

NASDAQ Corporate Governance

Westport's common shares are listed on The NASDAQ Global Market of The NASDAQ Stock Exchange, LLC ("NASDAQ"). Marketplace Rule 4350(a)(1) of the NASDAQ Stock Market Rules (the "Rules") allows a foreign private issuer to follow its home country practice in lieu of certain requirements of Rule 4350. A company seeking to rely on Rule 4350(a)(1) is required to provide a written statement from independent counsel in the company's home country that the non-complying practice is not prohibited by home country law and disclose either (i) in its initial public offering registration statement and then in its annual reports filed with the Securities and Exchange Commission, or (ii) on its website each requirement of Rule 4350 that it does not follow and describe the home country practice followed by the company in lieu of such requirements. Below is a description of the significant ways in which Westport's governance practices differ from those followed by U.S. domestic companies under Rule 4350:

1. Rule 4350(c)(4)(A) requires that a listed company have director nominees selected or recommended by a majority of the company's independent directors or by a nominations committee comprised solely of independent directors. Westport's Nominating and Corporate Governance Committee Charter provides that a minimum of a majority of directors on the Nominating and Corporate Governance Committee shall be outside (non-management) and independent directors.
2. Rule 4350(f) requires that each listed company provide for a quorum for any meeting of the holders of the company's common stock that is not less than 33 1/3% of the listed company's outstanding shares of common stock. Westport's bylaws provide for a quorum of at least two persons present in person, being either shareholders entitled to vote at the meeting or duly appointed proxies or representatives for absent shareholders entitled to vote at the meeting, and representing in the aggregate not less than 5% of the outstanding shares of common stock entitled to vote at the meeting.

The foregoing governance practices are in compliance with the laws applicable to Westport, and consistent with customs and practices, in Canada.