

REVIEWED AND ACCEPTED BY THE BOARD OF DIRECTORS ON NOVEMBER 9, 2018

1.0 PURPOSE

Westport Fuel Systems Inc. (“Westport”) is committed to the prevention of corruption and bribery in the conduct of its global business, and to the strict adherence to the applicable anti-bribery laws and regulations of the local jurisdictions in which it operates. Westport is further committed to acting in a clear and ethical manner, securing business through fair, honest and open competition in the marketplace. Westport is intolerant of bribery or any other form of corruption.

The purpose of these Anti-Corruption and Prevention of Bribery Principles is to ensure that the requirements and prohibitions for all Covered Persons with respect to corruption and bribery are clearly stated.

2.0 SCOPE

These Anti-Corruption and Prevention of Bribery Principles apply to all affiliates of Westport and includes all officers, directors, employees, and third-party representatives (third-party agents, representatives, consultants, contractors, distributors, suppliers or intermediaries) who perform services for or on behalf of Westport and its affiliates (the “**Company**”) and those who represent the Company’s interests in any joint ventures in those jurisdictions (collectively “**Covered Persons**”).

The provisions of these Anti-Corruption and Prevention of Bribery Principles are intended to be primary. In the event of a conflict, these Anti-Corruption and Prevention of Bribery Principles will take precedence.

3.0 TERMS AND DEFINITIONS

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

“**Company**” - Westport Fuel Systems Inc. and its affiliates.

“**Covered Person**” - Includes all officers, directors, employees, and Third-Party Representatives who perform services for or on behalf of the Company.

4.0 POLICY OVERVIEW

4.1 Requirement

All Covered Persons must comply with these Anti-Corruption and Prevention of Bribery Principles and all applicable anti-bribery laws and regulations of the local jurisdictions in which the Company operates.

4.2 Affiliates of Westport Fuel Systems

All affiliates of Westport must:

- implement a policy incorporating these Anti-Corruption and Prevention of Bribery Principles;

- clearly stipulate the applicable anti-bribery laws and regulations of the jurisdiction in which they operate; and
- ensure compliance with these Anti-Corruption and Prevention of Bribery Principles and local laws and regulations.

The policies of affiliates must be approved as a WFS Corporate Policy and once approved, will form part of this policy.

4.3 Prohibitions

The following are strictly prohibited and are not acceptable behavior for Covered Persons:

- Accepting money, gifts or other benefits (including those without monetary value) from customers, suppliers and others to influence your decision.
- The giving of gifts, favours, personal advantages, loans or benefits of any kind to current or potential suppliers, customers, partners or government agencies or their employees (including political parties), other than gifts of nominal value with the normal exchange of hospitality between persons doing business together or exchanged as part of protocol.
- Taking of, or giving of bribes (including those without monetary value), and includes an offer or promise to pay a bribe.
- Utilizing the services of a third party (e.g., an agent or representative) to bribe a government or public official (including political parties), customer, supplier or partner indirectly, or to pay, offer or promise to pay anything of value to a third party.
- Kickbacks of any part of a payment under a contract to an employee, agent or representative of another contracting party, including a ministry, department or other agency of a government, or to any person related to or designated by an employee, agent or representative of another contracting party.
- Excessive or otherwise unreasonable hospitality or entertainment for a public or government official (including political parties), customer, supplier or partner that could reasonably raise a concern that the recipient might use his or her official position or influence to provide any improper advantage to the Company.

Regardless of the customs of a particular country, all Covered Persons must be careful to strictly follow these Anti-Corruption and Prevention of Bribery Principles, Company standards and local laws regarding anti-corruption and the prevention of bribery when conducting Company business.

4.4 Contracts With Government Officials Or Entities

Prior to engaging or contracting with any foreign government official (at any level of the organization), government entity, agency, department or instrumentality thereof, state-owned entity, public international organization, or an entity where a foreign government official is an officer, director, or owner, the contract must be reviewed by the Legal Department for any potential anti-corruption issues. The Legal Department, with support from Supply Chain, will conduct an appropriate due diligence review of the contracting party's background, reputation, and business capability. The Legal Department will also propose appropriate contractual safeguards, including appropriate anti-corruption and bribery reps and warranties.

4.5 Mergers, Acquisitions, and Joint Ventures

Before entering into any merger, acquisition, or joint venture agreement, the Legal Department shall oversee a due diligence inquiry. The Legal Department shall ensure that merger or acquisition counterparties have abided by and agree to abide by anti-bribery laws regardless of whether those counterparties are subject to these laws. Any merger, acquisition, or joint venture agreement shall contain appropriate contractual safeguards, including that the counterparties agree to abide by these Anti-Corruption and Prevention of Bribery Principles.

4.6 Penalties

Any Covered Person who violates this Policy is subject to discipline, up to and including termination. Covered Persons may also be subject to penalties under applicable anti-bribery laws including severe fines, potential imprisonment, and other penalties.

5.0 POLICY ENFORCEMENT

5.1 Who to Contact

Corruption issues are often not black and white. Determining when a payment, gift, or business promotion is permissible under these Anti-Corruption and Prevention of Bribery Principles can involve difficult legal questions and an analysis that depend on the facts of a particular case. Where a Covered Person is unsure whether certain conduct may violate these Anti-Corruption and Prevention of Bribery Principles, he or she must seek prior guidance from either the Legal Department or the Internal Audit Department before taking any further action.

5.2 Training

It is up to the Covered Person to ensure that he or she understands and follows this Anti-Corruption and Prevention of Bribery Principles. To support this, the Company will provide training to personnel on an annual basis which may include in-person classroom training and online training.

The Legal Department may require that certain joint venture partners or third-party representatives also receive anti-corruption training. The Legal Department may also require that certain Covered Persons receive additional, specialized training because of the nature of their role and responsibilities on behalf of the Company. At any time, a Covered Person may request training from the Legal Department.

5.3 Reporting Violations

Violations or suspected violations of this Policy must be promptly reported:

1. To the Legal Department:

By Telephone: Corporate Counsel – +1 (604) 718-2000

By Email: legal@wfsinc.com

2. Or through the Ethics/Whistleblower Hotline:

By Telephone: Ethics Hotline: +1(855) 227-0663

Online: westport.ethicspoint.com

This includes reporting any indications that a payment, transaction, or contract or a proposed payment, transaction, or contract may be contrary to this Policy. The report should specifically identify what is concerning about the payment, transaction, or contract.

Failure to observe this reporting requirement is a violation of the Policy and, as in the case of any other breach of this Policy, can result in disciplinary action up to and including termination of employment.

It is the Company's policy to investigate all reported violations. The Company will not tolerate any form of retaliation or detrimental personnel action against anyone reporting a potential violation in good faith or with reasonable grounds for suspicion or concern. All Covered Persons are required to cooperate in any investigation conducted under this Policy.

5.4 Periodic Audits

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