

**POSITION DESCRIPTIONS, ASSESSING BOARD, COMMITTEE AND INDIVIDUAL DIRECTOR
PERFORMANCE, AND RE-ELECTION OF DIRECTORS**

Position Descriptions:

1. Chairman of the Board

- a. Provides leadership to enhance Board effectiveness and is explicitly accountable for working to ensure that the Board carries out its responsibilities effectively. This involves working to ensure the following:
 - i. that the responsibilities of the Board, as outlined in Westport’s Board Charter, Committee Charters and the Position Descriptions, are well understood by both the Board and Management and that the boundaries between Board and Management responsibilities are clearly understood and respected;
 - ii. that the Board works as a cohesive team and providing the leadership essential to achieve this;
 - iii. that the resources available to the Board (in particular timely and relevant information, as will be emphasized below) are adequate to support its work;
 - iv. that a process is in place by which the effectiveness of the Board and its Committees is assessed on a regular basis; and
 - v. that a process is in place by which the contribution of individual Directors to the effectiveness of the Board and Committees is assessed on a regular basis.
- b. Thinks, acts and votes independently from the CEO and other members of Management.
- c. Works to ensure that relationships between the Board and Management are conducted in a professional and constructive manner.
- d. Serves as the “hub” of all Board activity and provides effective Board leadership, overseeing all aspects of its direction and administration and working to ensure that Westport’s Board of Directors is building a healthy corporate governance culture.
- e. Working to ensure the Board’s discharge of its principal areas of responsibilities as articulated in the Board Charter.

- f. Adopts procedures designed to ensure that the Board can conduct its work effectively and efficiently, including Committee structure and composition, agenda setting, scheduling and management of meetings.
- g. Schedules, in consultation with Committee Chairmen, the Corporate Secretary and the CEO, Board and Committee meetings.
- h. Sets, in consultation with the CEO, other Committee Chairmen, the Corporate Secretary and other Directors, the agenda for Board of Director meetings, Audit Committee Meetings and Nominating and Corporate Governance Committee meetings.
- i. Oversees the Charter, structure, membership and composition of Committees and the work delegated to such Committees.
- j. Evaluates the CEO's performance and meets with the Chairman of the Human Resources and Compensation Committee and the CEO to discuss the evaluation.
- k. Recruits, in conjunction with the Nominating and Corporate Governance Committee members and with regard to those factors for such recommendation outlined in such committee's charter, prospective Directors and recommends such candidates for membership to the full Board.
- l. Sets the agenda for and chairs the Directors' annual governance and strategic planning retreat.
- m. Allots sufficient time during Board meetings for serious discussion of agenda items and relevant issues of importance to Directors.
- n. Encourages outside Directors to ask questions and express viewpoints during Board meetings.
- o. Deals effectively with dissent and works constructively towards achieving consensus and arriving at decisions.
- p. Facilitates effective communication between outside Directors and Management, both inside and outside of Board meetings.
- q. Works to ensure, in cooperation with the Corporate Secretary, that Directors are receiving information from Management that is high in quality, in the appropriate quantity, timely and in a convenient format.
- r. Has an effective working relationship with the CEO.
- s. Works with and assists the CEO in representing Westport Innovations Inc. to its external stakeholders, such as shareholders, investors, strategic partners, creditors, customers, suppliers, the media, governments and the public generally.

- t. Recommends to the Board the appointment of the Corporate Secretary for discussion and approval, and administers the Corporate Secretary's annual performance assessment.
- u. Monitors and periodically suggests amendments to the position descriptions for the Board Chair, CEO, Committee Chairs, Individual Directors, and the Corporate Secretary.
- v. Oversees the administration of the annual Board, Committee and Director assessments.
- w. Participates in the orientation of new and continuing education of current Directors.
- x. Retains expert consultants on behalf of the Board when needed.
- y. Responds to potential conflict of interest situations.
- z. Regularly leads revisions to, subject to Nominating and Corporate Governance Committee and Board approval, Westport's Board and Committee Charters.

2. Committee Chairs

- a. Provides effective Committee leadership, overseeing all aspects of its direction and administration in fulfilling its Charter.
- b. Oversees the Charter, structure, composition, membership and activities delegated to the Committee.
- c. Reports the results of each Committee meeting to the next Board meeting and works to ensure that Committee minutes are available to each Director.
- d. Schedules Committee meetings in consultation with the Board Chair, other Committee members, the CEO and appropriate members of Management.
- e. Sets the agenda for Committee meetings in consultation with the Board Chair, other Committee members, the CEO, and appropriate members of Management.
- f. Chairs all Committee meetings.
- g. Communicates with appropriate members of Management in fulfilling the Charter of the Committee.
- h. Works to ensure that Committee members are receiving written information and are exposed to presentations from Management consistent with fulfilling the Charter of the Committee.
- i. Allots sufficient time during Committee meetings to discuss fully agenda items of relevance and importance to Directors.
- j. Retains, in consultation with the Board Chair, expert consultants on behalf of the Committee when needed.
- k. Oversees the assessment of the performance of the Committee annually.

3. Individual Directors

- a. Contributes to fulfilling the responsibilities of the Board of Directors as outlined in the Westport Board Charter.
- b. Attends all Board and Committee meetings of which the Director is a member, the Annual General Meeting and the Directors' annual governance and strategic planning retreat.
- c. Prepares fully for all Board and Committee meetings of which the Director is a member.
- d. Contributes knowledgeably and meaningfully to Board and Committee deliberations, inside and outside of meetings.
- e. Possesses skills of financial literacy.
- f. Possesses an ability to think strategically.
- g. Possesses many of the characteristics and competencies identified of Westport Directors.
- h. Listens carefully and applies his or her skills, experience and knowledge effectively to strategic issues facing Westport.
- i. Asks appropriate questions of Management so as to add value and encourage discussion of key issues.
- j. Understands the difference between governance responsibilities and day-to-day management.
- k. Makes him/herself available when needed.
- l. Works effectively and constructively with Board colleagues and with Management and is a team player.
- m. Demonstrates integrity and high ethical standards.

4. Chief Executive Officer

- a. Manages the business and affairs of Westport within the guidelines established by the Board.
- b. Develops and recommends to the Board strategies for Westport that result in the maximization of shareholder value.
- c. Develops and recommends to the Board business plans, operational requirements, organizational structure, staffing and budgets that support such strategies.
- d. Implements said strategies after Board approval and reports to the Board in a timely manner on deviations of such strategies from the parameters established by the Board.
- e. Directs and monitors the activities and resources of Westport consistent with the strategic direction, financial limits and operating objectives adopted by the Board.
- f. Works to ensure, in cooperation with the Board, that Westport has an effective senior Management team below the level of the CEO, that the Board has regular exposure to such persons, and that there exists an effective plan of succession and development for the CEO and senior Management.
- g. Meets regularly with the Chair and other Directors to ensure that these responsibilities are being fully complied with and that Directors are being provided with information necessary so as to fulfill their responsibilities and statutory obligations.
- h. Serves as the external spokesperson for Westport Innovations Inc., including managing relations effectively with stakeholders such as shareholders, investors, strategic partners, creditors, customers, suppliers, the media, governments and the public generally.
- i. Sets the ethical tone for Westport, including directly overseeing the administration and implementation of, and the compliance with, the Westport Employee Handbook and Code of Business Conduct.

5. Corporate Secretary

- a. Provides a positive influence on the independence of the Board by providing resources, information and communication links among the Board, Management and Shareholders, with particular emphasis on facilitating the flow of information.
- b. Reports, in his/her capacity as Corporate Secretary, to the Board Chair, who in turn shall approve the appointment of the Corporate Secretary, shall recommend to the Board the formal position description for the Corporate Secretary for discussion and approval, and shall be responsible for the Corporate Secretary's annual performance assessment.
- c. Has a productive relationship with the Chairman of the Board
- d. Serves the Nominating and Corporate Governance Committee as a source of expertise and advice on new developments in corporate governance and best practices that are being employed in other corporations.
- e. Attends all Board of Director meetings, Committee meetings where possible, Annual General Meetings and meetings of shareholders and acts as Corporate Secretary at such meetings or appoints a delegate when this is not possible.
- f. Reports to the Board Chair and services all Board of Director meetings, Committee meetings, Annual General Meetings and meetings of shareholders in accordance with procedures agreed upon by the Board, including the following: preparation and distribution of the following: notices of meetings; agendas of meetings; minutes of meetings; certification of resolutions and details of decisions made; information circulars; proxy material; share issuances and transfers; maintenance of shareholder records and lists; and any supporting documentation as instructed by Directors or required by law.
- g. Works to ensure proper and timely documentary filings and fulfillment of disclosure requirements to statutory authorities under applicable legislation, including working with Westport's external counsel when necessary.
- h. Maintains Westport's books and records and ensures the security and application of the corporate seal.

Assessing the Performance of the Westport Board of Directors and its Committees:

The Nominating and Corporate Governance Committee, as part of its Charter, is responsible for administering Board and Committee Assessments on an annual basis. The purpose of such assessments is to increase overall corporate governance effectiveness of the Westport Board of Directors. In preparing these assessments, the Nominating and Corporate Governance Committee, in its discretion, shall develop and administer questionnaires to each Director, provide feedback as appropriate, and report to the Board on the results of Board and Committee Assessments.

The Board Assessment is designed to measure the effectiveness of the Westport Board at fulfilling its five areas of responsibility: fiduciary, strategic, Management oversight, external and internal. Other criteria measured shall include: Board operation and process; quality of Board discussions and decision-making effectiveness; agenda-setting; quality, quantity, timeliness and format of information provided by Management; the Board's relationship with the CEO; the quality of Management presentations; Chair effectiveness; overall Board effectiveness; and the open-ended identification by Westport Directors of governance areas where improvement is warranted.

The Committee Assessments are designed to measure the effectiveness of the three standing Committees of the Westport Board in respect of their Charter, structure, composition, membership and work delegated to them. Other criteria measured shall include: quality of reporting and minutes provided to the Board by the Committee; whether Directors feel that their talents and skills are being effectively utilized by the Committee; performance of the Chairman of the Committee; and as well as several of the criteria mentioned immediately above in the context of the Board Assessment, as applied to the Committee in question.

Assessing the Performance of the Individual Directors:

The Nominating and Corporate Governance Committee, as part of its Charter, is also responsible for administering Director Assessments on an annual basis. Also termed "peer" Assessments, these evaluations are designed to measure the contribution of individual Westport Directors on a number of performance dimensions.

The precise format that the Director Assessment will take shall be within the sole discretion of the Nominating and Corporate Governance Committee. Criteria assessed shall include: quality of Director contribution to Westport Board and Committee deliberations; applying the Director's skills, knowledge, and experience to strategic issues facing Westport; financial literacy; ethics and the fiduciary role; preparedness and attendance; knowing the distinction between governance and management; being a team player and encouraging contribution from other Directors; an ability to listen and communicate effectively; and the overall quality of contribution by the Director to the functioning of the Westport Board.

The content and procedure of the Director Assessment shall be made known to Director candidates before they join the Westport Board.

Terms of Service and Re-Election of Directors:

Directors are elected for a term of one year and may be re-elected at the next Annual General Meeting of Westport. Whether a Director stands for re-election each following year at the AGM should, under normal and ideal circumstances, be based on: (i) that Director's performance as evidenced by fulfillment of the Director position description; (ii) the confidence that other Board members have in that Director (including the Director appraisal); (iii) the confidence that Westport shareholders have in that Director, if such views are known and considered accurate and relevant; and (iv) the preferences of the individual Director.

Mandatory Retirement, Tenure Limits and Limits on the Number of External Directorships:

The Westport Board of Directors is of the opinion that there shall be no "artificial" measures of Director performance. Accordingly, there shall be no mandatory retirement age, tenure limits, or limits on the number of external Directorships that Directors may have. However, that said, there shall be informal "guidelines" in these areas, with final decisions falling under the purview of the Nominating and Corporate Governance Committee.

Therefore, once a Director reaches the age of 70, serves on the Westport Board for more than ten years, or has external Directorships in excess of six in number, then the Nominating and Governance Committee shall review such Directors effectiveness and qualification and make a decision concerning that Director's ongoing participation as a Westport Director that is in the best interests of Westport Innovations Inc.