIES

Severe penalties under securities laws apply to Board members, Board advisors, officers and employees of WFS and providers of service to WFS who trade in securities of the Corporation using material information about WFS that has not been publicly disclosed or who "tip" others who are not authorized to receive it and who may use it for the purpose of trading. A Board member, Board advisor, officer or employee of WFS, or provider of service to WFS, who is convicted of contravening the securities laws in this regard is liable for a fine of not less than the profit made or loss avoided by all persons by reason of contravention and not more than the greater of:

- a) a fine of up to \$5 million; and
- b) an amount equal to triple any profit made by all persons as a result of the breach.

In addition, such person may be liable under the Criminal Code (Canada) to imprisonment for a term of up to ten years for insider trading and up to five years for tipping.

Parties who breach securities law may furthermore be liable in any civil action as a result of or consequence of the breach. In addition to any such penalties, any Board member, Board advisor, officer or employee of WFS, or providers of service to WFS, may also be required to compensate any and all persons for their losses resulting from their sale or purchase of securities of the Corporation on the basis of the illegal trading or tipping activities of the Board member, Board advisor, officer or employee.