WESTPORT INNOVATIONS INC
Form F-4 POS
March 28, 2016
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As filed with the Securities and Exchange Commission on March 25, 2016

No. 333-207523

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Post-Effective Amendment No. 1

to

Form F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

WESTPORT INNOVATIONS INC.

(Exact name of registrant as specified in its charter)

Alberta	3537	Not Applicable
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Suite 101, 1750 West 75th Avenue

Vancouver, British Columbia

Canada V6P 6G2

(604) 718-2000

(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

CT Corporation System

111 Eighth Avenue

New York, NY 10011

USA

(212) 590-9070

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Gordon Caplan	**Bruce Hibbard**
Matthew J. Guercio	**Bennett Jones LLP**
Willkie Farr & Gallagher LLP	**4500 Bankers Hall East**
787 Seventh Avenue	**855 2nd Street SW**
New York, New York 10019	**Calgary, AB T2P 4K7**
USA	**Canada**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this registration statement and all other conditions to the proposed transaction described herein have been satisfied or waived.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee (3)
Common Shares, par value $0.001	55,716,987	N/A	$106,392,972.84	$10,713.78 (4)

(1) Represents the maximum number of common shares of the registrant to be issued to holders of shares of common stock of Fuel Systems Solutions, Inc. (Fuel Systems) in connection with the proposed merger of Fuel Systems with and into a wholly-owned subsidiary of the registrant.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f) of the Securities Act of 1933, as amended (the Securities Act). The proposed aggregate maximum offering price was calculated based upon the market value of shares of Fuel Systems common stock (the securities to be cancelled in the merger) in accordance with Rule 457(c) as follows: (i) the product of (A) $5.88, the average of the high and low price per share of Fuel Systems common stock on the NASDAQ Stock Market on March 22, 2016 and (B) 18,094,043, the maximum possible number of shares of Fuel Systems common stock that may be cancelled and exchanged in the merger.

(3) Computed in accordance with Section 6(b) of the Securities Act at a rate equal to $100.70 per $1,000,000 of the proposed maximum aggregate offering price.

(4) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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EXPLANATORY NOTE

This supplement updates and supplements the proxy statement previously delivered to the stockholders of Fuel Systems Solutions, Inc. (Fuel Systems) on or about February 16, 2016 with respect to the proposed merger of Fuel Systems and Westport Innovations Inc. (Westport) to provide disclosure related to an amendment entered into on March 6, 2016 to the Agreement and Plan of Merger, dated as of September 1, 2015, by and among Fuel Systems, Westport and a wholly owned subsidiary of Westport, and other recent developments.

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The information in this proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer, solicitation or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION DATED MARCH 25, 2016

[ ], 2016

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

On or about February 16, 2016, Fuel Systems Solutions, Inc. (Fuel Systems) mailed to you a proxy statement/prospectus. As disclosed in the proxy statement/prospectus, on September 1, 2015, each of the boards of directors of Fuel Systems and Westport Innovations Inc. (Westport) approved a strategic transaction for the combination of Westport and Fuel Systems, as described below (the merger). On March 6, 2016, Fuel Systems and Westport amended some of the terms of that transaction.

Fuel Systems is sending you this supplement to provide you with additional information about the amended terms of the merger, the amended merger agreement and other recent developments. This supplement amends and supplements the proxy statement/prospectus. To the extent information in this supplement differs from, updates, supersedes or conflicts with information contained in the proxy statement/prospectus, the information in this supplement governs. You should carefully read this entire supplement and the proxy statement/prospectus to fully understand the merger.

We urge all Fuel Systems stockholders to read this supplement to the proxy statement/prospectus and, if you have not done so already, to read the proxy statement/prospectus, including the Annexes and the documents incorporated by reference therein, carefully and in their entirety. In particular, we urge you to read carefully Update to Risk Factors beginning on page S-16 of this supplement and Risk Factors beginning on page 21 of the proxy statement/prospectus.

We also invite you to attend a special meeting of Fuel Systems stockholders being held to vote on the merger and ask you to vote at the special meeting in favor of adopting the amended merger agreement. In order to allow reasonable additional time for additional information to be disseminated and reviewed by Fuel Systems stockholders, Fuel Systems adjourned the special meeting, for a period not to exceed 30 days, after calling it to order on March 22, 2016. Fuel Systems will publicly announce at a later time the date and time at which the special meeting will be reconvened.

The Fuel Systems board of directors recommends that Fuel Systems stockholders vote FOR the proposal to adopt the amended merger agreement, which is necessary to complete the merger and FOR the other proposals described in the proxy statement/prospectus.

If you have previously voted and do not wish to change your vote, you do not need to do anything further. If you have not previously voted your proxy card or wish to revoke or change your vote, please submit your proxy promptly following the instructions on the enclosed proxy card. If you have questions about the proposals or about submitting a proxy for your shares, please call Laurel Hill Advisory Group at (888) 742-1305 (banks and brokers call collect at (516) 933-3100)).

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The Merger

Westport and Fuel Systems entered into an agreement and plan of merger on September 1, 2015 (the merger agreement), which was then amended by amendment no. 1 to the merger agreement on March 6, 2016 (the merger agreement amendment and, together with the merger agreement, the amended merger agreement), pursuant to which, subject to Fuel Systems stockholder approval and certain other customary closing conditions, Fuel Systems and Westport will combine their businesses through the merger of Whitehorse Merger Sub Inc. (Merger Sub), a newly formed, wholly owned subsidiary of Westport, with Fuel Systems, with Fuel Systems thereupon becoming a wholly owned subsidiary of Westport. Westport has received the requisite approval of its shareholders.

Share Consolidation

Under the merger agreement, prior to its amendment, each Fuel Systems stockholder would have received 2.129 common shares of Westport for each share of Fuel Systems common stock owned. The exchange ratio was fixed and was not to be adjusted to reflect share price changes prior to the closing. The amended merger agreement provides for an increase in the number of Westport common shares that Fuel Systems stockholders will receive for each share of Fuel Systems common stock owned if the Westport average share price, determined as described below, is below $2.37.

Under the amended merger agreement, the number of Westport common shares that Fuel Systems stockholders will receive for each share of Fuel Systems common stock owned (the exchange ratio), will be based on the volume weighted average price of Westport common shares on the NASDAQ Stock Market (NASDAQ) for the ten consecutive trading days ending on and including the trading day five business days prior to the anticipated closing date of the merger, which we refer to as the average share price. If the average share price is equal to or less than $1.64, the exchange ratio will be fixed at 3.0793. If the average share price is greater than $1.64 and less than $2.37, then the exchange ratio will be an amount equal to the quotient obtained by dividing $5.05 by the average share price. If the average share price is equal to or greater than $2.37, then the exchange ratio will be 2.129 (which was the exchange ratio under the merger agreement prior to its amendment). No fractional Westport common shares will be issued in the merger, and holders of shares of Fuel Systems common stock will, instead, receive cash in lieu of any fractional Westport common shares.

Upon completion of the merger, depending on the average share price, former Fuel Systems stockholders will own between approximately 37.4% and 46.3% of the then outstanding Westport common shares, based on the number of shares and equity awards of Westport and Fuel Systems outstanding on March 7, 2016.

Westport common shares are listed on NASDAQ under the symbol WPRT and on the Toronto Stock Exchange (the TSX) under the symbol WPT. Fuel Systems common stock is listed on NASDAQ under the symbol FSYS. The shares listed on the TSX are expressed in Canadian dollars and the shares listed on NASDAQ are in U.S. dollars. We urge you to obtain current market quotations for the common shares of Westport and the shares of common stock of Fuel Systems.

Based on the closing sale price on NASDAQ of Westport common shares on March 4, 2016, the last trading day before public announcement of the amendment to the merger agreement, of $2.50, and assuming such price was the average share price, the exchange ratio would be 2.129 and would represent approximately $5.32 per share in value for each share of Fuel Systems common stock. Based on the closing sale price on NASDAQ of Westport common shares on [ ], 2016, the last trading day before the printing of this supplement, of $[ ], and assuming such price was the average share price, the exchange ratio would be [ ] and would represent approximately $[ ] in value for each share of Fuel Systems common stock.

Your Vote is Important

The vote of Fuel Systems stockholders is very important regardless of the number of shares of Fuel Systems common stock you own. The merger cannot be completed unless Fuel Systems stockholders adopt the amended merger agreement. Fuel Systems is holding a special meeting of its stockholders to vote on the proposal necessary to complete the merger and certain related matters. Information about this meeting, the amended merger agreement, the merger and the other business to be considered by Fuel Systems stockholders at the special meeting is contained in this supplement and in the proxy statement/prospectus.

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Whether or not you plan to attend Fuel Systems special meeting of stockholders, please submit your proxy as soon as possible to make sure that your shares are represented at that meeting.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger or the other transactions described in the proxy statement/prospectus, as supplemented by this supplement, or the securities to be issued in connection with the merger or determined if the proxy statement/prospectus, as supplemented by this supplement, is accurate or complete. Any representation to the contrary is a criminal offense.

This supplement is dated [ ], 2016, and is first being mailed to Fuel Systems stockholders on or about [ ], 2016.

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UPDATE TO QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following questions and answers briefly address some of the more likely questions to be raised in connection with the amendment to the agreement and plan of merger. This section is not intended to contain all of the information that is important to stockholders of Fuel Systems. Stockholders should carefully read this entire supplement and the entire proxy statement/prospectus, including the annexes and the other documents referred to herein.

Q: What will I receive under the amended merger agreement?

A: Under the terms of the amended merger agreement, the number of Westport common shares that you will receive for each share of Fuel Systems common stock held by you, which is referred to as the exchange ratio, will be determined based on the volume weighted average price of Westport common shares on NASDAQ for the ten consecutive trading days ending on and including the trading day five business days prior to the anticipated closing date of the merger (the average share price). If the average share price is equal to or less than $1.64, the exchange ratio will be fixed at 3.0793. If the average share price is greater than $1.64 and less than $2.37, then the exchange ratio will be an amount equal to the quotient obtained by dividing $5.05 by the average share price. If the average share price is equal to or greater than $2.37, then the exchange ratio will be 2.129 (which was the exchange ratio under the merger agreement prior to its amendment). No fractional Westport common shares will be issued in the merger, and holders of shares of Fuel Systems common stock will, instead, receive cash in lieu of any fractional Westport common shares.

Q: When do Westport and Fuel Systems expect to complete the merger?

A: Westport and Fuel Systems are working to complete the merger as soon as practicable. If the stockholders of Fuel Systems approve the merger, Westport and Fuel Systems currently expect that the merger will be completed on or about [ ], 2016. Neither Westport nor Fuel Systems can predict, however, the actual date on which the merger will be completed because it is subject to conditions beyond each company s control, including the approval of the Merger proposal by Fuel Systems stockholders. See The Amended Merger Agreement Conditions to Completion of the Merger beginning on page S-51.

Q: What happens if the merger is not completed?

A: If the Merger proposal is not approved by Fuel Systems stockholders or if the merger is not completed for any other reason, you will not receive any form of consideration for your shares of Fuel Systems common stock in connection with the merger. Instead, Fuel Systems will remain an independent publicly traded corporation and its common stock will continue to be listed and traded on NASDAQ. If the amended merger agreement is terminated under specified circumstances, including in certain circumstances in connection with an alternative proposal, a failure of Fuel Systems stockholders to approve the Merger proposal, or if there is a change in recommendation by the Fuel Systems board, Fuel Systems will be required to pay to Westport a termination fee in the amount USD $5.5 million and its reasonable and documented expenses. Following payment of the termination fee and expenses, Fuel Systems will not have any further liability to Westport in respect of the amended merger

agreement (other than liability for any willful breach or fraud). See The Amended Merger Agreement Effect of Termination; Termination Fees and Expenses beginning on page S-68.

Q: What am I being asked to vote on?

A: Fuel Systems stockholders are being asked to vote on the following proposals:

1. ***The Merger proposal***: To approve the merger and adopt the amended merger agreement. A copy of the merger agreement and merger agreement amendment are attached as Annex A to the proxy statement/prospectus and as Annex I to this supplement, respectively.

2. ***The Amendments to Non-Employee Directors Restricted Stock Awards proposal***: To approve amendments to awards of restricted stock issued to Fuel Systems non-employee directors providing that the vesting date shall be the earlier of the vesting date set forth in the award or a change in control of Fuel Systems.

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3. ***The Advisory Compensation proposal***: To consider and vote on a proposal to approve, on an advisory (non-binding) basis, the payments that will or may be paid by Fuel Systems to its named executive officers in connection with the merger.

4. ***The Adjournment proposal***: To consider and vote on a proposal to approve any motion to adjourn the Fuel Systems special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Merger proposal at the time of the Fuel Systems special meeting.

Q: How does the board of directors of Fuel Systems recommend that I vote?

A: The Fuel Systems board of directors recommends that Fuel Systems stockholders vote FOR the Merger proposal, FOR the Amendments to Non-Employee Directors Restricted Stock Awards proposal, FOR the Advisory Compensation proposal, and FOR the Adjournment proposal.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this supplement and the proxy statement/prospectus if you have previously voted and do not wish to change your vote, you do not need to do anything further. If you have not yet voted or want to change or revoke your vote, please vote your shares as soon as possible so that your shares will be represented at Fuel Systems special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker, bank or other nominee.

Q: If I submitted a proxy card in connection with the proxy statement/prospectus mailed on or around February 16, 2016, do I need to return a proxy card now?

A: If you do not wish to change or revoke your vote, and you have already returned an executed proxy card to us, or previously granted your proxy by telephone or through the Internet, Fuel Systems intends to vote your proxy at the special meeting in the manner you specified. You do not need to do anything further if you do not wish to change or revoke your vote.

If you previously returned an executed proxy card to us, or previously granted your proxy by telephone or through the Internet, and wish to change or revoke your vote, you will need to complete and mail to us the enclosed proxy card, grant your proxy to us again by telephone or through the Internet or attend and vote in person at the special meeting.

Q: How do I vote?

A: Stockholders may vote by attending the special meeting and voting in person. If you have already voted and do not wish to change your vote, you do not need to do anything further. If you have not yet voted or wish to change

or revoke your vote, we urge you to vote by proxy even if you plan to attend the special meeting so that Fuel Systems will know as soon as possible that enough votes will be present for it to hold the meeting. If you attend the meeting in person, you may vote at the special meeting and your proxy will not be counted.

You may also vote your shares without attending the special meeting. Stockholders may vote by using one of these alternative methods in accordance with the instructions provided on the proxy card you received with this supplement:

(1) Via the Internet at www.proxyvote.com;

(2) By telephone at 1-800-690-6903 and follow the instructions for telephone voting; or

(3) By completing and mailing a proxy card to Voting Processing c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

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If you hold your shares in street name and you plan to vote in person at the special meeting, you must obtain a proxy from the bank, broker or other record holder to vote at the meeting. Please refer to the voter instruction cards used by your bank, broker or other record holder for specific instructions on methods of voting, including by telephone or using the Internet.

Your shares will be voted as you indicate. If you submit your proxy but you do not indicate your voting preferences, then the individuals named on the proxy will vote your shares in accordance with the recommendations of the Fuel Systems board of directors. The Fuel Systems board of directors and management do not currently intend to present any matters at the special meeting other than those outlined in the notice of the special meeting. Should any other matter requiring a vote of stockholders arise, stockholders submitting their proxy confer upon the individuals named in the proxy discretionary authority to vote the shares represented by such proxy on any such other matter in accordance with their best judgment.

Q: When and where is the Fuel Systems special meeting?

A: In order to allow reasonable additional time for additional information to be disseminated and reviewed by Fuel Systems stockholders, Fuel Systems adjourned the special meeting, for a period not to exceed 30 days, after calling it to order on March 22, 2016. Fuel Systems will publicly announce at a later time the date and time at which the special meeting will be reconvened. The special meeting of Fuel Systems stockholders will still be held at the offices of Day Pitney, LLP, 7 Times Square, 20th Floor, New York, New York 10036.

Q: Can the special meeting be adjourned?

A: Any adjournment of the special meeting may be made without notice, by the chairman of the meeting or by approval of the holders of a majority of the shares of Fuel Systems common stock present in person or represented by proxy at the special meeting, whether or not a quorum exists. In order to allow reasonable additional time for additional information to be disseminated and reviewed by Fuel Systems stockholders, Fuel Systems adjourned the special meeting, for a period not to exceed 30 days, after calling it to order on March 22, 2016. Fuel Systems will publicly announce at a later time the date and time at which the special meeting will be reconvened.

Q: What will holders of Fuel Systems stock options and other equity based awards receive in the merger?

A: ***Stock Options***. Upon completion of the merger, each outstanding in-the-money option (whether or not then vested or exercisable) to purchase shares of Fuel Systems common stock will automatically vest and become exercisable, and will be assumed by Westport and will otherwise continue to have, and be subject to, the same terms and conditions as were applicable to such options prior to the completion of the merger, except that (i) each such in-the-money option will be exercisable for that number of common shares of Westport equal to the product (rounded down to the nearest whole) of the number of shares of Fuel Systems common stock subject to such in-the-money option immediately prior to the completion of the merger and the exchange ratio and (ii) the per share exercise price for shares of Westport issuable upon exercise of such assumed in-the-money option will be

equal to the quotient (rounded up to the nearest whole cent) determined by dividing the per share exercise price of each Fuel Systems common stock at which such assumed in-the-money option was exercisable immediately prior to the completion of the merger by the exchange ratio. Any outstanding option that has an exercise price per share of Fuel Systems common stock greater than or equal to the per share dollar value of the merger consideration immediately prior to the completion of the merger will automatically be cancelled and forfeited for no consideration and all rights with respect to such option will terminate.

Restricted Stock Units. Upon completion of the merger, each outstanding restricted stock unit of Fuel Systems will be assumed by Westport and will continue to have, and be subject to, the same terms and conditions (including vesting terms), as were applicable prior to the completion of the merger, except that each restricted stock unit award of Fuel Systems will be converted into a number of restricted stock units of Westport (convertible into shares of Westport common shares on vesting) equal to the product (rounded

down to the nearest whole number) of the number of shares of Fuel Systems common stock subject to such restricted stock unit award immediately prior to the completion of the merger multiplied by the exchange ratio.

Restricted Stock. Upon completion of the merger, each outstanding share of restricted stock of Fuel Systems will be assumed by Westport and will continue to have, and be subject to, the same terms and conditions (including applicable restrictions and vesting terms) as were applicable immediately prior to the completion of the merger, except that each such share of restricted stock of Fuel Systems will be converted into a number of restricted shares of Westport equal to the product (rounded down to the nearest whole number) of the number of shares of Fuel Systems restricted stock immediately prior to the closing of the merger multiplied by the exchange ratio. Notwithstanding the foregoing, restricted stock held by the non-employee directors of Fuel Systems will immediately vest upon consummation of the merger and will not be subject to vesting conditions if the Amendments to Non-Employee Directors Restricted Stock Awards proposal is approved by stockholders at the special meeting.

Phantom Shares. Upon completion of the merger, each outstanding phantom share of Fuel Systems will become fully vested and all restrictions will lapse and each such phantom share will be converted into an amount, payable in cash, equal to the product of (i) the number of shares of Fuel Systems common stock subject to the Fuel Systems phantom share multiplied by (ii) the difference between (x) the per share dollar value of the merger consideration and (y) the applicable exercise price for such Fuel Systems phantom share. Any outstanding phantom share that has an exercise price per share of Fuel Systems common stock greater than or equal to the per share dollar value of the merger consideration will automatically be cancelled and forfeited for no consideration and all rights with respect to such phantom share will terminate.

Q: Whom should I contact if I have any questions about the proxy materials or voting?

A: If you have any questions about the merger or if you need assistance submitting your proxy or voting your shares or need additional copies of this supplement, the proxy statement/prospectus or the enclosed proxy card, you should contact the proxy solicitation agent Laurel Hill Advisory Group, toll-free at (888) 742-1305.

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UPDATES TO SUMMARY

This summary highlights selected information contained in this supplement and does not contain all the information that may be important to you. Westport and Fuel Systems urge you to read carefully this supplement and the proxy statement/prospectus in their respective entireties, including the annexes. Additional, important information, which Westport and Fuel Systems also urge you to read, is contained in the documents incorporated by reference into this supplement and the proxy statement/prospectus. See Where You Can Find More Information beginning on page S-101. Unless stated otherwise, all references in this supplement to Westport are to Westport Innovations Inc., all references to Fuel Systems are to Fuel Systems Solutions, Inc. and all references to the merger agreement are to the Agreement and Plan of Merger, dated as of September 1, 2015, by and among Westport, Merger Sub and Fuel Systems, a copy of which is attached as Annex A to the proxy statement/prospectus, all references to the merger agreement amendment are to Amendment No. 1 to the merger agreement, dated as of March 6, 2016, by and among Westport, Merger Sub and Fuel Systems, a copy of which is attached as Annex I to this supplement, and all references to the amended merger agreement are to the merger agreement as amended by the merger agreement amendment.

Update to Information About Fuel Systems (See Page S-71)

For the year ended December 31, 2015, Fuel Systems had total revenues of approximately $263 million and a net loss of approximately $47 million.

Update to Information About Westport (See Page 107 of the Proxy Statement/Prospectus)

Westport s financial statements as of and for the year ended December 31, 2015 will be contained in Westport s Form 40-F, expected to be filed with the SEC on or about March 30, 2016, and can be obtained as set forth under Where You Can Find More Information beginning on page S-101 of this supplement.

Update to Consideration to be Received in the Merger by Fuel Systems Stockholders (See Page S-47)

In the merger, each share of Fuel Systems common stock that is issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive a number Westport common shares equal to the exchange ratio. The exchange ratio will be based on the volume weighted average price of Westport common shares on NASDAQ. If the average share price is equal to or less than $1.64, the exchange ratio will be fixed at 3.0793. If the average share price is greater than $1.64 and less than $2.37, then the exchange ratio will be an amount equal to the quotient obtained by dividing $5.05 by the average share price. If the average share price is equal to or greater than $2.37, then the exchange ratio will be 2.129 (which was the exchange ratio under the merger agreement prior to its amendment). The exchange ratio will be adjusted appropriately to fully reflect the effect of any reclassification, stock split, reverse stock split or combination, exchange or readjustment of shares, or any stock dividend or distribution with respect to Westport common shares or shares of Fuel Systems common stock with a record date prior to completion of the merger as well as certain other dilutive issuances by Westport. No fractional Westport common shares will be issued in connection with the merger, and holders will receive cash in lieu thereof. Fuel Systems and Westport intend to issue a press release to disclose the exchange ratio promptly after it has been computed.

The following table provides, for illustrative purposes, the Fuel Systems per share merger consideration at varying weighted average share prices:

Average Share Price (1)	Exchange Ratio(2)	Implied Value of Westport Shares (3)	Total Number of shares of Westport common shares to be issued to Fuel Systems stockholders	Ownership Percentage of the combined company by former Fuel Systems stockholders	Ownership Percentage of the combined company by current Westport shareholders
$ 1.63	3.0793	$ 5.02	55,716,987	46.4%	53.6%
$ 1.64	3.0793	$ 5.05	55,716,987	46.4%	53.6%
$ 1.65	3.0606	$ 5.05	55,378,628	46.2%	53.8%
$ 1.85	2.7297	$ 5.05	49,391,309	43.4%	56.6%
$ 2.00	2.5250	$ 5.05	45,687,459	41.5%	58.5%
$ 2.15	2.3488	$ 5.05	42,499,288	39.8%	60.2%
$ 2.36	2.1398	$ 5.05	38,717,633	37.5%	62.5%
$ 2.37	2.1290	$ 5.05	38,522,218	37.4%	62.6%
$ 2.38	2.1290	$ 5.07	38,522,218	37.4%	62.6%

(1) The actual average share price may be less than $1.64 or greater than $2.37.

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(2) The exchange ratio varies based on the average share price within the collar range of $1.64 and $2.37 and is fixed outside of that range.
(3) Calculated by multiplying the average share price by the applicable exchange ratio. Because the Westport share price can change after the calculation of the exchange ratio, the actual value of the per share merger consideration to be received by Fuel Systems stockholders may differ from the implied value. The actual value of the per share merger consideration to be received by Fuel Systems stockholders will be equal to the exchange ratio multiplied by the closing sale price on NASDAQ of Westport common shares on the last trading day before the effective time of the merger, rather than the average share price.

Based on the closing sale price on NASDAQ of Westport common shares on March 7, 2016 of $2.80, and assuming that such sale price was the average share price, the exchange ratio would be 2.129 and the value of the per share merger consideration would be $5.96.

The above examples are for illustration purposes only. The actual exchange ratio and the actual number of Westport common shares to be issued to Fuel Systems stockholders will depend on the average share price. In addition, the average share price may differ from the actual Westport share price on the closing date of the merger. Therefore, the numbers used in the examples above may differ from the actual numbers due to movements in Westport s share price before the closing date of the merger. See Update to Risk Factors Risks Relating to the Merger beginning on page S-16 for more information on the currently unknown variables and the risks related to the exchange ratio.

For a more complete description of the merger consideration, see The Amended Merger Agreement Terms of the Amended Merger Agreement beginning on page S-47.

Update to Treatment of Fuel Systems Stock Options and Other Stock-based Awards (See Page S-45)

Stock Options. Upon completion of the merger, each outstanding in-the-money option (whether or not then vested or exercisable) to purchase shares of Fuel Systems common stock will automatically vest and become exercisable, and will be assumed by Westport and will otherwise continue to have, and be subject to, the same terms and conditions as were applicable to such options prior to the completion of the merger, except that (i) each such in-the-money option will be exercisable for that number of common shares of Westport equal to the product (rounded down to the nearest whole) of the number of shares of Fuel Systems common stock subject to such in-the-money option immediately prior to the completion of the merger and the exchange ratio and (ii) the per share exercise price for common shares of Westport issuable upon exercise of such assumed in-the-money option will be equal to the quotient (rounded up to the nearest whole cent) determined by dividing the per share exercise price of each Fuel Systems common stock at which such assumed in-the-money option was exercisable immediately prior to the completion of the merger by the exchange ratio. Any outstanding option that has an exercise price per share of Fuel Systems common stock greater than or equal to the per share dollar value of the merger consideration will automatically be cancelled and forfeited for no consideration immediately prior to the completion of the merger and all rights with respect to such option will terminate.

Restricted Stock Units. Upon completion of the merger, each outstanding restricted stock unit award of Fuel Systems will be assumed by Westport and will continue to have, and be subject to, the same terms and conditions (including vesting terms), as were applicable prior to the completion of the merger, except that each restricted stock unit award of Fuel Systems will be converted into a number of restricted stock units Westport (convertible into shares of Westport common shares on vesting) equal to the product (rounded down to the nearest whole number) of the number of shares of Fuel Systems common stock subject to such restricted stock unit award immediately prior to the completion of the merger multiplied by the exchange ratio.

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Restricted Stock. Upon completion of the merger, each outstanding share of restricted stock of Fuel Systems will be assumed by Westport and will continue to have, and be subject to, the same terms and conditions (including applicable restrictions and vesting terms) as were applicable immediately prior to the completion of the merger, except that each such share of restricted stock of Fuel Systems will be converted into a number of restricted shares of Westport equal to the product (rounded down to the nearest whole number) of the number of shares of Fuel Systems restricted stock immediately prior to the closing of the merger multiplied by the exchange ratio.

Phantom Shares. Upon completion of the merger, each outstanding phantom share of Fuel Systems will become fully vested and all restrictions will lapse and each such phantom share will be converted into an amount, payable in cash, equal to the product of (i) the number of shares of Fuel Systems common stock subject to the Fuel Systems phantom share multiplied by (ii) the difference between (x) the per share dollar value of the the merger consideration] and (y) the applicable exercise price for the Fuel Systems phantom share. Any outstanding phantom share that has an exercise price per share of Fuel Systems common stock greater than or equal to the per share dollar value of the merger consideration will automatically be cancelled and forfeited for no consideration and all rights with respect to such phantom share will terminate.

For a more complete discussion of the treatment of Fuel Systems options and other stock-based awards, see The Amended Merger Agreement Treatment of Fuel Systems Stock Options and Other Equity-based Awards beginning on page S-49. For further discussion of the treatment of Fuel Systems options and other stock-based awards held by certain directors and executive officers of Fuel Systems, see Update to the Merger Update to Interests of Directors and Executive Officers in the Merger Update to Equity Compensation Awards beginning on page S-43 and Update to the Merger Update to Treatment of Fuel Systems Stock Options and Other Equity-based Awards beginning on page S-45.

Update to Board of Directors and Executive Officers After Completion of the Merger (See Page S-41)

Upon completion of the merger, the board of directors of the combined company will consist of nine (instead of ten) directors, consisting of current Westport directors Warren J. Baker, David R. Demers, Brenda J. Eprile, Peter Yu, Dezsö J. Horváth and Rodney Nunn, and three directors designated by Fuel Systems (currently expected to be directors Mariano Costamagna, Troy A. Clarke and Colin S. Johnston or such other person as they may appoint). In addition, the three Fuel Systems-designated directors will appoint an independent director (who must be a citizen of Canada), subject to the approval of the Nominating and Corporate Governance Committee of Westport, such approval not to be unreasonably withheld, conditioned or delayed, and one member of the Westport board will resign at the time such independent director is so appointed. A person designated by Fuel Systems also will have non-voting board observation rights. The current executive officers of Westport are expected to continue serving as executive officers of the combined company and a specified Fuel Systems executive will also be appointed to a prominent management role in the combined company.

Upon completion of the merger, the headquarters of the combined company will remain in Vancouver, Canada.

For a more complete discussion of the directors and executive officers and headquarters of the combined company, see Update to the Merger Update to Board of Directors and Executive Officers of the Combined Company After Completion of the Merger; Headquarters and Name beginning on page S-41 of this supplement, The Amended Merger Agreement Other Covenants and Agreements Governance Matters beginning on page S-65 of this supplement and The Merger Board of Directors and Executive Officers of the Combined Company After Completion of the Merger; Headquarters and Name beginning on page 63 of the proxy statement/prospectus.

Update to Opinion of Fuel Systems Financial Advisor (See Page S-31)

On March 6, 2016, J.P. Morgan delivered a second written opinion to the Fuel Systems board of directors that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the exchange ratio in the proposed merger pursuant to the amended merger agreement was fair, from a financial point of view, to the holders of the Fuel Systems common stock.

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The full text of the written opinion of J.P. Morgan dated March 6, 2016, which sets forth, among other things, the assumptions made, matters considered and limits on the review undertaken, is attached as Annex II to this supplement and is incorporated by reference herein in its entirety. Fuel Systems stockholders are urged to read the opinion in its entirety. J.P. Morgan s written opinion is addressed to the Fuel Systems board of directors, is directed only to the exchange ratio in the proposed merger and does not constitute a recommendation to any stockholder of Fuel Systems as to how such stockholder should vote at Fuel Systems special meeting. The summary of the opinion of J.P. Morgan dated March 6, 2016 set forth in this supplement is qualified in its entirety by reference to the full text of such opinion. Pursuant to an engagement letter between J.P. Morgan and Fuel Systems, Fuel Systems has agreed to pay J.P. Morgan a transaction fee of 2.00% of the fair market value of the consideration to be paid to the Fuel Systems stockholders in the merger, which is to be no less than $3.5 million, $1.0 million of which was payable upon the delivery by J.P. Morgan of its opinion dated September 1, 2015, $1.0 million of which was payable upon the delivery by J.P. Morgan of its opinion dated March 6, 2016 and the remainder of which is payable upon and is contingent upon the consummation of the merger. For a more complete description of J.P. Morgan s opinions, see Update to the Merger Update to Opinion of Fuel Systems Financial Advisor beginning on page S-31.

Update to Conditions to Completion of the Merger (See Page S-51)

Westport and Fuel Systems expect to complete the merger after all of the conditions to the merger in the amended merger agreement are satisfied or waived, including after Fuel Systems receives stockholder approval at its special meeting. The parties currently expect to complete the merger on or about [ ], 2016. However, it is possible that factors outside of each company s control could require them to complete the merger at a later time or not to complete it at all.

The obligations of Westport and Fuel Systems to complete the merger are each subject to the satisfaction (or waiver by all parties) of the following conditions:

- approval of the Merger proposal by not less than a majority of all outstanding common stock of Fuel Systems;
- the affirmative vote of the majority of the total votes cast by Westport shareholders to approve (i) the issuance of the merger consideration and (ii) the assumption by Westport of Fuel Systems restricted stock units and restricted stock, which vote has been received;
- the absence of any law, order, judgment or injunction prohibiting consummation of the merger;
- termination or expiration of any waiting period (and any extension thereof) applicable to the merger under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended, which is referred to as the HSR Act, and any required consent or expiration of any waiting period under certain foreign anti-trust laws, all of which regulatory approvals have been received;
- effectiveness of the registration statement of which this supplement and the proxy statement/prospectus are a part under the Securities Act and no stop order suspending the effectiveness of the registration statement having been issued and no proceedings for that purpose having been initiated or threatened by the SEC;

authorization of the new shares of Westport common shares deliverable to the holders of Fuel Systems common stock for listing on NASDAQ, subject to official notice of issuance and the TSX, subject to fulfilling all of the listing requirements of the TSX;

Westport s receipt of TSX s conditional acceptance in respect of the transactions contemplated by amended merger agreement, which conditional acceptance has been received;

the accuracy of each party s representation and warranties in the amended merger agreement;

performance of and compliance with, in all material respects, each and all of the agreements and covenants of the other party required to be performed and complied with by such other party pursuant to the amended merger agreement;

receipt of a certificate signed by the chief executive officer or another senior officer of the other party, dated as of the closing date, certifying that the two preceding conditions have been satisfied;

absence of any event, change or occurrence that, individually or in the aggregate, would reasonably be expected to have a material adverse effect with respect to Fuel Systems or Westport since the date of the merger agreement; and

the closing of the convertible note issued by Westport for an aggregate purchase price of $17.5 million under the financing agreement between Westport and an affiliate of Cartesian Capital Group.

Unless required by law, the conditions set forth in the amended merger agreement may be waived by Westport or Fuel Systems, subject to the agreement of the other party in certain circumstances. For a more complete discussion of the conditions to the merger, see The Amended Merger Agreement Conditions to Completion of the Merger beginning on page S-51.

Update to Termination of the Amended Merger Agreement (See Page S-67)

Generally, the merger agreement may be terminated prior to the closing of the merger, whether before or after the required Fuel Systems stockholder approval is obtained (except as specified below), as follows:

by the mutual written agreement of Westport and Fuel Systems; or

by either Westport or Fuel Systems if:

the closing of the merger has not occurred on or before June 30, 2016 (the Outside Date), subject to an extension to August 31, 2016 if regulatory approvals have not been obtained;

there is in effect a final nonappealable order of a governmental authority of competent jurisdiction restraining, enjoining or otherwise prohibiting the merger;

Fuel Systems stockholders fail to approve the Merger proposal at a duly convened meeting; or

Westport s shareholders fail to approve the issuance of the merger consideration and the assumption by Westport of Fuel Systems restricted stock units and restricted stock at a duly convened meeting;

by Fuel Systems, if:

- Westport or Merger Sub has breached in any material respect any of its representations, warranties, covenants, or agreements contained in the amended merger agreement, and such breach cannot be cured by the Outside Date or has not been cured by Westport within 20 days after receiving written notice of such breach;

- Fuel Systems is terminating the amended merger agreement to enter into a definitive agreement relating to a superior proposal in accordance with the terms of the amended merger agreement; or

- the Westport board authorizes, approves or recommends entry into a written agreement, or consummates a transaction relating to a Westport alternative proposal.

by Westport, if:

- Fuel Systems has breached in any material respect any of its representations, warranties, covenants, or agreements contained in the amended merger agreement, and such breach cannot be cured by the Outside Date or has not been cured by Fuel Systems within 20 days after receiving written notice of such breach;

- Fuel Systems board makes a change in recommendation;

- Fuel Systems , or any of its subsidiaries , respective officers, directors or representatives, materially and willfully breaches its obligations contained in the no-shop provision contained in the amended merger agreement relating to alternative acquisition proposals; or

- Fuel Systems or any of its subsidiaries or the Fuel Systems board approves, recommends, adopts or enters into, or publicly announces its intention to approve, recommend, adopt or enter into, an agreement relating to a Fuel Systems alternative proposal.

The amended merger agreement provides that, upon a termination of the amended merger agreement under specified circumstances, Fuel Systems or Westport may be required to pay a termination fee of USD $5.5 million and reasonable and documented expenses to the other. See The Amended Merger Agreement Termination of the Amended Merger Agreement and The Amended Merger Agreement Effect of Termination; Termination Fees and Expenses beginning on pages S-65 and S-66, respectively.

Update to Risk Factors (See Page S-16)

There are risks associated with the merger transaction, which are described in the section Update to Risk Factors beginning on page S-16 of this supplement and Risk Factors beginning on page 21 of the proxy/prospectus. You should carefully read and consider these risks, which include, without limitation, the following:

- Fuel System stockholders will not know the exact exchange ratio, and therefore the number of Westport common shares they will receive until the trading day five business days prior to the anticipated closing date of the merger and the actual value of those shares will not be known until the closing date of the merger;

- the merger is subject to conditions, including certain conditions that may not be satisfied, or completed on a timely basis, if at all;

- current Fuel Systems stockholders will have reduced ownership and voting interests after the merger;

- uncertainties associated with the merger may cause a loss of management personnel and other key employees which could adversely affect the future business and operation following the merger;

the expected benefits of the merger may not be realized;

Westport s future results following the merger may differ materially from the unaudited pro forma financial information included in this supplement;

the merger may result in a loss of customers, clients and strategic alliances; and

the Westport common shares to be received by Fuel Systems stockholders as a result of the merger will have different rights from shares of Fuel System common stock.

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Update to Recent Developments (See Page S-26)

On January 11, 2016, Westport announced that it had entered into a financing agreement with Cartesian Capital Group. Concurrently with, and as a condition to the Fuel Systems board of directors approving the merger agreement amendment, the Cartesian financing agreement also was amended.

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UPDATE TO SELECTED HISTORICAL FINANCIAL DATA OF FUEL SYSTEMS

The selected historical consolidated financial data of Fuel Systems for each of the years ended December 31, 2015, 2014, 2013 and as of December 31, 2015 and 2014 have been derived from Fuel Systems audited consolidated financial information and related notes thereto contained in Fuel Systems Annual Report on Form 10-K for the year ended December 31, 2015, a copy of which is included as Annex III to this supplement and is incorporated herein by reference.

The selected historical consolidated financial data for the years ended December 31, 2012 and 2011 and as of December 31, 2013, 2012 and 2011 have been derived from Fuel Systems audited consolidated financial information as of and for such years, which have not been included or incorporated by reference into this supplement.

Historical results are not indicative of the results that should be expected in the future. The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Fuel Systems or the combined company, and you should read the following information together with Fuel Systems audited consolidated financial information, the notes related thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations contained in Fuel Systems Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which is included as Annex III to this supplement and are incorporated by reference. For more information, see the section titled Where You Can Find More Information beginning on page S-101.

	Years Ended December 31,				
	2015	2014	2013	2012	2011
	(in thousands, except per share data)				
Statements of Operations:					
Revenue	$ 263,397	$ 339,128	$ 399,841	$ 393,947	$ 418,134
Operating (loss) income	(37,477)	(54,219)	4,409	(13,286)	11,825
Net (loss) income attributable to Fuel Systems	$ (47,135)	$ (53,416)	$ (460)	$ (15,632)	$ 5,168
Per Share Data:					
Net (loss) income attributable to Fuel Systems per common share:					
Basic	$ (2.55)	(2.66)	(0.02)	(0.78)	0.26
Diluted	$ (2.55)	(2.66)	(0.02)	(0.78)	0.26
Number of shares used in per share calculation:					
Basic	18,486,083	20,074,773	20,073,360	20,020,487	19,972,969
Diluted	18,486,083	20,074,773	20,073,360	20,020,487	20,004,236
Balance Sheets:					
Cash and cash equivalents	60,162	$ 85,180	$ 80,961	$ 75,675	$ 96,740
Total current assets	184,242	245,112	290,147	282,941	299,285
Total assets	228,439	324,005	415,299	419,818	450,002
Total liabilities	74,352	87,270	96,247	102,771	120,180

Long-term debts	0	0	215	713	3,698
Total equity	$ 154,087	$ 236,735	$ 319,052	$ 317,047	$ 329,822

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UPDATE TO SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The unaudited pro forma condensed combined financial information of Westport for the nine months ended September 30, 2015 and the year ended December 31, 2014 included in this supplement have been prepared by Westport using the acquisition method of accounting for business combinations under U.S. GAAP. The following selected unaudited pro forma condensed combined statements of operations data for the nine months ended September 30, 2015 and year ended December 31, 2014 have been prepared to give effect to the merger as if the merger had been completed on January 1, 2014. The unaudited pro forma condensed combined balance sheet data at September 30, 2015 has been prepared to give effect to the merger as if the merger was completed on September 30, 2015.

The unaudited pro forma condensed combined financial information assume that, at the effective time, each outstanding Fuel Systems share will be converted into the right to receive 2.129 Westport common shares. Pro forma book value per share is calculated by dividing total assets (including both tangible and intangible assets) minus total liabilities of Westport as at September 30, 2015 by the total number of Westport common shares outstanding at such date (including issuance of Westport common shares to Fuel Systems stockholders as of such date).

The selected unaudited pro forma condensed combined financial data is based on estimates and assumptions that are preliminary, presented for illustrative purposes only and is not necessarily indicative of the combined financial position or results of operations of future periods or the results that actually would have been realized had the entities been a single entity during these periods. The assumptions underlying the selected unaudited pro forma condensed combined financial data are described in the notes to the unaudited pro forma condensed combined financial information of Westport as at September 30, 2015, for the nine months ended September 30, 2015 and for the year ended December 31, 2014 and should be read in conjunction with the selected unaudited pro forma condensed combined financial data presented below. The following information should also be read in conjunction with (i) the unaudited condensed consolidated financial information of Westport as at September 30, 2015 and for the nine months ended September 30, 2015, including the notes thereto, contained in Westport s Form 6-K filed with the SEC on July 29, 2015 and the audited consolidated financial information of Westport as at December 31, 2014 and for the year ended December 31, 2014, including the notes thereto, contained in Westport s second amended Form 40-F filed with the SEC on October 16, 2015, and (ii) the unaudited consolidated financial information of Fuel Systems, including the notes thereto, contained in Fuel Systems Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 and the audited consolidated financial information of Fuel Systems, including the notes thereto, contained in Fuel Systems Annual Report on Form 10-K for the year ended December 31, 2014, which are included respectively, as Annex G and Annex F to the proxy statement/prospectus and are incorporated by reference. See Update to Unaudited Pro Forma Condensed Combined Financial Information on page S-79 of this supplement. All dollar amounts set forth in this section are presented in U.S. dollars.

	Nine months Ended September 30, 2015	Year Ended December 31, 2014
	(in thousands, except per share amounts)	
Pro Forma Statement of Operations Data combined Westport/Fuel Systems		
Net loss for the period	$ (106,939)	$ (203,030)
Loss per share, basic	$ (1.04)	$ (2.00)

Loss per share, diluted	$	(1.04)	$	(2.00)
Pro Forma Statement of Operations Data combined Westport/Fuel Systems and financing				
Net loss for the period	$	(110,986)	$	(207,831)
Loss per share, basic	$	(1.08)	$	(2.04)
Loss per share, diluted	$	(1.08)	$	(2.04)

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	At September 30, 2015 (in thousands)
Pro Forma Balance Sheet Data combined Westport/Fuel Systems	
Cash and cash equivalents	95,409
Total Assets	466,301
Total Liabilities	223,049
Stockholder s Equity	243,252
Pro Forma Balance Sheet Data combined Westport/Fuel Systems and financing	
Cash and cash equivalents	130,409
Total Assets	501,301
Total Liabilities	258,049
Stockholder s Equity	243,252

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UPDATE TO COMPARATIVE PER SHARE DATA

The following table shows per share data regarding earnings (losses) from continuing operations, book value per share and cash dividends for Westport and Fuel Systems on a historical and pro forma combined basis. The pro forma earnings (losses) from continuing operations information was computed as if the merger had been completed on January 1, 2014. The pro forma book value per share information was computed as if the merger had been completed on September 30, 2015.

Westport and Fuel Systems present basic loss per share for their common shares, calculated by dividing the loss attributable to their common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Historical book values for Westport and Fuel Systems are calculated by dividing total assets (including both tangible and intangible assets) minus total liabilities as at the dates indicated below by the total number of common shares outstanding as of such dates.

The following comparative per share data is derived from the historical consolidated financial statements of each of Westport and Fuel Systems. The information below should be read in conjunction with Update to Unaudited Pro Forma Condensed Combined Financial Information beginning on page S-79. All dollar amounts set forth in this section are presented in U.S. dollars.

	As of and for the Year Ended December 31, 2014	As of and for the Nine Months Ended September 30, 2015
Westport Innovations Inc.		
Earnings (Loss) Per Share, Basic	$ (2.37)	$ (1.17)
Earnings (Loss) Per Share, Diluted	$ (2.37)	$ (1.17)
Book value per share	$ 2.66	$ 1.34
Cash dividends	$	$
Fuel Systems Solutions, Inc.		
Earnings (Loss) Per Share, Basic	$ (2.66)	$ (2.16)
Earnings (Loss) Per Share, Diluted	$ (2.66)	$ (2.16)
Book value per share	$ 11.98	$ 9.22
Cash dividends		
Pro Forma Combined Westport/Fuel Systems (Unaudited)		
Earnings (Loss) Per Share, Basic	(2.00)	(1.04)
Earnings (Loss) Per Share, Diluted	(2.00)	(1.04)
Book value per share	NA[(a)]	2.36
Pro Forma Combined Westport/Fuel Systems and financing (Unaudited)		
Earnings (Loss) Per Share, Basic	$ (2.04)	$ (1.08)

Earnings (Loss) Per Share, Diluted	$	(2.04)	$	(1.08)
Book value per share	$	NA[(a)]	$	2.36

(a) The book value per common share had not been presented for the year ended December 31, 2014 given that Article 11 of SEC Regulation S-X requires that the pro forma balance sheet be presented as at the latest balance sheet (i.e., September 30, 2015), which is the assumed date of the merger.

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UPDATE TO MARKET PRICES AND DIVIDENDS AND OTHER DISTRIBUTIONS

Stock Prices

The table below sets forth, for the calendar quarters indicated, the high and low sales prices per Westport common shares, which trade on NASDAQ under the symbol WPRT and on the TSX under the symbol WPT and Fuel Systems common stock, which trades on NASDAQ under the symbol FSYS.

	Westport Common Shares TSX (in C$)			Westport Common Shares NASDAQ (in US$)			Fuel Systems Common Stock (in US$)		
	High	Low	Dividend	High	Low	Dividend	High	Low	Dividend
2013									
First Quarter	$ 33.24	$ 26.36		$ 32.89	$ 26.50		$ 18.13	$ 13.38	
Second Quarter	$ 36.14	$ 27.80		$ 34.44	$ 27.50		$ 18.10	$ 13.34	
Third Quarter	$ 36.57	$ 24.70		$ 35.40	$ 23.95		$ 21.44	$ 17.34	
Fourth Quarter	$ 26.65	$ 18.29		$ 25.87	$ 17.07		$ 19.90	$ 12.25	
2014									
First Quarter	$ 24.11	$ 15.34		$ 22.50	$ 13.84		$ 14.20	$ 10.02	
Second Quarter	$ 19.34	$ 13.67		$ 18.14	$ 12.42		$ 11.48	$ 9.25	
Third Quarter	$ 20.32	$ 11.62		$ 18.98	$ 10.37		$ 11.40	$ 8.70	
Fourth Quarter	$ 9.22	$ 3.95		$ 8.25	$ 3.40		$ 11.88	$ 8.00	
2015									
First Quarter	$ 8.41	$ 3.82		$ 6.74	$ 3.24		$ 11.64	$ 9.47	
Second Quarter	$ 7.46	$ 4.92		$ 6.18	$ 3.90		$ 11.57	$ 7.20	
Third Quarter	$ 6.61	$ 3.29		$ 5.10	$ 2.47		$ 7.73	$ 4.80	
Fourth Quarter	$ 5.18	$ 2.21		$ 4.01	$ 1.70		$ 7.64	$ 3.81	
2016									
First Quarter (through March 7, 2016)	$ 3.96	$ 1.79		$ 3.00	$ 1.30		$ 5.99	$ 3.06	

The following table presents trading information on the last full trading day prior to the public announcement of the merger and on the latest practicable date before the date of this supplement. On August 31, 2015, the last trading day before the public announcement of the signing of the merger agreement, the closing sale price per share of Westport common shares was $3.54 on NASDAQ and $4.63 CAD on the TSX, and the closing sale price per share of Fuel Systems common stock was $6.85 on NASDAQ. On March 7, 2016, the latest practicable date before the date of this supplement, the last sales price per share of Westport common shares was $2.80 on NASDAQ and $3.70 CAD on the TSX, and the closing sale price per share of Fuel Systems common stock was $5.88 on NASDAQ.

	Westport common shares TSX (in C$)	Westport common shares NASDAQ (in US$)	Fuel Systems Common Stock (in US$)
August 31, 2015	$ 4.63	$ 3.54	$ 6.85
March 7, 2016	$ 3.70	$ 2.80	$ 5.88

Fuel Systems stockholders are advised to obtain current market quotations for Westport common shares. The market prices of Westport common shares will fluctuate between the date of this supplement and the completion of the merger. No assurance can be given concerning the market price of Westport common shares before or after the effective date of the merger.

Fuel Systems has never paid or declared any dividends on its common stock.

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Number of Holders of Common Stock and Number of Shares Outstanding

As of March 7, 2016, there were 159 shareholders of record of Westport common shares who held an aggregate of 64,413,400 of Westport common shares.

As of March 7, 2016, there were 224 shareholders of record of Fuel Systems common stock who held an aggregate of 18,094,043 shares of Fuel Systems common stock.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This supplement contains certain forward-looking information about Westport, Fuel Systems and the combined company that is intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act. Words such as: may, will, would, should, could, expect, anticipate, intend, plan, believe, estima continue, seeks, on-going or the negative of these terms or other comparable terminology often identify forward-looking statements, although not all forward-looking statements contain these words. The statements contained in this supplement that are not historical facts are forward-looking statements that represent management s beliefs and assumptions based on currently available information. These statements may be made directly in this supplement or may be incorporated by reference to other documents and may include statements for the period after completion of the merger. These forward-looking statements relate to outlooks or expectations for earnings, revenues, expenses, asset quality or other future financial or business performance, strategies or expectations, or the effect of legal, regulatory or supervisory matters on business, results of operations or financial condition, and include, among other things, statements regarding the anticipated timing for and ultimate completion of the merger, result, timing and financial metrics associated with Westport s and Fuel Systems combined operating business units and consolidated business, revenue and cash usage expectations, the effect of the proposed reorganization and restructuring of Westport s and Fuel Systems business, continued research and development investment, future of Westport s and Fuel Systems development programs, timing for launch, delivery and completion of milestones related to the products referenced herein, Westport s and Fuel Systems expected actions and results relating to the key components of their business strategy in 2015 and to the integration of Westport s and Fuel Systems businesses, future sales of assets and the benefits therefrom, the demand for the companies products, the future success of the business and technology strategies, investment in new product and technology development and otherwise, cash and capital requirements, intentions of partners and potential customers, the performance and competitiveness of Westport s and Fuel Systems products and expansion of product coverage, future market opportunities, speed of adoption of natural gas for transportation and terms and timing of future agreements as well as the combined company s management s response to any of the aforementioned factors.

Forward-looking statements reflect management judgment based on currently available information and involve a number of factors, risks and uncertainties. With respect to these forward-looking statements, each of Westport s and Fuel Systems management has made assumptions regarding, among other things, future demand and market prices for natural gas, capacity, fuel and emission allowances, operating, general and administrative costs, financial and economic market conditions and legislative, regulatory and/or market developments. The future and assumptions about the future cannot be ensured. Actual results may differ materially from those in the forward-looking statements. Some factors, risks and uncertainties that could cause actual results to differ include:

- Fuel Systems or Westport may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger;
- a condition to closing of the merger may not be satisfied;
- the timing to consummate the proposed merger;

the businesses will not be integrated successfully;

insufficient capital and liquidity to achieve the business plan of the combined company;

expected cost savings and any other synergies from the transaction may not be fully realized within the expected time frames or at all;

disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers;

the actions and determinations of joint venture and development partners;

- the diversion of management time on merger-related issues;
- revenues following the merger may be lower than expected;
- government regulation or other actions;
- unpredictable nature of the developing alternative fuel U.S. automotive market;
- the growth of non-gaseous alternative fuel products and other new technologies;
- the price differential between alternative gaseous fuels and gasoline;
- the repeal or implementation of government regulations relating to reducing vehicle emissions;
- the ability of management to execute its plans to meet its goals;
- other risks inherent in Westport s and Fuel Systems business that are discussed in Westport s and Fuel Systems most recent annual reports on Form 40-F and Form 10-K, respectively, and in other Westport and Fuel Systems reports on file with the SEC; and
- those set forth in or incorporated by reference into this supplement in the section entitled Update to Risk Factors beginning on page S-101, Update to the Merger beginning on page S-20 and elsewhere in this supplement.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this supplement, or in the case of a document incorporated by reference, as of the date of that document. Neither Westport nor Fuel Systems undertakes any obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date that they were made or to reflect the occurrence of unanticipated events.

Additional factors, risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in reports filed with the SEC by Westport and Fuel Systems. See Where You Can Find More Information beginning on page S-101 of this supplement for a list of the documents incorporated by reference.

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UPDATE TO RISK FACTORS

The discussion below supplements the description of the risk factors contained in the proxy statement/prospectus. In addition to the other information included or incorporated by reference in the proxy statement/prospectus and this supplement, including the matters addressed in Cautionary Statement Regarding Forward-Looking Statements beginning on page S-14 of this supplement and page 19 of the proxy statement/prospectus, you should carefully consider the following risks before deciding how to vote. Although Westport and Fuel Systems believe that the matters described below cover the material risks related to the merger, they may not contain all of the information that is important to you in evaluating the merger. Accordingly, we urge you to read this entire supplement and the entire proxy statement/prospectus, including the annexes and the information included or incorporated by reference herein and therein. Please also refer to the additional risk factors identified in the periodic reports and other documents of Westport and Fuel Systems incorporated by reference into this supplement and in the proxy statement/prospectus and listed in the section entitled Where You Can Find More Information and the Annual Report of Fuel Systems on Form 10-K for the year ended December 31, 2015, attached hereto as Annex III and incorporated herein by reference. Realization of any of the risks described below, any of the events described under Cautionary Statement Regarding Forward-Looking Statements or any of the risks or events described elsewhere in the proxy statement/prospectus or in this supplement or in the documents incorporated therein or herein by reference could have a material adverse effect on Westport s, Fuel Systems or the combined company s businesses, financial condition, cash flows and results of operations and could result in a decline in the trading prices of their respective shares.

Risks Relating to the Merger

Fuel System stockholders will not know the exact exchange ratio, and therefore the number of Westport common shares that they will receive until the trading day five business days prior to the anticipated closing date of the merger and the actual value of those shares will not be known until the closing date of the merger.

Upon completion of the merger, each issued and outstanding share of Fuel Systems common stock will be converted into the right to receive a number of Westport common shares equal to the exchange ratio, which will be determined based on the average share price. As a result, Fuel Systems stockholders will not know the exact exchange ratio, and therefore the exact value of the merger consideration that they will receive, until five trading days (currently expected to be [ ], 2016) prior to the anticipated closing date of the merger. Fuel Systems and Westport intend to issue a press release to disclose the exchange ratio promptly after average share price has been computed.

If the average share price is equal to or less than $1.64, the exchange ratio will be 3.0793. If the average share price is greater than $1.64 and less than $2.37, then the exchange ratio will be equal to the quotient obtained by dividing $5.05 by the average share price. If the average share price is equal to or greater than $2.37, then the exchange ratio will be 2.129 (which was the exchange ratio under the merger agreement prior to its amendment). Accordingly, the actual number of shares that you will receive will depend on the average share price.

In addition, because the exchange ratio will be calculated five business days prior to the anticipated closing date, the number of Westport common shares and the value of these shares may be different than if the exchange ratio had been calculated based on the Westport share price as of the closing date of the merger. The exchange ratio will not be adjusted for any change in the Westport share price after the exchange ratio is determined. Changes in market value of the Westport common shares issued in connection with the merger and the Fuel Systems common stock surrendered in connection with the merger may result from, among other things, changes in the business, operations or prospects of Westport or Fuel Systems prior to or following the merger, litigation or regulatory considerations, general business, market, industry or economic conditions and other factors both within and beyond the control of Westport and Fuel Systems. Neither Westport nor Fuel Systems is permitted to terminate the merger agreement solely because of

changes in the market price of either company s common stock.

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Risks Relating to the Combined Company Following the Merger

The market price of Westport s common shares has been, and may continue to be, volatile, and Fuel Systems stockholders could lose all or part of their investment.

The market price of Westport s common shares has fluctuated substantially, may continue to do so, and may be higher or lower than the initial price received upon the exchange. As a result, Westport s future stock price may be volatile. Over the twelve month period ending on December 31, 2015, the market price of Westport s common shares on the TSX has ranged from a low of C$2.21 to a high of C$8.41. Over the twelve month period ending on December 31, 2015, the market price of Westport s common shares on NASDAQ has ranged from a low of $1.70 to a high of $6.74. The market price of Westport s common shares following the merger will depend on a number of factors, many of which are beyond Westport s control. These fluctuations could cause Fuel Systems stockholders to lose all or part of their investment in Westport common shares since Fuel Systems stockholders might be unable to sell their shares at or above the implied price at which they initially received their Westport shares upon the exchange of shares of Fuel Systems common stock. Factors that could cause fluctuations in the market price of Westport s common shares include the following:

- price and volume fluctuations in the overall stock market from time to time;
- changes in operating performance and stock market valuations of other companies generally, or those in Westport s industry in particular;
- announcements of technological innovations, new products or services by Westport or its competitors;
- the addition or loss of Westport s customers;
- future capital raising activities of Westport and the use of proceeds;
- sales of Westport common shares by holders thereof or Westport;
- failure of securities analysts to maintain coverage of Westport, changes in financial estimates by securities analysts who follow Westport, or Westport s failure to meet these estimates or the expectations of investors;
- the financial projections Westport may provide to the public, any changes in those projections or Westport s failure to meet those projections;

the announcements by Westport or its competitors of significant acquisitions, strategic relationships, joint ventures, capital commitments or divestitures;

the public s reaction to Westport s press releases, other public announcements and filings with the SEC and the applicable Canadian securities regulatory authorities;

rumors and market speculation involving Westport or other companies in Westport s industry;

actual or anticipated changes in Westport s operating results or fluctuations in Westport s operating results;

actual or anticipated developments in Westport s business, Westport s competitors businesses or the competitive landscape generally;

litigation involving Westport, Westport s industry or both, or investigations by regulators into Westport s operations or those of Westport s competitors;

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- additions or departures of key employees;
- announced or completed acquisitions of businesses by Westport or Westport s competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to Westport and its business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in Westport s management; and
- general economic conditions and slow or negative growth of Westport s markets.

Current Fuel Systems stockholders will have reduced ownership and voting interests after the merger.

Based on 18,094,043 shares of common stock of Fuel Systems outstanding on March 7, 2016, the latest practicable date, and the exchange ratio, it is anticipated that Westport will issue 38,522,218 Westport common shares to the shareholders of Fuel Systems upon completion of the merger. Based on the number of common shares of Westport outstanding the closing share price on NASDAQ of Westport of $2.80 on March 7, 2016, the latest practicable date, and assuming that such price was the average share price, the applicable exchange ratio would be 2.129, and current Fuel Systems stockholders and current Westport shareholders would own approximately 37.4% and 62.6% of Westport s common shares, respectively, upon the completion of the merger, assuming no additional issuances of common shares by either Westport or Fuel Systems between March 7, 2016 and the effective time, which is expected to occur on [ ], 2016. However, Westport could issue up to 1,439,972 common shares upon the exercise of outstanding Westport options prior to the effective time, and Fuel Systems could issue up to 117,020 shares of common stock (equivalent to 249,136 Westport common shares) upon the exercise of outstanding Fuel Systems options prior to the effective time. In addition, following the effective time, Westport may issue additional common shares pursuant to the exercise of outstanding Westport options, including pursuant to those Fuel Systems options assumed by Westport in connection with the merger, and upon exercise of the convertible note issued to Cartesian. Further, Westport may issue additional common shares in connection with future financings or other transactions.

At the closing of the merger, each Fuel Systems stockholder who receives Westport common shares will become a shareholder of Westport. As a result, the percentage ownership of Westport held by each current Fuel Systems stockholder will be smaller than such shareholder s percentage ownership of Fuel Systems prior to the merger. Fuel Systems current stockholders will, therefore, have proportionately less ownership and voting interests in Westport following the merger than they have now in Fuel Systems.

The merger will result in changes to Westport s board of directors and management that may affect the strategy and operations of the combined company as compared to that of Fuel Systems and Westport as they currently exist.

If the merger is completed, the composition of Westport s board of directors and management team will change. Upon completion of the merger, the board of directors of the combined company will consist of nine members. On the closing of the merger, four members of the current Westport board of directors are anticipated to resign and three new members designated by Fuel Systems will be appointed to fill the vacancies created by such resignations. These three

individuals are currently expected to be directors Mariano Costamagna, Troy A. Clarke and Colin S. Johnston or such other person as they may appoint. The three Fuel Systems-designated directors will appoint one independent director (who must be a citizen of Canada), subject to the approval of the Nominating and Corporate Governance Committee of Westport, such approval not to be unreasonably withheld, conditioned or delayed, and one member of the Westport board will resign at the time such independent director is so appointed. A person designated by Fuel Systems also will have non-voting board observation rights and a specified Fuel Systems executive will also be appointed to a prominent management role in the combined company.

In addition, it is expected that the combined company will create a new business unit called Fuel Systems Automotive and Industrial Group that will be led by members of Westport s and Fuel Systems management teams.

This new unit will represent the combination of Fuel Systems with Westport s Operations unit. Its automotive division will be headquartered in Cherasco, Italy, and its industrial division will be headquartered in Santa Ana, California.

There can be no assurance that the newly constituted board of directors and new management of the combined company will function effectively as a team and that there will not be any adverse effect on the combined company s business as a result.

Current financing requirements of the combined business may not be adequate.

As of September 30, 2015, Westport had approximately $42.1 million in cash, cash equivalents and short term investments. As of September 30, 2015, Fuel Systems had approximately $61 million in cash, cash equivalents and short term investments. In its earnings conference call, earnings release and SEC filing announcing its second quarter 2015 results, Westport announced it was seeking new financing, cutting expenses and commencing initiatives to sell non-core assets. Westport made similar disclosures in connection with its third quarter 2015 results. On January 11, 2016, Westport announced that it had entered into a financing agreement with Cartesian Capital Group for up to $71.3 million in financing to support global growth initiatives. The financing agreement provided $17.5 million in cash to Westport on January 11, 2016 and will provide an additional $17.5 million in cash upon, and concurrently with, completion of the merger, with up to $36.3 million in additional cash contingent on, including in connection with, reaching key milestones and establishing new investment opportunities. For more information, see Update to the Merger Update to Recent Developments beginning on page S-26.

The combined company may need additional financing in connection with the implementation of its business from time to time after closing of the merger. The combined company s financial condition, general market conditions, volatile interest rates, a claim against the combined company, a significant disruption to the combined company s business or operations or other factors may make it difficult to secure the necessary financing on acceptable terms, if at all. In addition, existing financing agreements (including the Cartesian financing agreement) have, and future financing agreements may have, restrictive covenants and other limitations, including limitations on the incurrence of additional indebtedness, that may limit access to additional financing and may limit the combined company s ability and flexibility in planning for or reacting to changes in its business and the industry. See Update to the Merger Update to Recent Developments Cartesian Financing Agreement and Amendment beginning on page S-26. Further, continuing volatility in the credit markets may increase costs associated with debt instruments due to increased spreads over relevant interest rate benchmarks, or may affect the ability of the combined company, or third parties it seeks to do business with, to access those markets.

There is no assurance that the combined company will be successful in obtaining required financing as and when needed on acceptable terms, if at all. If the combined company is not successful in obtaining required financing, or in pursuing other means to raise cash and/or reduce its use of cash, the financial position and results of operations of the combined company could be materially and adversely affected. If the combined company raises additional funding by issuing additional equity securities or securities convertible, exercisable or exchangeable for equity securities, such financing may substantially dilute the interests of the shareholders of the combined company and reduce the value of their investment.

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UPDATE TO THE MERGER

The following is a discussion of the merger and the material terms of the amended merger agreement between Westport and Fuel Systems. You are urged to read carefully and in their entirety the merger agreement and the merger agreement amendment, which together make up the amended merger agreement. A copy of the merger agreement and merger agreement amendment are attached as Annex A to the proxy statement/prospectus and Annex I to this supplement, respectively, and are incorporated by reference herein.

Update to Background of the Merger

Background to the Amendment to the Merger Agreement

During the months of September, October and November, Fuel Systems, together with Westport, took steps to implement the terms of the merger agreement, including, among other things, preparation and filing of the registration statement on Form F-4 and the accompanying proxy/prospectus with the SEC and the development of plans with respect to the integration of the operations of the two companies. On October 19, 2015, Westport filed the initial Form F-4 and the accompanying proxy/prospectus with the SEC. During this period, Westport explored a variety of options with respect to raising additional capital to assist in funding the combined company s future operations, including through the issuance of convertible debt and sales of certain assets. Both companies believed that the continued weakness in oil prices experienced during this period had a negative effect on their respective revenues.

On November 10, 2015, Westport announced its quarterly results for the nine month period ended September 30, 2015, disclosing a balance of cash, cash equivalents, and short-term investments of $42.1 million, a decline of 75.1% over the prior 2014 period, and disclosed, consistent with prior guidance from its second quarter 2015 earnings conference call, that it was seeking new financing, cutting expenses, and commencing initiatives to sell non-core assets which it expected to complete by year-end. Westport reiterated its revenue outlook and expected consolidated revenue from Westport Operations and Corporate & Technology Investments segments for the year ended December 31, 2015, and filed its Form 6-K with the SEC containing Westport s management s discussion and analysis and consolidated financial statement for the period on the same day. Following Westport s announcement, Fuel Systems expressed concern to Westport regarding its cash balances, encouraged Westport to seek additional capital, continued to monitor developments in this area and assessed the need for the combined company to have additional capital.

On December 11, 2015, Westport provided Fuel Systems with a draft term sheet for a potential financing agreement with Cartesian Capital Group (Cartesian), which was shared with the Fuel Systems board of directors and certain of its representatives, along with two other term sheets for asset sales. Westport kept an informal committee of Fuel Systems directors generally apprised as negotiations progressed with Cartesian throughout the following thirty days.

Also on December 11, 2015, Fuel Systems announced its quarterly results for the nine month period ended September 30, 2015, revising its 2015 revenue outlook in the range of between $255 million to $265 million, a reduction from Fuel Systems prior outlook and disclosing a balance of cash and cash equivalents of approximately $54 million, and filed its Form 10-Q for the period on that same day.

On December 14, 2015, the Fuel Systems board of directors held a telephonic meeting and reviewed a sensitivity analysis prepared by Fuel Systems management which estimated that the combined company could have a negative cash balance by the end of 2017 if the combined company was unable to raise additional cash or substantially reduce its projected cash spending rate and that the combined company s liquidity would worsen in 2017 if the combined company failed to restructure approximately $56 million in unsecured debt which matures in the second half of 2017.

On December 28, 2015, Westport filed Amendment No. 1 to the Form F-4 and the accompanying proxy/prospectus with the SEC.

On January 11, 2016, Westport announced that it had entered into a financing agreement with Cartesian (such agreement, the Cartesian Financing Agreement) for financing for up to $71.3 million through a series of four tranches. For a more detailed discussion concerning the Cartesian Financing Agreement and related amendment, please see Update to Recent Developments Cartesian Financing Agreement and Amendment beginning on page S-26.

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After receipt of the definitive documentation relating to the Cartesian Financing Agreement (which did not occur until January 12, 2016), at a meeting held on January 22, 2016, the Fuel Systems board of directors reviewed the full terms of the Cartesian Financing Agreement for the first time, with the assistance of its financial and legal advisors. Following that meeting, two members of the Fuel Systems board of directors informed Westport that the Fuel Systems board of directors believed that Westport s entry into the Cartesian Financing Agreement required the prior written consent of Fuel Systems under the merger agreement, which had not been obtained by Westport, and thereby breached the merger agreement. In particular, the Fuel Systems board expressed concern that certain provisions in the executed agreement that the Fuel Systems board viewed as material had not been contained in the term sheet that had been provided to Fuel Systems by Westport prior to Westport s execution of the Cartesian Financing Agreement. The Fuel Systems board believed that the merger agreement requirement for Fuel Systems prior written consent had been violated by:

- the indebtedness for borrowed money incurred or to be incurred under the Cartesian Financing Agreement exceeding an agreed upon amount; and

- the covenant in the merger agreement requiring Westport to conduct its business in the ordinary course of business having been violated by, among other things, covenants in the Cartesian Financing Agreement prohibiting, without the prior written consent of Cartesian, Westport from entering into material acquisitions or material dispositions of any of Westport s subsidiaries (including by merger, consolidation, sale of stock or sale of assets) and Westport or its subsidiaries from incurring indebtedness of no more than $3,270,000, other than indebtedness incurred directly by Westport that ranks junior to the Convertible Notes (as defined below), and obligating Westport to use reasonable commercial efforts to prevent Fuel Systems from incurring any material indebtedness that would be reasonably likely to cause Westport and its subsidiaries to have total indebtedness in excess of $65,270,000 following the merger ($3,270,000 in excess of the unutilized portion of Westport s existing credit facilities as of the date of the Cartesian Financing Agreement) (the Total Debt Limit) .

In addition, the Fuel Systems board of directors was concerned about the grant of significant collateral to secure Westport s obligations under the Cartesian Financing Agreement, and the recourse to that collateral for breach of the $17.5 million First Tranche (as defined below in Update to Recent Developments Cartesian Financing Agreement and Amendment beginning on page S-26).

In response, on January 24, 2016, Westport delivered to Fuel Systems, through their respective counsels, a letter expressing its belief that, among other things, Fuel Systems position with respect to the Cartesian Financing Agreement was without merit (the Westport Letter). The Westport Letter stated Westport s views that Fuel Systems had engaged with Westport throughout the course of Westport s negotiations with Cartesian, including at the term sheet stage, and that representatives of Fuel Systems had encouraged Westport to pursue an investment by Cartesian. In addition, the Westport Letter expressed Westport s belief that Fuel Systems conduct was an attempt to delay the merger and its belief that the merger continues to be the best hope to maximize value for Fuel Systems and Westport s shareholders. The Westport Letter also indicated that Westport was prepared to initiate litigation to ensure the timely closing of the merger, but recommended that the parties first have further discussions.

Following delivery of the Westport Letter, the parties agreed to continue discussions before any actions were taken. On the following day, January 25, 2016, Westport filed Amendment No. 2 to the Form F-4 and accompanying proxy/prospectus with the SEC.

On January 27, 2016, the Fuel Systems board of directors received, with a copy to a Fuel Systems director, a written proposal from a third party (the Third Party) expressing interest in acquiring all of the outstanding shares of Fuel Systems common stock for a purchase price of $4.50 per share in cash, financed through a combination of Fuel Systems current cash on hand and cash of the third party (the Third Party Proposal). The Third Party Proposal was subject to completion of due diligence and entry into a definitive acquisition agreement but was not subject to a financing contingency. Also on January 27, 2016, Fuel Systems, through its counsel, informed Westport that it had received the Third Party Proposal, which constituted a Company Acquisition Proposal (as such term is defined in the merger agreement).

On January 28, 2016, Westport delivered to Fuel Systems, through their respective counsels, a letter expressing its concern with both the timing of the Third Party Proposal and its belief that Fuel Systems facilitated

the Third Party Proposal in violation of the merger agreement. The letter cited, based on publicly available information, six transactions, occurring between May 2003 and October 2015 that involved the chairman and chief executive officer of the Third Party and either a Fuel Systems director and/or a certain Fuel Systems stockholder who has recently voiced opposition to the merger. The letter requested that Fuel Systems provide Westport with copies of all material documentation and correspondence relating to the Third Party Proposal, including all correspondence between Fuel Systems, and any of its directors, that may have led to Fuel Systems receipt of the Third Party Proposal.

On January 31, 2016, Fuel Systems delivered to Westport, through their respective counsels, a letter in response to Westport s January 24, 2016 and January 28, 2016 letters. The January 31, 2016 letter, among other things, reiterated Fuel Systems belief that the Cartesian Financing Agreement required the prior written consent of Fuel Systems under the merger agreement and stated that the assertions in the January 28, 2016 letter regarding the timing and genesis of the Third Party Proposal were false. The January 31, 2016 letter further stated that the Fuel Systems board must evaluate the Third Party Proposal in good faith with the assistance of its financial and legal advisors, in compliance with its fiduciary duties and obligations under the merger agreement, and determine whether the Third Party Proposal was likely to lead to a Superior Proposal (as such term is defined in the merger agreement). The letter also expressed Fuel Systems disagreement with Westport s assertions that Fuel Systems was attempting to delay the merger and stated that the Fuel Systems board believes it had been, and continued to be, committed to complying with the terms of the merger agreement unless and until it was excused from doing so.

Also on January 31, 2016, representatives of Fuel Systems informed representatives of Westport that the Fuel Systems board of directors determined in good faith, after consultation with its financial and legal advisors, that the Third Party Proposal could reasonably be expected to lead to a Superior Proposal (as such term is defined in the merger agreement), and further determined in good faith, after consultation with legal counsel, that failure to furnish non-public information to, and to engage in discussions or negotiations with, such third party (and such third party s representatives) with respect to the Third Party Proposal would be reasonably likely to be inconsistent with the directors fiduciary duties under applicable law. On February 1, 2016, the Third Party entered into a confidentiality agreement consistent with the terms of the merger agreement, following which Fuel Systems entered into discussions or negotiations with the third party concerning its Third Party Proposal and provided certain non-public information to the third party in accordance with the merger agreement.

During the weeks of February 1 and February 8, the Fuel Systems board of directors met telephonically several times as Fuel Systems, Westport, Cartesian and their respective advisors continued discussions in order to seek to settle disputes relating to the Cartesian Financing Agreement and the Third Party Proposal. The negotiations and discussion included topics relating to, among other things, (i) the Second Tranche (as defined below) closing concurrently with the merger, (ii) modifying covenants in the Cartesian Financing Agreement relating to Cartesian s consent right over Westport s material dispositions of any of its subsidiaries, including, following the merger, the Fuel Systems Industrials division, (iii) modifying Cartesian s minimum threshold necessary to maintain its negative covenants over Westport and the combined company s operations and representative on Westport s Board of Directors, (iv) modifying the limitation on the incurrence of indebtedness by Westport and its subsidiaries under the Cartesian Financing Agreement, and (v) in light of ongoing market volatility and to provide certainty with respect to receiving a minimum value in merger consideration to Fuel Systems stockholders, the implementation of a collar based upon the trading price of Westport common shares over a certain period of time prior to completion of the merger with respect to the exchange ratio under the merger agreement.

Additionally, on February 11, 2016, Fuel Systems, through its legal counsel, provided the Third Party a form of merger agreement. Fuel Systems counsel subsequently informed Westport of such fact and that Fuel Systems and the Third Party intended to engage in discussions or negotiations with respect thereto and that the Third Party continued its diligence on Fuel Systems. Subsequently, the Third Party indicated concerns to Fuel Systems legal counsel

regarding the existing dispute between Westport and Fuel Systems that could involve litigation.

On or about February 16, 2016, Fuel Systems distributed to its stockholders of record as of February 11, 2016, a proxy statement/prospectus, dated February 16, 2016, relating to its special meeting to be convened on March 22, 2016, noting that a dispute existed between the parties relating to Westport s entry into the Cartesian Agreement and the circumstances surrounding the Third Party Proposal, and that the parties were continuing discussions before any actions would be taken regarding the Westport Letter.

On February 27, 2016, following a telephonic meeting of the Fuel Systems board of directors, and at the direction of the Fuel Systems board of directors, Fuel Systems legal counsel delivered to Westport a notice of breach pursuant to Section 6.7(b) of the merger agreement (the Notice of Breach). The Notice of Breach reiterated, among other things, Fuel Systems belief that Westport s execution of the Cartesian Financing Agreement, including the indebtedness for borrowed money incurred or to be incurred under the Cartesian Financing Agreement, exceeded an agreed upon amount and that certain covenants contained in the Cartesian Financing Agreement violated the conduct of business by Westport covenant in the merger agreement, including, (i) the limitation on material acquisitions or material dispositions of any of Westport s subsidiaries (including by merger, consolidation, sale of stock or sale of assets), (ii) the limitation on the incurrence of indebtedness by Westport and its subsidiaries to no more than $3,270,000, other than indebtedness incurred by Westport that ranks junior to the Convertible Notes and Westport s obligation to use reasonable commercial efforts to prevent Fuel Systems from incurring any material indebtedness that would be reasonably likely to cause Westport to have total indebtedness in excess of the Total Debt Limit of $65,270,000 following the merger, (iii) Cartesian s minimum threshold necessary to maintain its negative covenants over Westport and the combined company, (iv) granting Cartesian the Contingent Payment Right (as defined below in Update to Recent Developments Cartesian Financing Agreement and Amendment beginning on page S-26) and the first ranking security interest to secure payment of amounts under the Contingent Payment Right, and (v) Westport s agreement to sell certain assets to Cartesian in consideration of $16.3 million in cash. The Notice of Breach indicated that Westport had 20 days to cure the alleged breach. For additional information about the Cartesian Financing Agreement, see Update to Recent Developments Cartesian Financing Agreement and Amendment beginning on page S-26.

Following the mailing of the proxy statement/prospectus and the delivery of the Notice of Breach, the parties and the representatives continued their negotiations and discussions in order to settle disputes relating to the Cartesian Financing Agreement and the Third Party Proposal. The continuing negotiations and discussions included topics related to (i) increasing Westport s share consideration and the pro forma ownership of Fuel Systems stockholders of the combined company on a fully-diluted basis and the implementation of a collar with respect to the exchange ratio, (ii) Cartesian s ability to receive a security interest in Fuel Systems assets following the closing of the merger, (iii) the appointment of a specified Fuel Systems executive to a prominent management role in the combined company, (iv) Fuel Systems corporate governance rights in the combined company, including (a) fixing the combined company s board of directors at nine directors (the Board Size Provision), (b) the three Fuel Systems-designated directors (the Legacy Directors) appointing an independent director (who must be a citizen of Canada) designated by the Legacy Directors (subject to the approval of the Nominating and Corporate Governance Committee of Westport, such approval not to be unreasonably withheld, conditioned or delayed) (the Independent Director Provision), and (c) allowing the Legacy Directors to appoint replacements in the event of death, resignation or removal of a Legacy Director or if a designated Fuel Systems continuing director failed to serve on the board of the combined company (the Director Replacement Provision, and together with the Board Size Provision and the Independent Director Provision, the Corporate Governance Provisions) and (vi) a mutual release by Westport, Merger Sub and Fuel Systems of all claims related to any breach or alleged breach of the merger agreement arising out of any events prior to the execution an amendment to the merger agreement, among other things, and those items discussed above. During this period, legal counsel for the parties negotiated draft amendments to the merger agreement and Cartesian Financing Agreement, consistent with the topics discussed above.

A representative of Fuel Systems also had conversations with a representative of the Third Party concerning the status of the completion of the diligence relating to the Third Party Proposal and the timing of the receipt of comments with respect to the form of merger agreement that had been provided to the Third Party. The Third Party representative indicated that while the Third Party was continuing to do work with respect to the Third Party Proposal, including whether it could increase the proposed purchase price, in light of the dispute between Westport and Fuel Systems and allegations made by Westport involving the Third Party, it inquired as to the willingness and ability of Fuel Systems to provide expense reimbursement and indemnification to the Third Party prior to the execution of a definitive merger

agreement relating to the Third Party Proposal. The Third Party was informed that no such expense reimbursement or indemnification would be forthcoming prior to the execution of a definitive agreement relating to the Third Party Proposal.

Prior to the March 4, 2016 meeting of the Fuel Systems board of directors, a representative of Fuel Systems informed a representative of the Third Party that Fuel Systems and Westport were engaged in substantive discussions that could lead to ending the dispute over the Cartesian Financing Agreement and that, as part of an amendment to the merger agreement, there would likely be a collar that provided for protection to Fuel Systems stockholders so that they would receive no less than $5.00 in value per Westport common share in the merger. The representative of the Third Party did not respond affirmatively or negatively to this development.

On the morning of March 4, 2016, the Fuel Systems board of directors held a telephonic meeting to again discuss the revised transaction with Westport in order to settle disputes relating to the Cartesian Financing Agreement. At the meeting, Fuel Systems legal representatives reviewed the most recent changes to the proposed amendments to the merger agreement and the Cartesian Financing Agreement, including, with respect to the amendment to the merger agreement, (i) the implementation of an exchange ratio under which Fuel Systems stockholders would receive (x) in the event that the average share price was equal to or less than $1.64, 3.0793 Westport common shares, (y) in the event that the average share price is greater than $1.64 and less than $2.37, a number of Westport common shares equal to the quotient obtained by dividing $5.05 by the average share price, rounded to four decimal places, and (z) in the event that the average share price was equal to or greater than $3.10, 1.6290 Westport common shares (which, calculated as of March 4, 2016, equated to a pro forma ownership of approximately 40.6% of the combined company for Fuel Systems stockholders, compared to a pro forma ownership of the combined company of approximately 34.7% under the merger agreement), and (ii) the Corporate Governance Provisions, all of which had been agreed to except for the Director Replacement Provision, and, with respect to the amendment to the Cartesian Financing Agreement, changes to the Cartesian consent rights and covenants, among other things, which addressed the material concerns that had been raised with Westport and which had been described in the Notice of Breach, including with respect to the ability of Westport to raise additional cash by selling the Industrials assets under certain circumstances. For a more detailed discussion concerning the Cartesian Amendment (as defined below), please see Update to Recent Developments Cartesian Financing Agreement and Amendment beginning on page S-26. Following discussions, including with regards to Westport s rejection of the Director Replacement Provision, the Fuel Systems board of directors voted on whether to approve the terms of the merger agreement amendment and Cartesian Amendment in settlement of Fuel Systems claims in connection with Westport s alleged breach of the merger agreement. The resolution to approve the proposed amendments failed to gain sufficient votes for passage due to a four to four vote among the Fuel Systems directors. Following a discussion, the meeting was adjourned until later in the day in order that directors might consider the matter further and determine next steps. During the recess, conversations were held among individual directors seeking to convince two of the directors who had voted against the motion to approve the terms of the merger agreement amendment to change their votes to be in favor of the amended merger agreement if the Director Replacement Provision, was included. In addition, conversations were held with Fuel Systems legal representatives concerning the morning s proceedings and the vote and its implications.

The meeting of the Fuel Systems board of directors reconvened later in the afternoon on March 4, 2016. The Fuel Systems directors discussed whether a merger agreement amendment including the Director Replacement Provision that permitted replacements until the 2017 annual meeting of Westport s shareholders (the Final Director Replacement Provision), together with the proposed Cartesian Amendment, would be acceptable to settle the matters relating to the Cartesian Financing Agreement. Following discussions on the inclusion of the Final Director Replacement Provision, a representative of J.P. Morgan reviewed and discussed its analysis with respect to Fuel Systems and the proposed amendment to the merger agreement with Westport. J.P. Morgan indicated that it was prepared to render its opinion as to the exchange ratio set forth in the proposed amendment to the merger agreement as of the date thereof. The Fuel Systems directors then voted on and passed a resolution approving the merger agreement amendment, the Cartesian Amendment and the transactions and settlements contemplated thereby, on the condition that the Westport board of directors approve the addition of the Final Director Replacement Provision to the merger agreement amendment. Counsel was asked to inform Westport of the Final Director Replacement Provision to which the approval was subject. The Fuel Systems board of directors also determined that the Third Party Proposal was inadequate and not in the best interests of Fuel Systems stockholders, and determined not to furnish information to, and to cease discussion and negotiations with, the Third Party.

The approval of Fuel Systems board of directors of the merger agreement amendment and settlement terms was not unanimous. Two directors, Messrs. Costamagna, Fuel Systems CEO, and Di Toro, voted against the approval. The difference of opinion among the Fuel Systems board members related to judgments as to, among other things, (i) the

significant amount of indebtedness incurred in connection with the Cartesian Financing Agreement and its transformative effect on Westport and the combined company, due to, among other things, the high cost of capital associated with the indebtedness, (ii) the negative covenants and restrictions contained in the Cartesian Financing Agreement, as amended, and their impact on the combined company, (iii) that the benefits of the settlement of Fuel Systems claims in connection with Westport s alleged breach of the merger agreement did not outweigh the detriments of the Cartesian Financing Agreement, as amended, and (iv) concerns regarding the ability to finance the combined company and its liquidity through 2017 and beyond.

Following the March 4, 2016 meeting of the Fuel Systems board of directors, Mr. Di Toro notified the Fuel Systems board of directors of his decision to resign, effective immediately, from the Fuel Systems board of directors and as a director of Fuel Systems wholly owned subsidiary, MTM SRL. Mr. Di Toro was a member of Fuel Systems Nominating and Corporate Governance Committee and the Strategic Oversight Committee. Mr. Di Toro s letter stated that he was resigning because of the Fuel Systems board of directors decision to proceed with the transactions contemplated by the merger agreement and settle Fuel Systems claims that Westport breached the merger agreement. Mr. Di Toro stated his reasons for objecting to the settlement as follows: (i) Westport s entry into the Cartesian Financing Agreement breached the merger agreement and fundamentally changed the landscape of Westport and, consequently, the result of the envisaged strategic merger, (ii) that the significant amount of the Cartesian indebtedness incurred as of March 4, 2016 by Westport would negatively affect the operation of the combined company, (iii) that the terms of the Cartesian Financing Agreement would significantly restrict the combined company going forward by imposing certain negative covenants including borrowing restrictions, especially when compared to the size of the financing, (iv) that the Cartesian Financing Agreement s negative covenants and other restrictions provided Cartesian with significant control over the combined company s operations without any benefit to Westport shareholders or Fuel Systems stockholders; and (v) that the proposed merger agreement amendment and the Cartesian Amendment did not provide benefits which outweigh the burdens which the Cartesian Financing Agreement imposed on the combined company, including because the exchange ratio as agreed upon on March 4, 2016 may have been less than the exchange ratio in the original merger agreement (which, as described below, was subsequently altered so that in no event would the exchange ratio be less than 2.129 common shares of Westport).

On the evening of March 4, 2016, after Mr. Di Toro resigned, representatives of Westport informed representatives of Fuel Systems that, in order to assure that the Voting Agreements remained in place, Westport wanted to change the exchange ratio on the high end of the collar so that in the event the average share price was equal to or greater than $2.37, the exchange ratio would equal 2.129 common shares of Westport (and therefore, Fuel Systems stockholders would not receive less than the number of Westport common shares that they would have received under the merger agreement), and had agreed to the inclusion of the Final Director Replacement Provision.

On March 5, 2016, the Fuel Systems board of directors held a telephonic meeting to again discuss the revised transaction with Westport. Mr. Costamagna did not attend the meeting. At the meeting, the Fuel Systems board of directors discussed the enhanced exchange ratio and Westport s agreement concerning the Final Director Replacement Provision. A representative of J.P. Morgan confirmed its prior analysis with respect to Fuel Systems and the proposed amendment to the merger agreement with Westport in light of the change to the exchange ratio, which was positive for Fuel Systems stockholders and indicated that, subject to completion of administrative matters, it would deliver a written fairness opinion with respect to the improved exchange ratio. Following discussions, the board by unanimous vote of the directors present approved the revised transaction.

On March 6, 2016, J.P. Morgan delivered its written opinion to the Fuel Systems board of directors that, as of that date, and based upon and subject to the factors and assumptions set forth in its opinion, the exchange ratio set forth in the amended merger agreement was fair, from a financial point of view, to the holders of Fuel Systems common stock. Also on March 6, 2016, the parties executed the amendment to the merger agreement, and, concurrently therewith, along with an affiliate of Cartesian, the Cartesian Amendment (as defined below). For a more detailed discussion concerning the Cartesian Amendment (as defined below), please see Update to Recent Developments Cartesian Financing Agreement and Amendment beginning on page S-26. Additionally, on March 6, 2016, a representative of Fuel Systems advised a representative of the Third Party that Fuel Systems had entered into the amendment to the merger agreement, pursuant to which the consideration under the merger agreement had changed, and that, as a result, the Fuel Systems board of directors had rejected the Third Party Proposal and was terminating further discussion with respect to the Third Party Proposal.

Prior to the opening of the financial markets on March 7, 2016, Fuel Systems and Westport issued press releases publicly announcing the execution of the amendment to the merger agreement, the Cartesian Amendment, and the details of the proposed amendments. Later in the day, Fuel Systems was informed by the Third Party that, following its review of Fuel Systems Current Report on Form 8-K relating to the amendment to the merger agreement filed earlier that day with the SEC, it had decided not to proceed with the Third Party Proposal.

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Update to Recent Developments

Cartesian Financing Agreement and Amendment

On January 11, 2016, Westport announced that it had entered into the Cartesian Financing Agreement for financing through a series of four tranches.

As part of the first tranche, Cartesian immediately provided $17.5 million in cash in consideration for a technology income streaming facility (the First Tranche). Under the First Tranche, Cartesian, in exchange for $17.5 million, received a contingent payment right consisting of amounts tied to (i) certain joint venture product sales (the JV Contingent Payment Amount); and (ii) certain future High Pressure Direct Injection (HPDI) product sales (the HPDI Contingent Payment Amount , and together with the JV Contingent Payment amount, the Contingent Payment Right). The JV Contingent Payment Amount is, from January 1, 2016 to December 31, 2021, the greater of (a) a percentage of the income Westport receives from the applicable joint venture product sales, subject to certain adjustments, and (b) a yearly fixed payment amount from 2016 through 2021. The HPDI Contingent Payment Amount is, from January 1, 2016 to December 31, 2025, the greater of (a) a percentage of the sum Westport is entitled to receive under the applicable HPDI product development agreement or its termination and (b) a yearly fixed amount from 2017 through 2025.

The total base yearly fixed amounts under both the JV Contingent Payment Amount and the HPDI Contingent Payment Amount from 2016 through 2025 equal approximately $46 million, with each year s base fixed payment under both the JV Contingent Payment Amount and the HPDI Contingent Payment Amount totaling $1,500,000 for 2016, $3,426,400 for 2017, $6,164,000 for 2018, $7,722,400 for 2019, $9,054,400 for 2020, $10,192,000 for 2021, $1,161,600 for 2022, $1,636,800 for 2023, $2,270,400 for 2024 and $2,851,200 for 2025. Payments to Cartesian could be higher if future joint venture earnings and/or future product sales produce contingent payment rights higher than the base yearly fixed amount stipulated in the Cartesian Financing Agreement. The Contingent Payment Right is secured by a security interest in certain of Westport s assets.

Under the second tranche, Westport will issue convertible notes to Cartesian (the Convertible Notes), for an aggregate purchase price of $17.5 million, which tranche will close concurrently with the merger. The Convertible Notes will include: (i) a 9% interest rate; (ii) a 5-year term; and (iii) convertibility into newly issued shares of Westport at an amount per share to be determined and within a range that will be no less than $2.00 but no greater than $2.31. Fifty percent of the Convertible Notes may be converted into equity at Westport s election if, after 2 years, Westport s share price is greater than $4.62 for 20 out of 30 days and reflects more than $3 million in average daily trading volume.

Under the final two tranches: (i) in consideration of $16.3 million in cash, Westport has agreed to sell certain assets to Cartesian, with an expected completion date of the transaction no later than May 30, 2016 (the Asset Sale); and (ii) Cartesian has committed up to an additional $20 million to Westport to support two or more product development ventures as may be agreed upon between the parties. The new streaming facilities would provide development funding for Westport in exchange for a contingent payment on products developed by the new ventures, with the purpose of providing Cartesian with a reasonable commercial return reasonably similar to those anticipated from the payment by Westport of the Contingent Payment Right.

If, after 54 months from the date of closing of the Contingent Payment Rights, Cartesian has realized a return on its investment greater than 3.5 times the purchase price of the Contingent Payment Rights, the Convertible Notes, and the Asset Sale ($179,655,000 or the Threshold Amount), Cartesian must pay to Westport 30% of all amounts received in excess of the Threshold Amount and 30% of any HPDI Contingent Payment Amount following the date on which the Threshold Amount is attained.

As part of the Cartesian Financing Agreement, Peter Yu, Managing Partner and Founder of Cartesian, was appointed to Westport s Board of Directors. The Cartesian Financing Agreement provided that as long as Cartesian holds at least either (i) 5% of the Westport Shares either directly or issuable through the exercise of the Convertible Notes (the Note Shares) (the 5% Threshold) or (ii) 75% of the original number of the Note Shares, Cartesian was granted rights over Westport s business including, but not limited to: consent rights with respect to (i) material acquisitions or material dispositions of any of its subsidiaries (including by merger, consolidation, sale of stock or sale of assets), (ii) capital expenditures not contemplated in a board approved annual budget, (iii) share repurchases,

and (iv) a limitation on the incurrence of additional indebtedness by Westport and its subsidiaries (including Fuel Systems after the closing of the merger) to no more than $3,270,000, other than indebtedness incurred by Westport that ranks junior to the Convertible Notes. Westport was also obligated to use reasonable commercial efforts to prevent Fuel Systems from incurring any material indebtedness that would be reasonably likely to cause Westport to have total indebtedness in excess of the $65,270,000 Total Debt Limit following the merger.

Concurrently with, and as a condition to the Fuel Systems board of directors approving the amendment to the merger agreement, the Cartesian Financing Agreement also was amended (the Cartesian Amendment).

The Cartesian Amendment made the following changes, among others, to the Cartesian consent rights and covenants under the Cartesian Financing Agreement:

- increased the minimum ownership threshold for Cartesian to retain its consent rights and seat on the Westport Board of Directors by requiring that Cartesian hold Westport Shares (or Note Shares) representing at least 80% (instead of 75%) of the original number of Note Shares and removing the alternate 5% Threshold;

- increased the $65,270,000 Total Debt Limit to the greater of (i) $65,270,000 and (ii) twice the annual EBITDA of the combined company and its subsidiaries (giving pro forma effect to the consummation of the merger), and expanded that debt limit to permit the incurrence of indebtedness and guarantees by subsidiaries of Westport up to that limit without having to comply with the more specific debt incurrence restrictions such as the $3,270,000 limitation referred to above; and

- provided that, following the consummation of the merger, Cartesian will not unreasonably withhold its prior written consent to the sale of all or substantially all of the assets and business of the Fuel Systems Industrials division, provided that (i) such sale is unanimously approved by Westport s board of directors (subject to any recusal of Cartesian s director) prior to January 1, 2020, (ii) such sale is executed on arm s-length terms and Westport obtains a fairness opinion with respect to the sale, and (iii) if reasonably requested by Cartesian following such sale, Westport and its subsidiaries, as applicable, will grant and perfect a security interest to Cartesian in incremental assets that are not prohibited from being so pledged as security, sufficient to secure payment of the contingent payment amounts due to Cartesian (which amounts are secured by a security interest in certain of Westport s assets, including certain of its intellectual property, as further described in herein), provided that such incremental assets shall not consist of any assets or equity of Fuel Systems or any of its subsidiaries.

The Cartesian Amendment also provides for a tri-party mutual release among Cartesian, Westport and Fuel Systems of claims arising out of, among other things, any events prior to the execution of the Cartesian Amendment.

Copies of the Cartesian Financing Agreement and the Cartesian Amendment with certain redactions permitted by applicable law will be filed as exhibits to a Form 6-K of Westport, expected to be filed with the SEC on or about March 30, 2016, and can be obtained as set forth under Where You Can Find More Information beginning on page S-101 of this supplement.

Westport Board of Directors Recommendation and its Reasons for the Merger

On March 6, 2016, Westport s board of directors determined that the merger agreement amendment and the transactions contemplated thereby are fair to, advisable and in the best interests of Westport and its shareholders for the same reasons disclosed in The Merger Westport Board of Directors Recommendation and Its Reasons for the Merger beginning on page S-27 of the proxy statement/prospectus.

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Update to the Fuel Systems Board of Directors Recommendation and its Reasons for the Merger Agreement Amendment

In connection with its approval of the merger agreement amendment, including the settlement of claims in connection with Westport s alleged breach of the merger agreement as a result of its entry into the Cartesian Financing Agreement without Fuel Systems prior written consent, the Fuel Systems board of directors took into account the factors it had discussed at its meeting on September 1, 2015, as well as the following additional factors:

Under the amended merger agreement Fuel Systems stockholders may receive more in value than under the merger agreement and will not receive any fewer shares. The merger agreement amendment provides that each Fuel Systems stockholder will receive (x) in the event that the average share price is equal to or less than $1.64, 3.0793 Westport common shares, (y) in the event that the average share price is greater than $1.64 and less than $2.37, a number of Westport common shares equal to the quotient obtained by dividing $5.05 by the average share price, rounded to four decimal places, and (z) in the event that the average share price is equal to or greater than $2.37, 2.129 Westport common shares. This structure in which the exchange ratio is not fixed, combined with a minimum exchange ratio equal to that provided under the merger agreement, provides Fuel Systems stockholders with additional protection for lower Westport share prices without reducing the minimum number of shares that Fuel Systems stock-holders receive at higher share prices from what was provided in the merger agreement, particularly given that the Westport share price increased in the days prior to execution of the merger amendment.

The volatility in value of Westport s common shares and the importance of providing protection to Fuel Systems stockholders for the delivery of at least $5.05 per share value of merger consideration within the range of an average share price of $1.64 to $2.37, particularly in light of the Third Party Proposal. Within that range, the exchange ratio increases as the average share price decreases, addressing the fact that, since the transaction was first announced in September 2015, the Westport share price has declined, providing additional value certainty to Fuel Systems stockholders. Following the merger, former Fuel Systems stockholders who continue to hold Westport common shares will participate in future increases, and be subject to future decreases, in the market price of Westport common shares.

The closing of the merger being conditioned on Westport s concurrent issuance of the Convertible Notes pursuant to the Cartesian Financing Agreement so that the combined company will have additional capital to finance its business plans.

The merger agreement amendment s addition of certain corporate governance-related provisions, including, among other things, (i) the Final Director Replacement Provision, (ii) the Independent Director Provision, and (iii) the Board Size Provision.

The opinion, dated March 6, 2016, of J.P. Morgan to the Fuel Systems board as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of Fuel Systems common stock of the exchange ratio in the merger, as more fully described under Update to the Merger Update to Opinion of Fuel Systems Financial Advisor and Annex II to this supplement, which contains the full text of the J.P. Morgan opinion.

The amendment to the terms of the Cartesian Financing Agreement, which allow for additional flexibility for the combined company to operate on a going-forward basis, principally:

- increasing the $65,270,000 Total Debt Limit to the greater of (i) $65,270,000 and (ii) twice the annual EBITDA of the combined company and its subsidiaries (giving pro forma effect to the consummation of the merger), and expanding that debt limit to permit the incurrence of indebtedness and guarantees by subsidiaries of Westport up to that limit without having to comply with the more specific debt incurrence restrictions such as the $3,270,000 limitation referred to above;

- providing that, following the consummation of the merger, Cartesian will not unreasonably withhold its prior written consent to the sale of all or substantially all of the assets and business of the Fuel Systems Industrials division, provided that (i) such sale is unanimously approved by Westport s board of directors (subject to any recusal of Cartesian s director) prior to January 1, 2020, (ii) such sale is executed on arm s-length terms and Westport obtains a fairness opinion with respect to the sale, and (iii) if reasonably requested by Cartesian following such sale, Westport and its subsidiaries, as applicable, will grant and perfect a security interest to Cartesian in incremental assets that are not prohibited from being so pledged as security, sufficient to secure payment of the contingent payment amounts due to Cartesian (which amounts are secured by a

security interest in certain of Westport s assets, including certain of its intellectual property, as further described in herein), provided that such incremental assets shall not consist of any assets or equity of Westport or any of its subsidiaries; and

increasing the minimum ownership threshold for Cartesian to retain its consent rights and seat on the Westport Board of Directors by requiring that Cartesian hold Westport Shares (or Note Shares) representing at least 80% (instead of 75%) of the original number of Note Shares and removing the alternate 5% Threshold;

That the benefits of the merger agreement amendment and the Cartesian Financing Agreement, as amended, outweigh the costs, risks and uncertainties associated with pursuing a claim of breach against Westport and terminating the merger agreement, including, among other things, the costs, risks and

uncertainties associated with prolonged litigation and the potential for diversion of management and employee attention, and for employee attrition, and the potential effect on Fuel Systems business and relations with customers, service providers and other stakeholders, during such period of litigation.

That the merger agreement amendment provides for a mutual release by Westport, Merger Sub and Fuel Systems of all claims related to any breach or alleged breach of the merger agreement arising out of any events prior to the execution of the merger agreement amendment, subject to a limited exception, and the Cartesian Amendment also provides for a mutual release by Cartesian and Fuel Systems of claims arising out of, among other things, any events prior to the execution of the Cartesian Amendment and the Third Party Proposal.

The prospects of Fuel Systems as a standalone company in the event the merger agreement was terminated.

The Fuel Systems board also considered risks and negative factors in connection with the amendment to the merger agreement and the Cartesian Amendment and in connection with its deliberations on these matters, including:

That while the Cartesian Financing Agreement does provide additional capital to Westport, it contains negative covenants that restrict the operations of Fuel Systems and, even as revised by the Cartesian Amendment, could limit the combined company s ability to obtain additional financing in the future.

That as a result of the negative covenants contained in the Cartesian Financing Agreement, Cartesian will have significant influence and control over the combined company because certain board actions of the combined company will require the prior written consent of Cartesian until Cartesian no longer owns at least 80% of the original number of the Note Shares, including, (a) the limitation of material acquisitions or material dispositions of any of Westport s subsidiaries (including by merger, consolidation, sale of stock or sale of assets), (b) the limitation of the incurrence of indebtedness by Westport and its subsidiaries to no more than the Total Debt Limit of $65,270,000 ($3,270,000 in excess of the unutilized portion of its existing credit facilities as of the date of the Cartesian Financing Agreement, (c) the limitation on the incurrence of indebtedness by Westport and its subsidiaries to no more than $3,270,000, other than indebtedness incurred by Westport that ranks junior to the Convertible Notes), and (d) the repurchase of Westport common shares.

That, even with the proceeds of the First Tranche and the Second Tranche of the Cartesian Financing Agreement, the combined company may be unable to obtain additional needed financing in light of the restrictions contained in the Cartesian Financing Agreement and market conditions and that, as a result, the combined company may become insolvent. Accordingly, the termination of the merger agreement, although with attendant risks, might be more beneficial to Fuel System stockholders than the merger agreement amendment and the Cartesian Amendment.

That the Cartesian Financing Agreement and all of its terms have not yet been made publicly available.

That Messrs. Costamagna and Di Toro did not vote in favor of the merger agreement amendment and the Cartesian Amendment.

That the dispute between the companies prior to the merger could adversely affect the merger integration process between the companies.

The foregoing discussion is not intended to be exhaustive, but is intended to address the material information and principal factors considered by the Fuel Systems board in considering the merger. In view of the number and variety of factors and the amount of information considered, the Fuel Systems board did not find it practicable to, and did not make specific assessments of, quantify or otherwise assign relative weights to, the specific factors considered in reaching its determination. In addition, the Fuel Systems board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, and individual members of the Fuel Systems board may have given different weights to different factors.

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The Fuel Systems board made its recommendation based on the totality of information presented to, and the investigation conducted by, the Fuel Systems board. It should be noted that certain statements and other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading Cautionary Statement Regarding Forward-Looking Statements.

The Fuel Systems board of directors recommends that Fuel Systems stockholders vote FOR the Merger proposal, FOR the Amendments to Non-Employee Directors Restricted Stock Awards proposal, FOR the Advisory Compensation proposal and FOR the Adjournment proposal.

Update to Opinion of Fuel Systems Financial Advisor

Second Fairness Opinion

On March 6, 2016, Fuel Systems and Westport agreed to amend the merger agreement and entered into the merger agreement amendment. On March 6, 2016, J.P. Morgan delivered a second written opinion to the Fuel Systems board of directors that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the exchange ratio in the proposed merger pursuant to the amended merger agreement was fair, from a financial point of view, to the holders of Fuel Systems common stock. No limitations were imposed by the Fuel Systems board of directors upon J.P. Morgan with respect to the investigations made or procedures followed by it in rendering its opinion.

The full text of the written opinion of J.P. Morgan dated March 6, 2016, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex II to this supplement and is incorporated herein by reference. Fuel Systems stockholders are urged to read the opinion in its entirety. J.P. Morgan s written opinion is addressed to the Fuel Systems board of directors, is directed only to the exchange ratio in the merger and does not constitute a recommendation to any stockholder of Fuel Systems as to how such stockholder should vote at the Fuel Systems special meeting. The summary of the opinion of J.P. Morgan set forth in this supplement is qualified in its entirety by reference to the full text of such opinion.

In arriving at its opinion, J.P. Morgan, among other things:

- reviewed a draft dated March 4, 2016 of the amended merger agreement;
- reviewed certain publicly available business and financial information concerning Fuel Systems and Westport and the industries in which they operate;
- compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving companies J.P. Morgan deemed relevant and the consideration paid for such companies;
- compared the financial and operating performance of Fuel Systems and Westport with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of the Fuel Systems common stock and Westport s common

shares and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts prepared by each of the managements of (a) Fuel Systems relating to its business and (b) Westport relating to its business, as adjusted by the management of Fuel Systems, as well as the estimated amount and timing of cost savings and related expenses and synergies expected to result from the merger (see Update to Certain Unaudited Financial and Operating Forecasts Update to Fuel Systems Unaudited Prospective Financial Information); and

performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

J.P. Morgan also held discussions with certain members of the management of Fuel Systems and Westport with respect to certain aspects of the merger, and held discussions with the management of Fuel Systems with

respect to the past and current business operations of Fuel Systems and Westport, the financial condition and future prospects and operations of Fuel Systems and Westport, the effects of the merger on the financial condition and future prospects of Fuel Systems and Westport, and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

J.P. Morgan relied upon and assumed, without assuming responsibility or liability for independent verification, the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by Fuel Systems and Westport or otherwise reviewed by or for J.P. Morgan. J.P. Morgan did not conduct and was not provided with any valuation or appraisal of any assets or liabilities, nor did J.P. Morgan evaluate the solvency of Fuel Systems or Westport under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to it, including the synergies referred to above, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of Fuel Systems and Westport to which such analyses or forecasts relate. J.P. Morgan also assumed that Westport will have received, on or prior to the consummation of the merger, $51.3 million in financing from Cartesian. J.P. Morgan expressed no view as to such analyses or forecasts (including the synergies) or the assumptions on which they were based. J.P. Morgan also assumed that the merger will qualify as a tax-free reorganization for United States federal income tax purposes, and will be consummated as described in the amended merger agreement and this supplement, and that the definitive amended merger agreement would not differ in any material respect from the draft thereof provided to J.P. Morgan. J.P. Morgan relied as to all legal matters relevant to the rendering of its opinion upon the advice of counsel. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Fuel Systems or Westport or on the contemplated benefits of the merger.

The projections furnished to J.P. Morgan for Fuel Systems were prepared by the management of Fuel Systems and the projections furnished to J.P. Morgan for Westport were prepared by the management of Westport and subsequently adjusted by the management of Fuel Systems, each as described under Update to Certain Unaudited Financial and Operating Forecasts Update to Fuel Systems Unaudited Prospective Financial Information. Neither Fuel Systems nor Westport publicly disclose internal management financial projections of the type provided to J.P. Morgan in connection with J.P. Morgan s analysis of the merger, and such projections were not prepared with a view toward public disclosure. These projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in such projections.

J.P. Morgan s opinion is based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of such opinion. Subsequent developments may affect J.P. Morgan s opinion, and J.P. Morgan does not have any obligation to update, revise, or reaffirm such opinion. J.P. Morgan s opinion is limited to the fairness, from a financial point of view, of the exchange ratio in the proposed merger, and J.P. Morgan has expressed no opinion as to the fairness of the merger to, or any consideration of, the holders of any other class of securities, creditors or other constituencies of Fuel Systems or the underlying decision by Fuel Systems to engage in the merger. J.P. Morgan expressed no opinion as to the price at which Fuel Systems common stock or Westport s common shares will trade at any future time, whether before or after the closing of the merger.

The terms of the amended merger agreement, including the exchange ratio, were determined through arm s length negotiations between Fuel Systems and Westport, and the decision to enter into the amended merger agreement was solely that of the Fuel Systems board of directors and Westport board of directors. J.P. Morgan s opinion and financial analyses were only one of the many factors considered by the Fuel Systems board of directors in its evaluation of the

proposed merger and should not be viewed as determinative of the views of the Fuel Systems board of directors or management with respect to the proposed merger or the exchange ratio.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses utilized by J.P. Morgan in connection with providing its opinion. The financial analyses summarized below include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by J.P. Morgan, the tables must be read together with the full text of this summary of J.P. Morgan s financial analyses. Considering the data set forth herein without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of J.P. Morgan s financial analyses.

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For each of the analyses performed by J.P. Morgan, J.P. Morgan used the fully diluted number of shares for both Fuel Systems and Westport based on the total outstanding number of shares for each company as of September 30, 2015 and all shares issuable pursuant to outstanding restricted stock units and performance stock units to calculate fully diluted shares outstanding. Additionally, when evaluating the effect of the Cartesian financing J.P. Morgan assumed that the convertible note was converted into shares based on the implied standalone discounted cash flow share price value.

Public Trading Multiples

Using publicly available information, J.P. Morgan compared selected financial data of Fuel Systems and Westport, respectively, with similar data for selected publicly traded companies engaged in businesses which J.P. Morgan judged to be similar to Fuel Systems and Westport, respectively, and for which similar valuation metrics are used. The companies selected by J.P. Morgan were:

Fuel Systems FV/EBITDA Multiples Comparable Companies

- Fuel Systems
- Power Solutions
- Landi Renzo
- Hexagon Composites[1]

Westport FV/revenue Multiples Comparable Companies

- Westport
- Clean Energy Fuels
- Quantum Company[2]

These companies were selected, among other reasons, because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan s analysis, may be considered similar to those of Fuel Systems and Westport based on business operations, end markets, profitability profile and similar valuation metrics for trading multiples. For each comparable company, publicly available estimates of financial performance through the twelve months ended December 31, 2016 and December 31, 2017, respectively, were measured. J.P. Morgan calculated for (1) Fuel Systems and its comparable companies, the firm value as of March 4, 2016 as a multiple of estimated EBITDA for calendar year 2016 and calendar year 2017, and (2) Westport and its comparable companies, the firm value as of March 4, 2016 as a multiple of estimated revenue for calendar year 2016 and calendar year 2017. The calculations for Westport in this subsection included (1) diluted shares outstanding on a pro forma basis reflecting the

Cartesian financing and (2) the value of its long-term investments in certain joint ventures as of September 30, 2015 that are currently unconsolidated in the revenue of Westport. The analysis indicated the following:

Fuel Systems Comparable Companies	FV / 2016 EBITDA	FV / 2017 EBITDA
Fuel Systems Solutions	4.0x	2.2x
Power Solutions	11.8x	9.0x
Landi Renzo	9.2x	8.1x
Hexagon Composites	14.5x	9.5x

[1] J.P. Morgan ultimately excluded Hexagon Composites from Fuel Systems FV/EBITDA multiples comparable companies set due to its lessened exposure to oil price volatility and other issues particular to its business, rendering the company a poor comparable in the current context.

[2] J.P. Morgan ultimately excluded Quantum Fuels from Westport FV/revenue multiples comparable companies set due to both its relatively small size and lack of scale and recent issues faced by Quantum Fuels that are particular to its business rendering the company a poor comparable in the current context.

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Westport Comparable Companies	FV / 2016 Revenue	FV / 2017 Revenue
Westport Innovations	1.48x	0.78x
Clean Energy Fuels	1.90x	1.52x
Quantum Fuel Systems	0.75x	0.58x

J.P. Morgan selected the following values for each company s multiple, specifically: (1) Fuel Systems common stock: 2.5x to 9.5x estimated 2016 EBITDA and 1.0x to 8.5x estimated 2017 EBITDA and (2) Westport s common shares: 1.00x to 1.70x estimated 2016 revenue and 0.65x to 1.30x estimated 2017 revenue. J.P. Morgan did not rely solely on the quantitative results of the selected multiples analysis in developing reference ranges or otherwise applying its analysis. Based on various judgments concerning relative comparability of each of the selected companies to Fuel Systems, as well as its experience with the industry in which Fuel Systems participates, J.P. Morgan selected a range of EBITDA multiples that it believed reflected an appropriate range of multiples applicable to Fuel Systems. J.P. Morgan employed the same aforementioned methods in selecting a range of revenue multiples that it believed reflected an appropriate range of multiples applicable to Westport.

The EBITDA multiples were then applied to Fuel Systems EBITDA projections for fiscal years 2016 and 2017, yielding implied equity values per share for Fuel Systems common stock of approximately $4.70 to $8.55 per share for fiscal year 2016 and approximately $4.30 to $11.70 per share for fiscal year 2017. The revenue multiples were then applied to Westport s revenue projections for fiscal years 2016 and 2017, yielding implied equity values per share for Westport s common shares of approximately $2.05 to $3.10 per share for fiscal year 2016 and approximately $2.40 to $4.25 per share for fiscal year 2017.

J.P. Morgan compared the results of the implied equity values per share for Fuel Systems and Westport. For each comparison, J.P. Morgan compared (1) the ratio of the highest implied equity value per share for Fuel Systems shown above to the lowest implied equity value per share for Westport shown above and (2) the ratio of the lowest implied equity value per share for Fuel Systems shown above to the highest implied equity value per share for Westport shown above, in order to derive a range of implied exchange ratios. The implied exchange ratios were:

	Implied Exchange Ratio	
Fiscal year 2016	1.5161x	4.1707x
Fiscal year 2017	1.0118x	4.8750x

Discounted Cash Flow Analysis

J.P. Morgan conducted a discounted cash flow analysis for the purpose of determining the fully diluted equity values per share for both Fuel Systems common stock and Westport s common shares. J.P. Morgan calculated the unlevered free cash flows that Fuel Systems and Westport, respectively, are expected to generate during fiscal years 2016 through 2025 based upon the financial projections prepared on behalf of Fuel Systems management through the years ended December 31, 2025 and upon financial projections prepared on behalf of Westport s management, which were based on financial projections prepared by Westport s management, as adjusted by the management of Fuel Systems, through the years ended December 31, 2025. The unlevered free cash flows of Fuel Systems included the $3 million to $4 million attributable to incremental cash flows resulting from tax savings reflected from Fuel Systems net operating losses which were then discounted using the applicable discount range for Fuel Systems as provided below. The unlevered free cash flows of Westport included the $22 million to $24 million attributable to incremental cash flows resulting from tax savings reflected from Westport s net operating losses which were then discounted using the

applicable discount rate range for Westport Operations as provided

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below. The net operating losses were provided by the respective managements of Fuel Systems and Westport and were based on projected financial performance. For purposes of the discounted cash flow analysis, J.P. Morgan treated stock-based compensation as a non-cash expense and thus added such expense back to both Fuel Systems and Westport s EBITDA (earnings before interest, taxes, depreciation and amortization) as included in their respective unlevered free cash flows. J.P. Morgan also calculated a range of terminal values of Fuel Systems and Westport, respectively, at the end of the 10-year period ending December 31, 2025 by applying a perpetual growth rate ranging from 2.5% to 3.5% of the unlevered free cash flow of Fuel Systems and Westport, respectively, during the final year of the 10-year period. The unlevered free cash flows and the range of terminal values were then discounted to present values using the following ranges of discount rates:

	Discount Rate Range
Fuel Systems	10.0% - 12.0%
Westport Operations	10.0% - 12.0%
Westport HPDI	12.0% - 14.0%

These values were then added together in order to derive the implied firm value for each of Fuel Systems and Westport, which, in the case of Westport, was on a pro forma basis to give effect to the Cartesian financing. The range of discount rates was chosen based upon an analysis of the weighted average cost of capital of Fuel Systems and Westport, respectively, conducted by J.P. Morgan and was applied using the mid-year convention for discounting. In particular, Westport s HPDI business was attributed a higher discount rate based upon a higher weighted average cost of capital due to a higher beta which is reflective of the riskier nature of the HPDI business, previously encountered delays and uncertainties concerning timing of market penetration. In calculating the estimated equity values per share for Fuel Systems and Westport on a standalone basis (i.e., without synergies), J.P. Morgan adjusted the firm value for Fuel Systems and Westport s net cash, debt and minority interest value as of September 30, 2015, and divided by the fully diluted common shares outstanding, calculated using the method described above.

The analysis indicated a range of implied equity values per share:

	Fuel Systems	Westport
Low	$ 12.65	$ 5.65
High	$ 17.05	$ 8.55

J.P. Morgan compared the results for Fuel Systems to Westport by comparing (1) the highest implied equity value per share for Fuel Systems to the lowest implied equity value per share for Westport and (2) the lowest implied equity value per share for Fuel Systems to the highest implied equity value per share for Westport, in order to derive a range of the implied exchange ratios for such estimates. The implied exchange ratios were:

	Implied Exchange Ratio
Fuel Systems to Westport	1.4795x - 3.0177x

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Selected Transaction Analysis

Using publicly available information and certain non-public information, J.P. Morgan examined selected transactions with respect to companies that engaged in businesses that J.P. Morgan judged to be similar to Fuel Systems businesses. The precedent transactions were selected, among other reasons, because the businesses involved in these transactions share similar business characteristics to Fuel Systems based on business sector participation, operational characteristics and financial metrics. It should be emphasized that none of the companies involved in the selected transactions (other than Fuel Systems) is identical to Fuel Systems and none of the selected transactions is identical to the merger.

J.P. Morgan calculated, for each selected transaction, the target company s implied firm value as a multiple of EBITDA for the twelve-month period prior to the announcement date of the applicable transaction. The transactions considered, the date each transaction was announced and the EBITDA multiple are as follows:

Month and Year Announced	Target	Acquiror	FV/EBITDA
May 2015	Wells Vehicle Electronics	NGK Spark Plug Co	9.5x
January 2015	TI Group Automotive Systems	Bain Capital	*
December 2014	Halla Visteon Climate Control	Hankook Tire Co	10.1x
June 2011	Emer SpA	Westport Innovations	N/A
June 2010	Inergy Automotive Systems SA	Plastic Omnium SA	N/A
November 2009	EMCON Technologies LLC	Faurecia SA	7.4x
February 2007	ArvinMeritor - Emissions Technology	One Equity Partners	3.9x
October 2006	Eaton (Transmission and Engine Control)	BorgWarner	5.9x
January 2005	JCEEG	Valeo SA	N/A
June 2004	Stanadyne (owned by American Industrial Partners)	Kolhlberg & Co., LLC	7.0x
November 1999	TRW s Lucas Diesel Systems	Delphi Automotive Systems Corp.	5.9x
April 1999	Walbro Corp.	TI Group Plc.	7.2x

* - Not publicly available

J.P. Morgan s analysis resulted in a range of EBITDA multiples of 3.9x to 10.1x for the selected transactions. J.P. Morgan applied a range of EBITDA multiples of 6.0x to 10.0x to Fuel Systems EBITDA for the twelve months ended December 31, 2015, and arrived at an estimated range of equity values for Fuel Systems common stock of between $5.25 and $6.55 per share.

J.P. Morgan did not rely solely on the quantitative results of the selected transaction analysis in developing reference ranges or otherwise applying its analysis. Based on various judgments concerning relative comparability of each of the companies in the selected transactions to Fuel Systems and each of the selected transactions to the merger, as well its experience with mergers and acquisitions and the industry in which Fuel Systems and Westport participate, J.P. Morgan selected a range of EBITDA multiples that it believed reflected an appropriate range of multiples applicable to Fuel Systems.

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Value Creation Analysis Intrinsic Value Approach

J.P. Morgan prepared a value creation analysis that compared the implied equity value derived from J.P. Morgan s discounted cash flow analysis of Fuel Systems on a standalone basis to Fuel Systems stockholders pro forma ownership of the implied equity value of the combined company. Unlike the other valuation analyses performed by J.P. Morgan, which are intended to estimate the standalone basis, the value creation analysis is intended to estimate the potential change in equity value per share as a result of the business combination. The pro forma combined company equity value was equal to: (1) Fuel Systems standalone discounted cash flow value of $266 million, plus (2) Westport standalone discounted cash flow value of $558 million, plus (3) Fuel Systems present value of Westport s management expected after-tax synergies, less Fuel Systems management estimate of transaction expenses of $15.0 million. For purposes of the discounted cash flow values used in this analysis, J.P. Morgan used a perpetual growth rate of 3.0% for the unlevered free cash flow of Fuel Systems and Westport. A discount rate of 11.0% was used for Fuel Systems, while a 11.0% discount rate was used for cash flows from Westport s operations and a 13.0 % discount rate was used for Westport s HPDI cash flows. J.P. Morgan then determined the implied pro forma equity value of the combined company attributable to Fuel Systems stockholders based on the economic equity ownership percentage of the combined company of approximately 40.6% to be owned by Fuel Systems stockholders implied by the exchange ratio provided for in the amended merger agreement. J.P. Morgan then compared the result to the implied equity value of Fuel Systems on a standalone basis derived from the discounted cash flow analysis described above. The value creation analysis indicated implied pro forma economic equity value of $929 million and implied pro forma accretion in economic equity value to the holders of Fuel Systems common stock of 41.7%.

Other Information

Implied Premiums and Multiples

Based on the exchange ratio of 2.7446x and the closing market price of Westport s common shares of $1.84 on February 26, 2016, J.P. Morgan calculated that the implied value of the merger consideration to be paid to Fuel Systems stockholders was $5.05 per share, within a collar range of $1.64 to $2.37 of Westport s common shares. This implied value represents an approximately 15.8% premium to $4.36, the closing market price of Fuel Systems common stock on February 26, 2016. The implied firm value (which is the value of common equity, plus face value of debt and the minority interest value, minus cash and cash equivalents) as a multiple of estimated EBITDA for calendar years 2016 and 2017, respectively, was 3.2x and 1.8x. J.P. Morgan also reviewed the premium represented by the implied value of the merger consideration to be paid to Fuel Systems stockholders to the following volume weighted average prices (VWAP) leading to February 26, 2016:

VWAP	Premium
10-day VWAP	17.6%
20-day VWAP	25.2%
30-day VWAP	30.9%

Historical Exchange Ratio Analysis

J.P. Morgan reviewed the per share daily closing market price of Fuel Systems common stock and Westport s common shares and calculated the implied historical exchange ratios by dividing the daily closing prices per share of Fuel Systems common stock by those of Westport s common shares for the dates and over the periods described in the table

below. The analysis resulted in the following implied exchange ratios for the periods indicated and based on an assumed closing date of March 4, 2016 with the 10-day VWAP measured as of February 26, 2016:

Basis of Exchange Ratio	**Exchange Ratio**
As of March 4, 2016	2.2040x
Average of trailing 3-month ratios	2.2395x
Average of trailing 6-month ratios	2.1145x
Average of trailing 1-year ratios	2.0042x
Average of trailing 3-year ratios	1.3290x
Average of trailing 5-year ratios	1.0801x

J.P. Morgan noted that a historical exchange ratio analysis is not a valuation methodology and that such analysis was presented merely for illustrative purposes.

Historical Trading Range

J.P. Morgan reviewed the 52-week trading range, ending on March 4, 2016, of Fuel Systems common stock, which was $3.06 to $11.57 per share, and the 52-week trading range, ending March 4, 2016, of Westport s common shares, which was $1.30 to $6.18 per share.

J.P. Morgan noted that any historical stock trading analysis is not a valuation methodology and that such analysis was presented merely for illustrative purposes.

Equity Research Analyst Price Targets

J.P. Morgan reviewed and discussed the most recent publicly available research analyst price targets for Fuel Systems common stock and Westport s common shares that were prepared and published by selected equity research analysts. J.P. Morgan noted that the range of price targets for Fuel Systems common stock was $7.00 to $9.00 per share, and that the range of price targets for Westport s common shares was $1.25 to $9.00 per share.

J.P. Morgan noted that implied premiums and multiples, historical exchange ratio, historical stock trading and analyst price targets analyses are not valuation methodologies but were presented merely for informational purposes.

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion. Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan s analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. None of the selected companies reviewed as described in the above summary is identical to Fuel Systems or Westport, and none of the selected transactions reviewed was identical to the merger. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan s analysis, may be considered similar to those of Fuel Systems and Westport. The transactions selected were similarly chosen because their participants, size and other factors, for purposes of J.P. Morgan s analysis, may be considered similar to the merger. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to Fuel Systems and Westport and the transactions compared to the merger.

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As a part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes. J.P. Morgan was selected to advise Fuel Systems with respect to the merger on the basis of such experience and its familiarity with Fuel Systems.

For services rendered in connection with the merger, Fuel Systems has agreed to pay J.P. Morgan a transaction fee of 2.00% of the fair market value of the consideration to be paid to Fuel Systems stockholders in the merger, which is to be no less than $3.5 million, $1.0 million of which was payable upon the delivery by J.P. Morgan of its opinion dated September 1, 2015, $1.0 million of which was payable upon the delivery by J.P. Morgan of its opinion dated March 6, 2016 and the remainder of which is payable upon and is contingent upon the consummation of the merger. In addition, Fuel Systems has agreed to reimburse J.P. Morgan for its expenses incurred in connection with its services, including the fees and disbursements of counsel, and will indemnify J.P. Morgan against certain liabilities, including liabilities arising under the Federal securities laws.

During the two years preceding the date of delivery of its opinion, J.P. Morgan and its affiliates maintained commercial or investment banking and other business relationships with Fuel Systems, for which J.P. Morgan and its affiliates have received customary compensation. Such services have included acting as financial advisor in connection with Fuel Systems strategic planning and evaluation of defensive strategies. During the two years preceding the date of delivery of its opinion, neither J.P. Morgan nor its affiliates have had any material financial advisory or other material commercial or investment banking relationships with Westport. In addition, J.P. Morgan or its affiliates are the beneficial owners of approximately 0.15% of Westport s outstanding capital stock. In the ordinary course of their businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of Fuel Systems or Westport for their own accounts or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities. During the two-year period preceding delivery of its opinion ending on March 6, 2016, the aggregate fees received by J.P. Morgan from Fuel Systems were $1.3 million.

Updates to Certain Unaudited Financial and Operating Forecasts

Updates to Fuel Systems Unaudited Prospective Financial Information

Fuel Systems, as a matter of course, does not generally publicly disclose long-term forecasts or internal projections as to its future performance, revenues, production, earnings or other results due to, among other reasons, the uncertainty of the underlying assumption and estimates. However, Fuel Systems is including the following summaries of certain unaudited financial and operating forecasts of Fuel Systems in this supplement solely to give Fuel Systems stockholders access to the information that was made available to its financial advisor. The unaudited prospective financial data presented below includes (i) projections for Fuel Systems prepared by Fuel Systems management and certain advisors in connection with the Restructuring Plan (as defined in The Merger Background of the Merger on page 36 of the proxy statement/prospectus), without giving effect to the merger, which we refer to as the Amended Fuel Systems Projections, and (ii) certain selected unaudited projected financial data for Fuel Systems calculated based on extrapolations from the Amended Fuel Systems Projections. Except to the extent required by law Fuel Systems does not have any obligation to update prospective financial data included in this supplement and has not done so and does not intend to do so.

The inclusion of this information should not be regarded as an indication that Fuel Systems, J.P. Morgan or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results. There can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated.

Since the unaudited prospective financial information and extrapolations cover multiple years, such information, by its nature, becomes less predictive with each successive year. Fuel Systems stockholders are urged to review the SEC filings of Fuel Systems for a description of risk factors with respect to the business of Fuel Systems. See the sections entitled Cautionary Statement Regarding Forward-Looking Statements and Where You Can Find More Information beginning on pages S-14 and S-101, respectively, of this supplement. The accompanying unaudited prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of Fuel System s management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management s knowledge and belief, the expected course of action and the expected future financial performance of Fuel Systems. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on the prospective financial information.

Neither Fuel Systems independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The report of the independent registered public accounting firms of Fuel Systems contained in the Annual Report of Fuel Systems on Form 10-K, for the year ended December 31, 2015, relates to the historical financial information of Fuel Systems. Such report does not extend to the unaudited prospective financial information and should not be read to do so. Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared. The unaudited prospective financial information does not give effect to the proposed merger.

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The following table presents selected unaudited projected financial data for Fuel Systems provided to J.P. Morgan in connection with J.P. Morgan s preparation of its second fairness opinion described above in Update to Opinion of Fuel Systems Financial Advisor beginning on page S-31.

($mm)	2015E(1)	2016E	2017E
Revenue	**$ 268**	**$ 269**	**$ 296**
Cost of goods sold	**$ 209**	**$ 210**	**$ 228**
Gross profit	**$ 60**	**$ 59**	**$ 68**
Adjusted EBITDA(2)	**$ 6**	**$ 10**	**$ 18**

(1) Because J.P. Morgan s second opinion was delivered prior to the filing of Fuel System s Annual Report on Form 10-K for the year ended December 31, 2015 with the SEC on March 14, 2016, Fuel Systems fiscal year results for 2015 contained in its Annual Report on Form 10-K for the year ended December 31, 2015 differ from those 2015E numbers provided to J.P. Morgan by Fuel Systems in connection with J.P. Morgan s preparation of its second opinion.

(2) Non-GAAP measure. EBITDA mean earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is determined by adding the following items to Net Income/(Loss), the closest GAAP financial measure: Depreciation & Amortization; Interest income/expense, net; and Benefit (Provision) for Income Taxes, Impairments, Restructuring charges, Stock based compensation Consulting fees related to restructuring and strategy and other non-operating expenses.

The projected unlevered free cash flows for Fuel Systems for fiscal years 2016 through 2017 based upon the unaudited financial projections discussed above and used by J.P. Morgan in connection with its second fairness opinion, which were as follows (in millions): 2016E: $(1); 2017E: $4.

In addition, in connection with J.P. Morgan s preparation of its second fairness opinion described above in Update to Opinion of Fuel Systems Financial Advisor beginning on page S-31, management of Fuel Systems provided certain selected unaudited projected financial data for Fuel Systems for fiscal years 2018 through 2025, calculated based on extrapolations from the Amended Fuel Systems Projections, which were as follows (in millions):

($mm)	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Revenue	**$ 314**	**$ 329**	**$ 346**	**$ 367**	**$ 396**	**$ 421**	**$ 441**	**$ 454**
Cost of goods sold	**$ 237**	**$ 247**	**$ 258**	**$ 273**	**$ 294**	**$ 312**	**$ 326**	**$ 336**
Gross profit	**$ 77**	**$ 82**	**$ 88**	**$ 94**	**$ 102**	**$ 109**	**$ 114**	**$ 118**
Adjusted EBITDA(1)	**$ 27**	**$ 30**	**$ 34**	**$ 38**	**$ 44**	**$ 50**	**$ 55**	**$ 60**

(1) Non-GAAP measure. EBITDA mean earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is determined by adding the following items to Net Income/(Loss), the closest GAAP financial measure: Depreciation & Amortization; Interest income/expense, net; and Benefit (Provision) for Income Taxes, Impairments, Restructuring charges, Stock based compensation Consulting fees related to restructuring and strategy and other non-operating expenses.

The projected unlevered free cash flows for Fuel Systems fiscal years 2018 through 2025 based upon the unaudited financial projections and extrapolations discussed above and used by J.P. Morgan in connection with its second fairness opinion, were as follows (in millions): 2018E: $9; 2019E: $10; 2020E: $13; 2021E: $15; 2022E: $16; 2023E: $20; 2024E $25; 2025E: $29.

In addition, in connection with J.P. Morgan s preparation of its second fairness opinion described above in Update to Opinion of Fuel Systems Financial Advisor , Fuel Systems management, in consultations with its strategic advisors, applied certain downward adjustments and discounts and performed certain sensitivity analyses to the Westport Projections (as described in The Merger Certain Unaudited Financial and Operating Forecasts beginning on page 59 of the proxy statement/prospectus), which adjustments and discounts ranged between approximately 0% to 50%, depending on product line and certain profit and loss line items, and also took into account certain timing delays in anticipated market penetration. See The Merger Certain Unaudited Financial and Operating Forecasts beginning on page 59 of the proxy statement/prospectus for more information on the Westport Projections.

Additional Information Regarding Prospective Financial Information

Although presented with numerical specificity, the above unaudited prospective financial information and extrapolations reflect numerous assumptions and estimates as to future events made by the management of Fuel Systems.

At the time the unaudited prospective financial information and extrapolations were prepared, Fuel Systems management believed such assumptions and estimates were reasonable. In preparing the foregoing unaudited projected financial information and extrapolations, Fuel Systems made assumptions regarding, among other things, sales volumes and pricing, interest rates, corporate financing activities, including with respect to the effective tax rate and the amount of Fuel System s income taxes, the amount of selling, general and administrative costs and the amount of research and development spending.

No assurances can be given that the assumptions made in preparing the above unaudited prospective financial information and extrapolations will accurately reflect future conditions. The estimates and assumptions underlying the unaudited prospective financial information and extrapolations involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions that may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described under the sections entitled Update to Risk Factors and Cautionary Statement Regarding Forward-Looking Statements beginning on pages S-16 and S-14, respectively, of this supplement, and Risk Factors and Cautionary Statement Regarding Forward-Looking Statements beginning on pages 21 and 19, respectively, of the proxy statement/prospectus, all of which are difficult to predict and many of which are beyond the control of Fuel Systems and/or Westport and will be beyond the control of the combined company. There can be no assurance that the underlying assumptions will prove to be accurate or that the projected results will be realized, and actual results likely will differ, and may differ materially, from those reflected in the unaudited prospective financial information, whether or not the combination is completed.

Fuel Systems stockholders are urged to review Westport s and Fuel System s most recent SEC filings for a description of Fuel System s and Westport s reported and anticipated results of operations and financial condition and capital resources during 2015 and 2016, as applicable, as well as Management s Discussion and Analysis of Financial Condition and Results of Operations in Fuel System s Annual Report on Form 10-K for the year ended December 31, 2015, which is attached hereto as Annex III to this supplement and incorporated herein by reference, and Westport s Quarterly Report on Form 6-K for the third quarter ended September 30, 2015, which is incorporated by reference into this document.

Readers of this document are cautioned not to place undue reliance on the unaudited prospective financial information and extrapolations set forth above. No representation is made by Fuel Systems or any other person to any Fuel Systems stockholder regarding the ultimate performance of Fuels Systems compared to the information included in the above unaudited prospective financial information. The inclusion of unaudited prospective financial information and extrapolations in this document should not be regarded as an indication that such prospective financial information will be an accurate prediction of future events, and such information should not be relied on as such.

FUEL SYSTEMS DOES NOT INTEND TO UPDATE OR OTHERWISE REVISE THE ABOVE UNAUDITED PROSPECTIVE FINANCIAL INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH PROSPECTIVE FINANCIAL INFORMATION ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

Update to Board of Directors and Executive Officers of the Combined Company After Completion of the Merger; Headquarters and Name

Board of Directors. Upon completion of the merger, the board of directors of the combined company will consist of nine directors, including current Westport directors Warren J. Baker, David R. Demers, Brenda J. Eprile, Peter Yu, Dezsö J. Horváth, Rodney Nunn, and current Fuel Systems directors Mariano Costamagna, Troy A. Clarke and Colin Johnston (the Fuel Systems-designated directors). The three Fuel Systems-designated directors also will designate one independent director (who must be a citizen of Canada) subject to the approval of the Nominating and Corporate Governance Committee of Westport, such approval not to be unreasonably withheld, conditioned or delayed, and one member of the Westport board will resign at the time such independent director is so appointed.

Update to Interests of Directors and Executive Officers in the Merger

Update to Interests of Directors and Executive Officers of Fuel Systems in the Merger

In considering the recommendation of the Fuel Systems board of directors that Fuel Systems stockholders vote FOR the Merger proposal, Fuel Systems stockholders should be aware that some of Fuel Systems executive officers and directors have financial interests in the merger that may be different from, or in addition to, those of Fuel Systems stockholders generally. The Fuel Systems board of directors was aware of these interests and considered them, among other matters, in approving the amended merger agreement and making its recommendations that the Fuel Systems stockholders approve the amended merger agreement.

Troy Clarke, a director of Fuel Systems, is the President and Chief Executive Officer and a director of Navistar International Corporation (Navistar). Navistar in 2010 and 2011 offered an engine product, which was discontinued, which included component parts from Cummins Westport Inc., a joint venture between Westport and Cummins, Inc. Navistar continues to purchase service parts for that engine from the joint venture. For the year ended December 31, 2015, those part purchases totaled approximately $90,000.

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For purposes of all of the Fuel Systems agreements and plans described below, the completion of the merger will constitute a change in control.

As described under Fuel Systems Proposals Item 2. Amendments to Non-Employee Directors Restricted Stock Awards Proposal, the Fuel Systems board of directors formally approved amendments to certain restricted stock awards (the Awards) held by non-employee directors. The amendments provide that the vesting date of any unvested restricted stock issued pursuant to each Award will be the earlier of (i) the vesting date set forth in the Award, or (ii) a change in control (as defined in the 2009 Restricted Stock Plan); provided, that the amendments will not be effective unless holders of a majority of the shares of Fuel Systems common stock present in person or by proxy and entitled to vote at the next shareholders meeting vote in favor of such amendments. The consummation of the proposed merger would constitute a change in control under the 2009 Restricted Stock Plan and the Awards. The table below sets forth the value to each of the non-employee directors of the acceleration of the awards, assuming shareholders approve the amendments as set forth in Fuel Systems Proposals Item 2. Amendments to Non-Employee Directors Restricted Stock Awards Proposal and further assuming a merger completion date of March 7, 2016, upon which merger completion date the non-employee directors would be entitled to receive the number of Westport common shares equal to the exchange ratio for each share of Fuel Systems restricted stock.

Director	Restricted Stock Award(#)	Acceleration Value ($)(1)
Joseph E. Pompeo	6,054	36,089
James W. Nall	6,054	36,089
Troy A. Clarke	6,054	36,089
Colin Johnston	6,054	36,089
Steven R. Becker	6,054	36,089
Anthony Harris (2)	6,054	36,089
Anthony Harris (2)	481	2,867

(1) Amount reflects the value derived by multiplying the number of restricted stock subject to accelerated vesting by (x) the exchange ratio of 2.129 (derived from using the closing share price on NASDAQ of Westport on March 7, 2016 as the assumed average share price) and (y) the closing share price of Westport on March 7, 2016.

(2) In addition to the annual award issued to Mr. Harris on May 28, 2015 at the Fuel Systems 2015 Annual Meeting of Stockholders, Mr. Harris also holds 481 unvested shares as a result of the issuance of restricted stock on December 31, 2013 granted to Mr. Harris in connection with his appointment to the Fuel Systems board of directors.

Update to Retirement Agreement

Fuel Systems entered into a retirement agreement with Mariano Costamagna on April 24, 2015 (the Retirement Agreement), under which Mr. Costamagna and Fuel Systems agreed that Mr. Costamagna will retire by December 31, 2015 as the Chief Executive Officer of Fuel Systems, relinquish all executive authority with regard to Fuel Systems wholly-owned subsidiary, MTM S.r.L. (MTM), and resign from all positions as director, officer, executive or employee of all other Fuel Systems subsidiaries. Following such retirement date, Mr. Costamagna will remain as a director of Fuel Systems and MTM and be entitled to compensation as a non-management director of such companies. Under the Retirement Agreement, Mr. Costamagna will be paid 450,000 by MTM on December 31, 2015, provided that Mr. Costamagna s employment is not terminated for cause (as defined under the Retirement Agreement) prior to

such date. In addition, Mr. Costamagna was granted 100,000 Fuel Systems restricted stock units, which vest on December 31, 2016, 60% of which will be settled in stock and 40% of which will be settled in cash, subject to Mr. Costamagna complying with the restrictive covenants contained in the agreement. Under the Retirement Agreement, Mr. Costamagna agreed to certain restrictive covenants, including non-solicitation and non-competition for the longer of (i) 12 months following the date he ceases to serve as chief executive officer of Fuel Systems and (ii) six months following the date he ceases to be a director of both MTM and Fuel Systems. Mr. Costamagna agreed that 100,000 Fuel Systems restricted stock units had a value on the date of the Retirement Agreement of 1,020,000 and that would be the liquidated damages for any violation of the restrictive covenants. Upon consummation of the merger, consistent with the treatment of all outstanding Fuel Systems RSUs, any outstanding RSUs awarded under the Retirement Agreement will be assumed by Westport, will be convertible into shares of Westport common shares and will continue to have the same terms and conditions, including vesting and payment terms, as were in effect prior to the merger.

The Retirement Agreement was not entered into in contemplation of the merger or any sale of Fuel Systems or any of its assets, but was part of succession planning for Fuel Systems. Under the Retirement Agreement, Mr. Costamagna agreed that the Fuel Systems board of directors would commence a search for his successor as CEO, and he would cooperate with that search and, in the interim period, the Fuel Systems board of directors would

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appoint a Chief Operating Officer for Fuel Systems and MTM with whom Mr. Costamagna would cooperate. Mr. Costamagna may elect to retire before December 31, 2015 without forfeiting any payment or benefit provided for under the Retirement Agreement.

On December 16, 2015, Mariano Costamagna entered into an amendment (the Amendment) to the Retirement Agreement with Fuel Systems and MTM. Mr. Costamagna agreed to continue serving as the Chief Executive Officer of Fuel Systems and to maintain executive authority with regard to MTM beyond the originally agreed retirement date of December 31, 2015. The Amendment provides for Mr. Costamagna to continue to serve in such capacities until the earlier of (i) the closing date of the Merger with Westport, and (ii) April 30, 2016. All other terms of the Retirement Agreement and the Restricted Stock Unit Agreement entered into as of April 24, 2015 between Fuel Systems and Mr. Costamagna remain unchanged and are in full force and effect.

Update to Supplemental Employment Agreements

Fuel Systems entered into a Supplemental Employment Agreement with two named executive officers of Fuel Systems, Pietro Bersani and Michael Helfand on August 6, 2015. Under the terms of these agreements, each of Mr. Bersani and Mr. Helfand will receive a bonus payment on the closing date of the merger or upon any earlier termination by Fuel Systems without cause (as defined under the Supplemental Employment Agreements) or due to death or disability that occurs prior to the closing date of the merger. In addition, the Supplemental Employment Agreements provide that if the employment of Mr. Bersani or Mr. Helfand is terminated by Fuel Systems without cause or by the executive for good reason (as defined under the Supplemental Employment Agreements) or due to death or disability within 12 months following a change in control (which would include the closing of the merger), then the executive will receive (i) a lump sum severance payment equal to 100% of the executive s annual base salary in effect immediately prior to either (a) the change in control or (b) the executive s termination, whichever is greater; (ii) 100% vesting of the restricted stock units granted to the executive on April 24, 2015, the value of which will be paid in cash and (iii) continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) (or coverage under an individual policy to the extent continuation COBRA coverage is not available) for the executive and his dependents for 18 months following the termination date at Fuel Systems expense, which coverage will terminate earlier if the executive becomes covered by a medical plan offered by a new employer. Entitlement to such payments and benefits are conditioned upon the execution and non-revocation of a release of claims.

The chart below sets forth the amounts payable to Messrs. Bersani and Helfand under the respective agreements, assuming a merger completion date of March 7, 2016, and that employment of each executive is terminated without cause immediately following the completion of the merger. The first column sets forth the amounts payable to Messrs. Bersani and Helfand on the closing date of the merger, whereas the amounts in columns two through four comprise the value of benefits receivable by Messrs. Bersani and Helfand upon a qualifying termination following the completion of the merger, in each case pursuant to the terms of their respective Supplementary Employment Agreement.

	Merger Closing Bonus	Cash Severance Payment	RSU Acceleration Value(1)	Value of COBRA Coverage	Total
Pietro Bersani	$ 365,000	$ 367,750	$ 125,185	$ 35,390	$ 893,325
Michael Helfand	$ 300,000	$ 305,000	$ 107,302	$ 35,390	$ 747,692

(1) Amount reflects the value derived by multiplying the number of restricted stock subject to accelerated vesting by (x) the exchange ratio of 2.129 (derived from using the closing share price on NASDAQ of Westport on March 7, 2016 as the assumed average share price) and (y) the closing share price of Westport on March 7, 2016.

Update to Equity Compensation Awards

Stock Options

Under the terms of the amended merger agreement, all Fuel Systems stock options with an exercise price that is less than the per share dollar value of the merger consideration immediately prior to completion of the merger

(referred to herein as an in-the-money option) will vest in full and become exercisable and will be assumed by Westport and be exercisable for shares of Westport common shares from and following the completion of the merger and are more fully described below under Treatment of Fuel Systems Stock Options and Other Equity-based Awards. All stock options with a per share exercise price that is greater than or equal to the per share dollar value of the merger consideration immediately prior to the completion of the merger will automatically be cancelled and forfeited for no consideration paid to the option holder. Assuming a merger closing date of March 7, 2016, the per share dollar value of the merger consideration would be $5.96, based on the closing share price on NASDAQ of Westport on March 7, 2016 (the latest practicable date), assuming that such price was the average share price and that the applicable exchange ratio of 2.129. Based on such price, none of the stock options held by Fuel Systems executive officers would be in-the-money options and, thus, all unexercised stock options held by such individuals would be cancelled upon the completion of the merger for no consideration.

Restricted Stock Units and Restricted Stock

The amended merger agreement provides that all outstanding Fuel Systems restricted stock units (RSUs), including those held by executive officers, will be assumed by Westport and will be convertible into shares of Westport common shares from and following the completion of the merger. The assumed RSUs will continue to have the same terms and conditions, including vesting terms, as such RSUs had immediately prior to the completion of the merger, except that the number of shares subject to each RSU award will be adjusted in accordance with the exchange ratio.

Each share of Fuel Systems restricted stock, including those held by executive officers, also will be assumed by Westport and will become shares of Westport restricted stock from and following the completion of the merger, subject to the same terms and conditions, including applicable restrictions and vesting terms, as were applicable to the shares of Fuel Systems restricted stock immediately prior to the completion of the merger, except that the number of shares of restricted stock subject to each restricted stock award will be adjusted in accordance with the exchange ratio.

Phantom Shares

Each outstanding Fuel Systems phantom share, including those held by executive officers, will vest in full and all restrictions applicable thereto will lapse immediately prior to the completion of the merger, and each award of Fuel Systems phantom shares will be converted into an amount in cash equal to the product of (i) the number of shares of Fuel Systems common stock subject to the award of Fuel Systems phantom shares and (ii) the difference between (x) the per share dollar value of the merger consideration and (y) the exercise price applicable to the Fuel Systems phantom shares and thereafter will be cancelled. All Fuel Systems phantom shares with a per share exercise price that is greater than or equal to the per share dollar value of the merger consideration will automatically be cancelled and forfeited for no consideration paid to the holder of such Fuel Systems phantom share. Assuming a merger closing date of March 7, 2016, the per share dollar value of the merger consideration would be $5.96, based on the closing share price on NASDAQ of Westport on March 7, 2016 (the latest practicable date), assuming that such price was the average share price and that the applicable exchange ratio of 2.129. Based on such price, none of the Fuel Systems phantom shares held by Fuel Systems executive officers would be in-the-money and, thus, all Fuel Systems phantom shares held by such persons would be cancelled at the effective time for no consideration.

Update to Compensation Related to the Merger

The tabular disclosure below sets forth the information required by Item 402(t) of Regulation S-K and assumes that each of the listed named executive officers is terminated without cause in connection with the proposed merger under circumstances that entitle such individual to severance payments and benefits as of March 7, 2016 (the latest practicable date, determined pursuant to Item 402(t) of Regulation S-K). The tabular disclosure further assumes that

each listed named executive officer becomes entitled to the accelerated vesting and cash payment for their restricted stock units as provided under certain executives Supplemental Employment Agreements described above under Update to Supplemental Employment Agreements, based on a price of $6.34 per share with respect to Fuel Systems common stock (the average per share closing price of Fuel Systems common stock over the first five business days following the date the parties announced the execution of the merger agreement, determined pursuant to Item 402(t) of Regulation S-K).

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	Cash ($)(1)	Equity ($)(2)	Perquisites/ Benefits ($)(3)	Total
Pietro Bersani	$ 732,750	$ 125,185	$ 35,390	$ 893,325
Michael Helfand	$ 605,000	$ 107,302	$ 35,390	$ 747,692

(1) Amount represents (a) the cash severance payable to each of Mr. Bersani and Mr. Helfand ($367,750 and $305,000, respectively) under their respective Supplemental Employment Agreements in the event their employment is terminated for qualifying reasons under such agreements and (b) the transaction bonus payment payable to each of Mr. Bersani and Mr. Helfand ($365,000 and $300,000, respectively) upon the closing of the merger. The cash severance amount in each case is a double-trigger payment (meaning the amount is payable only upon a qualifying termination that follows a change in control), and the transaction bonus payments are single-trigger (meaning they become payable by virtue of a change in control alone).

(2) Amount reflects the value of the accelerated vesting of restricted stock units granted to each of Mr. Bersani and Mr. Helfand, as provided for under their respective Supplemental Employment Agreements, assuming their employment is terminated for qualifying reasons under such agreements and further assuming the purchase price of Fuel Systems Common Stock discussed above. Such payments are double-trigger payments.

(3) Amount reflects the value of the COBRA continuation coverage provided to each of Mr. Bersani and Mr. Helfand in the event their employment terminates for qualifying reasons under their respective Supplemental Employment Agreements. Such payments are double-trigger.

Messrs. Bersani and Helfand are the only named executive officers included in the table above because no other named executive officer is a party to any agreement or understanding concerning any type of compensation that is based on or otherwise relates to the merger. Mr. Costamagna s Retirement Agreement was entered into in April 2015 as part of Fuel Systems succession planning and not in contemplation of the merger or any sale of Fuel Systems or any of its assets. The compensation to which Mr. Costamagna is entitled under such agreement in connection with his retirement is fully described above under Update to Retirement Agreement.

Update to Treatment of Fuel Systems Stock Options and Other Equity-based Awards

Stock Options. Upon completion of the merger, each outstanding in-the-money option (whether or not then vested or exercisable) to purchase shares of Fuel Systems common stock will automatically vest and become exercisable, and will be assumed by Westport and will otherwise continue to have, and be subject to, the same terms and conditions as were applicable to such options prior to the completion of the merger, except that (i) each such in-the-money option will be exercisable for that number of shares of Westport equal to the product (rounded down to the nearest whole) of the number of shares of Fuel Systems common stock subject to such in-the-money option immediately prior to the completion of the merger and the exchange ratio, and (ii) the per share exercise price for shares of Westport issuable upon exercise of such assumed in-the-money option will be equal to the quotient (rounded up to the nearest whole cent) determined by dividing the per share exercise price of each Fuel Systems common stock at which such assumed in-the-money option was exercisable immediately prior to the completion of the merger by the exchange ratio. Any outstanding option that has an exercise price per share of Fuel Systems common stock greater than or equal to the per share dollar value of the merger consideration will automatically be cancelled and forfeited for no consideration and all rights with respect to such option will terminate. Based on a price assuming a merger closing date as of March 7, 2016, none of the outstanding stock options would be in-the-money options and, thus, all unexercised stock options would be cancelled upon the completion of the merger for no consideration.

Restricted Stock Units. Upon completion of the merger, each outstanding Fuel Systems RSU will be assumed by Westport and will continue to have, and be subject to, the same terms and conditions (including vesting terms), as

were applicable prior to the completion of the merger, except that each such Fuel Systems RSU will be converted into a number of RSUs convertible into that number of whole shares of Westport equal to the product (rounded down to the nearest whole number) of the number of shares of Fuel Systems common stock subject to such RSU immediately prior to the completion of the merger multiplied by the exchange ratio.

Restricted Stock. Upon completion of the merger, each outstanding share of Fuel Systems restricted stock will be assumed by Westport and will continue to have, and be subject to, the same terms and conditions (including applicable restrictions and vesting terms) as were applicable immediately prior to the completion of the merger, except that each such share of Fuel Systems restricted stock will be converted into a number of restricted shares of Westport equal to the product (rounded down to the nearest whole number) of the number of shares of Fuel Systems restricted stock immediately prior to the closing of the merger multiplied by the exchange ratio.

Phantom Shares. Upon completion of the merger, each outstanding Fuel Systems phantom share will become fully vested and all restrictions will lapse and each such phantom share will be converted into an amount, payable in cash, equal to the product of (i) the number of shares of Fuel Systems common stock subject to the Fuel Systems phantom share multiplied by (ii) the difference between (x) the per share dollar value of the merger consideration and (y) the applicable exercise price for the Fuel Systems phantom share. Any outstanding phantom share that has an exercise price per share of Fuel Systems common stock greater than or equal to the per share dollar value of the merger consideration will automatically be cancelled and forfeited for no consideration and all rights with respect to such phantom share will terminate. Assuming a merger closing date of March 7, 2016, the per share dollar value of the merger consideration would be $5.96, based on the closing share price on NASDAQ of Westport on March 7, 2016 (the latest practicable date), assuming that such price was the average share price and that the applicable exchange ratio of 2.129. Based on such price, none of the outstanding Fuel Systems phantom shares would be in-the-money and, thus, all Fuel Systems phantom shares would be cancelled at the effective time for no consideration.

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THE AMENDED MERGER AGREEMENT

This section of this supplement describes the material provisions of the amended merger agreement, but does not describe all of the terms of the amended merger agreement and may not contain all of the information about the amended merger agreement that is important to you. The following summary is qualified by reference to the complete text of the merger agreement, a copy of which is attached as Annex A to the proxy statement/prospectus, and the merger agreement amendment, a copy of which is attached as Annex I to this supplement, which is incorporated by reference herein. You are urged to read the full text of the merger agreement and merger agreement amendment because these are the legal documents that governs the merger.

The amended merger agreement and this summary of its terms have been included to provide you with information regarding the terms of the amended merger agreement. Factual disclosures about Westport, Fuel Systems or any of their respective subsidiaries or affiliates contained in this supplement or in the proxy statement/prospectus or their respective public reports filed with the SEC may supplement, update or modify the factual disclosures contained in the amended merger agreement and described in this summary. The representations, warranties, and covenants contained in the amended merger agreement were made only for purposes of the amended merger agreement as of a specific date. These representations were made solely for the benefit of the parties to the amended merger agreement and may be subject to important qualifications and limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purpose of allocating risk between parties to the amended merger agreement rather than the purpose of establishing these matters as facts, and may apply standards of materiality in ways that are different from those generally applicable to reports filed with the SEC or from what may be viewed as material by investors. These representations do not survive completion of the merger. For the foregoing reasons, one should not read these representations or any description thereof as characterizations of the actual state of facts or condition of Westport or Fuel Systems, which are disclosed in the other information provided elsewhere in this supplement or in the proxy statement/prospectus or incorporated by reference herein.

Terms of the Amended Merger Agreement

The amended merger agreement provides that, upon the terms and subject to the conditions of the amended merger agreement, and in accordance with the DGCL, at the effective time, Merger Sub will merge with and into Fuel Systems, with Fuel Systems continuing as the surviving corporation and a direct, wholly owned subsidiary of Westport. At the completion of the merger, each share of Fuel Systems common stock issued and outstanding immediately prior to the completion of the merger, other than treasury shares and shares held by Fuel Systems, Westport or their respective wholly owned subsidiaries, will be converted into the right to receive a number (which we refer to as the exchange ratio) of Westport common shares, which we refer to as new common shares, determined as set forth in the following paragraph.

The exchange ratio will depend on the volume weighted average price of Westport common shares on NASDAQ for the ten consecutive trading days ending on and including the trading day five business days prior to the anticipated closing date of the merger, as reported by Bloomberg (which we refer to as the average share price). If the average share price is equal to or less than $1.64, the exchange ratio will be fixed at 3.0793. If the average share price is greater than $1.64 and less than $2.37, then the exchange ratio will be an amount equal to the quotient obtained by dividing $5.05 by the average share price, rounded to four decimal places If the average share price is equal to or greater than $2.37, then the exchange ratio will be 2.129 (which was the exchange ratio under the merger agreement prior to its amendment). The exchange ratio will be adjusted appropriately to fully reflect the effect of any subdivisions, reclassifications, splits, share distributions, combinations or exchanges of shares of Fuel Systems common stock or Westport common shares. Any shares of Fuel Systems common stock owned directly or indirectly by Fuel Systems or any of its wholly owned subsidiaries or by Westport or any of its wholly-owned subsidiaries as of

immediately prior to the completion of the merger (other than those held in a fiduciary capacity) will be cancelled and will receive no consideration.

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The following table provides, for illustrative purposes, the Fuel Systems per share merger consideration at varying weighted average share prices:

Average Share Price (1)	Exchange Ratio(2)	Implied Value of Westport Shares (3)	Total Number of shares of Westport common shares to be issued to Fuel Systems stockholders	Ownership Percentage of the combined company by former Fuel Systems stockholders	Ownership Percentage of the combined company by current Westport shareholders
$ 1.63	3.0793	$ 5.02	55,716,987	46.4%	53.6%
$ 1.64	3.0793	$ 5.05	55,716,987	46.4%	53.6%
$ 1.65	3.0606	$ 5.05	55,378,628	46.2%	53.8%
$ 1.85	2.7297	$ 5.05	49,391,309	43.4%	56.6%
$ 2.00	2.5250	$ 5.05	45,687,459	41.5%	58.5%
$ 2.15	2.3488	$ 5.05	42,499,288	39.8%	60.2%
$ 2.36	2.1398	$ 5.05	38,717,633	37.5%	62.5%
$ 2.37	2.1290	$ 5.05	38,522,218	37.4%	62.6%
$ 2.38	2.1290	$ 5.07	38,522,218	37.4%	62.6%

(1) The actual average share price may be less than $1.64 or greater than $2.37.
(2) The exchange ratio varies based on the average share price within the collar range of $1.64 and $2.37 and is fixed outside of that range.
(3) Calculated by multiplying the average share price by the applicable exchange ratio. Because the Westport share price can change after the calculation of the exchange ratio, the actual value of the per share merger consideration to be received by Fuel Systems stockholders may differ from the implied value. The actual value of the per share merger consideration to be received by Fuel Systems stockholders will be equal to the exchange ratio multiplied by the closing sale price on NASDAQ of Westport common shares on the last trading day before the effective time of the merger, rather than the average share price.

Based on the closing sale price on NASDAQ of Westport common shares on March 7, 2016 of $2.80, and assuming that such sale price was the average share price, the exchange ratio would be 2.129 and the value of the per share merger consideration would be $5.96.

The above examples are for illustration purposes only. The actual exchange ratio and the actual number of Westport common shares to be issued to Fuel Systems stockholders will depend on the average share price. In addition, the average share price may differ from the actual Westport share price on the closing date of the merger. Therefore, the numbers used in the examples above may differ from the actual numbers due to movements in Westport s share price before the closing date of the merger. See Update to Risk Factors Risks Related to the Merger beginning on page S-16 for more information on the currently unknown variables and the risks related to the exchange ratio.

Westport will not issue fractional shares of new common shares in the merger. Instead, each holder of Fuel Systems common stock who would otherwise be entitled to receive fractional shares of Westport common shares in the merger will receive, in lieu thereof, a cash payment, without interest, an amount equal to such fractional part of a share of new common shares multiplied by the volume weighted average price of Westport common shares on NASDAQ for thirty trading days ending on and including, the date of the merger agreement, as reported by Bloomberg. The aggregate amount to be paid with respect to fractional shares will be deposited with the exchange agent to be held for the benefit of the Fuel Systems stockholders. For holders of certificates of Fuel Systems common stock, upon surrender of a certificate of Fuel Systems common stock and an executed letter of transmittal according to the steps described below under Exchange of Fuel Systems Stock Certificates, the holder of a certificate shall be entitled to receive the merger consideration and any cash in lieu of fractional shares. Holders of book-entry shares will automatically receive merger consideration and cash in lieu of fractional shares by check or wire transfer as soon as practicable following the close of business on the closing date (and in no event later than two days following the closing date).

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Westport and the exchange agent are entitled to deduct and withhold from any amount payable pursuant to the amended merger agreement to any holder of Fuel Systems common shares, options, restricted stock units, shares of restricted stock, or phantom shares such amounts or securities as Westport or the exchange agent reasonably deems to be required to deduct and withhold under the Code or any provision of state, local, or foreign tax law, with respect to the making of such payment or issuance.

Westport has agreed to cause the exchange agent to invest the cash held by the exchange agent as directed by Westport. Further, any portion of such cash held by the exchange agent that remains undistributed to the Fuel Systems stockholders on the first anniversary of the closing of the merger will be delivered to Westport, and after such delivery, any former Fuel Systems stockholders who have not complied with the steps described below under Exchange of Fuel Systems Stock Certificates will thereafter look only to the surviving company for the merger consideration, any cash in lieu of fractional new common shares, or any distributions with respect to new common shares, in each case, without any interest thereon.

Exchange of Fuel Systems Stock Certificates

Promptly after the completion of the merger, if you are a Fuel Systems stockholder, Westport s exchange agent will mail you a letter of transmittal and instructions for use in effecting the surrender of your Fuel Systems common stock (including any stock certificates if you hold shares in certificated form) in exchange for Westport common shares and cash in lieu of any fractional new common shares and distributions. When you surrender the certificates for cancellation together with letters of transmittal and any other required documents (including in respect of book-entry shares), you will be entitled to receive (a) new common shares and (b) a check in an amount equal to the aggregate amount of cash that you have the right to receive, if any, including cash payable in lieu of any fractional new common shares and cash distributions in respect of new common shares.

Holders of Fuel Systems common stock will not receive physical stock certificates for the new Westport common shares they are entitled to receive in the merger. Rather, they will receive statements indicating book-entry ownership of Westport common shares.

PLEASE DO NOT SUBMIT YOUR FUEL SYSTEMS STOCK CERTIFICATES FOR EXCHANGE UNTIL YOU RECEIVE THE TRANSMITTAL INSTRUCTIONS AND LETTER OF TRANSMITTAL FROM THE EXCHANGE AGENT.

If you hold Fuel Systems stock certificates, you will not be entitled to receive any dividends or other distributions on Westport common shares until the merger is completed and you have surrendered your Fuel Systems stock certificates, together with validly completed letters of transmittal and other required documents, in exchange for Westport common shares. If Westport effects any dividend or other distribution on the Westport common shares with a record date occurring after the time the merger is completed and a payment date before the date you surrender your Fuel Systems stock certificates, you will receive the dividend or distribution, without interest, with respect to the whole shares of Westport common shares issued to you after you surrender your Fuel Systems stock certificates, together with validly completed letters of transmittal and other required documents, and the shares of Westport common shares are issued in exchange. If Westport effects any dividend or other distribution on the Westport common shares with a record date after the time the merger is completed and a payment date after the date you surrender your Fuel Systems stock certificates, you will receive the dividend or distribution, without interest, on that payment date with respect to the whole shares of Westport common shares issued to you. The exchange agent may deduct and withhold amounts required under federal, state or local tax law.

Treatment of Fuel Systems Stock Options and Other Equity-based Awards

Stock Options

At the effective time of the merger, each in-the-money Fuel Systems option that is outstanding immediately prior to the effective time of the merger (whether or not then vested or exercisable) will become vested and exercisable and will thereafter be assumed by Westport and otherwise continue to have, and be subject to, the same terms and conditions as were applicable to the Fuel Systems option immediately prior to the effective time of the merger, except that, from and after the effective time of the merger, (i) each such in-the-money option will be exercisable for that number of whole shares of Westport common shares equal to the product (rounded down to the

nearest whole number) of (x) the number of shares of Fuel Systems common stock subject to such in-the-money option as of immediately prior to the effective time of the merger and (y) the exchange ratio and (ii) the per share exercise price for the shares of Westport common shares issuable upon exercise of such assumed in-the-money options will be equal to the quotient (rounded up to the nearest whole cent) determined by dividing (x) the exercise price of each share of Fuel Systems common stock at which such assumed in-the-money option was exercisable immediately prior to the effective time of the merger by (y) the exchange ratio. Any Fuel Systems options outstanding as of the effective time that have an exercise price per share of Fuel Systems common stock that is greater than or equal to the per share dollar value of the merger consideration immediately prior to the effective time of the merger shall automatically be cancelled and forfeited for no consideration without any further action on the part of the holder of such Fuel Systems option, and all rights with respect to such Fuel Systems option will terminate as of the effective time of the merger.

Restricted Stock Units

At the effective time of the merger, each Fuel Systems RSU that is outstanding immediately prior to the effective time will be assumed by Westport and will otherwise continue to have, and be subject to, the same terms and conditions, including vesting terms, as were applicable immediately prior to the effective time, except that, from and after the effective time of the merger, each such Fuel Systems RSU award will be converted into a number of restricted stock units of Westport (convertible into shares of Westport common shares on vesting) equal to the product (rounded down to the nearest whole number) of (i) the number of Fuel Systems shares subject to the Fuel Systems RSU award as of immediately prior to the effective time of the merger and (ii) the exchange ratio.

Restricted Stock

At the effective time of the merger, each share of Fuel Systems restricted stock that is outstanding immediately prior to the effective time will be assumed by Westport and will otherwise continue to have, and be subject to, the same terms and conditions, including applicable restrictions and vesting terms, as were applicable immediately prior to the effective time of the merger, except that, from and after the effective time of the merger, each share of Fuel Systems restricted stock will be converted into a number of restricted shares of Westport common shares equal to the product (rounded down to the nearest whole number) of (i) the number of shares of Fuel Systems restricted stock as of immediately prior to the effective time of the merger and (ii) the exchange ratio.

Phantom Shares

Each Fuel Systems phantom share outstanding immediately prior to the effective time of the merger will become fully vested and all restrictions with respect thereto will lapse immediately prior to the effective time of the merger, and each such Fuel Systems phantom share will be converted into a cash payment equal to the product of (i) the number of shares of Fuel Systems common stock subject to such Fuel Systems phantom shares and (ii) the difference between (x) the per share dollar value of the merger consideration and (y) the applicable exercise price for such Fuel Systems phantom shares, and the holders of Fuel Systems phantom shares will cease to have any rights with respect thereto, except the right to receive the such cash payment. Any Fuel Systems phantom shares outstanding as of the effective time of the merger that have an exercise price per share of Fuel Systems common stock that is greater than or equal to the per share dollar value of the merger consideration will automatically be cancelled and forfeited for no consideration without any further action by the holder of such Fuel Systems phantom share, and all rights with respect to such Fuel Systems phantom share will terminate as of the effective time of the merger.

Completion of the Merger

Unless Westport and Fuel Systems agree otherwise to another date, the parties are required to complete the merger no later than the third business day after satisfaction or waiver of all the conditions described under Conditions to Completion of the Merger below. The merger will be effective at the time the certificate of merger is filed with the Secretary of State of the State of Delaware or at such later time as may be specified therein.

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Conditions to Completion of the Merger

Each party s obligation to consummate the merger is conditioned upon the satisfaction (or waiver by such party) at or prior to the closing of the merger of each of the following:

- approval of the Merger proposal by vote of the holders of a majority of outstanding shares of Fuel Systems;
- approval of the issuance of the merger consideration and the assumption by Westport of Fuel Systems restricted stock units and restricted stock by a majority of total votes cast of Westport common shares, which vote has been received;
- absence of any law, order, judgment or injunction which has the effect of making the merger illegal or otherwise restricting, preventing, or prohibiting consummation of the merger or otherwise restraining, enjoining, preventing, prohibiting or making illegal the acquisition of some or all of the shares of Fuel Systems common stock by Westport;
- termination or expiration of any waiting period (and any extension thereof) applicable to the merger under the HSR Act, which termination has occurred;
- the required consent of the Competition Board of the Turkish Competition Authority, which consent has been received;
- effectiveness of the amended registration statement of which the proxy statement/prospectus and this supplement is a part under the Securities Act and no stop order suspending the effectiveness of the amended registration statement having been issued and no proceedings for that purpose having been initiated or threatened by the SEC;
- authorization of the new shares of Westport common shares deliverable to the holders of shares of Fuel Systems common stock for listing on NASDAQ, subject to official notice of issuance;
- the receipt of conditional acceptance of the TSX in respect of the merger transactions, which conditional acceptance has been received;
- the truth and correctness of certain representations and warranties of the other party as of the date of the amended merger agreement and as of the closing date of the merger, other than those failures that would not reasonably be expected to have, individually or in the aggregate, a material adverse effect

on the other party;

performance of and compliance with, in all material respects, each and all of the agreements and covenants of the other party required to be performed and complied with by such other party pursuant to the amended merger agreement;

receipt of a certificate signed by the chief executive officer or other senior officer of the other party, dated as of the closing date, certifying that the two preceding conditions have been satisfied;

absence of any event, change or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect (as defined below in Representations and Warranties) on the other party; and

the closing of the Convertible Notes issued by Westport for an aggregate purchase price of $17.5 million under the Cartesian Financing Agreement;

Representations and Warranties

Each of Westport and Merger Sub, on the one hand, and Fuel Systems, on the other hand, has made representations and warranties with respect to itself and its subsidiaries regarding, among other things:

organizational power and good standing, necessary to operate its business as presently being conducted;

its organizational documents and the organizational documents of its subsidiaries;

capital structure;

corporate authority to enter into and perform the amended merger agreement, enforceability of the amended merger agreement, and approval of the amended merger agreement by each party s board of directors;

absence of conflicts with or defaults under organizational documents, other contracts, and applicable laws;

required regulatory filings and consents and approvals of governmental entities;

no consents or approvals necessary;

permits and compliance with laws;

SEC filings since January 1, 2013, including financial information contained in the filings, internal controls, and compliance with the Sarbanes-Oxley Act of 2002;

absence of undisclosed liabilities;

accuracy of the information supplied for inclusion in, and compliance with applicable securities laws by, the proxy statement/prospectus and this supplement;

the absence of material changes;

employee benefit plans;

labor and other employment matters;

matters with respect to material contracts;

litigation matters;

environmental matters;

intellectual property matters;

title to real and personal properties;

tax matters;

maintenance of insurance policies;

receipt of opinion of financial advisor;

vote of shareholders required;

broker, finder or investment banker fees and expenses;

- no requirement to be registered as an investment company under the Investment Company Act of 1940, as amended;
- no affiliate transactions; and
- absence of other representations and warranties.

The amended merger agreement also contains representations and warranties made only by Fuel Systems regarding, among other things:

- absence of takeover or anti-takeover statutes applicable to the transaction, including restrictions on business combinations contained in Section 203 of the DGCL; and
- absence of products liability claims or lawsuits, including claims regarding material express and implied warranties and injury to individuals or property.

Additionally, the amended merger agreement contains representations and warranties made only by Westport and Merger Sub regarding, among other things:

- TSX and the Canadian provincial securities commissions filings since January 1, 2013;
- sole purpose of and lack of business engagement by Merger Sub; and
- neither Westport nor Merger Sub, nor any of their respective affiliates and associates, being or in the past three years having been an interested stockholder of Fuel Systems, as defined in Section 203 of the DGCL.

Many of the representations and warranties in the amended merger agreement are qualified by a materiality or material adverse effect standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, would be material or reasonably be expected to have a material adverse effect). For purposes of the amended merger agreement, a material adverse effect means, when used with respect to a party to the amended merger agreement any event, circumstance, change or effect (1) that is material and adverse to the business, assets, properties, liabilities, condition (financial or otherwise) or results of operations of such party and its subsidiaries, taken as a whole or (2) that would, or would reasonably be expected to, prevent or materially impair the ability of the relevant party to consummate the merger before June 30, 2016 (or August 31, 2016 in the event of a delay caused by an antitrust waiting period or required consent); provided, however, that a material adverse effect will not include any event, circumstance, change or effect to the extent occurring from and after the date of the amended merger agreement and arising out of or resulting from:

failure to meet projections or forecasts or any decrease in market price of common stock or common shares;

changes in the United States or global economy or capital, financial or securities markets generally, including changes in interest or exchange rates;

changes in the legal or regulatory conditions of the geographic regions in which each party and its subsidiaries operate;

the commencement, escalation or worsening of a war or armed hostilities or the occurrence of acts of terrorism or sabotage;

the public announcement of the amended merger agreement, or any transactions contemplated thereby, including the impact on relationships, contractual or otherwise, with tenants, suppliers, lenders, investors, future partners or employees;

for each party, the taking of any action expressly required by, or the failure to take any action expressly prohibited by, the amended merger agreement, or the taking of any action at the written request of the other party;

earthquakes, hurricanes or other natural disasters; or

changes in any laws or GAAP or the interpretations or enforcement thereof;

except that, with respect of bullets two, three, four and eight above, any such change, event, development, circumstance, condition, occurrence or effect will be taken into account if and to the extent it disproportionately affects such party, taken as a whole, relative to other participants in the industry in which such party operates or the markets for any such party s products or services in general.

Covenants and Agreements

Each of Westport and Fuel Systems has undertaken customary covenants in the amended merger agreement restricting the conduct of its respective business between the date of the amended merger agreement and the completion of the merger.

In general, Fuel Systems has agreed to (i) conduct its and its subsidiaries business in the ordinary course and in a manner consistent with past practice in all material respects and (ii) use commercially reasonable efforts to preserve intact in all material respects its current business organization, goodwill, ongoing businesses and relationships with third parties that have material business dealings with Fuel Systems and its subsidiaries, and keep available the services of its present officers and key employees.

In addition, between the date of the amended merger agreement and the completion of the merger, Fuel Systems has agreed, with respect to itself and its subsidiaries, not to, among other things, undertake any of the following (except as required by law and subject in each case to certain other exceptions specified in the amended merger agreement or set forth in the disclosure letter to the amended merger agreement delivered by Fuel Systems to Westport), without Westport s written agreement:

Amend or propose to amend the Fuel Systems charter or bylaws (or such equivalent organizational or governing documents of any Fuel Systems subsidiary);

Declare or pay any dividend on or make any other distribution (whether in cash, stock or property) in respect of any of its capital stock, or split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any of its capital stock, or any repurchase or otherwise acquire, directly or indirectly, any of its capital stock;

Issue, sell, deliver, redeem or purchase any of its equity securities, or grant or enter into any options, warrants, rights, agreements or commitments with respect to the issuance of its securities, or amend any terms of any such equity securities or agreements;

Grant, issue, confer, award, or modify the terms of any options, convertible securities, restricted stock, phantom shares, equity-based compensation or other rights to acquire, or denominated in, capital stock of Fuel Systems or any of its subsidiaries;

Acquire or agree to acquire (including by merger, consolidation or acquisition of stock or assets) any real property, corporation, partnership, limited liability company, other business organization or any division or material amount of assets thereof, for a purchase price in excess of $1,000,000;

Sell, pledge, lease, dispose of, abandon, permit to lapse or encumber any material property or assets;

Incur, create or assume any indebtedness for borrowed money or issue or amend the terms of any debt securities or assume, guarantee or endorse, or otherwise become responsible for the indebtedness of any other person or entity;

Make any loans, advances or capital contributions to, or investments in, any other person, or make any change in its existing borrowing or lending arrangements for or on behalf of any of such persons, whether pursuant to a Fuel Systems benefit plan or otherwise;

Materially amend, modify or consent to the termination of any material Fuel Systems contract, or amend, waive, modify or consent to the termination of Fuel Systems or any Fuel Systems subsidiary s material rights thereunder;

Hire or terminate (other than for cause) any employee, officer, director or consultant (that is an individual) of Fuel Systems or any Fuel Systems subsidiary with an annual salary or wage rate or consulting fee in excess of $150,000 or who is not terminable at will without the payment of any severance or other payment or promote or appoint any person to a position of officer or director of Fuel Systems or any Fuel Systems subsidiary;

Increase or promise to increase the compensation, bonus, perquisites or pension, welfare, severance or other benefits payable or to become payable to any current or former employees, officers, directors or consultants (that are individuals) of Fuel Systems or any Fuel Systems subsidiary;

Grant or promise to grant any severance, retention, termination or similar payments to, or enter into any severance or similar agreement with, any employee, officer, director or consultant (that is an individual) of Fuel Systems or any Fuel Systems subsidiary;

Enter into any employment, change of control, severance or retention agreement with any current or former employee, officer, director or consultant (that is an individual) of Fuel Systems or any Fuel Systems subsidiary;

Accelerate the vesting or payment, or fund or in any way secure the payment, of the compensation payable or the benefits provided to or to become payable or provided to any current or former employees, officers, directors or consultants (that are individuals) of Fuel Systems or any Fuel Systems subsidiary;

Establish, adopt, enter into or amend any Fuel Systems benefit plan, collective bargaining agreement, plan, trust, fund, policy or arrangement with, or for the benefit of, any current or former directors, officers, employees or consultants (that are individuals) of Fuel Systems or any Fuel Systems subsidiary or any of their beneficiaries, or any agreement, plan, policy or arrangement that would constitute a Fuel Systems benefit plan if it were in existence on the date of the amended merger

agreement;

Forgive or promise to forgive any loans to any current or former directors, officers, employees or consultants (that are individuals) of Fuel Systems or any Fuel Systems subsidiary;

Change any actuarial or other assumptions used to calculate funding obligations with respect to any Fuel Systems benefit plan, or change the manner in which contributions to such plans are made or the basis on which such contributions are determined;

Make any material change to its methods of accounting in effect at December 31, 2014;

Fail to duly and timely file all material reports and other material documents required to be filed with all governmental authorities and other authorities (including NASDAQ), subject to extensions permitted by law;

In connection with tax matters: make, change or rescind any election relating to taxes; change a material method of tax accounting, amend any material tax return; settle or compromise any material federal, state, local or foreign income tax liability, audit, claim or assessment, enter into any material closing agreement related to taxes, or knowingly surrender any right to claim any material tax refund; and take any action that could, or fail to take any action, the failure of which could, reasonably be expected to prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

Take any action that could, or fail to take any action, the failure of which could, reasonably be expected to prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

Adopt a plan of merger, arrangement or amalgamation, complete or partial liquidation or resolutions providing for or authorizing such merger, liquidation or a dissolution, consolidation, recapitalization or bankruptcy reorganization;

Enter into any contract or transaction with (including the making of any payment to) a director or officer of Fuel Systems or members of their immediate family (as such terms are defined in Rule 16a-1 of the Exchange Act) (each of the foregoing, a Related Person) or an affiliate of a related person, in each case of a type that would be required to be disclosed under Item 404 of Regulation S-K under the Securities Act;

Waive, release, assign, settle or compromise any action, including any state or federal regulatory proceeding seeking damages or injunction or other equitable relief, that would: (x) require the payment of monetary damages by Fuel Systems or any Fuel Systems subsidiary after the date of the amended merger agreement of $500,000 per action or $1,000,000 in the aggregate, or (y) involve any injunctive or other non-monetary relief which, in either case, imposes material restrictions on the business operations of Fuel Systems and Fuel Systems subsidiaries, taken as a whole;

Fail to use commercially reasonable efforts to maintain, with financially responsible insurance companies, insurance in such amounts and against such risks and losses as is maintained by it at present;

Take, or agree in writing or otherwise to take any other action that would prevent Fuel Systems from performing, or cause Fuel Systems not to perform, any of its covenants and agreements under the amended merger agreement;

Take, or agree to commit to take, any action that would reasonably be expected to result in any of the conditions to closing the merger not being satisfied; or

Authorize, or enter into any contract, commitment or arrangement to do any of the foregoing.

In general, Westport has agreed to (i) conduct its and its subsidiaries business in the ordinary course and in a manner consistent with past practice in all material respects and (ii) use commercially reasonable efforts to preserve intact in all material respects its current business organization, goodwill, ongoing businesses and relationships with third parties that have material business dealings with Fuel Systems and its subsidiaries, and keep available the services of its present officers and key employees.

In addition, between the date of the merger agreement and completion of the merger, Westport has agreed, with respect to itself and its subsidiaries, not to, among other things, undertake any of the following (except as required by law and subject in each case to certain additional exceptions specified in the amended merger agreement or set forth in the disclosure letter to the amended merger agreement delivered by Westport to Fuel Systems) without Fuel Systems written agreement:

Amend or propose to amend Westport s charter or bylaws (or such equivalent organizational or governing documents of any Westport subsidiary);

Adopt a plan of merger, arrangement or amalgamation, complete or partial liquidation or resolutions providing for or authorizing such merger, liquidation or a dissolution, consolidation, recapitalization or bankruptcy reorganization;

Declare or pay any dividend on or make any other distribution (whether in cash, stock or property) in respect of any of its capital stock, or split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any of its capital stock, or any repurchase or otherwise acquire, directly or indirectly, any of its capital stock;

Issue, sell, deliver, redeem or purchase any of its equity securities, or grant or enter into any options, warrants, rights, agreements or commitments with respect to the issuance of its securities, or amend any terms of any such equity securities or agreements;

Grant, issue, confer, award, or modify the terms of any options, convertible securities, restricted stock, phantom shares, equity-based compensation or other rights to acquire, or denominated in, capital stock of Westport or any Westport subsidiary;

Fail to duly and timely file all material reports and other material documents required to be filed with all governmental authorities and other authorities (including NASDAQ and TSX), subject to extensions permitted by law;

Take, or agree in writing or otherwise to take any other action that would prevent Westport from performing, or cause Westport not to perform, any of its covenants and agreements under the amended merger agreement;

Take, or agree to commit to take, any action that would reasonably be expected to result in any of the conditions to closing the merger not being satisfied;

Take any action that could, or fail to take any action, the failure of which could, reasonably be expected to prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

Make, or agree to, an acquisition that would reasonably be expected to prevent, delay or materially impair the ability of Westport or Merger Sub to consummate the merger;

Incur, create or assume any indebtedness for borrowed money or issue or amend the terms of any debt securities or assume, guarantee or endorse, or otherwise become responsible for the indebtedness of any other person or entity (other than a wholly owned subsidiary of Westport); or

Authorize, or enter into any contract, commitment or arrangement to do any of the foregoing.

No Solicitations of Other Offers

Fuel Systems has agreed that neither it nor its subsidiaries nor any of its or its subsidiaries respective officers, directors, employees or other representatives, and Fuel Systems has agreed that it will use its reasonable best efforts to ensure that any other representatives of Fuel Systems or its subsidiaries will not, directly or indirectly:

solicit, initiate, knowingly encourage or knowingly facilitate any inquiry, discussion, offer or request that constitutes, or would reasonably be expected to lead to, a Fuel Systems alternative proposal (as defined below);

engage in any discussions or negotiations regarding, or furnish to any third party any non-public information in connection with, or otherwise cooperate in any way with, or knowingly facilitate in any way any effort by, any third party in connection with a Fuel Systems alternative proposal;

approve or recommend any Fuel Systems alternative proposal or enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, amended merger agreement, share purchase agreement, asset purchase agreement, share exchange agreement, option agreement or similar definitive agreement, except an acceptable confidentiality agreement, providing for or relating to a Fuel Systems alternative proposal; or

propose or agree to do any of the foregoing.

A Fuel Systems alternative proposal means (i) any unsolicited bona fide indication of interest, inquiry, proposal or offer from any third party for (or expression by a third party that it is considering or may engage in), whether in one transaction or a series of related transactions, (ii) any sale, lease, exchange, mortgage, pledge, license, transfer or other disposition, directly or indirectly, by merger, consolidation, sale of equity interests, share exchange, joint venture, business combination or otherwise, of any assets of Fuel Systems or any of its subsidiaries representing twenty percent (20%) or more of the consolidated assets of Fuel Systems and its subsidiaries, taken as a whole as determined on a book-value basis, or to which twenty percent (20%) or more of the consolidated revenues or earnings are attributable, (iii) any issue, sale or other disposition of (including by way of merger, consolidation, joint venture, business combination, share exchange or any similar transaction) securities (or options, rights or warrants to purchase, or securities convertible into, such securities) representing twenty percent (20%) or more of the voting power of Fuel Systems or any of its subsidiaries whose business constitutes 20% or more of the net revenue, net income or assets of Fuel Systems and its subsidiaries, taken as a whole, (iv) any tender offer or exchange offer in which any person or group (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) shall seek to acquire beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), or the right to acquire beneficial ownership, of twenty percent (20%) or more of the outstanding shares of any class of voting securities of Fuel Systems, (v) any recapitalization, restructuring, liquidation, dissolution or other similar type of transaction with respect to Fuel Systems in which a third party shall acquire beneficial ownership of twenty percent (20%) or more of the outstanding shares of any class of voting securities of Fuel Systems or any its subsidiaries whose business constitutes 20% or more of the net revenue, net income or assets of Fuel Systems and its subsidiaries, taken as a whole, or (vi) any transaction which is similar in form, substance or purpose to any of the foregoing transactions.

Notwithstanding the restrictions described above, if, at any time prior to approval of the Merger proposal by Fuel Systems stockholders, Fuel Systems receives a bona fide written Fuel Systems alternative proposal from a third party made after the date of the amended merger agreement, Fuel Systems may (i) furnish non-public information to such third party (provided that prior to furnishing such information, Fuel Systems receives an executed acceptable confidentiality agreement from the third party and that any non-public information provided to the third party also be provided to Westport and Merger Sub) and (ii) engage in discussions or negotiations with such third party and such third party s representatives with respect to the Fuel Systems alternate proposal if the Fuel Systems board determines in good faith, after consultation with its financial advisors and outside legal counsel, that such alternative proposal constitutes or could reasonably be expected to lead to or result in a superior proposal (as defined below), and the Fuel Systems board determines in good faith, after consultation with legal counsel, that the failure to participate in such negotiations or discussions or to furnish such information or data to such third party would be inconsistent with the Fuel Systems board s fiduciary duties under applicable law.

The amended merger agreement requires Fuel Systems to promptly, and in any event no later than 24 hours after receipt, provide notice to Westport of the receipt of a Fuel Systems alternative proposal, any request for nonpublic information relating to Fuel Systems or its subsidiaries by a third party, or any inquiry seeking to have discussions or negotiations regarding any Fuel Systems alternative proposal. The required notice must indicate the identity of the third party making the Fuel Systems alternative proposal or inquiry and all of the material terms and conditions of any Fuel Systems alternative proposal or inquiry. Fuel Systems is also obligated to promptly notify Westport if it enters into discussions or negotiations concerning any Fuel Systems alternative proposal or provides nonpublic information or data to any third party in accordance with the above terms. Fuel Systems must also keep Westport informed of the status and terms of any such proposals, offers, discussions or negotiations on a current basis, including by providing a copy of all material documentation or correspondence relating to any Fuel Systems alternative proposal.

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The amended merger agreement also requires Westport to notify Fuel Systems promptly, and in any event no later than 24 hours after receipt of any Westport acquisition proposal (defined below) or any request for nonpublic information relating to Westport or its subsidiaries by any third party, or any inquiry from any person seeking to have discussions or negotiations with Westport relating to a possible Westport acquisition proposal. Such notice must indicate the identity of the third party making the Westport acquisition proposal or inquiry and the material terms and conditions of any Westport acquisition proposal or inquiries. Westport shall also promptly notify Fuel Systems if it enters into discussions or negotiations concerning any Westport acquisition proposal or provides nonpublic information or data to any person in accordance with the amended merger agreement and keep Fuel Systems informed of the status and terms of any such proposals, offers, discussions or negotiations on a current basis, including by providing a copy of all material documentation or correspondence relating thereto.

A Westport alternative proposal means any proposal or offer from any third party for (or expression by a third party that it is considering or may engage in), whether in one transaction or a series of related transactions, (i) any sale, lease, exchange, mortgage, pledge, license, transfer or other disposition, directly or indirectly, by merger, consolidation, sale of equity interests, share exchange, joint venture, business combination or otherwise, of any assets of Westport or any Westport subsidiary (other than Cummins Westport Inc.) representing fifty percent (50%) or more of the consolidated assets of Westport and its subsidiaries (other than Cummins Westport Inc.), taken as a whole as determined on a book-value basis, (ii) any issue, sale or other disposition of (including by way of merger, consolidation, joint venture, business combination, share exchange or any similar transaction) securities (or options, rights or warrants to purchase, or securities convertible into, such securities) representing fifty percent (50%) or more of the voting power of Westport or its subsidiaries (other than Cummins Westport Inc.) whose business constitutes fifty percent (50)% or more of the net revenue, net income or assets of Westport and its subsidiaries, taken as a whole, (iii) any tender offer or exchange offer in which any person or group (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) seeks to acquire beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), or the right to acquire beneficial ownership, of fifty percent (50%) or more of the outstanding shares of any class of voting securities of Westport, (iv) any recapitalization, restructuring, liquidation, dissolution or other similar type of transaction with respect to Westport in which a third party acquires beneficial ownership of fifty percent (50%) or more of the outstanding shares of any class of voting securities of Westport or (v) any transaction which is similar in form, substance or purpose to any of the foregoing transactions. The term Westport alternative proposal does not, however, include (x) the merger or the other transactions contemplated by the amended merger agreement, or (y) any proposal or offer relating to any existing purchase option, right of first offer, right of first refusal or buy/sell provision contained in any agreement to which Westport or any of its subsidiaries is a party.

Board Recommendation

The Fuel Systems board has resolved to recommend that Fuel Systems stockholders vote in favor of the Merger proposal, which is referred to as the Fuel Systems board recommendation. Subject to the provisions described below, the amended merger agreement provides that the Fuel Systems board of directors, directly or indirectly, will not:

- withhold, withdraw, qualify or modify, or publicly propose to withhold, withdraw, qualify or modify, in any manner adverse to Westport or Merger Sub, the Fuel Systems board recommendation;

- approve, adopt or recommend, or publicly propose to approve, adopt or recommend, any Fuel Systems alternative proposal;

fail to include the Fuel Systems board recommendation in the proxy statement or any Schedule 14D-9, as applicable;

fail to publicly recommend against any Fuel Systems alternative proposal within 5 business days of the request of Westport and reaffirm the Fuel Systems board recommendation within 5 business days; or

approve, adopt, declare advisable or recommend (or agree to, resolve or propose to approve, adopt, declare advisable or recommend), or cause or permit Fuel Systems to enter into, any agreement related to a Fuel Systems alternative proposal (other than an acceptable confidentiality agreement entered into in accordance with the terms of the amended merger agreement).

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Each of the foregoing actions is referred to as a change in recommendation. Notwithstanding these restrictions, before Fuel Systems obtains its stockholder approval, the Fuel Systems board of directors may make a change in recommendation and terminate the amended merger agreement to enter into an alternative definitive agreement if:

- the Fuel Systems board has received a Fuel Systems alternative proposal and, after consultation with its financial advisors and outside legal counsel, concludes that such alternative proposal constitutes a superior proposal;
- following consultation with outside legal counsel, the Fuel Systems board determines that the failure of the Fuel Systems board to make a change in recommendation would be inconsistent with its fiduciary duties under applicable law; and
- within two business days of such termination, Fuel Systems has paid Westport the termination fee, as further described below.

The amended merger agreement further provides that the Fuel Systems board may not make a change of recommendation and terminate the amended merger agreement to enter into an alternative definitive agreement unless: (i) Fuel Systems has provided prior written notice to Westport that Fuel Systems intends to take such action and describing the material terms and conditions of, and attaching a complete copy of, the superior proposal that is the basis of such action (it being understood that such material terms need not include the identity of the third party making the superior proposal); (ii) during the five business day period following Westport and Merger Sub s receipt of such notice, Fuel Systems negotiates with Westport and Merger Sub in good faith (to the extent Westport and Merger Sub desire to negotiate) to make such adjustments in the terms and conditions of the amended merger agreement such that the superior proposal ceases to be a superior proposal; and (iii) the Fuel Systems board concludes in good faith, after consultation with its financial advisors and outside legal counsel, and taking into account any changes to the amended merger agreement proposed by Westport or Merger Sub after notice of the superior proposal, that the superior proposal giving rise to the notice delivered to Westport and Merger Sub in accordance with (i) of this paragraph continues to constitute a superior proposal.

A superior proposal means a bona fide written Fuel Systems alternative proposal (except twenty percent (20%) is replaced by fifty percent (50%)) on its most recently amended or modified terms, if amended or modified, made by a third party on terms that the Fuel Systems board determines in good faith, after consultation with financial and legal advisors, taking into account all financial, legal, regulatory and any other aspects of the transaction described in such proposal (including the identity of the person making such proposal, any termination or break-up fees, expense reimbursement provisions, and conditions to, and timing and likelihood of consummation as well as post-closing synergies and pro forma economics, to the extent applicable), as well as any changes to the financial terms of the amended merger agreement proposed by Westport and Merger Sub in response to such proposal or otherwise, to be more favorable to Fuel Systems and Fuel Systems stockholders (solely in their capacity as such) from a financial point of view than the transactions contemplated by the amended merger agreement.

Notwithstanding these restrictions, before Fuel Systems obtains its stockholder approval, the Fuel Systems board may make a change in recommendation in response to an intervening event (defined below) to the extent that the Fuel Systems board determines in good faith, after consultation with the outside legal counsel, that the failure of the Fuel Systems board to effect a change in recommendation would be inconsistent with its fiduciary duties under applicable law, and:

Fuel Systems provides Westport 5 business days written notice of its intention to take such action and the reasons for such action;

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Fuel Systems negotiates in good faith with Westport during such 5 day period to make such revisions to the terms of the amended merger agreement as would permit the Fuel Systems board not to make a change in recommendation; and

the Fuel Systems board has considered in good faith any changes to the amended merger agreement offered in writing by Westport, and following such 5 day period, has determined in good faith, after consultation with its outside legal counsel and financial advisors, that the Fuel Systems board s fiduciary duties under applicable law would continue to require a change in recommendation with respect to such intervening event.

An intervening event means a material event, fact, circumstance, development or occurrence that (i) affects the business, assets or operations of Fuel Systems that was not known by the Fuel Systems board as of the date of the merger agreement (or, if known, the consequences of which were not reasonably foreseeable to the Fuel Systems board as of the date of the merger agreement), which event, fact, circumstance, development or occurrence becomes known to or by the Fuel Systems board prior to obtaining the stockholder approval and (ii) does not relate to a Fuel Systems alternative proposal. In no event will changes in the market price or trading volume of the Fuel Systems common stock or the Westport common shares, or the fact that a party meets or exceeds internal or published projections, forecasts or revenue or earnings predictions for any period be an intervening event; but the underlying causes of such change or fact is not excluded from the definition of an intervening event.

Notwithstanding the restrictions described above, the amended merger agreement does not prohibit Fuel Systems from (i) taking and disclosing to its respective stockholders a position required by Rule 14e-2 under the Exchange Act or (ii) complying with Rule 14d-9 under the Exchange Act.

Reasonable Best Efforts to Obtain Required Stockholder Approval

Fuel Systems agreed to, as soon as reasonably practicable after the date of the merger agreement, establish a record date for and, as soon as reasonably practicable after the effectiveness of the amended registration statement of which the proxy statement/prospectus and this supplement is a part, duly call, give notice of, convene and hold a meeting of its stockholders to consider the Merger proposal. Without the prior written consent of Westport, the adoption of the amended merger agreement by Fuel Systems stockholders, approval of any adjournment of the Fuel Systems special meeting, if necessary to solicit additional proxies if there are not sufficient votes to adopt the amended merger agreement at the time of the Fuel Systems special meeting and an advisory vote on compensation payable to executive officers of Fuel Systems are the only proposals permitted to be submitted to, or voted on by, the Fuel Systems stockholders.

Westport agreed to, as soon as reasonably practicable after the date of the merger agreement, establish a record date for and, as soon as reasonably practicable after the effectiveness of the amended registration statement of which the proxy statement/prospectus and this supplement is a part, duly call, give notice of, convene and hold a meeting of its stockholders to consider the Merger proposal and the proposed name change of Westport to Westport Fuel Systems Inc. Unless a change in recommendation occurs in compliance with the terms of the amended merger agreement, Westport s board will recommend approval of the transaction to its shareholders and use its reasonable best efforts to solicit and obtain adoption. Westport has obtained the requisite approval of its shareholders.

Agreement to Take Further Action and to Use Reasonable Best Efforts

Each of Westport, Merger Sub, and Fuel Systems agree to make an appropriate filing of a notification and report form pursuant to the HSR Act and to make all other filings required to be made prior to close of business on the closing

date by applicable foreign antitrust laws with respect to the transactions contemplated by the merger agreement and in any event prior to the expiration of any applicable legal deadline and to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the HSR Act and any other filings required in connection with the Foreign Antitrust Approvals or any other Antitrust Law.

In addition, each of Westport, Merger Sub, and Fuel Systems, respectively, agree to take any and all actions necessary to obtain any consents, clearances or approvals required under or in connection with any antitrust laws, and to enable all waiting periods under applicable antitrust laws to expire, and to avoid or eliminate each and every impediment under applicable antitrust laws asserted by a governmental authority, in each case, to cause the merger

and the other transactions contemplated by the merger to occur as promptly as practicable prior to June 30, 2016, or August 31, 2016 in the event of a delay caused by an antitrust waiting period or required consent. This includes: (i) promptly complying with or modifying any request for additional information (including any second request) by a government authority, (ii) if necessary, obtaining clearance by any governmental authority before June 30, 2016, or August 31, 2016 in the event of a delay caused by an antitrust waiting period or required consent, offering, negotiating, committing to, taking and effecting, by consent decree, hold separate order or otherwise, the sale, divestiture, license or other disposition of any and all of the share capital, assets, rights, products or business of Fuel Systems and Westport and their respective subsidiaries, and any other actions that limit the freedom of action with respect to, or the ability to retain, any of the businesses of Fuel Systems and Westport and their respective subsidiaries, (iii) contesting, defending, and appealing any lawsuit or other legal proceedings, whether judicial or administrative, threatened or pending preliminary or permanent injunction or other order, decree or ruling or statute, rule, regulation or executive order that would adversely affect the ability of each party to consummate the transactions contemplated by the amended merger agreement and (iv) taking any and all other actions to prevent the entry, enactment or promulgation of such order or decree. In no event, however, will Fuel Systems or Westport or any of their respective subsidiaries be obligated to commit to any actions that would, individually or in combination, materially reduce the reasonably anticipated benefits of the transactions contemplated by the amended merger agreement.

Furthermore, each party must use its reasonable best efforts to take all actions and assist and cooperate with the other party to do all things necessary, proper or advisable under applicable law or pursuant to any contract to consummate and make effective, as promptly as practicable, the merger and the other transactions contemplated by the amended merger agreement, including to (i) take all actions necessary to cause the conditions to close the merger to be satisfied, (ii) obtain of all necessary actions or nonactions, waivers, consents and approvals from governmental authorities or other persons necessary in connection with the consummation of the merger and the other transactions contemplated by the amended merger agreement and the making of all necessary registrations and filings (including filings with governmental authorities, if any) and the taking of all reasonable steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any governmental authority or other persons necessary in connection with the consummation of the merger and the other transactions contemplated by the amended merger agreement, (iii) defend any lawsuits or other legal proceedings, whether judicial or administrative, challenging the merger agreement or the consummation of the merger or the other transactions contemplated by amended merger agreement, including seeking to have any stay or temporary restraining order entered by any court or other governmental authority vacated or reversed, and (iv) execute and deliver any additional instruments necessary to consummate the merger and the other transactions contemplated by the merger agreement and to fully carry out the purposes of the amended merger agreement.

Westport, Merger Sub and Fuel Systems agreed to give any notices to third parties and Westport agreed to use its reasonable best efforts, and Fuel Systems will use its reasonable best efforts to cooperate with Westport in its efforts, to obtain any additional third party consents that are necessary, proper or advisable to consummate the merger.

Westport, Merger Sub, and Fuel Systems also agreed to furnish to each other such necessary information and reasonable assistance as the other may request in connection with the preparation of any required governmental filings or submissions and will cooperate in responding to any inquiry from a governmental authority, including promptly (and in any event within twenty-four (24) hours) informing the other party of such inquiry, consulting in advance before making any presentations or submissions to a governmental authority, and supplying each other with copies of all material correspondence, filings or communications between either party and any governmental authority with respect to the amended merger agreement. To the extent practicable, and permitted by a governmental authority, each party hereto is required to permit representatives of the other party to participate in meetings (whether by telephone or in person) with such governmental authority.

Employee Benefits Matters

Westport has agreed that it will provide to each Fuel Systems employee who remains employed during the one-year period following the closing of the merger (i) a base salary (or wage rate) and target cash incentive compensation opportunity at least equal to such employee s base salary (or wage rate) and target cash incentive compensation opportunity in effect as of immediately prior to the closing of the merger and (ii) employee benefits (excluding equity arrangements, deferred compensation arrangements, retiree health and welfare benefits and

defined benefit pension plans) that are, in the aggregate, no less favorable than the employee benefits provided to employees as of immediately prior to the closing of the merger. Westport also agreed to provide Fuel Systems employees who experience an involuntary severance-qualifying termination during the one-year period following the closing of the merger with severance benefits that are no less favorable, in the aggregate, than the severance benefits, if any, that the employee would have received pursuant to the terms of the severance pay arrangements maintained by Fuel Systems upon such an involuntary severance-qualifying termination of employment immediately prior to the closing of the merger.

Westport has also agreed generally to give Fuel Systems employees credit for their years of service with Fuel Systems and its subsidiaries for purposes of determining eligibility and vesting, benefit accrual and determination of level of benefits (but excluding for purposes of benefit accruals under any defined benefit plan or for purposes of vesting in any new equity-based compensation plan, program, agreement or arrangement) under Westport s compensation and benefit plans and arrangements that such employees participate in after the closing of the merger. In addition, Westport will use commercially reasonable efforts to cause: (i) each employee to be immediately eligible to participate, without any waiting time, in Westport benefit plans to the extent coverage under such plans replaces coverage under a comparable Fuel Systems benefit plan the employee participated in immediately before such replacement by Westport; and (ii) for purposes of each Westport plan that provides medical, dental, pharmaceutical and/or vision benefits to any Fuel Systems employee, all pre-existing condition exclusions and actively-at-work requirements under any Westport plan to be waived for Fuel Systems employees and their dependents (except to the extent such restrictions were applicable and not satisfied by the Fuel Systems employee under the comparable Fuel Systems benefit plan as of immediately prior to the closing of the merger) and any eligible expenses incurred by such Fuel Systems employee (and any dependents) under an Fuel Systems benefit plan during the portion of the plan year prior to the closing of the merger to be taken into account under such Westport Plan for purposes of satisfying all deductible, co-insurance, co-payment and maximum out-of-pocket requirements applicable to such employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such Westport benefit plan.

Other Covenants and Agreements

The amended merger agreement contains additional agreements relating to, among other matters:

Access to Information; Confidentiality

Until completion of the merger, each of Westport and Fuel Systems have agreed to afford the other party and its representatives reasonable access, during normal business hours and on certain conditions, to all of its and its subsidiaries respective properties, books, contracts, commitments, personnel and records. Also, each of Westport and Fuel Systems have agreed to keep confidential any nonpublic information in accordance with the terms of the confidentiality agreement.

Notification of Certain Matters

Each of Westport and Fuel Systems has agreed to give prompt notice to the other party of (i) any notice or other communication from any governmental authority in connection with the merger or from any party alleging that its consent is or may be required in connection with the merger, (ii) any actions, suits, claims, investigations or proceedings commenced or threatened against, relating to or involving or otherwise affecting such party and that relate to the merger, (iii) any inaccuracy of any representation or warranty of Fuel Systems or Westport, as applicable, contained in the amended merger agreement, (iv) the discovery of any fact or circumstance that, or the occurrence or non-occurrence of any event the occurrence or non-occurrence of which, would result in the failure to be satisfied of

any of the conditions to the closing of merger, and (v) any material failure of such party to comply with or satisfy any covenant or agreement to be complied with or satisfied by it hereby which would result in the failure to be satisfied of any of the conditions to the closing of the merger.

Transaction Litigation

Each of Fuel Systems and Westport have agreed to give the other party the opportunity to participate in the defense or settlement of any security holder litigation against Fuel Systems or Westport, respectively, and/or its directors relating to the merger, and no settlement can be agreed to without the prior written consent of the other

party, which consent must not be unreasonably withheld, conditioned or delayed, except that no such consent is required for Westport to enter into a settlement if such settlement involves only the payment of money and the amount of such settlement shall be fully covered by insurance proceeds.

Public Announcements

Westport, Merger Sub and Fuel Systems will not issue any public announcements or make other public disclosures regarding the merger or the amended merger agreement, unless mutually approved by Fuel Systems and Westport; provided, however, that each of Westport and Fuel Systems may make a public announcement or other public disclosure required by law or any applicable stock exchange, provided that the disclosing party has used reasonable best efforts to afford the other party with the opportunity to review and provide reasonable comment.

Indemnification and Insurance

Westport and Merger Sub agree that all indemnification rights for acts or omissions occurring at or prior to close of business on the closing date, regardless of when asserted or claimed that exist in the Fuel Systems charter or the Fuel Systems bylaws (or its subsidiaries), will survive the merger and will continue in full force and effect in accordance with their terms. The surviving company of the merger will (i) indemnify, defend and hold harmless, and advance expenses to, any officer or director of Fuel Systems or person served on behalf of Fuel Systems as an officer or director (or the equivalent) of any Fuel Systems subsidiaries prior to the effective time, which we refer to as an indemnitee, with respect to all acts or omissions by them in their capacities as such at any time prior to close of business on the closing date, to the fullest extent required by the Fuel Systems or any of Fuel Systems subsidiaries organizational or governing documents, in each case, as in effect on the date of the amended merger agreement, or applicable law, and (ii) not amend, repeal or otherwise modify any such provisions in any manner that would adversely affect the rights thereunder of any indemnitees.

Until the sixth anniversary of the closing date, Westport and the surviving company will also indemnify indemnitees against and from any costs or expenses (including attorney s fees) judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative (hereinafter referred to as a claim) to the extent such claim arises out of or pertains to action or omission or alleged action or omission in such indemnitee s capacity as a director, officer, partner, member, trustee or employee of Fuel Systems or its subsidiaries, or the amended merger agreement and related transactions. Westport and the surviving company will pay in advance of the final disposition of a claim, upon receipt of the undertaking that the indemnitee will repay such amount if it is ultimately determined that the indemnitee not entitled to be indemnified. Westport and the surviving company will not settle, compromise, or consent to the entry of any judgment or seek termination with respect to any claim unless the settlement, compromise, consent or termination includes an unconditional release of all indemnities of all liability arising out of such claim with certain exceptions stated in the amended merger agreement and will not be obligated to indemnify any indemnitee if a court determines that such indemnification is prohibited by applicable law.

In addition, Fuel Systems will, or if Fuel Systems is unable to, Westport will cause the surviving company as of close of business on the closing date to obtain and fully pay the premium for the non-cancellable extension of the directors and officers liability coverage of Fuel Systems existing directors and officers insurance policies and Fuel Systems existing fiduciary liability insurance policies, in each case, for a claims reporting or discovery period of at least six years from and after the close of business on the closing date with respect to any claim related to any period or time at or prior to the close of business on the closing date, provided that Westport and the surviving company are not required to pay an annual premium for the directors and officers insurance in excess of 300% of the annual premium currently paid by Fuel Systems.

Certain Tax Matters

Fuel Systems, Westport and Merger Sub intend that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, and each has agreed to use reasonable best efforts to cause the merger to so qualify.

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Fuel Systems, Westport and Merger Sub have agreed to use reasonable best efforts to provide information, including officer s certificates, reasonably requested by Fuel Systems in connection with Fuel Systems request for an IRS private letter ruling and/or an opinion of Skadden, as applicable, regarding the application of Sections 368 and/or 367(a) of the Code to the merger. If Fuel Systems obtains a favorable IRS private letter ruling or believes based on advice from counsel that it is more likely than not that the merger is not subject to Section 367(a)(1) of the Code, Westport has agreed to make commercially reasonable arrangements with each 5% U.S. Holder, if any, to ensure that such shareholder will be informed of any triggering event within the meaning of Treasury Regulations Section 1.367(a)-8(j)(1) or (2). In addition, Westport has agreed (and has agreed to cause Fuel Systems following the merger) to file all required information with its tax returns and maintain all records required for tax purposes, including, if applicable, the reporting requirements contained in Treasury Regulations Section 1.367(a)-3(c)(6).

Westport and Fuel Systems have agreed to cooperate in the preparation, execution and filing of all tax returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp taxes, and transfer, recording, registration and other fees and similar taxes which become payable in connection with the merger and which are required or permitted to be filed on or before the effective time. Westport has agreed to pay (without reimbursement and without deduction from any amount payable to Fuel Systems stockholders) any such taxes or fees imposed on it by any governmental authority (or for which Westport s shareholders are primarily liable) which become payable in connection with the merger.

Section 16 Matters

Prior to the completion of the merger, Westport, Merger Sub and Fuel Systems have agreed to take all steps as may be required to cause (i) any dispositions of shares of Fuel Systems common stock resulting from the merger by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to Fuel Systems to be exempt under Rule 16b-3 promulgated under the Exchange Act and (ii) any acquisitions of Westport common shares resulting from the merger by each individual who may become subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to Westport to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Listing

Westport has agreed to cause the new common shares to be approved for listing on NASDAQ, subject to official notice of issuance and the TSX, prior to the completion of the merger, subject to fulfilling all of the listing requirements of the TSX.

Voting of Westport Common Shares

Westport has agreed to vote all shares of Fuel Systems common stock beneficially owned by it or any of the Westport subsidiaries as of the record date for the Fuel Systems special meeting in favor of adoption of the amended merger agreement and approval of the merger.

Fuel Systems has agreed to vote all shares of Westport common shares beneficially owned by it or any Fuel Systems subsidiaries as of the record date for the Westport special meeting in favor of adoption of the amended merger agreement, approval of the merger, and issuance of Westport common shares in connection with the merger.

Governance Matters

Westport has agreed to take all necessary corporate actions to cause, concurrent with the closing of the merger (i) the name of Westport to be changed to Westport Fuel Systems Inc., (ii) four members of the Westport board to resign, (iii) the appointment to Westport s board of directors of certain Fuel Systems-designated directors (currently expected to be directors Mariano Costamagna, Troy A. Clarke and Colin S. Johnston or such other person as they may appoint), who will fill three of the vacancies resulting from such resignations and (iv) to have each committee of the Westport board to include such number of continuing Fuel Systems directors as determined by Westport after taking into account each such director s relevant experience and expertise. The three Fuel Systems-designated directors also will designate one independent director (who must be a citizen of Canada) subject to the approval of the Nominating and Corporate Governance Committee of Westport, such approval not to be unreasonably withheld, conditioned or delayed, and one member of the Westport board will resign at the time such

independent director is so appointed. Prior to the appointment of such independent director, all Westport board actions will require the affirmative vote of a majority of the Westport board, including at least one Fuel Systems-designated director, who must act in accordance with his or her fiduciary and statutory duties and responsibilities as defined by law, the charter of the Westport board of directors, and the parent position descriptions available to individual directors. A person designated by Fuel Systems also will have non-voting board observation rights and a specified Fuel Systems executive will also be appointed to a prominent management role in the combined company.

From and after the closing of the merger until the 2019 annual meeting of Westport shareholders, the size of Westport s board of directors will be fixed at nine directors and the Westport board will take all necessary actions to nominate, and to cause the Nominating and Corporate Governance Committee of Westport to recommend that the Westport board of directors nominate, the continuing Fuel Systems directors for election to the Westport board of directors at the 2016 annual meeting of shareholders of Westport, the 2017 annual meeting of shareholders of Westport and the 2018 annual meeting of shareholders of Westport. Notwithstanding the above, no continuing Fuel Systems director will be subject to re-nomination in accordance with the merger agreement in the event such continuing Fuel Systems director fails (i) to comply in all material respects with the governance guidelines and policies of Westport applicable to Westport directors during the fiscal year immediately preceding such Fuel Systems-designated director s re-nomination (for that portion of the fiscal year for which such Fuel Systems-designated director was a director of Westport) or (ii) to attend in-person or by phone at least seventy-five percent (75%) of the duly called meetings of the Westport board of directors for the Westport fiscal year immediately preceding such re-nomination (not taking into account any meetings called during any period in which such Fuel Systems-designated director was not a director of Westport). Until the 2017 annual meeting of shareholders of Westport, in the event of death, resignation or removal for cause of a continuing Fuel Systems director, the remaining continuing Fuel Systems directors, in consultation with the Westport board, will appoint a replacement Fuel Systems-designated director to fill the vacancy created by such death, resignation, removal or failure to serve subject to the approval of the Nominating and Governance Committee of Westport, not to be unreasonably withheld, conditioned or delayed).

The continuing Fuel Systems directors and specified officers are third party beneficiaries of the section of the amended merger agreement providing for the post-closing directors and officers, and Westport agrees to pay all reasonable expenses, including attorney s fees, that may be incurred by any continuing Fuel Systems director in seeking the enforcement of the rights and obligations provided for by such section of the amended merger agreement.

No Solicitation of Employees

Prior to the closing of the merger, each of Fuel Systems and Westport have agreed not to solicit the other party s employees, subject to certain exceptions set forth in the merger agreement.

Amendment to Rights Agreement

Fuel Systems has agreed to take all necessary action so that none of the performance by the respective parties to the merger agreement of their obligations under the merger agreement will cause (i) rights to become exercisable under the Stockholder Protection Rights Agreement, dated as of June 27, 2006, as amended, between Fuel Systems and Mellon Investor Services LLC, as Rights Agent, referred to as the rights agreement, (ii) Westport, Merger Sub or any of their affiliates to be deemed to be an acquiring person (as defined in the rights agreement), (iii) the stock acquisition date (as defined in the rights agreement) to occur upon any such event or (iv) the separation time (as defined in the rights agreement) to occur upon any such event.

State Takeover Laws

If any takeover statute may become applicable to the transactions contemplated by the merger agreement, Westport and Fuel Systems and the members of its respective board of directors, to the extent permissible under applicable law, are required to grant such approvals and take such actions, in accordance with the terms of the merger agreement, as are necessary so that the transactions contemplated by the merger agreement may be consummated as promptly as practicable, and in any event prior to June 30, 2016, or August 31, 2016 in the event of a delay caused by an antitrust waiting period or required consent, on the terms and conditions contemplated by the merger agreement and otherwise, to the extent permissible under applicable law, act to eliminate the effect of any takeover statute on any of the transactions contemplated by the merger agreement.

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Automotive and Industrial Operations

Representatives of Westport and Fuel Systems jointly have developed an agreed upon business plan for the Automotive, Industrial and Operations combined company project to be named the Fuel Systems Automotive and Industrial Group, which they intend to implement within 36 months following the closing of the merger. The headquarters of the Automotive and Industrial Group, and its associated operations, will be in Cherasco, Italy. An exhibit to the merger agreement sets forth the management team for the group. Westport has agreed to use commercially reasonable efforts to assist the implementation of the project by maintaining sufficient capital in the group, consistent with the group s needs to achieve the project.

Terms of the Merger Agreement Amendment Related to the Cartesian Financing Agreement

The merger agreement amendment provides for a tri-party mutual release among Westport, Merger Sub and Fuel Systems of all claims related to any breach or alleged breach of the amended merger agreement arising out of any events prior to the execution of the merger agreement amendment.

The merger agreement amendment also provides that following the consummation of the merger, no assets or equity interests of Fuel Systems or any of its subsidiaries shall be subject to any security interest granted pursuant to or securing obligations under the Cartesian Financing Agreement.

Termination of the Amended Merger Agreement

The amended merger agreement may be terminated prior to the closing of the merger, whether before or after approval of the Merger proposal by Fuel Systems stockholders and Westport s shareholders approval is received (except as otherwise provided below), as follows:

- by the mutual written agreement of Westport and Fuel Systems; or
- by either Fuel Systems or Westport:
  - if the closing does not occur on or before June 30, 2016, or August 31, 2016 in the event of a delay caused by an antitrust waiting period or required consent; provided that this termination right will not be available to any party if the failure of such party to perform any of its obligations under the merger agreement has been a principal cause of, or resulted in, the failure of the merger to be consummated on or before such date;
  - if there is in effect a final nonappealable order of a governmental authority of competent jurisdiction restraining, enjoining or otherwise prohibiting the merger; provided that this termination right is not available to a party whose failure to perform its obligations under the merger agreement is the primary cause of such order;

if the other party breached or failed to perform any of its representations, warranties, covenants or agreements in the merger agreement in a way that the related condition to closing would not be satisfied, and this breach is either incurable or not cured within 20 days, provided that neither party has the right to terminate in the event such party is then in breach of any of its representations, warranties, covenants or agreements in the merger agreement in a way that a condition to closing would not be satisfied;

if the Fuel Systems and Westport stockholder meetings have occurred and the required Fuel Systems stockholder and Westport shareholder approvals are not obtained; provided that the right to terminate the merger agreement will not be available if the failure to obtain its stockholder/shareholder approval is primarily due to such party s failure to perform any of its obligations under the merger agreement.

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by Fuel Systems:

- if Fuel Systems is terminating the merger agreement to enter into a definitive agreement relating to a superior proposal in accordance with the terms of the merger agreement;

- If the Westport board authorizes, approves or recommends, enters into a written agreement, or consummates a transaction relating to a Westport alternative proposal.

by Westport:

- if Fuel Systems board makes a change in recommendation;

- if Fuel Systems materially and willfully breaches its obligations contained in the no-shop provision contained in the merger agreement; or

- if Fuel Systems or any of its subsidiaries or the Fuel Systems board approves, recommends, adopts or enters into an agreement relating to a Fuel Systems alternative proposal.

Effect of Termination; Termination Fees and Expenses

If the amended merger agreement is validly terminated, then, except as described below, each of the parties will be relieved of its duties and obligations and such termination will be without liability to either party. However, termination will not relieve either party of any liability for willful or intentional breach of any covenant or agreement contained in the amended merger agreement prior to termination, or as provided in the confidentiality agreement entered into between Westport and Fuel Systems, in which case the aggrieved party is entitled to all rights and remedies available at law or in equity.

The amended merger agreement contains a termination fee of $5.5 million, which is referred to as the termination fee. The termination fee and expenses, as applicable, will be payable by Fuel Systems to Westport under the circumstances described below:

- if the amended merger agreement is terminated (i) by either Fuel Systems or Westport because the required Fuel Systems stockholder approval is not obtained at the Fuel Systems special meeting, (ii) by Westport because of a change in recommendation by the Fuel Systems board, (iii) by Westport because Fuel Systems materially and willfully breaches its obligations with respect to Fuel Systems alternative proposals under the amended merger agreement or (iv) by Westport because Fuel Systems approves, recommends, adopts, enters into or publicly announces the intention to approve, recommend, adopt or enter into, a definitive agreement with respect to a Fuel Systems alternative proposal, then Fuel Systems will pay Westport the termination fee within two business days after the date of termination;

if the amended merger agreement is terminated by Fuel Systems in order to enter into a definitive agreement relating to a superior proposal, then Fuel Systems will pay Westport the termination fee within two business days after the date of termination and will pay Westport Westport s reasonable and documented expenses within two business days after receipt of documentation supporting such expenses; or

if (i) a Fuel Systems alternative proposal is publicly proposed or publicly disclosed prior to the date of the Fuel Systems special meeting and the amended merger agreement is terminated (a) by Westport due to (x) Fuel Systems willful breach or failure to perform in any material respects of any of its representations, warranties, covenants or agreements where such breach or failure to perform is incapable of being cured or is not cured within 20 days following receipt by Fuel Systems of notice of such breach or (y) a change in recommendation by the Fuel Systems board, or (b) by either party, due to failure to obtain the approval of the Merger proposal by Fuel Systems stockholders at the special meeting, then Fuel Systems shall pay the reasonable and documented expenses of Westport within two business days after the receipt following such termination of documentation supporting such expenses of Westport. If Fuel Systems enters into a definitive agreement with respect to, or consummates, a Fuel

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Systems alternative proposal (substituting 50% for the 20% threshold set forth in the definition of Fuel Systems alternative proposal) concurrently or within 12 months after the date the amended merger agreement is terminated as set forth above, then Fuel Systems will pay to Westport the termination fee within two business days following the consummation of such Fuel Systems alternative proposal (unless a termination fee has already been paid to Westport).

The termination fee and expenses, as applicable, will be payable by Westport to Fuel Systems under the circumstances described below:

if the amended merger agreement is terminated by Fuel Systems because the Westport board authorizes, enters into an agreement, or consummates a transaction relating to a Westport alternative proposal, then Westport will pay Fuel Systems the termination fee within two business days after the date of termination and will pay Fuel Systems Fuel Systems reasonable and documented expenses within two business days after receipt of documentation supporting such expenses; or

if (i) a Westport alternative proposal is publicly proposed or publicly disclosed prior to the date of the Westport special meeting, (ii) the third party making the Westport alternative proposal has publicly indicated to the Westport shareholders to the effect that they should not vote in favor of the matters required to obtain Westport shareholder approval and (iii) the amended merger agreement is terminated (a) by Fuel Systems due to Westport s willful breach of any of its representations, warranties, covenants or agreements where such breach is incapable of being cured or is not cured within 20 days following receipt by Westport of notice of such breach or (b) by either party, due to failure to obtain the approval of the Merger proposal by Westport stockholders at the special meeting, then Westport shall pay the reasonable and documented expenses of Fuel Systems within two business days after the receipt following such termination of documentation supporting such expenses of Fuel Systems. If Westport enters into a definitive agreement with respect to, or consummates, a Westport alternative proposal within 12 months after the date the amended merger agreement is terminated then Westport will pay to Fuel Systems the termination fee and reasonable and documented expenses within two business days following the consummation of such Westport alternative proposal (unless a termination fee has already been paid to Fuel Systems as described in the prior paragraph).

The one-time payment of a termination fee and expenses, as applicable, will be each party s sole and exclusive remedy available under the circumstances described above.

Amendment and Waiver

Amendment. At any time prior to the closing of the merger, the amended merger agreement may be amended, whether before or after the approval of the Merger proposal by Fuel Systems stockholders, by written agreement of the parties to the amended merger agreement, by action taken or authorized by their respective boards of directors; provided, however, that following receipt of the Fuel Systems stockholder approval, there will not be (a) any amendment of the amended merger agreement that changes the amount or the form of the consideration to be delivered under the amended merger agreement to the holders of Fuel Systems common stock, or which by applicable law or in accordance with the rules of any stock exchange requires the further approval of the stockholders of Fuel Systems or Westport without such further approval of such stockholders, or (b) any amendment or change not permitted under applicable law.

Waiver. At any time prior to the close of business on the closing date, the parties may (i) extend the time for the performance of any of the obligations or other acts of the other parties, (ii) waive any inaccuracies in the representations and warranties of the other parties, or (iii) waive compliance with any of the agreements or covenants of the other parties. Any agreement on the part of any party to any such extension or waiver is valid only if set forth in an instrument in writing signed on behalf of such party.

Fees and Expenses

Except as set forth under Effect of Termination; Termination Fee and Expenses above, all expenses incurred in connection with the amended merger agreement and the transactions contemplated by the amended merger agreement shall be paid by the party incurring such expenses, whether or not the transactions contemplated by the amended merger agreement are consummated; provided, however, that Fuel Systems and Westport will share equally all expenses related to the printing and filing of the proxy statement/prospectus and the printing, filing and distribution of the proxy statement and the information circular in connection with the Westport shareholder meeting, other than attorneys and accountants fees.

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Assignment

The amended merger agreement and any interests, rights or obligations under the amended merger agreement are not assignable, by operation of law or otherwise, by any of the parties without the prior written consent of the other party.

Specific Performance

The parties to the amended merger agreement have agreed that each party will be entitled to an injunction, specific performance, or other equitable relief to prevent breaches of the amended merger agreement and to enforce specifically the terms and provisions of the amended merger agreement. Each of the parties has agreed that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that (i) either party has an adequate remedy at law, or (ii) an award of specific performance is not an appropriate remedy for any reason at law or equity. Each party has further agreed that no party is required to provide any bond or other security in connection with any such order or injunction.

Governing Law

The amended merger agreement is governed by and will be construed and enforced in accordance with the laws of the State of Delaware.

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UPDATE TO INFORMATION ABOUT FUEL SYSTEMS

Update to Business Overview

Fuel Systems designs, manufactures and supplies alternative fuel components and systems for use in the transportation and industrial markets on a global basis. Fuel Systems components and systems control the pressure and flow of gaseous alternative fuels, such as propane and natural gas used in internal combustion engines. Fuel Systems products improve efficiency, enhance power output and reduce emissions by electronically sensing and regulating the proper proportion of fuel and air required by the internal combustion engine. Fuel Systems also provides engineering and systems integration services to address its individual customer requirements for product performance, durability and physical configuration. For over 50 years, Fuel Systems has developed alternative fuel products. Fuel Systems supplies its products and systems to the market place through a global distribution network of distributors and dealers in more than 60 countries and numerous original equipment manufacturers, or OEMs.

For the year ended December 31, 2015, Fuel Systems had total revenues of approximately $263 million and a net loss of approximately $47 million.

Fuel Systems common stock is traded on NASDAQ under the symbol FSYS.

Fuel Systems principal offices are located at 780 Third Avenue, 25th Floor, New York, New York 10017 and its telephone number is (646) 502-7170.

Update to Security Ownership of Certain Beneficial Owners and Management

Except as otherwise indicated, all of the shares indicated in the table are shares of Fuel Systems common stock and each beneficial owner has sole voting and investment power with respect to the shares set forth opposite his or its name. For the purposes of calculating percentage ownership as of March 7, 2016, 18,094,043 shares were outstanding. In preparing the following table, we relied upon statements filed with the SEC by beneficial owners of more than 5% of the outstanding shares of Fuel Systems common stock pursuant to Section 13(d) or 13(g) of the Securities Exchange Act of 1934, as amended, unless we knew or had reason to believe that the information contained in such statements was not complete or accurate, in which case we relied upon information that we considered to be accurate and complete. Unless otherwise indicated, the address of each of the individuals and entities named below is: c/o Fuel Systems Solutions, Inc., 780 Third Avenue, 25th Floor, New York, NY 10017.

	Shares Beneficially Owned	
Name of Beneficial Owner		
5% Stockholders	**Number**	**Percent of Class**
Mariano Costamagna, Pier Antonio Costamagna, Bruna Giachino, Carla Borgogno (1)	3,218,774	17.8%
Kevin Douglas, Michelle Douglas, James E. Douglas, III, K&M Douglas Trust, Douglas Family Trust, James Douglas and Jean Douglas Irrevocable Descendants Trust (2)	2,671,684	14.8%
Northern Right Capital Management, L.P. (3)	1,894,565	10.5%
Royce & Associates, LLC (4)	1,372,301	7.6%

Directors and Executive Officers:		
Mariano Costamagna (Chief Executive Officer and Director)	3,218,774[(1)]	*
Pietro Bersani (Chief Financial Officer)	11,440[(5)]	*
Michael Helfand (Senior Vice President Finance and Chief Accounting Officer)	7,590[(6)]	*
James W. Nall (Director, Chairman of the Board, member of Nominating and Corporate Governance Committee and Audit Committee)	12,632[(7)]	*

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Name of Beneficial Owner	Shares Beneficially Owned	
5% Stockholders	**Number**	**Percent of Class**
Joseph E. Pompeo (Director, member of our Audit Committee and Nominating and Corporate Governance Committee)	10,420[8]	*
Marco Seimandi (Executive Director of Automotive Sales and Marketing)	9,090[9]	*
Anthony Harris (Director, member of Audit Committee and Compensation Committee)	5,661[10]	*
Troy A. Clarke (Director, member of Compensation Committee and Nominating and Corporate Governance Committee)	9,798[11]	*
Colin S. Johnston (Director, member of Audit Committee and Compensation Committee)	4,700[12]	*
Steven R. Becker (Director, member of our Nominating and Corporate Governance Committee)	1,894,565[3]	10.5%
All current executive officers and directors as a group (11 persons)	**5,184,670[1]**	**28.6%**

* Indicates ownership of less than 1% of the Company s common stock.

(1) Based on Amendment No. 3 to a Schedule 13D Beneficial Ownership Report filed on September 4, 2015 by Mariano Costamagna, Pier Antonio Costamagna, Bruna Giachino, and Carla Borgogno. The report discloses that the total shares beneficially owned by Mr. Mariano Costamagna include 1,584,589 shares held by Mariano Costamagna s brother, Pier Antonio Costamagna and his wife, to which he disclaims beneficial ownership. Mr. Pier Antonio Costamagna retired as an executive officer of Fuel Systems and as a General Manager of MTM S.r.L. effective February 5, 2014.

(2) Based on Amendment to a Schedule 13D Information Statement filed on September 2, 2015 by Kevin Douglas, Michelle Douglas, James E. Douglas, III, K&M Douglas Trust, Douglas Family Trust, and James Douglas and Jean Douglas Irrevocable Descendants Trust. The Schedule 13G discloses that Kevin Douglas and his wife, Michelle Douglas, hold 1,056,671 shares jointly and as co-trustees of the K&M Douglas Trust. In addition, Kevin Douglas and Michelle Douglas are co-trustees of the James Douglas and Jean Douglas Irrevocable Descendants Trust, which holds 901,758 shares. The Schedule 13G also discloses that Kevin Douglas shares dispositive power with respect to 264,167 shares held by James E. Douglas, III and 449,088 shares held by the Douglas Family Trust, in addition to the shares previously listed. The principal business office of the Filers is located at 125 E. Sir Francis Drake Blvd., Suite 400, Larkspur, CA 94939.

(3) Based on Amendment No. 5 to a Schedule 13D Beneficial Ownership Report filed on November 4, 2015 by Northern Right Capital Management, L.P. (f/k/a Becker Drapkin Management, L.P.), Northern Right Capital (QP), L.P. (f/k/a Becker Drapkin Partners (QP), L.P.), Becker Drapkin Partners, L.P., Becker Drapkin Partners SLV, LTD, BC Advisors, LLC, Steven R. Becker, and Matthew A. Drapkin. The report discloses that Steven R. Becker has shared voting power and shared dispositive power on 1,255,398 shares. The report also discloses that BC advisors, LLC, and Matthew A. Drapkin have shared voting power and shared dispositive power on

1,894,565 shares. The report also discloses that: (i) Northern Right Capital (QP), L.P. has sole voting power and sole dispositive power on 639,167 shares; (ii) Becker Drapkin Partners SLV, Ltd. has sole voting power and sole dispositive power on 886,752 shares; and (iii) Northern Right Capital Management, L.P. has sole voting power and sole dispositive power on 368,646 shares, and shared voting power and shared dispositive power on 1,525,919 shares. As described in more detail in Amendment No. 5 to the Schedule 13D, certain entities and persons have disclaimed beneficial ownership of certain reported shares. The principal business office of the Filers except for Mr. Becker is located at 10 Corbin Drive, 3rd Floor, Darien, CT 06820. The principal business office of Mr. Becker is located at 500 Crescent Court, Suite 230, Dallas, TX 75201.

(4) Based on a Schedule 13G Information Statement filed on January 13, 2016 by Royce & Associates, LLC. The schedule discloses that Royce & Associates, LLC holds 1,372,301 shares. The principal business office of the Filer is located at 745 Fifth Avenue, New York, NY 10151.

(5) Includes 11,440 shares issuable upon exercise of outstanding options that are exercisable prior to or within 60 days following March 7, 2016. Does not include 6,940 shares of unvested options or (ii) 21,000 unvested restricted stock units held by Mr. Bersani.
(6) Includes 7,590 shares issuable upon exercise of outstanding options that are exercisable prior to or within 60 days following March 7, 2016. Does not include (i) 4,590 shares of unvested options or (ii) 18,000 unvested restricted stock units held by Mr. Helfand.
(7) Does not include 6,054 shares of unvested restricted stock held by Mr. Nall.
(8) Does not include 6,054 shares of unvested restricted stock held by Mr. Pompeo.
(9) Includes 7,750 shares issuable upon exercise of outstanding options that are exercisable prior to or within 60 days following March 7, 2016. Does not include (i) 4,750 shares of unvested options or (ii) 12,000 unvested restricted stock units held by Mr. Seimandi.
(10) Does not include 6,535 shares of unvested restricted stock held by Mr. Harris.
(11) Does not include 6,054 shares of unvested restricted stock held by Mr. Clarke.
(12) Does not include 6,054 shares of unvested restricted stock held by Mr. Johnston.
(13) Includes an aggregate of 26,780 shares issuable upon exercise of outstanding options that are exercisable prior to or within 60 days following March 7, 2016.

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UPDATE TO FUEL SYSTEMS SPECIAL MEETING

Update to Date, Time and Place

On or about [ ], 2016, Fuel Systems commenced mailing this proxy statement/prospectus and the enclosed form of proxy to its stockholders entitled to vote at the Fuel Systems special meeting. In order to allow reasonable additional time for additional information to be disseminated and reviewed by Fuel Systems stockholders, Fuel Systems adjourned the special meeting, for a period not to exceed 30 days, after calling it to order on March 22, 2016. Fuel Systems will publicly announce at a later time the date and time at which the special meeting will be reconvened. The special meeting of Fuel Systems stockholders will still be held at the offices of Day Pitney LLP, 7 Times Square, 20th Floor, New York, New York 10036.

Update to Recommendation of the Fuel Systems Board

The Fuel Systems board has determined that the merger is advisable and in the best interests of Fuel Systems and its stockholders and recommends that Fuel Systems stockholders vote:

- FOR the Merger proposal;
- FOR the Amendments to Non-Employee Directors Restricted Stock Awards proposal;
- FOR the Advisory Compensation proposal; and
- FOR the Adjournment proposal, if necessary.

See Update to the Merger Update to Fuel Systems Board of Directors Recommendation and its Reasons for the Merger.

Fuel Systems Record Date; Stock Entitled to Vote

Only Fuel Systems stockholders of record at the close of business on February 11, 2016, which is referred to as the Fuel Systems record date, will be entitled to notice of, and to vote at, the Fuel Systems special meeting or any adjournments thereof.

As of March 7, 2016, the last practicable day before the filing of this supplement, there were 18,094,043 shares of Fuel Systems common stock outstanding. Each share of Fuel Systems common stock outstanding on the Fuel Systems record date is entitled to one vote on each proposal to be considered at the Fuel Systems special meeting, in person or by proxy through the Internet or by telephone or by a properly executed and delivered proxy with respect to the Fuel Systems special meeting.

A complete list of stockholders entitled to vote at the Fuel Systems special meeting will be available for examination by any Fuel Systems stockholder at Fuel Systems headquarters, located at 780 Third Avenue, 25th Floor, New York, New York, 10017, for any purpose germane to the Fuel Systems special meeting, during ordinary business hours for a period of 10 days before the Fuel Systems special meeting and at the Fuel Systems special meeting.

Please also note that if you hold your shares in street name (that is, through a broker, bank or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting.

Voting of Proxies; Incomplete Proxies

If you have previously voted your proxy and do not wish to revoke or change your vote, you do not need to do anything further.

If you have not yet voted your proxy or if you have previously voted your proxy and wish to revoke or change your vote, you may vote your shares by attending the special meeting and voting in person. We urge you to

vote by proxy even if you plan to attend the special meeting so that we will know as soon as possible that enough votes will be present for us to hold the meeting. If you attend the meeting in person, you may vote at the special meeting and your proxy will not be counted.

You may also vote your shares without attending the special meeting. Stockholders may vote by using one of these alternative methods in accordance with the instructions provided on the proxy card you received with this supplement:

(1) Via the Internet at www.proxyvote.com;

(2) By telephone at 1-800-690-6903 and follow the instructions for telephone voting; or

(3) By completing and mailing a proxy card to Voting Processing c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

You may submit your vote by completing, signing, dating and returning the proxy card or voting instruction card in the postage-paid envelope enclosed with the paper copies of the materials. Sign your name exactly as it appears on the proxy card. If you provide specific voting instructions, your shares will be voted as you have instructed.

If you hold your shares in street name and you plan to vote in person at the special meeting, you must obtain a proxy from the bank, broker or other record holder to vote at the meeting. Please refer to the voter instruction cards used by your bank, broker or other record holder for specific instructions on methods of voting, including by telephone or using the Internet.

Your shares will be voted as you indicate. If you submit your proxy but you do not indicate your voting preferences, then the individuals named on the proxy will vote your shares in accordance with the recommendations of the Fuel Systems board of directors. The Fuel Systems board of directors and management do not currently intend to present any matters at the special meeting other than those outlined in the notice of the special meeting. Should any other matter requiring a vote of stockholders arise, stockholders submitting their proxy confer upon the individuals named in the proxy discretionary authority to vote the shares represented by such proxy on any such other matter in accordance with their best judgment.

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UPDATE TO FUEL SYSTEMS PROPOSALS

Item 1. The Merger Proposal

(Item 1 on Proxy Card)

As discussed throughout this supplement, Fuel Systems is asking Fuel Systems stockholders to approve the Merger proposal. Fuel Systems stockholders should carefully read this supplement and the proxy statement/prospectus filed on February 16, 2016 in their entirety, including the annexes, for more detailed information concerning the amended merger agreement and the merger. In particular, Fuel Systems stockholders are directed to the merger agreement, a copy of which is attached as Annex A to the proxy statement/prospectus and the merger agreement amendment, which is attached as Annex I to this supplement.

The Fuel Systems Board of Directors recommends a vote FOR the Merger proposal.

Item 2. Amendments to Non-Employee Directors Restricted Stock Awards Proposal

(Item 2 on Proxy Card)

On an annual basis after the Fuel Systems annual meeting of stockholders, the board of directors grants to each non-employee director a restricted stock award under the stockholder approved 2009 Restricted Stock Plan (the Plan). The award serves as a lump sum payment for a director s services for the following year and represents approximately 40% of a director s annual director compensation.

Under the terms of the award, a director that ceases to serve as a director of Fuel Systems for any reason before the vesting date (which is typically on or around the next annual meeting date) forfeits the award.

In light of the proposed merger, a Fuel Systems director who will not become a director of Westport would forfeit his award. During the period after the 2015 annual meeting of stockholders, the evaluation of strategic alternatives and the activities of the board in connection with the contemplated merger required a significant time commitment for directors.

In light of the consequence of the award being forfeited upon a change in control, the compensation committee asked its independent compensation consultant to review the situation and make a recommendation. The compensation consultant advised that the more common practice is for director equity grants to vest upon grant to encourage immediate alignment of interests with stockholders as well as the fostering of independence and objectivity for the director. The compensation consultant also advised that, based on its findings, in circumstances where director equity grants have deferred vesting terms, it is generally common practice for such grants to provide for accelerated vesting upon a change in control. Consequently, the compensation consultant recommended to the compensation committee that Fuel Systems existing unvested non-employee director restricted stock grants be amended to automatically vest upon a change in control and that, for future grants, the compensation committee consider granting restricted stock awards with immediate vesting to align with common practice. Based upon the report of the compensation consultant, the compensation committee recommended to the board of directors that the awards be amended to vest upon a change in control.

The Fuel Systems board of directors approved the amendment but made its effectiveness subject to stockholder approval. The approval of the amendment is not required by the terms of the Plan, stock exchange rules or otherwise. While the board agreed with the recommendation and reasoning of the compensation committee, it determined it was

appropriate under the circumstances of a pending merger to seek stockholder approval for the vesting of the annual restricted stock award upon a change in control and determined to submit the amendment to stockholders for their consideration at the Fuel Systems special meeting.

The Fuel Systems board of directors formally approved the amendments, dated August 21, 2015 (the Amendments), to each applicable award set forth below (the Awards), which provide that the vesting date of any unvested restricted stock issued pursuant to each Award will be the earlier of (i) the vesting date set forth in the Award, or (ii) a change in control (as defined in the Plan); provided, that the Amendments will not be effective unless holders of a majority of the shares of Fuel Systems common stock present in person or by proxy and entitled to vote at the next shareholders meeting vote in favor of such amendment. The consummation of the proposed merger would constitute a change in control under the Plan and the Awards.

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The unvested Awards to which the Amendments relate are described below:

Director	Restricted Stock Award	Issue Date	Vesting Schedule
Joseph E. Pompeo	6,054	May 28, 2015	May 18, 2016
James W. Nall	6,054	May 28, 2015	May 18, 2016
Troy A. Clarke	6,054	May 28, 2015	May 18, 2016
Colin Johnston	6,054	May 28, 2015	May 18, 2016
Steven R. Becker	6,054	May 28, 2015	May 18, 2016
Anthony Harris (1)	6,054	May 28, 2015	May 18, 2016
Anthony Harris (1)	481	Dec. 31, 2013	1/3 vested on Dec. 31, 2014; 1/3 vested on Dec. 31, 2015; 1/3 vests on Dec. 31, 2016

(1) In addition to the annual award issued to Mr. Harris on May 28, 2015 at the Fuel Systems 2015 Annual Meeting of Stockholders, Mr. Harris also holds 481 unvested shares as a result of the issuance of restricted stock on December 31, 2013 granted to Mr. Harris in connection with his appointment to the Fuel Systems board of directors.

If the Fuel Systems stockholders do not approve this proposal, the Awards will not vest as a result of the merger and (i) with respect to Fuel Systems non-employee directors that do not continue as directors of Westport following the closing of the merger, the Awards would be forfeited upon closing of the merger, and (ii) with respect to the Fuel Systems non-employee directors that continue as directors of Westport, the Awards would be converted to Westport common shares, as adjusted by the exchange ratio, and will vest on May 18, 2016 so long as that director continues as a director of Westport until that date.

If the Fuel Systems stockholders approve the Amendments, no Awards will be forfeited and all awards will vest for the non-employee directors upon the closing of the merger with Westport.

The Fuel Systems board of directors recommends a vote FOR the Amendments to Non-Employee Directors Restricted Stock Awards proposal.

Item 3. The Advisory Compensation Proposal

(Item 3 on Proxy Card)

In this proposal, Fuel Systems is asking its stockholders to approve, on an advisory (non-binding) basis, specified compensation that may be payable to Fuel Systems named executive officers in connection with the merger and therefore is asking stockholders to adopt the following resolution:

RESOLVED, that the compensation that may be paid or become payable to Fuel Systems named executive officers in connection with the merger, as disclosed in the table in the section of this supplement entitled Update to the Merger Update to Interests of Directors and Executive Officers in the Merger Update to Compensation Related to the Merger, including the preceding narrative discussion, and the agreements pursuant to which such compensation may

be paid or become payable, are hereby APPROVED.

The advisory vote on executive compensation payable in connection with the merger is a vote separate and apart from the vote to approve the merger and adopt the amended merger agreement, and approval of such executive compensation is not a condition to completion of the merger. Accordingly, you may vote to approve the merger and adopt the amended merger agreement and vote not to approve the advisory executive compensation and vice versa. Because the vote is advisory in nature only, it will not be binding on either Fuel

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Systems or Westport. Accordingly, to the extent Fuel Systems or Westport is contractually obligated to pay the compensation, the compensation will be payable to the named executive officers, subject only to the conditions applicable thereto, if the amended merger agreement is adopted and the merger completed, regardless of the outcome of the advisory vote.

The Fuel Systems board of directors recommends a vote FOR the Advisory Compensation proposal.

Item 4. The Adjournment Proposal

(Item 4 on Proxy Card)

The Fuel Systems special meeting may be adjourned to another time or place, if necessary to solicit additional proxies if there are insufficient votes at the time of the Fuel Systems special meeting to approve the Merger proposal.

If, at the Fuel Systems special meeting, the number of shares of Fuel Systems common stock present or represented by proxy and voting in favor of the merger and amended merger agreement is insufficient to approve the Merger proposal, Fuel Systems intends to move to adjourn the Fuel Systems special meeting in order to enable the Fuel Systems board of directors to solicit additional proxies for approval of the Merger proposal. In that event, Fuel Systems will ask its stockholders to vote only upon the Adjournment proposal, and not upon any other proposal.

In this proposal, Fuel Systems is asking Fuel Systems stockholders to authorize the holder of any proxy solicited by the Fuel Systems board of directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the Fuel Systems special meeting to another time and place for the purpose of soliciting additional proxies. If the Fuel Systems stockholders approve the Adjournment proposal, Fuel Systems could adjourn the Fuel Systems special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Fuel Systems stockholders who have previously voted.

The Fuel Systems board of directors recommends a vote FOR the Adjournment proposal, if necessary.

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UPDATE TO UNAUDITED PRO FORMA CONDENSED COMBINED

FINANCIAL INFORMATION

The unaudited pro forma condensed combined financial information (the Pro Forma Financial Information) of Westport and Fuel Systems reflect various adjustments to give effect to the following transactions, and the resulting tax effects:

- Westport plans to acquire Fuel Systems, pursuant to the terms of the amended merger agreement, for approximately $108.8 million. The $108.8 million is the market value of the Westport common shares at March 7, 2016 to be issued in exchange for shares of Fuel Systems common stock as at the closing date of the merger and the value of replacement securities issued attributable to pre-combination services. The $108.8 million purchase consideration uses an exchange ratio of 2.129 Westport shares for each Fuel Systems share. The amended merger agreement includes a mechanism which provides for different exchange ratio scenarios dependent on the volume weighted average price of a Westport common share on the NASDAQ during a specified measuring period. Additional disclosure and sensitivity analysis is provided in Notes 2 and 8. Westport signed an agreement for additional financing which has resulted in $17.5 million in cash being received subsequent to September 30, 2015 and a further $17.5 million contingent upon the closing of the merger and other conditions as stipulated in the agreement.

The merger will be accounted for under the acquisition method of accounting for business combinations under U.S. GAAP, with Westport being the accounting and legal acquirer.

The unaudited pro forma condensed combined balance sheet as at September 30, 2015 (the Pro Forma Balance Sheet) is based on the historical consolidated balance sheets of Westport and Fuel Systems after giving effect to the merger and new financing as if they had occurred on September 30, 2015. Similarly, the unaudited pro forma condensed combined statements of operations and comprehensive (loss) income (the Pro Forma Statements of Operations) for the year ended December 31, 2014 and nine months ended September 30, 2015 are based on the historical consolidated statements of operations and comprehensive loss of Westport and Fuel Systems after giving effect to the merger and new financing as if they had occurred on January 1, 2014.

The historical consolidated financial information has been adjusted in the Pro Forma Financial Information to give effect to pro forma events that are (i) directly attributable to the merger and new financing, (ii) factually supportable and (iii) with respect to the Pro Forma Statements of Operations, are expected to have a continuing impact on the results of operations.

The Pro Forma Financial Information and adjustments have been prepared based upon currently available information and certain assumptions, which are described in the accompanying notes thereto. Given that the acquisition method of accounting is dependent upon certain valuations and other analyses that have yet to be completed; the assumptions, estimates and adjustments reflected in the Pro Forma Financial Information are preliminary and subject to change. The determination of the final acquisition and financing accounting and actual results may differ materially from the assumptions, estimates and adjustments reflected in the Pro Forma Financial Information. Furthermore, the accompanying Pro Forma Statements of Operations do not reflect the financial impact of any expected costs savings, synergies, integration costs or non-recurring activities and one-time transaction costs that may be realized or incurred in subsequent reporting periods.

The Pro Forma Financial Information are provided for information purposes only and are not intended to represent, or be indicative of, future anticipated financial results or the results that would have occurred had the merger been consummated on the dates indicated. The Pro Forma Financial Information and notes thereto should be read in conjunction with: (i) the historical audited and unaudited consolidated financial information and related notes of Westport, which are incorporated by reference into this supplement, and (ii) the historical audited and unaudited consolidated financial information and related notes of Fuel Systems that are included in the proxy statement/prospectus.

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Westport Innovations Inc.

Unaudited Pro Forma Condensed Combined Balance Sheet

As At September 30, 2015

(In thousands, except per share data)

	Westport	Fuel Systems (as amended) Note 9)	Pro Forma Adjustments	Note Reference	Pro Forma Combined Westport/ Fuel Systems	Financing (note 4)	Note Reference	Pro Forma Combined Westport/ Fuel Systems and financing
Assets								
Current assets:								
Cash and cash equivalents	$ 41,366	$ 54,043			$ 95,409	$ 35,000	4(a), 5(k)	$ 130,409
Short-term investments	691	7,000			7,691			7,691
Accounts receivable	37,351	45,860			83,211			83,211
Inventories	33,147	66,661		5(b)	99,808			99,808
Current portion of deferred income tax assets	2,841	1,788			4,629			4,629
Related party receivables	367	2,228			2,595			2,595
Other Assets	4,661	18,106		5(a)	22,767			22,767
	120,424	195,686			316,110	35,000		351,110
Long-term investments	28,312				28,312			28,312
Other assets	2,642	1,396			4,038			4,038
Property, plant and equipment	46,256	38,048		5(c)	84,304			84,304
Intangible assets	23,718	3,079		5(d)	26,797			26,797
Deferred income tax assets	299	3,337		5(a)	3,636			3,636
Goodwill	3,104				3,104			3,104

	224,755	241,546			466,301	35,000	501,301
Liabilities and Shareholders Equity							
Current liabilities:							
Accounts payable and accrued liabilities	46,204	47,230			93,434		93,434
Assumed Liabilities			9,131	5(e)	9,131		9,131
Current portion of deferred revenue	1,924	12,164			14,088		14,088
Current portion of deferred income tax liabilities	183	44			227		227
Current portion of long-term debt	13,651	97			13,748		13,748
Current portion of warranty liability	6,773	3,295			10,068		10,068

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	Westport	Fuel Systems (as amended, Note 9)	Pro Forma Adjustments	Note Reference	Pro Forma Combined Westport/ Fuel Systems	Financing (note 4)	Note Reference	Pro Forma Combined Westport/ Fuel Systems and financing
Related party payables		1,225			1,225			1,225
	68,735	64,055	9,131		141,921			141,921
Warranty liability	10,472	2,012			12,484			12,484
Long-term royalty payable						17,500	4(a), 5(k)	17,500
Long-term debt	52,543				52,543	17,500	4(a), 5(k)	70,043
Deferred revenue	1,970	2,196			4,166			4,166
Deferred income tax liabilities	3,996	735			4,731			4,731
Other long-term liabilities	1,401	5,803			7,204			7,204
	139,117	74,801	9,131		223,049	35,000		258,049
Shareholders equity:								
Share capital:								
Authorized:								
Unlimited common shares, no par value								
Unlimited preferred shares in series, no par value								
Issued:								
(102,935,626 post merger) Common shares	936,293	20	108,801	5(f)	1,045,114			1,045,114
Shares held in treasury		(20,742)	20,742	5(g)				
	13,973				13,973			13,973

Other equity instruments							
Additional paid in capital	9,837	321,714	(321,714)	5(h)	9,837		9,837
Accumulated deficit	(840,037)	(94,389)	143,182	5(i)	(791,244)		(791,244)
Accumulated other comprehensive (loss) income	(34,428)	(39,858)	39,858	5(j)	(34,428)		(34,428)
	85,638	166,745	(9,131)		243,252		243,252
Non-Controlling Interest							
Total stockholders equity	85,638	166,745	(9,131)		243,252		243,252
Total liabilities and stockholders equity	$ 224,755	$ 241,546	$		$ 466,301	$ 35,000	$ 501,301

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Westport Innovations Inc.

Unaudited Pro Forma Condensed Combined Statement Of Operations And Comprehensive Loss

For the Year Ended December 31, 2014

(In thousands, except per share data)

	Westport	Fuel Systems (as amended, see Note 10)	Pro Forma Adjustments	Note Reference	Pro Forma Combined Westport/ Fuel Systems	Financing (note 4)	Note Reference	Pro Forma Combined Westport/ Fuel Systems and financing
Product revenue	$ 118,015	$ 336,508	$		$ 454,523	$		$ 454,523
Service and other revenue	12,554	2,620			15,174			15,174
	130,569	339,128			469,697			469,697
Cost of revenue and expenses:								
Cost of product and parts revenue	97,923	257,208			355,131			355,131
Research and development	76,580	23,051			99,631			99,631
General and administrative	40,319	37,718			78,037			78,037
Sales and marketing	25,489	18,020			43,509			43,509
Foreign exchange (gain) loss	(3,434)	(1,061)			(4,495)			(4,495)
Depreciation and amortization	18,666	13,009			31,675			31,675
Bank charges, interest and other	703	829			1,532			1,532
Loss on disposal of assets	5,238				5,238			5,238
Provision for inventory purchase commitment	4,106				4,106			4,106
Intangible impairment	5,823	1,725			7,548			7,548
Goodwill impairment	18,543	39,938			58,481			58,481
Property, plant and equipment impairment		2,678			2,678			2,678
	289,956	393,115			683,071			683,071

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	Westport	Fuel Systems (as amended, see Note 10)	Pro Forma Adjustments	Note Reference	Pro Forma Combined Westport/ Fuel Systems	Financing (note 4)	Note Reference	Pro Forma Combined Westport/ Fuel Systems and financing
Loss from operations	(159,387)	(53,987)			(213,374)			(213,374)
Income from investments accounted for by the equity method	14,222				14,222			14,222
Interest on long-term debt and amortization of discount	(5,849)				(5,849)	(4,801)	4(a), 6(d)	(10,650)
Interest and other income	817	1,185			2,002			2,002
Bargain Purchase				6(a), 6(b)				
Loss before income taxes	(150,197)	(52,802)			(202,999)	(4,801)		(207,800)
Income tax expense (recovery) (note 20):								
Current	606	3,398			4,004			4,004
Deferred	(1,185)	(2,788)			(3,973)			(3,973)
	(579)	610			31			31
Net loss for the period	$ (149,618)	$ (53,412)	$		$ (203,030)	$ (4,801)		$ (207,831)
Net loss (income) attributable to non-controlling interest		(4)			(4)			(4)
Net loss attributable to Westport Fuel Systems	(149,618)	(53,416)			(203,034)	(4,801)		(207,835)
Other comprehensive (loss)	(15,201)	(25,983)			(41,184)			(41,184)
Comprehensive loss	$ (164,819)	$ (79,395)	$		$ (244,214)	$ (4,801)		$ (249,015)

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	Westport	Fuel Systems (as amended, see Note 10)	Pro Forma Adjustments	Note Reference	Pro Forma Combined Westport/ Fuel Systems	Financing (note 4)	Note Reference	Pro Forma Combined Westport/ Fuel Systems and financing
Less: net comprehensive loss (income) attributable to the non-controlling interest		15			15			15
Comprehensive loss attributable to Westport Fuel Systems	(164,819)	(79,380)			(244,199)	(4,801)		(249,000)
Loss per share:								
Basic and diluted	$ (2.37)	$ (2.66)	$		$ (2.00)	$		$ (2.04)
Weighted average common shares outstanding:								
Basic and diluted	63,130,022	20,074,773			101,652,240			101,652,240

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Westport Innovations Inc.

Unaudited Pro Forma Condensed Combined Statement of Operations And Comprehensive Loss

For the Nine Months Ended September 30, 2015

(In thousands, except per share data)

	Westport	Fuel Systems (as amended, see Note 11)	Pro Forma Adjustments	Note Reference	Pro Forma Combined Westport/ Fuel Systems	Financing (note 4)	Note Reference	Pro Forma Combined Westport/ Fuel Systems and financing
Product revenue	$ 72,855	$ 192,379	$		$ 265,234	$		$ 265,234
Service and other revenue	5,340	3,694			9,034			9,034
	78,195	196,073			274,268			274,268
Cost of revenue and expenses:								
Cost of product and parts revenue	61,733	146,944			208,677			208,677
Research and development	38,939	13,961			52,900			52,900
General and administrative	26,949	32,382	(8,400)	6(c)	50,931			50,931
Sales and marketing	12,876	11,607			24,483			24,483
Foreign exchange (gain) loss	(12,000)	(229)			(12,229)			(12,229)
Depreciation and amortization	10,395	8,434			18,829			18,829
Bank charges, interest and other	257	295			552			552
Impairment	22,126	13,766			35,892			35,892
	161,275	227,160	(8,400)		380,035			380,035
Loss from operations	(83,080)	(31,087)	8,400		(105,767)			(105,767)
Income from investments accounted for by the equity method	13,412				13,412			13,412
	(4,358)				(4,358)	(4,047)	4(a), 6(d)	(8,405)

Interest on long-term debt and amortization of discount

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	Westport	Fuel Systems (as amended, see Note 11)	Pro Forma Adjustments	Note Reference	Pro Forma Combined Westport/ Fuel Systems	Financing (note 4)	Note Reference	Pro Forma Combined Westport/ Fuel Systems and financing
Interest and other income	219	403			622			622
Loss before income taxes	(73,807)	(30,684)	8,400		(96,091)	(4,047)		(100,138)
Income tax expense (recovery)	1,270	9,578			10,848			10,848
Net loss for the period	$ (75,077)	$ (40,262)	$ 8,400		$ (106,939)	$ (4,047)		$ (110,986)
Net loss (income) attributable to non-controlling interest		24			24			24
Net loss attributable to Westport Fuel Systems	(75,077)	(40,238)	8,400		(106,915)	(4,047)		(110,962)
Other comprehensive (loss)	(18,935)	(13,455)			(32,390)			(32,390)
Comprehensive loss	$ (94,012)	$ (53,717)	$ 8,400		$ (139,305)	$ (4,047)		$ (143,376)
Less: net comprehensive loss (income) attributable to the non-controlling interest		24			24			24
Comprehensive loss attributable to Westport Fuel Systems	(94,012)	(53,693)	8,400		(139,281)	(4,047)		(143,352)

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	Westport	Fuel Systems (as amended, see Note 11)	Pro Forma Adjustments	Note Reference	Pro Forma Combined Westport/ Fuel Systems	Financing (note 4)	Note Reference	Pro Forma Combined Westport/ Fuel Systems and financing
Loss per share:								
Basic and diluted	$ (1.17)	$ (2.16)	$		$ (1.04)	$		$ (1.08)
Weighted average common shares outstanding:								
Basic and diluted	64,052,696	18,618,361			102,574,914			102,574,914

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Westport Innovations Inc.

Notes to the Unaudited Pro Forma Condensed Combined Financial Information

1. Basis of Presentation

All financial data in these Pro Forma Financial Information are presented in U.S. dollars and have been prepared in accordance with accounting policies that conform to U.S. GAAP and the rules and regulations of SEC Regulation S-X.

Financial information in the Westport and Fuel Systems columns in the Pro Forma Balance Sheet represents the historical condensed consolidated balance sheets of Westport and Fuel Systems as at September 30, 2015. Financial information presented in the Westport and Fuel Systems columns in the Pro Forma Statement of Operations and Comprehensive Loss represents the historical consolidated statements of operations of Westport and Fuel Systems for the year ended December 31, 2014 and the nine months ended September 30, 2015.

The proposed merger will be accounted for under the acquisition method of accounting for business combinations pursuant to Accounting Standards Codification (ASC) No. 805 *Business Combinations*. ASC No. 805 requires, among other things, that the assets acquired and liabilities assumed be recognized at their fair values as of the proposed Merger date. ASC No. 820 *Fair Value Measurements*, which establishes a framework for measuring fair values, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2. Preliminary Purchase Consideration

Pursuant to the terms of the amended merger agreement, each share of Fuel Systems common stock issued and outstanding immediately prior to consummation of the proposed merger will be converted into validly issued, fully paid and non-assessable Westport common shares as follows:

In the event that the NASDAQ volume weighted average price of Westport common shares during a specified measuring period (VWAP) is equal to or greater than $2.37, then Fuel Systems stockholders will receive 2.129 Westport common shares per share of Fuel Systems stock on closing of the merger and through the exchange process.

In the event that Westport s VWAP is equal to or less than $1.64, then Fuel Systems stockholders will receive 3.0793 Westport common shares per share of Fuel Systems stock on closing of the merger and through the exchange process.

In the event that Westport s VWAP is greater than $1.64 and less than $2.37, then Fuel Systems stockholders will receive a number of Westport common shares per share of Fuel Systems stock equal to the quotient by dividing $5.05 by the Westport VWAP, rounded to four decimal places.

The specified measuring period will be the ten consecutive trading days ending on and including the trading day five business days prior to the anticipated closing date of the merger.

The exchange ratio will be adjusted appropriately to fully reflect the effect of any reclassification, stock split, reverse stock split or combination, exchange or readjustment of shares, or any stock dividend or distribution with respect to the shares of either Westport common shares or Fuel Systems common stock with a record date prior to completion of the merger as well in the event of certain other dilutive issuances by Westport. The exchange ratio used for preparation of the Pro Forma Financial Information was 2.129. For additional sensitivity analysis see Note 8. Based on this exchange ratio, the accompanying Pro Forma Financial Information reflect the preliminary purchase price for the proposed merger using Westport s share price on the date of March 7, 2016 as follows:

Purchase Consideration (in thousands, except share data)			**Note Reference**
Number of Fuel Systems common shares outstanding as of March 7, 2016		18,094,043	2(iv)
Fuel Systems Restricted Stock Units (RSUs)		160,882	2(i)
Fuel Systems Options			2(ii)
Total number of Fuel Systems common shares and RSUs outstanding as of close		18,254,925	
Exchange ratio pursuant to the amended merger agreement		2.129	
Number of Westport common shares and RSUs to be issued to Fuel Systems shareholders		38,864,735	
Add: Number of Westport shares outstanding and issued as of close		64,413,408	2(iv)
Estimated number of common shares of the combined company		**103,278,143**	
Westport USD stock price as at March 7, 2016	$	2.80	
Implied consideration per share paid to Fuel Systems shareholders	$	5.96	2(iii)
Total Preliminary Purchase Consideration	$	108,821	

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(i) A total of 344,340 restricted stock units will be assumed by Westport and are subject to, the same terms and conditions, including vesting terms, as were applicable immediately prior to the Merger. Of those 344,340 restricted stock units, 160,882 are attributed to pre-combination services and will convert at the exchange ratio of 2.129 pursuant to the amended merger agreement. The pre-combination restricted stock units are measured at fair value.

(ii) Represents the estimated number of Fuel System options that are in-the money as at March 7, 2016. Fuel Systems stock price as assessed under the Treasury Stock Method. Pursuant to the terms of the merger agreement, options that are out of the money immediately prior to the Merger shall automatically be canceled and forfeited for no consideration without any further action, and all rights with respect to such options shall terminate. As of March 7, 2016 all options are out of the money and are not expected to impact the pro-rata ownership of Westport and Fuel Systems upon consummation of the Merger.

(iii) The preliminary purchase price assumes a per share market value of Westport common shares of $2.80, which was the last reported sale price of the Westport common shares on the NASDAQ on March 7, 2016. The preliminary purchase price is subject to change based on fluctuations in Westport s stock price and changes in the exchange ratio based on the VWAP of Westport common shares during the specified measurement period. Additional sensitivity is performed in Note 8.

(iv) Fuel Systems common shares as of close are reconciled as follows:

Common shares outstanding as of September 30, 2015	18,093,562
Common shares issued between October 1, 2015 and close	481
Common shares outstanding as of close	18,094,043

Westport common shares of close are reconciled as follows:

Common shares outstanding as of September 30, 2015	64,197,763
Common shares issued between October 1, 2015 and close	215,645
Common shares outstanding as of close	64,318,408

3. Preliminary Purchase Price Allocation

Assuming an acquisition date of September 30, 2015, the following is a preliminary estimate of the fair values of the assets to be acquired and the liabilities to be assumed by Westport from Fuel Systems in connection with the proposed merger:

Initial Accounting for a Business Combination Is Incomplete and Amounts Recognized Have Been Determined Only Provisionally

The estimated fair values of assets acquired and liabilities assumed are provisional and are based on the information that was available as of the acquisition date to estimate the fair value of assets acquired and liabilities assumed. Westport believes that information provides a reasonable basis for estimating the fair values of assets acquired and

liabilities assumed, but Westport is waiting for additional information necessary to finalize those fair values. Therefore, the provisional measurements of fair value reflected are subject to change and such changes could be significant. Westport expects to finalize the valuation and complete the purchase price allocation as soon as practicable but no later than one year from the acquisition date.

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Preliminary Purchase Price Allocation	September 30, 2015 Estimated Fair Values	Note Reference
Cash and cash equivalents	$ 54,043	(i)
Short-term investments	7,000	(i)
Accounts receivable	45,860	(i)
Related Party Receivable	2,228	(i)
Inventories	66,661	(ii)
Deferred income tax assets	5,125	
Other Assets	19,502	(i)
Property, plant and equipment	38,048	(iii)
Intangible assets	3,079	(iv)
Total Assets acquired	241,546	
Accounts payable and accrued liabilities	47,230	(i)
Related Party Payables	1,225	(i)
Assumed Liabilities	5,431	(vi)
Deferred revenue	14,360	(v)
Deferred income tax liabilities	779	
Long-term debt	97	
Warranty liability	5,307	(v)
Other long-term liabilities	5,803	(i)
Total Liabilities Assumed	80,232	
Net Assets acquired	161,314	
Bargain Purchase	52,493	
Estimated Preliminary Purchase Price	$ 108,821	

(i) The book values of working capital accounts, such as cash and cash equivalents, accounts receivable, related party receivables, other assets, short-term investments, accounts payable, related party payables, accrued liabilities, deferred revenue, and other long-term liabilities, are assumed to be representative of their estimated fair values given the short time frame until settlement.

(ii) A fair value estimate of $66.7 million has been allocated to inventories acquired. The fair value of inventories is estimated based on the retail value less the sum of costs of disposal and a reasonable profit allocation for the selling effort of a market participant. For purposes of these unaudited Pro Forma Financial Information, the preliminary fair value estimate is determined by Westport using its current information of Fuel Systems . The current estimate of fair value could vary materially from the fair value recorded upon acquisition and once a full valuation and analysis is completed.

(iii) A fair value estimate of $38.0 million has been allocated to property, plant and equipment. For purposes of these unaudited Pro Forma Financial Information, Westport has estimated the fair value based on its current knowledge of Fuel Systems property, plant and equipment. Accordingly, this estimate of fair value and the remaining useful

lives of the property, plant and equipment could vary initially from the final fair value recorded upon acquisition and once a full valuation and analysis is completed.

(iv) A fair value estimate of $3.1 million has been allocated to intangible assets, primarily consisting of customer relationships, core technology and other intangibles. Westport has estimated the fair value and weighted-average useful lives based on its current knowledge of Fuel Systems. Accordingly, this estimate of fair value and the remaining useful lives of these intangibles could vary materially from the final fair value recorded upon acquisition and once a full valuation and analysis is completed,

(v) Warranty liabilities of approximately $5.3 million and deferred revenue of $14.4 million on the historical financial information approximates the fair value of these financial obligations.

(vi) The $5.4 million assumed liability is comprised of $1.1 million of compensation costs related to the change of control that will be triggered upon consummation of the merger, and $4.3 million of estimated transaction costs expected to be incurred by Fuel Systems subsequent to September 30, 2015 to complete the merger.

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4. Financing

(a) On January 11, 2016, Westport announced that it had entered into a financing agreement with Cartesian Capital Group (Cartesian) to support global growth initiatives. The financing agreement immediately provided $17.5 million in cash (the Tranche 1 Financing). In consideration for such funds provided to Westport, Cartesian is entitled to royalty payments in respect of the Tranche 1 Financing based on the greater of (i) a percentage of amounts received by Westport on select HPDI and joint venture products in excess of agreed thresholds through 2025 and (ii) stated fixed amounts per annum (referred to as the Long-term Royalty Payable). The carrying value is being accreted to the expected redemption value using the effective interest method.

(b) Westport will receive another $17.5 million in debt financing (the Tranche 2 Notes) contingent upon the completion of the merger with Fuel Systems and other conditions as stipulated in the agreement. The Tranche 2 Notes bear interest at 9% and have a 5 year term. Under the original financing agreement, the Tranche 2 Notes are convertible into common shares by dividing the principal and interest outstanding by a valuation price of $2.31. On March 6, 2016, Westport signed an amended agreement with Cartesian. The amended agreement changed the valuation price from $2.31 to an amount to be determined and within a range that will be no less than $2.00 but no greater than $2.31. The final valuation price would provide the same percentage of fully diluted ownership in the common shares of Westport as Cartesian would have been entitled to prior to the merger agreement amendment.

5. Notes to Pro Forma Balance Sheet Adjustments

The following summarizes the adjustments included in the Pro Forma Adjustments column in the accompanying Pro Forma Balance Sheet as of September 30, 2015:

(a) Represents the estimated fair value assigned to other assets and deferred income tax assets acquired.

(b) Represents the estimated fair value assigned to inventory acquired. See footnote (ii) under the Preliminary Purchase Price Allocation section above for further discussion.

(c) Represents the estimated fair value assigned to property, plant and equipment. See footnote (iii) under the Preliminary Purchase Price Allocation section above for further discussion.

(d) Represents the estimated fair value assigned to the intangible assets acquired. See footnote (iv) under the Preliminary Purchase Price Allocation section above for further discussion.

(e) Represents $3.7 million of estimated transaction costs expected to be incurred by Westport subsequent to September 30, 2015 to complete the merger and $5.4 million of the assumed liabilities as described under note 3(vi) of the Preliminary Purchase Price Allocation section above.

		(in thousands)
Accrual for Westport Merger related transaction fees	$	3,700
Accrual for Fuel Systems Merger related transaction fees and assumed liabilities		5,431
Net pro forma adjustment to assumed liabilities	**$**	**9,131**

(f) Reflects adjustments to Westport and Fuel Systems combined common stock as follows:

		(in thousands)
Preliminary estimated purchase consideration	$	108,821
Elimination of Fuel Systems historical common stock		(20)
Net pro forma adjustment to common stock	**$**	**108,801**

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(g) Reflects the elimination of Fuel Systems shares held in treasury of $20.7 million upon consummation of the Merger.

(h) Reflects the elimination of Fuel Systems additional paid-in capital of $321.7 million upon consummation of the Merger.

(i) Reflects adjustments to Westport and Fuel Systems combined accumulated deficit as follows:

	(in thousands)
Elimination of Fuel Systems historical accumulated deficit	$ 94,389
Accumulated deficit adjustment related to Westport merger related transaction fees (see footnote 5(e))	(3,700)
Bargain Purchase (see footnote 3)	52,493
Net pro forma adjustment to common stock	**$ 143,182**

(j) Reflects the elimination of Fuel Systems historical accumulated other comprehensive loss of $39.9 million upon consummation of the merger.

(k) Reflects $17.5 million in Tranche 1 Financing and $17.5 million of Tranche 2 Notes contingent upon the completion of the merger and other conditions as stipulated in the agreement. See Note 4 for a further discussion.

6. Notes to the Pro Forma Statements of Operations and Comprehensive Loss

Adjustments included in the Pro forma Adjustments column are described as follows:

(a) In accordance with SEC Regulation S-X, the bargain purchase of $52.5 million recognized as a result of the preliminary purchase allocation (note 3) has not been recognized given that it is not expected to have a continuing impact on the future results of operations.

(b) The tax rules for each separate jurisdiction may require a different treatment for bargain purchases than that required under U.S. GAAP. Tax rules often require the allocation of negative goodwill to certain assets through the use of the residual method, resulting in decreased tax bases. In the United States, for example, for tax purposes, the acquisition price is assigned to assets categorized in seven distinct asset classes, first to the assets in Class I and then successively through to Class VII. The consideration transferred is not allocated to a successive class until it has been allocated to the assets in the previous class based on their full fair values. This methodology can result in several classes of assets without tax bases and in temporary differences for a significant portion of all assets. The allocation of negative goodwill to reduce the tax bases

of acquired net assets causes the book bases to exceed their respective tax bases, resulting in the recognition of deferred tax liabilities. The recognition of deferred tax liabilities then results in a reduction in the bargain purchase gain for financial reporting, and may result in the recognition of goodwill.

(c) Represents the elimination of $8.4 million of Westport and Fuel System transaction costs incurred during the nine months ended September 30, 2015. In accordance with SEC Regulation S-X, these transaction costs have been removed given that they are not expected to have a continuing impact on the future results of operations.

(d) Represents the estimated interest on long-term debt and amortization of discount on Tranche 1 Financing and Tranche 2 Notes. See Note 4(a) for a further discussion.

The payments owing to Cartesian in respect of the Tranche 1 Financing are accounted for using the effective interest method with a notional interest rate being calculated based on the minimum fixed payments owing to Cartesian. The minimum fixed payments result in an effective interest rate of approximately 18% using this method. The effective interest rate actually required to be utilized could be higher if future joint venture earnings and/or future product sales are higher than the minimum fixed payments stipulated in the agreement.

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The interest on the Tranche 2 Notes is calculated based on a 9% coupon rate as stipulated in the agreement.

7. Earnings per Share (EPS)

The pro forma combined basic and diluted EPS metrics have been adjusted to reflect the pro forma combined net loss for the nine months ended September 30, 2015 and the pro forma combined net loss for the year ended December 31, 2014. In addition, the number of shares used in calculating the pro forma combined basic and diluted net loss per share has been adjusted to reflect the estimated total number of shares of common stock of Westport that would be outstanding as of the closing of the proposed merger. The pro forma amount of Westport shares is calculated by multiplying each Fuel Systems share by the exchange ratio of 2.129.

The pro forma total number of shares of common stock of the combined company that would be outstanding after the closing of the proposed Merger is 102,935,626 (excluding restricted stock units related to the pre-combination period). See the Preliminary Purchase Consideration section above for additional information.

Following the consummation of the merger, Westport shareholders are expected to hold 62.6% of the shares of the combined company and Fuel systems is expected to hold 37.4% of the shares of the combined company.

	September 30, 2015		December 31, 2014	
	No. of shares used to compute net loss per share (in thousands)	Net loss per common share	No. of shares used to compute net loss per share (in thousands)	Net loss per common share
Westport Historical	64,053	$ (1.17)	63,130	$ (2.37)
Fuel Systems Historical	18,618	(2.16)	20,075	(2.66)
Westport Historical	64,053		63,130	
Add: Westport shares issued to acquire Fuel Systems[1]	38,521		38,521	
Pro Forma Combined Westport/Fuel Systems	102,575	$ (1.04)	101,652	$ (2.00)
Pro Forma Combined Westport/Fuel Systems and financing[2]	102,575	(1.08)	101,652	(2.04)

(1) Excludes restricted stock units which are not converted at the acquisition date.

(2) The Tranche 2 notes are convertible into common shares by dividing the principal and interest outstanding by a valuation price of $2.31. The notes are anti-dilutive and as a result have not been included to calculate net loss per common share.

8. Sensitivity analysis for purchase consideration

The amended merger agreement includes a mechanism which provides the following scenarios:

In the event that the NASDAQ VWAP of Westport common shares during a specified measuring period is equal to or greater than $2.37, then Fuel Systems stockholders will receive 2.129 Westport common shares per share of Fuel Systems stock on closing of the Merger and through the exchange process (Scenario A).

In the event that Westport s VWAP is equal to or less than $1.64, then Fuel Systems stockholders will receive 3.0793 Westport common shares per share of Fuel Systems stock on closing of the merger and through the exchange process (Scenario B).

In the event that Westport s VWAP is greater than $1.64 and less than $2.37, then Fuel Systems stockholders will receive a number of Westport common shares per share of Fuel Systems stock equal to the quotient by dividing $5.05 by the Westport VWAP, rounded to four decimal places (Scenario C).

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The specified measuring period will be the ten consecutive trading days ending on and including the trading day five business days prior to the anticipated closing date of the merger.

Scenario A is used throughout these pro formas to calculate preliminary purchase consideration of $108.8 million. The following table provides sensitivity analysis of preliminary purchase consideration, bargain purchase, and estimated percentage ownerships for the three scenarios.

			Estimated Percentage Ownership [3]	
Scenario	Preliminary Purchase Consideration	Bargain Purchase	Westport	Fuel Systems
A	$ 108,821	52,493	62.6%	37.4%
B [1]	$ 92,188	69,126	53.6%	46.4%
C [2]	$ 94,492	66,822	58.5%	41.5%

(1) Assumes a VWAP of $1.64, a share exchange ratio of 3.0793, and a closing Westport common share price of $1.64.
(2) Assumes a VWAP of $2.00, a share exchange ratio of 2.5250, and a closing Westport common share price of $2.05.
(3) Estimated percentage ownerships are calculated on a non-dilutive basis and do not contemplate the conversion of the Cartesian Tranche 2 Notes, or the conversion of restricted share units and performance share units.

9. Amended Fuel Systems historical balance sheet to conform to Westport s presentation

Fuel Systems Solutions, Inc.

Unaudited Condensed Consolidated Balance Sheets

As at September 30, 2015

(in thousands, except share data)

Reclassification adjustments represent adjustments to conform the presentation of Fuel Systems historical statements of operations to Westport s historical balance sheet.

	Fuel Systems (as reported)	Adjustments	Note	Fuel Systems (as amended)
Assets				
Current assets:				
Cash and cash equivalents	$ 54,043	$		$ 54,043
Short-term investments	7,000			7,000

Accounts receivable	45,860		45,860
Inventories	66,661		66,661
Current portion of deferred income tax assets	1,788		1,788
Related party receivable	2,228		2,228
Other Assets	18,106		18,106
	195,686		195,686
Other assets	1,396		1,396
Property, plant and equipment	38,048		38,048
Intangible assets	3,079		3,079
Deferred income tax assets	3,337		3,337
Goodwill			
	$ 241,546	$	$ 241,546

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Reclassification adjustments represent adjustments to conform the presentation of Fuel Systems historical statements of operations to Westport s historical balance sheet.

	Fuel Systems (as reported)	Adjustments	Note	Fuel Systems (as amended)
Liabilities and Shareholders Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$ 25,956	$ 21,274	7(i)	$ 47,230
Accrued expenses	35,777	(35,777)	7(i)	
Income taxes payable	956	(956)	7(i)	
Current portion of deferred revenue		12,164	7(i)	12,164
Current portion of deferred income tax liabilities	44			44
Current portion of long-term debt	97			97
Related party payables	1,225			1,225
Current portion of warranty liability		3,295	7(i)	3,295
	64,055			64,055
Warranty liability		2,012	7(ii)	2,012
Long-term debt				
Deferred revenue		2,196	7(ii)	2,196
Deferred income tax liabilities	735			735
Other long-term liabilities	10,011	(4,208)	7(ii)	5,803
	74,801			74,801
Shareholders equity:				
Share capital:				
Authorized:				
Unlimited common shares, no par value				
Unlimited preferred shares in series, no par value Issued:				
Common shares	20			20
Shares held in treasury	(20,742)			(20,742)
Other equity instruments				
Additional paid in capital	321,714			321,714
Accumulated deficit	(94,389)			(94,389)
Accumulated other comprehensive income	(39,858)			(39,858)
	166,745			166,745
Non-controlling interest				
Total Equity	166,745			166,745
Total Liabilities and Equity	$ 241,546	$		$ 241,546

(i) Accrued Expenses includes $3.3 million of accrued warranty, $20.3 million of accounts payable and accrued liabilities, and $12.2 million of deferred revenue, and have been reclassified to conform with Westport s presentation. $1.0 million of income tax payable has been reclassified to accounts payable and accrued liabilities.

(ii) Other liabilities include $2.0 million of accrued warranty, and $2.2 million of deferred revenue, and have been reclassified to conform with Westport s presentation.

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10. Amended Fuel Systems financial information to conform to Westport s presentation

Fuel Systems Solutions, Inc.

Unaudited Statement of Operations and Comprehensive Loss

For the Year Ended December 31, 2014

(in thousands, except share data)

Reclassification adjustments represent adjustments to conform the presentation of Fuel Systems historical statements of operations to Westport s historical statements of operations.

	Fuel Systems	*Reclassification Adjustments*	Note Reference	Fuel Systems (as amended)
Product revenue	$ 339,128	$ (2,620)	8(i)	$ 336,508
Service and other revenue		2,620	8(i)	2,620
	339,128			339,128
Cost of revenue and expenses:				
Cost of product and parts revenue	264,471	(7,263)	8(ii)	257,208
Research and development	26,194	(3,143)	8(iii)	23,051
General and administrative		37,718	8(iv)	37,718
Sales and marketing		18,020	8(iv)	18,020
Selling, general and administrative expense	58,341	(58,341)	8(iv)	
Foreign exchange (gain) loss		(1,061)	8(vii)	(1,061)
Depreciation and amortization		13,009	8(ii),(iii),(iv)and(v)	13,009
Bank charges, interest and other		829	8(viii)	829
Intangible impairment		1,725	8(x)	1,725
Goodwill impairment		39,938	8(x)	39,938
Property, plant and equipment impairment		2,678	8(x)	2,678
Impairments	44,341	(44,341)	8(x)	
	393,347	(232)		393,115
Loss from operations	(54,219)	232		(53,987)
Interest income	980	(980)	8(ix)	
Interest expense	(829)	829	8(viii)	
Other income (expenses), net	1,266	(1,266)	8(vi)	
Interest and other income		1,185	8(vi),(vii),(ix)	1,185
Loss before income taxes	(52,802)			(52,802)
Income tax expense (recovery) (note 20):				
Current	610	2,788		3,398

Deferred		(2,788)	(2,788)
	610		610
Net loss for the period	(53,412)		(53,412)
Net loss (income) attributable to non-controlling interest	(4)		(4)
Net loss attributable to Fuel Systems Solutions, Inc.	(53,416)		(53,416)
Other comprehensive loss, net of tax except for foreign currency items	(25,983)		(25,983)
Comprehensive loss	(79,395)		(79,395)
Less: net comprehensive loss attributable to the non-controlling interest	15		15
Comprehensive loss attributable to Fuel Systems Solutions, Inc.	$ (79,380)	$	$ (79,380)

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(i) Fuel Systems does not disaggregate its revenue into product revenue and service and other revenue. Within Fuel Systems revenue is $2.6 million of service and other revenue which has been reclassified to conform with Westport s historical statement of operations.

(ii) Fuel Systems includes depreciation and amortization within cost of product and parts revenue. $7.3 million of depreciation and amortization has been reclassified from cost of product and parts revenue to conform with Westport s historical statement of operations.

(iii) Fuel Systems includes depreciation and amortization within research and development expenses. $3.1 million of depreciation and amortization has been reclassified from research and development to conform with Westport s historical statement of operations.

(iv) Fuel Systems records all general and administrative and sales and marketing expenses in selling, general and administrative expenses. To conform with Westport s historical statement of operations $39.7 million has been reclassified to general and administrative expenses and $18.6 million to sales and marketing. General and administrative expenses includes $2.0 million of depreciation and amortization which has been reclassified to conform with Westport s historical statement of operations. Sales and marketing includes $0.6 million of depreciation and amortization which has been reclassified to conform with Westport s historical statement of operations.

(v) Fuel Systems uses function based presentation whereas depreciation and amortization are consolidated into each associated financial information line item. As Westport used nature presentation, Westport has reclassified Fuel Systems depreciation and amortization from these associated financial information line items to one consolidated line (Depreciation and Amortization) to conform with Westport s historical statement of operations. Depreciation and amortization is made up of the following:

	(in thousands)
Depreciation and amortization reclassification from cost of product and parts revenue	$ 7,263
Depreciation and amortization reclassification from research and development	3,143
Depreciation and amortization reclassification from sales marketing	621
Depreciation and amortization reclassification from general and administrative	1,982

(vi) Fuel Systems recognized $1.3 million of other income (expenses), net. To conform with Westport s historical statement of operations $0.2 million of other income (expenses), net has been reclassified to interest and other income and $1.1 million to foreign exchange (gain) loss.

(vii) Fuel Systems recognized $1.1 million of net gains on foreign exchange in other income (expenses), net. To conform with Westport s presentation $1.1 million of net gains on foreign exchange has been reclassified to foreign exchange (gain) loss.

(viii) Fuel Systems recognized $0.8 million of interest expense. To conform with Westport s historical statement of operations $0.8 million of interest expense has been reclassified to bank charges, interest and other.

(ix) Fuel Systems recognized $1.0 million of interest income. To conform with Westport s historical statement of operations $1.0 million of interest income has been reclassified to interest and other income.

(x) Fuel Systems recognized $44.3 million of impairments. To conform with Westport s historical statement of operations $1.7 million of intangible impairment, $39.9 million of goodwill impairment, and $2.7 million of

property, plant and equipment impairment have been reclassified.

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11. Amended Fuel Systems financial information to conform to Westport s presentation

Fuel Systems

Unaudited Statement of Operations and Comprehensive Loss

For the nine months ended September 30, 2015

(in thousands, except share data)

Reclassification adjustments represent adjustments to conform the presentation of Fuel Systems historical statements of operations to Westport s historical statements of operations.

	Fuel Systems	Reclassification Adjustments	Note Reference	Fuel Systems (as amended)
Product revenue	$ 196,073	$ (3,694)	9(i)	$ 192,379
Service and other revenue		3,694	9(i)	3,694
	196,073			196,073
Cost of revenue and expenses:				
Cost of product and parts revenue	151,461	(4,517)	9(ii)	146,944
Research and development	16,068	(2,107)	9(iii)	13,961
General and administrative		32,382	9(iv)	32,382
Sales and marketing		11,607	9(iv)	11,607
Selling, general and administrative expense	45,799	(45,799)	9(iv)	
Foreign exchange (gain) loss		(229)	9(vii)	(229)
Depreciation and amortization		8,434	9(ii),(iii),(iv),(v)	8,434
Bank charges, interest and other Impairments		295	9(viii)	295
	13,766			13,766
	227,094	66		227,160
Loss from operations	(31,021)	(66)		(31,087)
Interest income (expense), net	14	(14)	9(viii)	
Other income (expenses), net	323	(323)	9(vi)	
Interest and other income		403	9(vii),(viii),(vi)	403
Loss before income taxes	(30,684)			(30,684)
Income tax expense (recovery)	9,578			9,578
Net loss for the period	(40,262)			(40,262)
Net loss (income) attributable to non-controlling interest	24			24

Net loss attributable to Fuel Systems Solutions, Inc	(40,238)		(40,238)
Other comprehensive loss, net of tax except for foreign currency items	(13,455)		(13,455)
Comprehensive loss	(53,717)		(53,717)
Less: net comprehensive loss attributable to the non-controlling interest	24		24
Comprehensive loss attributable to Fuel Systems Solutions, Inc	$ (53,693)	$	$ (53,693)

(i) Fuel Systems does not disaggregate its revenue into product revenue and service and other revenue. Within Fuel Systems revenue is $3.7 million of service and other revenue which has been reclassified to conform with Westport s historical statement of operations.

(ii) Fuel Systems includes depreciation and amortization within cost of product and parts revenue. $4.5 million of depreciation and amortization has been reclassified from cost of product and parts revenue to conform with Westport s historical statement of operations.

(iii) Fuel Systems includes depreciation and amortization within research and development expenses. $2.1 million of depreciation and amortization has been reclassified from research and development to conform with Westport s historical statement of operations.

(iv) Fuel Systems records all general and administrative and sales and marketing expenses in selling, general and administrative expenses. To conform with Westport s historical statement of operations $33.8 million has been reclassified to general and administrative expenses and $12.0 million to sales and marketing. General and administrative expenses includes $1.4 million of depreciation and amortization which has been reclassified to conform with Westport s historical statement of operations. Sales and marketing includes $0.4 million of depreciation and amortization which has been reclassified to conform with Westport s historical statement of operations

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(v) Fuel Systems uses function based presentation whereas depreciation and amortization are consolidated into each associated financial information line item. As Westport used nature presentation, Westport has reclassified Fuel Systems depreciation and amortization from these associated financial information line items to one consolidated line (Depreciation and Amortization) to conform with Westport s historical statement of operations. Depreciation and amortization is made up of the following:

	(in thousands)
Depreciation and amortization reclassification from cost of product and parts revenue	$ 4,517
Depreciation and amortization reclassification from research and development	2,107
Depreciation and amortization reclassification from sales marketing	364
Depreciation and amortization reclassification from general and administrative	1,446
	$ 8,434

(vi) Fuel Systems recognized $0.3 million of other income (expenses), net. To conform with Westport s historical statement of operations $0.3 million of other income (expenses), net has been reclassified to interest and other income.

(vii) Fuel Systems recognized $0.2 million of net gains on foreign exchange in other income (expenses), net. To conform with Westport s presentation $0.2 million of net gains on foreign exchange has been reclassified to foreign exchange (gain) loss.

(viii) Fuel Systems recognized $0.3 million of bank charges, interest, other within interest income (expense), net. To conform with Westport s historical statement of operations $0.3 million of interest income (expense), net has been reclassified to bank charges, interest and other. Fuel Systems recognized $0.3 million of interest income within interest income (expense). To conform with Westport s historical statement of operations $0.3 million of interest income (expense) has been reclassified to interest and other income.

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EXPERTS

The financial statements as of December 31, 2015 and December 31, 2014 and for each of the three years in the period ended December 31, 2015 and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Report on Internal Control over Financial Reporting) as of December 31, 2015 included in this proxy statement/prospectus have been so included in reliance on the report (which contains an explanatory paragraph relating to the Company s significant transactions with related parties as discussed in Note 17 to the financial statements and the Company s change in the manner in which deferred tax assets and liabilities, along with any related valuation allowance, are classified on the balance sheet as discussed in Note 2 to the financial statements) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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WHERE YOU CAN FIND MORE INFORMATION

Westport and Fuel Systems file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any of this information at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 or 202-942-8090 for further information on the public reference room. The SEC also maintains an Internet website that contains reports, proxy statements and other information regarding issuers, including Westport and Fuel Systems, who file electronically with the SEC. The address of that site is www.sec.gov. The information contained on the SEC s website is expressly not incorporated by reference into this supplement.

Westport also files reports, statements and other information with the applicable Canadian securities regulatory authorities. Westport s filings are electronically available to the public from the Canadian System for Electronic Document Analysis and Retrieval, or SEDAR, the Canadian equivalent of the SEC s EDGAR system, at www.sedar.com. The information contained on SEDAR is expressly not incorporated by reference into this supplement.

Westport has filed with the SEC a registration statement on Form F-4 of which the proxy statement/prospectus and this supplement form a part. The registration statement registers the shares of Westport common shares to be issued to Fuel Systems stockholders in connection with the merger. The registration statement, including the attached exhibits and annexes, contains additional relevant information about Westport and Fuel Systems, respectively. The rules and regulations of the SEC allow Westport and Fuel Systems to omit certain information included in the registration statement from the proxy statement/prospectus and this supplement.

In addition, the SEC allows Westport to disclose important information to you by referring you to other documents filed separately with the SEC. This information is considered to be a part of this supplement, except for any information that is superseded by information included directly in this supplement or incorporated by reference subsequent to the date of this supplement as described below.

This supplement incorporates by reference the documents listed below that Westport has previously filed with the SEC. They contain important information about Westport and its financial condition.

Westport SEC Filings

- Annual Report on Form 40-F for the fiscal year ended December 31, 2014, filed with the SEC on March 9, 2015, as amended by Form 40-F/A filed with the SEC on July 23, 2015 and as further amended by Form 40-F/A filed with the SEC on October 16, 2015;

- Quarterly Reports on Form 6-K for the quarterly periods ended March 31, 2015, June 30, 2015 and September 30, 2015, filed with the SEC on May 8, 2015, July 29, 2015 and November 10, 2015, respectively;

- Registration Statement on Form F-10, filed with the SEC on July 24, 2015, as amended by Form F-10/A filed with the SEC on August 6, 2015; and

Current Reports on Form 6-K filed with the SEC on March 27, 2015, May 1, 2015, July 29, 2015, September 10, 2015, October 16, 2015, that certain Form 6-K filed with the SEC on January 12, 2016 regarding the Cartesian Financing Agreement, that certain Form 6-K filed with the SEC on March 18, 2016 regarding the appointment of Rodney Nunn to the Westport Board of Directors.

In addition, Westport incorporates by reference any future filings it makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this supplement and before the date of the Fuel Systems special meeting. Those documents are considered to be a part of this supplement, effective as of the date they are filed. In the event of conflicting information in these documents, the information in the latest filed document should be considered correct.

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You can obtain any of the other documents listed above from the SEC, through the SEC s web site at the address indicated above, or from Westport or Fuel Systems, as applicable, by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

By Mail:	By Mail:
Westport Innovations Inc. Suite 101 1750 West 75th Avenue Vancouver, British Columbia V6P 6G2 Attention: Investor Relations (604) 718-2046	Fuel Systems Solutions Inc. 780 Third Avenue New York, NY 10017 Attention: Secretary (212) 502-7170

These documents are available from Westport or Fuel Systems, as the case may be, without charge, excluding any exhibits to them unless the exhibit is specifically listed as an exhibit to the registration statement of which the proxy statement/prospectus and this supplement form a part. You can also find information about Westport and Fuel Systems at their Internet websites at www.westport.com and www.fuelsystemsolutions.com, respectively. Information contained on these websites does not constitute part of the proxy statement/prospectus or this supplement.

If you are a stockholder of Fuel Systems, you may also obtain documents incorporated by reference into this document by requesting them in writing or by telephone from Laurel Hill Advisory Group, Fuel Systems proxy solicitor, at the following address and telephone numbers:

2 Robbins Lane, Suite 201

Jericho, New York 11753

Banks and Brokers Call (516) 933-3100

All Others Call Toll-Free (888) 742-1305

If you are a stockholder of Fuel Systems and would like to request documents, please do so seven business days prior to the Fuel Systems special meeting to receive them before Fuel Systems special meeting. If you request any documents from Westport or Fuel Systems, Westport or Fuel Systems will mail them to you by first class mail, or another equally prompt means, within one business day after Westport or Fuel Systems, as the case may be, receives your request.

This document is a prospectus of Westport and is a proxy statement of Fuel Systems for the Fuel Systems special meeting. Neither Westport nor Fuel Systems has authorized anyone to give any information or make any representation about the merger or Westport or Fuel Systems that is different from, or in addition to, that contained in the proxy statement/prospectus and this supplement or in any of the materials that Westport or Fuel Systems has incorporated by reference into this supplement. Therefore, if anyone does give you information of this sort, you should not rely on it. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

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Annex I

AMENDMENT NO. 1 TO THE AGREEMENT AND PLAN OF MERGER

This AMENDMENT NO. 1 TO THE AGREEMENT AND PLAN OF MERGER, dated as of March 6, 2016 (this Amendment), is made by and among Westport Innovations Inc., an Alberta, Canada corporation (Parent), Whitehorse Merger Sub Inc., a Delaware corporation and a direct wholly owned subsidiary of Parent (Merger Sub), and Fuel Systems Solutions, Inc., a Delaware corporation (the Company and, collectively with Parent and Merger Sub, the Parties and each a Party).

WHEREAS, on September 1, 2015, Parent, Merger Sub and the Company entered into that certain Agreement and Plan of Merger (the Agreement); and

WHEREAS, Parent, Merger Sub and the Company desire to amend certain terms of the Agreement pursuant to Section 8.4 of the Agreement in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Parent, Merger Sub and the Company hereby agree as follows:

1. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Agreement.

2. Section 1.1(a) of the Agreement is hereby amended by adding the following definitions in alphabetical order in such Section 1.1(a):

Convertible Note shall have the meaning set forth in the Investment Agreement.

Investment Agreement shall mean that certain Investment Agreement, dated as of January 11, 2016, as amended by that certain Amending Agreement, effective as of March 6, 2016, by and between Parent and Pangaea Two Management, L.P.

Westport Closing VWAP shall mean the volume weighted average price of Parent Common Shares on NASDAQ for the ten (10) consecutive trading days ending on and including the trading day five (5) Business Days prior to the anticipated Closing Date, as reported by Bloomberg.

3. Section 3.1(b) of the Agreement is hereby amended and restated in its entirety as follows:

(b) Conversion of Company Securities. Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares to be canceled in accordance with Section 3.2) shall automatically be converted into the right to receive a number of common shares of Parent (the Parent Common Shares) as follows (subject to adjustment as provided in Section 3.2) (the Merger Consideration) :

(i) in the event that the Westport Closing VWAP is equal to or less than $1.64, 3.0793 Parent Common Shares;

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(ii) in the event that the Westport Closing VWAP is greater than $1.64 and less than $2.37, a number of Parent Common Shares equal to the quotient obtained by dividing $5.05 by the Westport Closing VWAP, rounded to four decimal places;

(iii) in the event that the Westport Closing VWAP is equal to or greater than $2.37, 2.129 Parent Common Shares (such number of Parent Common Shares per share of Company Common Stock determined pursuant to clause (i), (ii) or (iii), as the case may be, the Exchange Ratio);

All shares of Company Common Stock, when so converted, shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of a certificate (a Certificate) or book-entry share registered in the transfer books of the Company (a Book-Entry Share) that immediately prior to the Effective Time represented shares of Company Common Stock shall cease to have any rights with respect to such Company Common Stock other than the right to receive the Merger Consideration, in accordance with Section 3.3, including the right, if any, to receive, pursuant to Section 3.8, cash in lieu of fractional shares of Parent Common Shares into which such shares of Company Common Stock have been converted pursuant to this Section 3.1(b), together with the amounts, if any, payable pursuant to Section 3.3(d).

4. Schedule 3.2 of the Agreement is hereby amended by adding the following as the penultimate sentence of the first paragraph thereof: For the avoidance of doubt, the number of Note Shares (as defined in the Investment Agreement) issuable upon conversion of the Convertible Note shall be taken into account for purposes of determining whether the 16,000,000 figure in this Schedule 3.2 has been exceeded.

5. Section 5.20 of the Agreement is hereby amended and restated in its entirety as follows:

Section 5.20 Vote Required. The affirmative vote of (A) the majority of the total votes cast to approve (i) the issuance of the Merger Consideration and (ii) if required by the TSX to meet the Parent s obligations under Section 3.4, the assumption by Parent of Company Restricted Stock Units and Company Restricted Stock pursuant to Section 3.4 ((i) and, if applicable, (ii) together, the Parent Shareholder Approval); and (B) the holders of 66 2/3% of the total votes cast to approve the change of the name of Parent to Westport Fuel Systems Inc. (the Parent Name Change Approval) are the only votes of the holders of any class or series of shares of Parent required to consummate the transactions contemplated by this Agreement.

6. Section 6.17 of the Agreement is hereby amended and restated in its entirety as follows:

Section 6.17 Post-Closing Directors and Officers.

(a) Parent shall take all necessary actions to cause, concurrent with the Closing (i) the name of Parent to be changed to Westport Fuel Systems Inc. , (ii) four members of the Parent Board (other than Peter Yu) to be determined in Parent s sole discretion prior to Closing to resign from the Parent Board effective upon the Closing (the Resigning Parent Directors), (iii) the appointment, effective upon the Closing, of

the three individuals set forth on Exhibit C attached hereto (or such replacement person appointed pursuant to Section 6.17(c), the Continuing Company Directors) to fill three of the vacancies on the Parent Board resulting from such resignations; provided, in the event that one or more of the Continuing Company Directors fails to accept such appointment to the Parent Board, then an equal number of Resigning Parent Directors (the identities of which shall be determined in the Parent Board s sole discretion) shall remain on the Parent Board until such time as one or more replacement Company Continuing Directors, as the case may be, is appointed pursuant to Section 6.17(c), (iv) each committee of the Parent Board to include such number of Company Designated Directors (as defined below) as determined by Parent after taking into account each such Company Designated Director s relevant experience and expertise, and (v) to effect the agreements and provisions set forth on Schedule 6.17 hereto.

(b) As promptly as practicable following the date hereof, and in any event within seventy-five days of the date hereof, the Continuing Company Directors shall designate one individual who is a citizen of Canada and who is an Independent Director as determined in accordance with NASDAQ Listing Rule 5605 and Section 1.4 of National Instrument 52-110 of the Canadian Securities Administrators (the Independent Director Designee and together with the Continuing Company Directors, the Company Designated Directors), whose nomination for the Parent Board shall be subject to the approval of the Nominating and Corporate Governance Committee of Parent, such approval not to be unreasonably withheld, conditioned or delayed. As promptly as practicable following such approval and the Closing, Parent shall take all necessary actions to cause one member of the Parent Board (other than Peter Yu and the Continuing Company Directors) to be determined in Parent s sole discretion to resign from the Parent Board and to cause the appointment of the Independent Director Designee. Prior to the appointment of the Independent Director Designee, all actions of the Parent Board shall require the affirmative vote of a majority of the Parent Board, including at least one Continuing Company Director. For the avoidance of doubt, all actions taken or omitted to be taken by the Continuing Company Directors shall be in accordance with such Continuing Company Directors fiduciary and statutory duties and responsibilities defined by law, the Charter of the Board of Directors of Parent (the Parent Board Charter) and the Parent Position Descriptions applicable to Individual Directors.

(c) From and after the Closing until the 2019 annual meeting of shareholders of Parent, the Parent Board shall take all necessary actions to (A) fix the size of the Parent Board at nine and (B) nominate, and to cause the Nominating and Corporate Governance Committee of Parent to recommend that the Parent Board nominate, the Company Designated Directors for election to the Parent Board at the 2016 annual meeting of shareholders of Parent, the 2017 annual meeting of shareholders of Parent and the 2018 annual meeting of shareholders of Parent; provided, that no Company Designated Director shall be subject to re-nomination at the 2017 annual meeting of shareholders of Parent and the 2018 annual meeting of shareholders of Parent in accordance with this Section 6.17(c) in the event such Company Designated Director fails (i) to comply in all material respects with the governance guidelines and policies of Parent applicable to Parent directors during the fiscal year immediately preceding such

Company Designated Director s re-nomination (for that portion of the fiscal year for which such Company Designated Director was a director of Parent) or (ii) to attend in person or by phone at least seventy-five percent (75%) of the duly called meetings of the Parent Board for the Parent fiscal year immediately preceding such re-nomination (not taking into account any meetings called during any period in which such Company Designated Director was not a director of Parent). Until the 2017 annual meeting of shareholders of Parent, in the event of the death, resignation or removal for cause of a Company Designated Director, or if a Company Continuing Director set forth on Exhibit C hereto fails to serve as a Company Continuing Director, the remaining Company Continuing Directors, in consultation with the Parent Board, shall appoint a replacement Company Designated Director to fill the vacancy created by such death, resignation, removal or failure to serve, subject to the approval of the Nominating and Governance Committee of Parent, such approval not to be unreasonably withheld, conditioned or delayed. The Company Designated Directors and the Board Observer shall be third party beneficiaries of this Section 6.17. Parent shall pay all reasonable expenses, including attorney s fees, that may be incurred by any Company Designated Director or the Board Observer in seeking the enforcement of the rights and obligations provided for in this Section 6.17.

(d) From and after the Closing, the Parent Board shall take all necessary actions to appoint the individuals listed on Schedule 6.17 to their respective positions listed thereon and shall otherwise comply with the provisions of Schedule 6.17. Such individuals shall be third party beneficiaries of this Section 6.17. Parent shall pay all reasonable expenses, including attorney s fees, that may be incurred by any such individual in seeking the enforcement of the rights and obligations provided for in this Section 6.17.

7. Section 7.3 of the Agreement is hereby amended by adding the following new clause (e) thereto:

(e) Issuance of Convertible Note. The Convertible Note Closing (as defined in the Investment Agreement) shall have occurred concurrently with the Closing.

8. Section 8.1(b)(i) of the Agreement is hereby amended by replacing the reference to April 30, 2016 with June 30, 2016 .

9. Sections 6.2(a) and (b) of the Parent Disclosure Letter each is hereby amended to remove item 3 therefrom and to add the items set forth on Schedule I hereto in numerical order thereon. Section 5.9 of the Parent Disclosure Letter is hereby amended and restated in its entirety to add the item set forth on Schedule I hereto. Section 5.3(a) of the Parent Disclosure Letter is hereby amended and restated in its entirety to add the following: The issuance of the Convertible Note on the Closing Date.

10. Section 8.3(a) of the Agreement is hereby amended and restated in its entirety as follows:

In the event this Agreement is terminated by the Company pursuant to Section 8.1(c)(ii), by Parent pursuant to Section 8.1(d)(ii) or by Parent or the Company pursuant to Section 8.1(b)(iii), then the Company shall pay, or cause to be paid, to Parent the Termination Fee, by wire transfer of same day funds to an account designated by Parent, within two (2) Business Days of such termination.

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11. Section 8.3(b) of the Agreement is hereby amended and restated in its entirety as follows:

In the event this Agreement is terminated by the Company pursuant to Section 8.1(c)(iii), then Parent shall pay, or cause to be paid, to the Company the Termination Fee, by wire transfer of same day funds to an account designated by the Company within two (2) Business Days of such termination.

12. Section 8.3(c) of the Agreement is hereby amended and restated in its entirety as follows:

In the event that (A) this Agreement is terminated by the Company pursuant to Section 8.1(c)(ii) or (B) prior to the Company Stockholder Meeting, a Company Acquisition Proposal is publicly proposed or publicly disclosed and this Agreement is terminated by Parent or the Company pursuant to Section 8.1(b)(iii), by Parent pursuant to Section 8.1(d)(ii)(A) or by Parent pursuant to Section 8.1(d)(i) as a result of a willful breach by the Company, then, following such termination, the Company shall pay to Parent the reasonable and documented Expenses of Parent within two (2) Business Days after receipt of documentation supporting such Expenses of Parent, in each case, in addition to any amounts that may be payable pursuant to Section 8.3(a). If, concurrently, or within twelve (12) months after any such termination described in the immediately preceding sentence, the Company enters into a definitive agreement with respect to, or otherwise consummates, any Company Acquisition Proposal (substituting fifty percent (50%) for the twenty percent (20%) threshold set forth in the definition of Company Acquisition Proposal for all purposes under this Section 8.3(c)), then the Company shall pay to Parent the Termination Fee as promptly as possible (but in any event within two (2) Business Days) following the consummation of such Company Acquisition Proposal, unless the Termination Fee has already been paid to Parent pursuant to Section 8.3(a).

Parent s right to receive the one-time payment of the Termination Fee (if and when due) and the Expenses of Parent from the Company as provided in Section 8.3(a) and this Section 8.3(c), as applicable, shall be the sole and exclusive remedy available to Parent against the Company with respect to this Agreement and the transactions contemplated hereby in the event that this Agreement is terminated by the Company pursuant to Section 8.1(c)(ii), by Parent or the Company pursuant to Section 8.1(b)(iii) or by Parent pursuant to Section 8.1(d)(i) as a result of a willful breach by the Company or Section 8.1(d)(ii).

13. Section 8.3(d) of the Agreement is hereby amended and restated in its entirety as follows:

In the event that (A) this Agreement is terminated by the Company pursuant to Section 8.1(c)(iii) or (B) prior to Parent Shareholder Meeting, (i) a Parent Acquisition Proposal is publicly proposed or publicly disclosed, (ii) the Third Party making such Parent Acquisition Proposal has publicly indicated to the Parent shareholders to the effect that they should not vote in favor of any of the matters required by the Parent Shareholder Approval, and (iii) this Agreement is terminated by Parent or the Company pursuant to Section 8.1(b)(iv) or by the Company pursuant to Section 8.1(c)(i) as a result of a willful

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breach by Parent, then, following such termination, Parent shall pay to the Company the reasonable and documented Expenses of the Company within two (2) Business Days after receipt of documentation supporting such Expenses of the Company, in each case, in addition to any amounts that may be payable pursuant to Section 8.3(b). If, concurrently, or within twelve (12) months after any such termination described in the immediately preceding sentence, the Parent enters into a definitive agreement with respect to, or otherwise consummates, any Parent Acquisition Proposal, then Parent shall pay to the Company the Termination Fee as promptly as possible (but in any event within two (2) Business Days) following the consummation of such Parent Acquisition Proposal, unless the Termination Fee has already been paid to the Company pursuant to Section 8.3(b).

The Company s right to receive the one-time payment of the Termination Fee (if and when due) and the Expenses of the Company from Parent as provided in Section 8.3(b) and this Section 8.3(d), as applicable, shall be the sole and exclusive remedy available to the Company against Parent with respect to this Agreement and the transactions contemplated hereby in the event that this Agreement is terminated by the Company pursuant to Section 8.1(c)(iii), by the Company or Parent pursuant to Section 8.1(b)(iv) or by the Company pursuant to Section 8.1(c)(i) as a result of a willful breach by Parent.

14. Section 8.3(e)(ii) of the Agreement is hereby amended and restated in its entirety as follows: (ii)under no circumstances shall the Company be required to pay the Termination Fee or Expenses on more than one occasion.

15. Exhibit C of the Agreement is hereby amended and restated in its entirety as follows:

List of Appointed Directors of Parent

1. Mariano Costamagna

2. Troy A. Clarke

3. Colin S. Johnston

16. Exhibit D of the Agreement is hereby amended as set forth on Schedule II hereto.

17. Within two (2) Business Days after the date of this Amendment, the Company shall publicly announce that the Company Board (i) has rejected the Third Party Proposal (as defined in the Company s definitive Proxy Statement dated February 16, 2016) and (ii) has made the Company Recommendation (as defined below).

18. The following representations shall update and supersede the representations and warranties set forth in the last sentence of Section 4.4(a) of the Agreement.

The Company Board at a duly held meeting has (i) duly and validly authorized the execution and delivery of this Amendment and declared advisable the consummation of the Merger and the other transactions contemplated by the Agreement (as amended by this Amendment), (ii) determined that the Merger and the transactions contemplated by the Agreement (as amended by this Amendment) are fair and in the best interest of the Company and its stockholders, (iii) directed that the Merger be submitted for

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consideration at the Company Stockholder Meeting, and (iv) resolved to recommend that the stockholders of the Company vote in favor of the Agreement (as amended by this Amendment) and the approval of the Merger and the other transactions contemplated by the Agreement (as amended by this Amendment) (the Company Recommendation) and to include such recommendation in the Proxy Statement, subject to Section 6.5 of the Agreement.

19. The following representations shall update and supersede the representations and warranties set forth in the last sentence of Section 5.4(a) of the Agreement.

The Parent Board at a duly held meeting has (i) duly and validly authorized the execution and delivery of this Amendment and declared advisable the consummation of the Merger and the other transactions contemplated by the Agreement (as amended by this Amendment), (ii) determined that the Merger and the transactions contemplated by the Agreement (as amended by this Amendment) are fair to and in the best interest of Parent and its shareholders, (iii) directed that the issuance of the Parent Common Shares as payment of the Merger Consideration be submitted for consideration at the Parent Shareholder Meeting, and (iv) resolved to recommend that the shareholders of Parent vote in favor of the payment of the Merger Consideration pursuant to the Agreement (as amended by this Amendment) and the other transactions contemplated by the Agreement (as amended by this Amendment) (the Parent Recommendation) and to include such recommendation in the Circular.

20. (a) Each Party, each on its and on behalf of its controlling persons, associates, Affiliates and Subsidiaries and each and all of its respective past or present, direct or indirect, officers, directors, principals, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, entities providing fairness opinions, advisors or agents, insurers, legal representatives, predecessors, successors or assigns (collectively, the Releasing Persons), shall and shall be deemed to have completely, fully, finally and forever compromised, settled, released, discharged, extinguished, relinquished, and dismissed with prejudice any claims, demands, rights, actions, causes of action, potential actions, liabilities, damages, diminutions in value, debts, losses, obligations, judgments, interest, penalties, fines, sanctions, fees, duties, suits, costs, expenses, matters, controversies, and issues known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, including known claims and Unknown Claims (defined below), whether individual, direct, class, derivative, representative, legal, equitable or of any other type or asserted in any other capacity, that have been or could have been, asserted in any court, tribunal or proceeding (including, but not limited to, any claims arising under federal, state, foreign, statutory or common law, including the federal or state securities, antitrust, and disclosure laws or any claims that could be asserted derivatively), by or on behalf of such Party or any of its Releasing Persons, against any of the other Parties or any of their respective controlling persons, associates, Affiliates or Subsidiaries and each and all of their respective past or present, direct or indirect, officers, directors, stockholders, shareholders, principals, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, entities providing fairness opinions, advisors or agents, insurers, heirs, executors, trustees, general or limited partners or partnerships, investment funds, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors,

successors or assigns (the Released Persons), which the Releasing Persons ever had, now have, or may have in the future by reason of, arising out of, relating to, or in connection with any breach or alleged breach of the Agreement by or on behalf of any of the Released Persons by reason of, arising out of, relating to, or in connection with any acts, events, facts, circumstances, matters, transactions, occurrences or non-occurrences, statements or representations, or any other matter whatsoever set forth in or otherwise related, directly or indirectly, to the Agreement, this Amendment or the Merger, any term, condition or circumstance of the Merger or the events that preceded this Amendment, or disclosures made in connection with the Agreement, this Amendment or the Merger, prior to the date of this Amendment (including any alleged misstatements or omissions or the adequacy and completeness of such disclosures) (the Settled Claims); provided, however, that the Settled Claims shall not include (i) any claims to enforce this Amendment and any rights, obligations, privileges or claims that such Party may have under the Agreement, as amended by this Amendment, arising after the date of this Amendment, or (ii) solely in the event that the person that made the Third Party Proposal (as defined in the Company s definitive Proxy Statement dated February 16, 2016) submits a new proposal offering higher consideration (the New Proposal), any claims with respect to the New Proposal.

(b) Each of the Parties, each on its own behalf and on behalf of its Releasing Persons, acknowledges that it may discover facts in addition to or different from those now known or believed to be true by it with respect to the Settled Claims, but that it is the intention of such Party on its own behalf and on behalf of its Releasing Persons, to completely, fully, finally, and forever compromise, settle, release, discharge, extinguish, and dismiss any and all Settled Claims, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Each of the Parties, on its own behalf and on behalf of its Releasing Persons, acknowledges that Unknown Claims are expressly included in the definition of Settled Claims, and that such inclusion was expressly bargained for and was a key element of this Amendment and the releases set forth in this Section 20 and was relied upon by each and all of the Released Persons in entering into this Amendment. Unknown Claims means any claim that a Party or any of its Releasing Persons does not know or suspect exists in his, her or its favor at the time of the release of the Settled Claims as against the Released Persons, including without limitation those which, if known, might have affected the decision to enter into this Amendment.

(c) The releases set forth in this Section 20 are intended to extinguish all Settled Claims and, consistent with such intention, the Releasing Persons shall waive and relinquish, to the fullest extent permitted by Law, the provisions, rights, and benefits of any state, federal or foreign law or principle of common law, that may have the effect of limiting the releases set forth in Sections 20(a) and 20(b).

21. The Parties acknowledge and agree that, in the event of and following the consummation of the Merger, no assets or equity interests of Fuel Systems Solutions, Inc. or any of its subsidiaries shall be subject to any security interest granted pursuant to or securing obligations under the Investment Agreement.

22. All other sections, paragraphs, provisions, and clauses in the Agreement not expressly modified above remain in full force and effect as originally written.

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23. Section 9.9 (Counterparts) of the Agreement is hereby incorporated herein in its entirety, *mutatis mutandis*.

24. Section 9.10 (Governing Law) of the Agreement is hereby incorporated herein in its entirety, *mutatis mutandis*.

20. This Amendment and the Agreement (including the exhibits, annexes and appendices thereto) constitutes, together with the Confidentiality Agreement, the Company Disclosure Letter and the Parent Disclosure Letter, the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, both written and oral, among the Parties, or any of them, with respect to the subject matter hereof and thereof.

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IN WITNESS WHEREOF, Parent, Merger Sub and the Company have caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

WESTPORT INNOVATIONS INC.

By: /s/ David Demers
Name: David Demers
Title: Chief Executive Officer

WHITEHORSE MERGER SUB INC.

By: /s/ David Demers
Name: David Demers
Title: Chief Executive Officer

FUEL SYSTEMS SOLUTIONS, INC.

By: /s/ Pietro Bersani
Name: Pietro Bersani
Title: Chief Financial Officer

[Signature Page to Amendment to Agreement and Plan of Merger]

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Annex II

March 6, 2016

The Board of Directors

Fuel Systems Solutions, Inc.

780 Third Avenue, 25th Floor

New York, NY 10017

Members of the Board of Directors:

You have requested our opinion as to the fairness, from a financial point of view, to the holders of common stock, par value $0.001 per share (the Company Common Stock), of Fuel Systems Solutions, Inc., a Delaware corporation (the Company) of the Exchange Ratio (as defined below) in the proposed merger (the Transaction) of the Company with Whitehorse Merger Sub Inc., a Delaware corporation (Merger Sub) and a direct wholly-owned subsidiary of Westport Innovations Inc., an Alberta corporation (the Acquiror). Pursuant to the Agreement and Plan of Merger and Amendment No. 1 thereto (the Agreement), by and among the Company, the Acquiror and Merger Sub, the Company will become a wholly-owned subsidiary of the Acquiror, and each outstanding share of Company Common Stock, other than shares of Company Common Stock held in treasury or owned by the Acquiror and its affiliates, will be converted into the right to receive that number of shares (the Exchange Ratio) of the Acquiror s common stock (the Acquiror Common Stock) equal to (A) in the event that the Westport Closing VWAP is equal to or less than $1.64, 3.0793, (B) in the event that the Westport Closing VWAP is greater than $1.64 and less than $2.37, the quotient obtained by dividing $5.05 by the Westport Closing VWAP, rounded to four decimal places, or (C) in the event that the Westport Closing VWAP is equal to or greater than $2.37, 2.129. Westport Closing VWAP shall mean the volume weighted average price of Acquiror Common Stock on NASDAQ for the ten (10) consecutive trading days ending on and including the trading day five (5) Business Days prior to the anticipated Closing Date (as defined in the Agreement), as reported by Bloomberg.

In connection with preparing our opinion, we have (i) reviewed a draft dated March 4, 2016 of the Agreement; (ii) reviewed certain publicly available business and financial information concerning the Company and the Acquiror and the industries in which they operate; (iii) compared the proposed financial terms of the Transaction with the publicly available financial terms of certain transactions involving companies we deemed relevant and the consideration paid for such companies; (iv) compared the financial and operating performance of the Company and the Acquiror with publicly available information concerning certain other companies we deemed relevant and reviewed the current and historical market prices of the Company Common Stock and the Acquiror Common Stock

and certain publicly traded securities of such other companies; (v) reviewed certain internal financial analyses and forecasts prepared by each of the managements of (a) the Company and (b) the Acquiror, as adjusted by the management of the Company, as well as the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the Transaction (the Synergies); and (vi) performed such other financial studies and analyses and considered such other information as we deemed appropriate for the purposes of this opinion.

In addition, we have held discussions with certain members of the management of the Company and the Acquiror with respect to certain aspects of the Transaction, and the past and current business operations of the Company and the Acquiror, the financial condition and future prospects and operations of the Company and the Acquiror, the effects of the Transaction on the financial condition and future prospects of the Company and the Acquiror, and certain other matters we believed necessary or appropriate to our inquiry.

In giving our opinion, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by the Company and the Acquiror or otherwise reviewed by or for us, and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of the Company or the Acquiror under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to us or derived therefrom, including the Synergies, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Company and the Acquiror to which such analyses or forecasts relate. We have assumed, at your direction, that the Acquiror will have received, on our prior to the consummation of the Merger, $51.3 million in financing from Cartesian Capital. We express no view as to such analyses or forecasts (including the Synergies) or the assumptions on which they were based. We have also assumed that the Transaction and the other transactions contemplated by the Agreement will qualify as a tax-free reorganization for United States federal income tax purposes, and will be consummated as described in the Agreement, and that the definitive Agreement will not differ in any material respects from the draft thereof furnished to us. We have also assumed that the representations and warranties made by the Company and the Acquiror in the Agreement and the related agreements are and will be true and correct in all respects material to our analysis. We are not legal, regulatory or tax experts and have relied on the assessments made by advisors to the Company with respect to such issues. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Company or the Acquiror or on the contemplated benefits of the Transaction.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion. Our opinion is limited to the fairness, from a financial point of view, to the holders of the Company Common Stock of the Exchange Ratio in the proposed Transaction and we express no opinion as to the fairness of any consideration to be paid in connection with the Transaction to the holders of any other class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Company to engage in the Transaction. Furthermore, we express no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Transaction, or any class of such persons relative to the Exchange Ratio applicable to the holders of the Company Common Stock in the Transaction or with respect to the fairness of any such compensation**.** We are expressing no opinion herein as to the price at which the Company Common Stock or the Acquiror Common Stock will trade at any future time.

We have acted as financial advisor to the Company with respect to the proposed Transaction and will receive a fee from the Company for our services, a substantial portion of which will become payable only if the proposed Transaction is consummated. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. Please be advised that during the two years preceding the date of this letter, neither we nor our affiliates have had any material financial advisory or other material commercial or investment banking relationships with the Acquiror. During the two years preceding the date of this letter, we and our affiliates have had commercial or investment banking relationships with the Company, for which we and such affiliates have received customary compensation. Such services during such period have included acting as financial advisor in connection with the Company s strategic planning and evaluation of defensive strategies concluding in December 2014. In addition, we and our affiliates hold, on a proprietary basis, approximately 0.15% of the outstanding capital stock of the Acquiror. In the ordinary course of our businesses, we and our affiliates may actively trade the debt and equity securities of the Company or the Acquiror for our own account or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities.

On the basis of and subject to the foregoing, it is our opinion as of the date hereof that the Exchange Ratio in the proposed Transaction is fair, from a financial point of view, to the holders of the Company Common Stock.

The issuance of this opinion has been approved by a fairness opinion committee of J.P. Morgan Securities LLC. This letter is provided to the Board of Directors of the Company (in its capacity as such) in connection with and for the purposes of its evaluation of the Transaction. This opinion does not constitute a recommendation to any stockholder of the Company as to how such stockholder should vote with respect to the Transaction or any other matter. This opinion may not be disclosed, referred to, or communicated (in whole or

in part) to any third party for any purpose whatsoever except with our prior written approval. This opinion may be reproduced in full in any proxy or information statement mailed to stockholders of the Company but may not otherwise be disclosed publicly in any manner without our prior written approval.

Very truly yours,

/s/ J.P. Morgan Securities LLC

J.P. MORGAN SECURITIES LLC

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Annex III

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015

or

¨TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File No.: 001-32999

FUEL SYSTEMS SOLUTIONS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	20-3960974
(State or Other Jurisdiction Of Incorporation or Organization)	(I.R.S. Employer Identification No.)

780 Third Avenue, 25th Floor, New York, New York 10017

(Address of Principal Executive Offices, Including Zip Code)

(646) 502-7170

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, $0.001 par value per share (including attached Stock Purchase Rights)

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ¨ Accelerated filer x Non-accelerated filer ¨ Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

The aggregate market value of the common stock held by non-affiliates of the registrant as of June 30, 2015, was approximately $108.5 million based upon the closing sale price of the registrant's common stock of $7.48 on June 30, 2015, as reported on the Nasdaq Stock Market.

As of March 7, 2016, the registrant had 18,094,043 shares of common stock, $0.001 par value per share, outstanding.

FUEL SYSTEMS SOLUTIONS, INC.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains certain forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These statements may be found throughout this Form 10-K. These statements are not historical facts, but instead involve known and unknown risks, uncertainties and other factors that may cause our or our company’s actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward looking statements. Statements in this Form 10-K that are not historical facts are hereby identified as “forward-looking statements” for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Words such as: “may,” “will,” “would,” “should,” “could,” “expect,” “anticipate,” “intend “believe,” “estimate,” “predict,” “potential,” “continue,” “seeks,” “on-going” or the negative of these terms or other comparabl terminology often identify forward-looking statements, although not all forward-looking statements contain these words. You should consider statements that contain these words carefully because they describe our expectations, plans, strategies and goals and beliefs concerning future business conditions, our results of operations, financial position and our business outlook, or state other “forward-looking” information based on currently available information. There are a number of important factors that could cause actual results to differ materially from the results anticipated by these forward-looking statements. These risks and uncertainties and certain other factors which may impact our continuing business financial condition or results of operations, or which may cause actual results to differ from such forward-looking statements, include, but are not limited to, the unpredictable nature of the developing alternative fuel US automotive market, customer dissatisfaction with our products or services, the inability to deliver our products on schedule, a further slowing of economic activity, our ability to maintain customer program relationships, our ability to achieve the anticipated benefits in connection with our cost-cutting initiatives and restructuring plan, potential changes in tax policies and government incentives and their effect on the economic benefits of our products to consumers, the continued weakness in financial and credit markets of certain countries, the growth of non-gaseous alternative fuel products and other new technologies, the price differential between alternative gaseous fuels and gasoline, and the repeal or implementation of government regulations relating to reducing vehicle emissions, economic uncertainties caused by political instability in certain of the markets we do business in, the impact of the Argentinean debt crisis on our business, our ability to realign costs with current market conditions, the risks associated with the anticipated merger with Westport Innovations Inc. including that we will be subject to various uncertainties and contractual restrictions while the merger is pending and failure to complete the merger could negatively affect our stock price and future business and financial results, as well as the risks and uncertainties included in Item 1A, “Risk Factors” of this Form 10-K. These forward-looking statements are not guarantees of future performance. We cannot assure you that the forward-looking statements in this Form 10-K will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not place undue reliance on these forward looking statements. The forward-looking statements made in this Form 10-K relate to events and state our beliefs, intent and our view of future events only as of the date of the filing of this Form 10-K. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

PART I

Item 1. Business.
Overview

Fuel Systems Solutions is a leader in providing alternative fuel systems for transportation, industrial, and refueling applications worldwide as well as idle reduction technologies for the heavy duty truck and rail markets. By combining the expertise of industry leading BRC and IMPCO Technologies, Inc. in 2005, as well as further strategic and focused acquisitions, Fuel Systems Solutions represents over 50 years of experience in the industry. We have a global presence and operate in geographies and markets that are underpenetrated and growing, driven by compelling economics, government support, and local demand. Our dedicated and bi-fuel technologies offer our customers a broad range of cost-effective products and applications that we tailor to local specifications. Our technologies enable our customers to:

- benefit from significantly lower retail fuel prices, capturing the differential between traditional fuels and compressed natural gas (CNG), liquid propane gas (LPG), and other gaseous fuels;
- contribute to cleaner air and environment as carbon emissions of natural gas are in general lower than gasoline and diesel; and
- help displace oil and exploit natural gas reserves so as to increase energy independence.

Our components and systems control the pressure and flow of gaseous alternative fuels, such as propane and natural gas used in internal combustion engines. Our products improve efficiency, enhance power output and reduce emissions by electronically sensing and regulating the proper proportion of fuel and air required by the internal combustion engine. We also provide engineering and systems integration services to address our individual customer requirements for product performance, durability and physical configuration. We supply our products and systems to the marketplace through a global distribution network of distributors and dealers in more than 60 countries and through numerous original equipment manufacturers, or OEMs.

We offer an array of components, systems and fully integrated solutions for our customers, including:

- fuel delivery—pressure regulators, fuel injectors, flow control valves and other components designed to control the pressure, flow and/or metering of gaseous fuels;
- electronic controls—solid-state components and proprietary software that monitor and optimize fuel pressure and flow to meet manufacturers' engine requirements;
- gaseous fueled internal combustion engines—engines manufactured by OEMs that are integrated with our fuel delivery and electronic controls;
- systems integration—systems integration support to integrate the gaseous fuel storage, fuel delivery and /or electronic control components and sub-systems to meet OEM and aftermarket requirements;
- auxiliary power systems—fully integrated auxiliary power systems for truck and diesel locomotives; and
- natural gas compressors—natural gas compressors and refueling systems for light and heavy duty refueling applications.

Automobile manufacturers, taxi companies, transit and shuttle bus companies and delivery fleets are among the most active customers for our transportation products. Our largest markets for transportation products are currently, and have historically been, outside the United States. To capture demand in the now emerging United States market for alternative gaseous fuel-powered vehicles and equipment, we have a full suite of automotive capabilities, including U.S. Environmental Protection Agency ("EPA") certified product lines, a California Air Resources Board ("CARB")

certified product line and in-house OEM systems engineering platform, enhancing our ability to leverage our existing relationship with fleet customers and other manufacturers as they roll out CNG and LPG versions of key fleet vehicles in North America.

Manufacturers of industrial mobile and power generation equipment, stationary engines, and heavy duty trucks and buses are among the most active customers for our industrial products. Our broad product range allows us to provide turnkey EPA and CARB-certified and non-certified engine systems, customer specified fuel systems modules and/or components, as well as auxiliary power units (APUs). The wide availability of gaseous fuels in world markets combined with their lower emissions and cost compared to gasoline and diesel fuels is driving growth in the global alternative fuel industry.

On September 1, 2015, Fuel Systems, Westport Innovations Inc., an Alberta, Canada corporation (“Westport”), and Whitehorse Merger Sub Inc., a Delaware corporation and a direct wholly owned subsidiary of Westport (“Merger Sub”), entered into an Agreement and Plan of Merger (the “Merger Agreement”). Under the terms of the Merger Agreement, the Company will be merged with and into Merger Sub, with the Company surviving the Merger and becoming a direct wholly owned subsidiary of Westport. Pursuant to the Merger Agreement, at the effective time of the merger, each outstanding share of common stock of the Company, will be cancelled and converted into the right to receive 2.129 shares of common shares of Westport, subject to certain adjustments. Consummation of the merger is subject to various closing conditions.

On March 6, 2016 the Company entered into an Amendment to the Merger Agreement. This Amendment changed the exchange ratio from 2.129 shares to a range of 3.0793 to 2.129 shares depending on the weighted average price of Westport shares as defined by the Amendment.

Unless the context otherwise requires, the terms “we,” “us,” “our”, “Fuel Systems” and “the Company” refer to Fuel Systems Solutions, Inc., or Fuel Systems and its subsidiaries. We were incorporated in Delaware in 1985 after having provided automotive and alternative fuel solutions in a variety of organizational structures since 1958. In 2006, we reorganized our business and corporate structure creating Fuel Systems Solutions, Inc. as a holding company. Beginning with the second quarter of 2012, in an effort to more properly align structure and business activities, management reorganized operations into two new operating segments, FSS Industrial and FSS Automotive. Our FSS Industrial operations consist of our industrial mobile and stationary, APU, and the heavy duty commercial transportation operations. Our FSS Automotive operations consist of the company’s passenger and light duty commercial transportation (OEM), automotive aftermarket, and transportation infrastructure operations.

The predecessor to Fuel Systems was IMPCO Technologies, Inc., and all of our filings with the Securities and Exchange Commission (“SEC”) prior to our reorganization are filed under the name of IMPCO Technologies, Inc. Our periodic and current reports, and any amendments to those reports, are available, free of charge, as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC on our website: www.fuelsystemssolutions.com. The information on our website is not incorporated by reference into this report. You may read and copy any materials we file with the SEC at the SEC’s Public Reference Room at 100 F Street NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding us at http://www.sec.gov.

Our Industry

Our business is primarily focused on the alternative fuel industry. We believe three independent market factors—economics, energy independence and environmental concerns—are driving the growth of the market for alternative fuel technology. We believe the historic price differential between propane or natural gas and gasoline and diesel results in an economic benefit to end users of alternative fuel technology. In transportation markets, the price of alternative fuels such as natural gas or propane is typically substantially less than the price of gasoline. By converting a liquid fueled internal combustion engine to run on propane or natural gas, customers can capitalize on this fuel price differential. End-users may recoup the cost of the conversion within six to eighteen months, depending on the fuel cost disparity prevailing at the time and fuel usage. In addition to economic benefits of alternative fuels to end-users, some governments have sought to create a demand for alternative fuels in order to reduce their dependence on imported oil and reduce their unfavorable balance of payments by relying on their natural gas reserves. Alternative fuel vehicles that operate on natural gas or propane can lessen the demand for crude oil.

We are directly involved in two markets: automotive and industrial. These markets have seen growth in the use of clean-burning gaseous fuels due to the less harmful emissions effects of gaseous fuels and the cost advantage available

in many markets of gaseous fuels over gasoline and diesel fuels.

Automotive

According to the most recent statistics from the World LP Gas Association and International Association for Natural Gas Vehicles, there are over 25 million propane, or LPG, vehicles and approximately 16.7 million natural gas vehicles in use worldwide, either for personal mobility, fleet conveyance, or public transportation. As the world's vehicle population increases, it is expected that the passenger vehicle fleet growth will occur in developing countries within Asia, North Africa and areas of the Middle East. These regions currently have the lowest ratio of vehicles per one thousand people and are slated to grow rapidly over the next ten years as economic improvements stimulate personal vehicle ownership. In Europe, Asia and Latin America, alternative fuel vehicles operating on propane and natural gas are widely available through OEM and aftermarket distribution channels and have gained important penetration of total vehicles in circulation in many countries.

In the United States the transportation market for LPG, CNG and other gaseous fuel vehicles has been limited, but recently a market for dedicated and bi-fuel natural gas vehicles has emerged and we believe we are well positioned to take advantage of opportunities as they develop. See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview”.

Industrial

Engines in equipment such as forklifts, aerial platforms, sweepers, turf equipment, power generators and other industrial equipment have long been workhorses of developed countries and comprise a significant portion of our global business. With developed countries such as the United States, and the countries in Asia and Europe seeking a broader consensus on regulation of emission sources in an attempt to further reduce air pollution, many countries have legislated, and we believe will continue to legislate, emission standards for this type of equipment.

Our industrial brands focus on serving the market with fuel systems, services and emission certified engine packages. With the imposition of new emissions regulations, OEMs will require advanced technologies that permit the use of gaseous fuels in order to satisfy not only new regulations but also their customers’ requirements for durability, performance and reliability. We have developed and are currently supplying a series of advanced technology alternative fuel systems to the industrial OEM market under the brand name Spectrum®.

Competitive Advantages

We believe we have developed a technological leadership position in the alternative fuel industry based on our experience in designing, manufacturing and commercializing alternative fuel delivery products and components; our relationships with leading companies in transportation; our knowledge of the power generation and industrial markets; our financial commitment to research and product development; and our proven ability to develop and commercialize new products. We believe our competitive strengths include:

- strong technological base;
- strong global distribution and OEM customer relationships;
- extensive manufacturing experience;
- established systems integration expertise; and
- participating in end-markets with growth and served by a global footprint.

Customers and Strategic Relationships

Our customers include some of the world’s largest engine, vehicle and industrial equipment OEMs.

We are working with a number of our customers to address their future product and application requirements as they integrate more advanced, certified gaseous fuel systems into their business strategies. Additionally, we continually survey and evaluate the benefits of joint ventures, acquisitions and strategic alliances with our customers and other participants in the alternative fuel industry to strengthen our global business position.

In 2015, 2014, and 2013, no customers represented more than 10.0% of our consolidated sales. During 2015, 2014, and 2013, sales to our top ten customers accounted for 28.4%, 26.3%, and 34.1% of our consolidated sales, respectively. If our largest customer or several of these key customers were to reduce their orders substantially, we would suffer a decline in sales and profits, and those declines could be substantial.

Products and Services

Our products include gaseous fuel regulators, fuel shut-off valves, fuel metering and delivery systems, complete engine systems, auxiliary power systems and electronic controls for use in internal combustion engines for the transportation, mobile and power generation markets. In addition to these core products, which we manufacture, we also design, assemble and market ancillary components required for complete systems operating on alternative fuels, as well as a complete range of compressors for natural gas refueling applications.

All of our products are designed, tested and validated in accordance with our own internal requirements, as well as tested and certified with major regulatory and safety agencies throughout the world, including Underwriters Laboratories in North America, TÜV in Europe, and the Environmental Protection Agency and CARB in the United States. The following table describes the features of our products:

Products	Features
Fuel Metering	· Full range of injectors designed to operate on propane, natural gas or biogas fuels
	· Electronic control overlays allow integration with modern emissions monitoring systems for full emissions compliance capability
	· Designed for high resistance to poor fuel quality
Fuel Regulation	· Reduces pressure of gaseous and liquid fuels
	· Vaporizes liquid fuels
	· Handles a wide range of inlet pressures
Fuel Shut-Off	· Mechanically or electronically shuts off fuel supply to the regulator and engine
	· Available for high-pressure vapor natural gas and low-pressure liquid propane
	· Designs also incorporate standard fuel filtration to ensure system reliability
Electronics & Controls	· Provides closed loop fuel control allowing integration with existing sensors to ensure low emissions
	· Integrates gaseous fuel systems with existing engine management functions
Engine-Fuel Delivery Systems	· Turnkey kits for a variety of engine sizes and applications
	· Customized applications interface based on customer requirements
Fuel Systems	· Complete vehicle and equipment systems for aftermarket and post-production OEM conversion
	· Complete engine and vehicle management systems for heavy on-highway vehicles
	· Complete engine and vehicle management systems for off-highway and industrial engines used for material handling, power generation and industrial applications
Compressors	· Complete range of compressors for natural gas refueling applications and turnkey refueling stations
Auxiliary Power Systems	· Range of auxiliary power systems products for truck and rail applications

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We have developed capabilities that we use to develop a broad range of products to satisfy our customers' needs and applications. These capabilities/applications fall into the following categories:

Capabilities	Applications
Design and Systems Integration	· Strong team of applications engineers for component, system and engine level exercises providing support to customers in the application of our gaseous fuel products
	· Applications engineering services for whole vehicle/machine integration outside of our products
	· Full three dimensional design modeling and component rapid prototyping services
Certification	· Certification of component products and systems in line with the requirements of California Air Resources Board and Environmental Protection Agency for off- highway engines as well as European ECE-ONU certifications
	· Provide customers with the required tools to manage in-field traceability and other requirements beyond initial emission compliance
Testing and Validation	· Component endurance testing
	· Component thermal and flow performance cycling
	· Engine and vehicle testing and evaluation for performance and emissions
Sub-System Assembly	· Pre-assembled modules for direct delivery to customers' production lines
	· Sourcing and integrating second and third tier supplier components
Final Assembly & Test	· Full vehicle final up-fit assembly and test operating as an extension of the OEM production line/process
Training and Technical Service	· Complete technical service support, including technical literature, web-based information, direct telephone interface (in all major countries) and on-site support
	· Training services through sponsored programs at approved colleges, at our facilities worldwide and on-site at customer facilities
Service Parts and Warranty Support	· Access to service parts network, along with direct support in development of customers' own internal service parts programs and procedures

Sales and Distribution

We sell products through a worldwide network encompassing distributors and dealers in more than 60 countries and through a sales force that develops sales with distributors, OEMs and large end-users. Our operations focus on OEM and aftermarket distributors in the transportation, mobile and power generation markets. Of these markets, we believe that the greatest potential for growth is in the Asia, North and South America and Middle East regions in sales to transportation OEMs and aftermarket distributors and installers and in North America in sales to industrial OEMs and

the related aftermarket.

During the years 2015, 2014, and 2013, sales to distributors accounted for 78.4%, 77.5%, and 71.6%, respectively, of our revenue, and sales to OEM customers accounted for 21.6%, 22.5%, and 28.4%, respectively, of our revenue.

Distributors generally service the aftermarket business for the conversion of liquid fueled engines to gaseous fuels. Many distributors have been our customers for more than 20 years.

Information regarding revenue, income and assets of each of our two business segments, FSS Industrial operations and FSS Automotive operations, and our revenue and assets by geographic area is included in Note 19 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K as well as in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

Manufacturing

We manufacture and assemble a majority of our products at our facilities in Santa Ana, California, Union City, Indiana, Kitchener, Canada, Beccar, Argentina and Cherasco, Italy and to a lesser extent at some of our other international facilities. Current manufacturing operations consist primarily of mechanical component assembly and testing, forging and light machining, electronic PCB assembly and testing and system up-fitting. We rely on outside suppliers for parts and components and obtain components for products from a variety of domestic and foreign automotive and electronics suppliers, die casters, stamping operations, specialized diaphragm manufacturers and machine shops.

Machined die cast aluminum parts and supplier engineered parts represent the major components of our cost of sales. Coordination with suppliers for quality control and timely shipments is a high priority to maximize inventory management. We use a computerized material requirement planning system to schedule material flow and balance the competing demands of timely shipments, productivity and inventory management. Our manufacturing facilities in California, Canada, and Argentina are ISO-9001 certified, while the facilities in Italy are ISO/TS-16949 and ISO-9001 certified.

Research and Development

Our research and development programs provide the technical capabilities that are required for the development of systems and products that support the use of gaseous fuels in internal combustion engines. Our research and development is focused on fuel delivery and electronic control systems and products for motor vehicles, engines, forklifts, stationary engines and small industrial engines. Over the past few years, we expanded our research and development facility in Italy and in the U.S. to continue to serve our customers with new products and capabilities. Our research and development expenditures were approximately $21.2 million, $26.2 million, and $27.5 million, in 2015, 2014, and 2013, respectively.

Competition

Our key competitors in gaseous fuel delivery products, accessory components and engine conversions markets include Westport Innovations Inc. located in Canada; Enovation Controls LLC and Woodward, Inc. located in North America; Landi Group and O.M.T. Tartarini, S.r.L. located in Italy; and Nikki Company Ltd. located in Japan. These companies, together with us, account for a majority of the world market for alternative fuel products and services. In the future, we may face competition from traditional automotive component suppliers, such as the Bosch Group, Delphi Corporation, Siemens VDO Automotive AG, and Visteon Corporation, and from motor vehicle OEMs that develop fuel systems internally. Industry participants compete on price, product performance and customer support.

Product Certification

We must obtain emission compliance certification from the Environmental Protection Agency to sell certain of our products in the United States, receive certification from CARB to sell certain products in California and other states, and meet European standards for emission regulations in Europe. Each car, truck, van or engine sold in each of these markets must be certified before it can be introduced into commerce, and its products must meet component, subsystem and system level durability, emission, refueling and various idle tests. We have also obtained international emissions compliance certification in Europe, Thailand and India. We strive to meet stringent industry standards set by various regulatory bodies. Approvals enhance the acceptability of our products in the worldwide marketplace. Many foreign countries also accept these agency approvals as satisfying the “approval for sale” requirements in their markets.

Employees

As of December 31, 2015, we employed approximately 1,300 persons. Of these employees, approximately 300 were employed in our FSS Industrial operations, of which approximately 170 are non-US employees, and approximately 1,000 were employed in our FSS Automotive operations, of which approximately 900 are foreign employees. Employees in Italy, the Netherlands and Argentina are represented by a collective bargaining agreement. Personnel employed by our foreign subsidiaries are often subject to national labor contracts. We consider our relations with our current employees and unions to be good.

Intellectual Property

We currently rely primarily on patent and trade secret laws to protect our intellectual property. We currently have numerous patents registered in countries located in North America, Europe, and Asia. We do not expect the expiration of our patents to have a material effect on our revenue.

We also rely on a combination of trademark, trade secret and other intellectual property laws and various contract rights to protect our proprietary rights. We believe that our intellectual property protected by copyright and trademark protection is less significant than our intellectual property protected by patents.

Item 1A. Risk Factors.
Risks Related to the Merger

The Company will be subject to various uncertainties and contractual restrictions while the merger is pending that could adversely affect its financial results.

Uncertainty about the effect of the merger on employees, suppliers and customers may have an adverse effect on the Company. These uncertainties may impair the Company's ability to attract, retain and motivate key personnel until the merger is completed and for a period of time thereafter, and could cause customers, suppliers and others that deal with the Company to seek to change existing business relationships with the Company. Employee retention and recruitment may be particularly challenging prior to completion of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

The pursuit of the merger and the preparation for the integration may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect the Company's financial results.

In addition, the merger agreement restricts the Company from making certain acquisitions and dispositions and taking other specified actions while the merger is pending without Westport Innovations Inc.'s ("Westport") consent. These restrictions may prevent the Company from pursuing attractive business opportunities and making other changes to their respective businesses prior to completion of the merger or termination of the merger agreement.

Failure to complete the merger could negatively affect the Company's stock price, its future business and financial results.

If the merger is not completed, the Company's ongoing businesses may be adversely affected and the Company will be subject to several risks and consequences, including the following:

- under the merger agreement, the Company may be required, under certain circumstances, to pay Westport a termination fee of USD $5.5 million as well as reasonable and documented expenses;
- the Company will be required to pay the costs and expenses it incurred related to the merger, whether or not the merger is completed, such as the fees and expenses of its legal, accounting and financial advisors, including in connection with certain due diligence investigations related thereto. In addition, the fees and expenses related to the printing and filing of the proxy statement/prospectus will be shared by the Company and Westport, other than attorneys' and accountants' fees;
- the Company would not realize the expected benefits of the merger;
- under the merger agreement, the Company is subject to certain restrictions on the conduct of its business prior to completing the merger, which may adversely affect its ability to execute certain of its business strategies;
- matters relating to the merger may require substantial commitments of time and resources by the Company's management, which could otherwise have been devoted to other opportunities that may have been beneficial to the Company as an independent company; and

- the Company may lose key employees during the period in which the Company and Westport are pursuing the merger, which may adversely affect the Company in the future if it is not able to hire and retain qualified personnel to replace departing employees.

In addition, if the merger is not completed, the Company may experience negative reactions from the financial markets and from its customers and employees. The Company also could be subject to litigation related to any failure to complete the merger or to enforcement proceedings commenced against the Company to attempt to force it to perform their respective obligations under the merger agreement.

Risks Related to our Business

An expansion of OEM offering of gaseous fuel vehicles employing internally developed OEM technology would likely result in a decrease in our revenue and profit margins.

We derive a substantial portion of our revenue from the sale of gaseous fuel systems and components to automobile OEMs. An expansion in the offering of OEM gaseous fuel vehicles employing internally developed OEM technology could reduce demand for our systems and components and would likely have a negative impact on our revenue and profits.

We currently face, and will continue to face, significant competition, which could materially and adversely affect us.

We currently compete with companies that manufacture products to convert liquid-fueled internal combustion engines to gaseous fuels. Our competitors in the future may have greater name recognition, larger customer bases, broader global reach and a wider array of product lines, as well as greater financial resources and access to capital than we have. We are also subject to competition from other alternative fuels and alternative fuel technologies, including ethanol, electric and hybrid electric and fuel cells, and we cannot assure you that such technologies will not be favored over gaseous fuel technologies in the future. We also cannot assure you that our competitors will not create new and improved innovative gaseous fuel technologies. Increases in the market for alternative fuel vehicles may cause automobile or engine manufacturers to develop and produce their own fuel conversion or fuel management equipment rather than purchasing the equipment from suppliers such as us or to employ competing technologies. Further, greater acceptance of alternative fuel engines may result in new competitors. Should any of these events occur, either alone or in combination, the total potential demand for, and pricing of, our products could be negatively affected and cause us to lose business, which could materially and adversely affect us.

Fluctuation in oil or natural gas prices (including LPG) may result in a decline in the demand for our products and services, which would materially and adversely affect our revenue, operating results and cash flows.

We believe that our sales are favorably impacted by changes in consumer demand prompted by rising oil prices and concern over potential increases in oil prices. Conversely, when oil prices decrease and remain low or continue to decrease, it may result in a decline of the demand for our products and services. In addition, volatility in the price of natural gas may have an equal though opposite impact on the demand for our products and services. The potential decline in the demand for our products and services caused by these price fluctuations could materially and adversely affect our revenue, operating results and cash flows.

We maintain a significant investment in inventory and have made significant investments in the expansion of our operations to meet demand for our product without long-term contracts with customers. A decline in our customers' purchases would lead to a decline in our revenue and could result in a decrease in our operating results and cash flows.

We do not have long-term contracts with our customers. Generally, our product sales are made on a purchase order basis, which allows our customers to reduce or discontinue their purchases from us. Accordingly, we cannot predict the timing, frequency or size of our future customer orders. Our ability to accurately forecast our sales is further complicated by the continuing global economic and financial uncertainty. Our total inventory at December 31, 2015 was $62.7 million, a decrease of $17.3 million compared to our total inventory at December 31, 2014. If we fail to anticipate the changing needs of our customers and accurately forecast our customer demands, our existing and potential customers may not place orders with us, which would decrease our revenue, and we may accumulate significant inventories of products that we will be unable to sell which may result in a significant decline in the value of our inventory. As a result, our revenue, gross profit and other operating results and cash flows may be materially and adversely affected.

We may continue to make significant investments in our business without any guarantees or long-term commitments from our customers that they will continue to purchase our components and systems with the same timing, frequency and size as we expect. As a result, if there is insufficient demand for our components and systems, we may not recover the costs of any increased investment in our operations, which could have a material, adverse effect on our financial position, liquidity and results of operations.

Reduced consumer or corporate spending due to weakness in the financial markets and uncertainties in the economy, domestically and internationally, may materially and adversely affect our revenue, operating results and cash flows.

We depend on demand from the consumer, OEM, contract manufacturing, industrial, automotive and other markets we serve for the end market applications that use our products and services. All of these markets have been, and may continue to be, affected by the instability in global financial markets. Reductions in consumer or corporate demand for our products and services as a result of uncertain conditions in the macroeconomic environment, such as volatile energy prices, inflation, fluctuations in interest rates, difficulty securing credit, extreme volatility in security prices, diminished liquidity, or other economic factors, may materially and adversely affect our revenue, operating results and cash flows.

Weak economic conditions, such as those being experienced in Europe and South America, may materially impact our customers and suppliers with which we do business. Economic and financial market conditions that adversely affect our customers may cause them to terminate existing purchase orders, reduce the volume of products they purchase from us in the future or seek price concessions. In connection with the sale of products, we normally do not require collateral as security for customer receivables and do not purchase credit insurance. We may have significant balances owing from customers who operate in cyclical industries or who may not be able to secure sufficient credit in order to honor their obligations to us. Failure to collect a significant portion of amounts due on those receivables could have a material adverse effect on our results of operations, liquidity and financial condition.

Adverse economic and financial market conditions may also cause our suppliers to be unable to provide materials and components to us or may cause suppliers to make changes in the credit terms they extend to us, such as shortening the required payment period for our amounts owing them or reducing the maximum amount of trade credit available to us. While we have not yet experienced changes of this type, they could have a material adverse effect on our results of operations, liquidity and financial condition. If we are unable to successfully anticipate changing economic and financial markets conditions, we may be unable to effectively plan for, and respond to, those changes, and we could be materially and adversely affected.

Currency exchange rate fluctuations may adversely affect our operating results and cash flows and may have a material adverse effect on our revenue and overall financial results.

Because of our significant operations outside of the United States, we engage in business relationships and transactions that involve many different currencies. Exchange rates between the U.S. dollar and the local currencies in these foreign locations where we do business can vary unpredictably. These variations may have an effect on the prices we pay for key materials and services from overseas vendors in our functional currencies under agreements that are priced in local currencies. If the rate of the U.S. dollar depreciates against local currencies, our effective costs for such materials and services would increase, adversely affecting our operating results and cash flows.

For the year ended December 31, 2015, non-U.S. operations accounted for approximately 83.6% of our revenue. Most revenues and expenses of our non-U.S. operations are in local currency. Our financial statements are presented in U.S. dollars, therefore, gains and losses on the conversion of foreign currency denominated expenses into U.S. dollars could cause fluctuations in our operating results, and fluctuating exchange rates could cause significantly reduced revenue and gross margins from non-U.S. dollar-denominated revenue, which could materially and adversely affect our overall financial results.

Also, for the year ended December 31, 2015, Euro and Argentina peso denominated revenues accounted for approximately 55.6% and 10.8%, respectively, of our total revenue; therefore a substantial appreciation in the rate of exchange of the U.S. dollar against the Euro and the Argentina peso could have a significant adverse effect on our financial results.

We currently do not engage in financial hedging against these risks and may not be able to hedge against these risks in the future.

We engage in related party transactions, which result in a conflict of interest involving our management.

We have engaged in the past, and continue to engage, in a significant number of related party transactions, specifically between the Company's foreign subsidiaries and members of the family of Mariano Costamagna, our Chief Executive Officer, Director and one of our largest stockholders, his brother Pier Antonio Costamagna (one of our former executive officers who retired, effective February 5, 2014, as General Manager of MTM, S.r.L. ("MTM"), a wholly owned subsidiary of the Company), and companies in which our Chief Executive Officer's family has controlling or

other ownership interests. Our Board of Directors ("Board"), its Audit Committee and its Nominating and Corporate Governance Committee seek to review on an ongoing basis related party transactions as well as identify and evaluate new potential related party transactions to properly account for, disclose and maintain control over these transactions. We cannot assure you that the terms of the transactions with these various related parties are on terms as favorable to us as those that could have been obtained in arm's-length transactions with third parties, or that the existing policies and procedures are sufficient to identify and completely address all related party transactions and conflicts of interest that may arise. Related party transactions could result in related parties receiving more favorable treatment than an unaffiliated third party would receive, although these parties may provide goods or services that are not readily available elsewhere in some situations. In addition, related party transactions present difficult conflicts of interest, could result in significant and minor disadvantages to our company and may impair investor confidence, which could materially and adversely affect us. Related party transactions could also cause us to become materially dependent on related parties in the ongoing conduct of our business, and related parties may be motivated by personal interests to pursue courses of action that are not necessarily in the best interests of our company and our stockholders.

We face risks associated with marketing, distributing, and servicing our products internationally and could be adversely affected if we are unable to grow our business in developing and emerging markets or as a result of political and economic instability or civil unrest in these markets.

In addition to our operations in the United States, we currently operate in Canada, Italy, the Netherlands, Japan, and Argentina, and market our products and technologies in other international markets, including both industrialized and developing countries. During the years ended December 31, 2015, 2014, and 2013 approximately 30.6%, 27.2%, and 29.7% of our revenue, respectively, was derived from sales to customers located within the United States and Canada. During the years ended December 31, 2015, 2014, and 2013 approximately 69.4%, 72.8%, and 70.3% of our revenue, respectively, was derived from sales to customers located in Asia-Pacific, Europe, and Latin America. Additionally, at December 31, 2015, approximately 83.4% of our employees and 59.2% of our distributors and dealers worldwide were located outside the United States. Political and economic instability or civil unrest in the markets where we operate, including Venezuela, could have a material adverse impact on our sales.

Our combined international operations are subject to various risks common to international activities, such as the following:

- our ability to maintain good relations with our overseas employees, suppliers, distributors and customers to collect amounts owed from our overseas customers;
- the possibility that our distributors and agents will continue to sell products into countries subject to United States sanctions notwithstanding our policies prohibiting such sales;
- expenses and administrative difficulties associated with maintaining a significant labor force outside the United States, including, without limitation, the need to comply with employment and tax laws and to adhere to the terms of real property leases and other financing arrangements in foreign nations;
- exposure to currency fluctuations;
- potential difficulties in enforcing contractual obligations and intellectual property rights;
- complying with a wide variety of laws and regulations, including product certification, environmental, and import and export laws;
- the challenges of operating in disparate geographies and cultures;
- political and economic instability;
- adverse tax consequences, including, without limitation, restrictions on our ability to repatriate dividends from our subsidiaries; and
- Government authorities in some countries that may from time to time use fuel price as an instrument of fiscal policy and taxation that may vary for different types of fuels, including gaseous fuels.

From time to time, we restructure our manufacturing capacity, and we may have difficulty managing these changes.

From time to time, we engage in a number of manufacturing expansion and contraction projects, based on the then-current and forecasted needs of our business. In addition, from time to time, we engage in international restructuring efforts in order to better align our business functions with our international operations and transition to other lower cost locations in continuation of our cost reduction efforts. These efforts can require significant investment by us, and have in the past and could continue to result in increased expenses, inefficiencies and reduced gross margins.

Our management team may have difficulty managing our manufacturing capacity and transition projects or otherwise managing any growth or downsizing in our business that we may experience. Risks associated with right-sizing our manufacturing capacity may include those related to:

- managing multiple, concurrent capacity expansion or reduction projects;
- managing the reduction of employee headcount for facilities where we reduce or cease our activities;

- accurately predicting any increases or decreases in demand for our products and managing our manufacturing capacity appropriately;
- under-utilized capacity, particularly during the start-up phase of a new manufacturing facility and the effects on our gross margin of under-utilization;
- managing increased employment costs and scrap rates often associated with periods of growth or contraction;

- implementing, integrating and improving operational and financial systems, procedures and controls, including our computer systems;
- construction delays, equipment delays or shortages, labor shortages and disputes and production start-up problems; and
- cost overruns and charges related to our expansion or contraction of activities.

Our management team may not be effective in restructuring our manufacturing facilities, and our systems, procedures and controls may not be adequate to support such changes in manufacturing capacity. Any inability to manage changes in our manufacturing capacity may harm our profitability and growth.

New technologies may render our existing products obsolete, which could materially and adversely affect us.

New developments in technology may negatively affect the development or sale of some or all of our products or make our products obsolete. Our inability to enhance existing products in a timely manner or to develop and introduce new products that incorporate new technologies, conform to increasingly stringent emission standards and performance requirements, and achieve market acceptance in a timely manner could negatively impact our competitive position and may materially and adversely affect us. New product development or modification is costly, involves significant research, development, time and expense and may not necessarily result in the successful commercialization of any new products.

The development of our business is dependent on the availability of gaseous fueling infrastructure

Many countries, including the United States, currently have limited or no infrastructure to deliver natural gas and propane to vehicle based consumers. Currently in the United States, alternative fuels such as natural gas cannot be readily obtained by consumers for motor vehicle use and only a small percentage of motor vehicles manufactured for the United States are equipped to use alternative fuels. Users of gaseous fuel vehicles may not be able to obtain fuel conveniently and affordably, which may adversely affect the demand for our products and services. We cannot assure you that the United States or global market for gaseous fuel engines will expand broadly or, if it does, that it will result in increased sales of our fuel system products.

The unpredictable nature of the developing alternative fuel U.S. automotive business may materially and adversely affect our revenue, operating results and cash flows.

Although we believe that we are positioned to compete in the dedicated and bi-fuel natural gas vehicle (NGV) OEM market emerging in the U.S. and our vehicle modification and systems integration capabilities for a variety of alternative fuel applications (including CNG and propane) present us with a unique advantage, the unpredictable nature of the developing alternative fuel U.S. automotive business may materially and adversely affect our revenue, operating results and cash flows as well as the recoverability of our initial investments. Our U.S. automotive business, through acquisitions and additional investments, has the capabilities necessary to be a leader in the U.S. market but we cannot assure you that this market will continue to develop, at what rate it will develop or whether our investments in this market will result in increased sales for us or be profitable.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar foreign anti-bribery laws.

The U.S. Foreign Corrupt Practices Act (“FCPA”) and similar anti-bribery laws in other jurisdictions prohibit companies and their intermediaries and agents from making improper payments to foreign officials, including employees of government owned businesses, as well as private organizations, for the purpose of obtaining or retaining business. During the last few years, the United States Department of Justice and the SEC have brought an increasing number of FCPA enforcement cases, many resulting in very large fines and deferred criminal prosecutions. We operate in many

countries which are viewed as high risk for FCPA compliance. Our Code of Conduct mandates compliance with the FCPA and other similar anti-bribery laws and we have recently instituted training programs for our employees around the world. Despite our training programs and compliance policies, there can be no assurance that all employees and third-party intermediaries (including our distributors and agents) will comply with anti-corruption laws. Any such violation could have a material adverse effect on our business. As part of our anti-bribery policies, in the event that we have reason to believe that our employees, agents, distributors or other third parties that transact the Company's business have or may have violated applicable anti-corruption laws, including the FCPA, we may investigate or have outside counsel or agents investigate the relevant facts and circumstances. We have incurred and in the future may incur additional compliance costs associated with the implementation of our FCPA compliance policies and training programs, which could have a material impact on our business.

In any acquisition or joint venture that we engage in, we expose ourselves to the possibility that the employees and agents of such businesses may not have conducted themselves in compliance with the anti-corruption laws of the FCPA. In response to increasing FCPA enforcement actions in the United States, we have sought and continue to seek to impose contractual provisions and undertake cost appropriate due diligence. We cannot provide assurance that we will always be protected from the consequences of acts which may have violated the FCPA.

Violations of the FCPA may result in significant civil and criminal fines, as well as criminal convictions. Violations of the FCPA and other foreign anti-bribery laws, or allegations of such violations, could disrupt our business and cause us to suffer civil and criminal financial penalties and other sanctions, which are likely to have a material adverse impact on our business, financial condition, and results of operations.

We are subject to governmental certification requirements and other regulations, and more stringent regulations in the future may impair our ability to market our products.

We must obtain product certification from governmental agencies, such as the Environmental Protection Agency and the California Air Resources Board, to sell certain of our products in the United States and must obtain other product certification requirements in Europe and other regions. A significant portion of our future revenue will depend upon sales of fuel management products that are certified to meet existing and future air quality and energy standards. We cannot assure you that our products will meet these standards in the future. We incur significant research and developments costs to ensure that our products comply with emissions standards and meet certification requirements in the countries where our products are sold. Our failure to comply with certification requirements could result in the recall of our products as well as civil and/or criminal penalties.

Any new government regulation that affects our alternative fuel technologies, whether at the foreign, federal, state, or local level, including any regulations relating to installation and service of these systems, may increase our costs and the price of our systems and adversely affect the effectiveness of the related technologies. As a result, these regulations could materially and adversely affect us.

Our business is directly and significantly affected by regulations relating to reducing vehicle emissions. If current regulations are repealed or if the implementation of current regulations is suspended or delayed, our revenue, operating results and cash flows may decrease significantly.

If regulations relating to vehicle emissions are amended in a manner that may allow for more lenient standards, or if the implementation of such currently existing standards is delayed or suspended, the demand for our products and services could diminish, and our revenue, operating results and cash flows could decrease significantly. In addition, demand for our products and services may be adversely affected by the perception that emission regulations will be suspended or delayed. Accordingly, we rely on stricter emissions regulations, the adoption of which are out of our control and cannot be assured, to stimulate our growth.

Regulations related to “conflict minerals” may force us to incur additional expenses, may make our supply chain more complex and may result in damage to our reputation with customers.

On August 22, 2012, under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the SEC adopted requirements for companies that use certain minerals and metals, known as conflict minerals, in their products, whether or not these products are manufactured by third parties. These requirements require companies to perform due diligence, disclose and report whether or not such minerals originate from the Democratic Republic of Congo and adjoining countries. The implementation of these requirements could adversely affect the sourcing, availability and pricing of minerals used in the manufacture of our products. In addition, we may incur additional costs to comply with the disclosure requirements, including costs related to determining the source of any of the

relevant minerals and metals used in our products. Since our supply chain is complex, we may not be able to sufficiently verify the origins for these minerals and metals used in our products through the due diligence procedures that we implement, which may harm our reputation. In addition, we may incur additional costs as a result of changes to product, processes or sources of supply as a consequence of these new requirements.

The “conflict mineral” disclosure obligations are complex. These reports are dependent upon our implemented systems and processes as well as information provided by our suppliers of products that contain, or potentially contain, conflict minerals. To the extent that the information that we receive from our suppliers is inaccurate or inadequate, or if our implemented systems and processes to obtain that information does not fulfill the SEC’s requirements, we could face both reputational and SEC enforcement risks.

Some of our foreign subsidiaries have done business in countries subject to U.S. sanctions and embargoes.

Some of our foreign subsidiaries in the past have sold fuel delivery systems, related parts and accessories to customers in countries currently subject to sanctions and embargoes imposed by the U.S. government, the E.U., the United Nations, and other countries when we did not believe such sales violated these sanctions or embargoes. We may sell products into countries currently subject to sanctions or embargoes if we believe those sales would not violate the sanctions or embargos and the changing embargo regimes with respect to such countries do not present inappropriate business risks. However, the sanctions are complex and are constantly changing. Changing embargo and sanction regimes can make unlawful activities which were previously lawful. We may decide not to sell into countries because of the risk of changing regimes. We believe we have procedures in place to conduct U.S. and foreign operations without violating U.S., E.U., or other sanctions. However, if we fail to comply with U.S. sanctions, EU sanctions or other sanctions, we could be subject to material fines and penalties and incur damage to our reputation, which may lead to a reduction in the market price of our common stock.

In addition, our foreign subsidiaries' sales into such countries, even if they did not violate the sanctions and embargos, could reduce demand for our common stock among certain of our investors.

We have intangible assets that may become impaired, which could impact our results of operations.

Approximately $2.7 million, or 1.2%, of our total assets at December 31, 2015 were net intangible assets, including technology, customer relationships and trade name. We amortize the intangible assets, based on our estimate of their remaining useful lives and their values at the time of acquisition. We are required to test the intangible assets with definite useful lives for impairment whenever events or changes in circumstances indicate that the carrying amounts of the intangible assets may not be recoverable. If impairment exists in any of these assets, we are required to write-down the related asset to its estimated recoverable value as of the measurement date. Such impairment write-downs may significantly impact our results of operations and financial position. For the year ended December 31, 2015, we recognized an impairment charge of approximately $2.3 million representing write-off of intangible assets associated with two of our reporting units. For the year ended December 31, 2014, we recognized an impairment charge of approximately $1.7 million representing write-off of intangible assets associated with two of our reporting units.

We may not be able to successfully integrate our previously acquired businesses or any future acquired businesses into our existing worldwide business without substantial expenses, delays or other operational or financial problems.

As a part of our business strategy, we may seek to acquire additional businesses, technologies or products in the future. We cannot assure you that any prior acquisition or any future transaction we complete will result in long-term benefits to us or our stockholders or that our management will be able to integrate or manage the acquired business effectively, efficiently and in a timely manner. We could also incur unanticipated expenses or losses in connection with any acquisition, including as a result of disputes associated with an earn-out right, or future transaction.

Acquisitions entail numerous risks, including difficulties associated with the integration of operations, technologies, products and personnel that, if realized, could harm our operating results. Risks related to potential acquisitions include, but are not limited to:

- difficulties in combining previously separate businesses into a single unit;
- inability to overcome differences in foreign business practices, accounting practices, customs and importation regulations, language and other barriers in connection with the acquisition of foreign companies;
- substantial diversion of management's time and attention from day-to-day business when evaluating and negotiating such transactions and then integrating an acquired business;

- discovery, after completion of the acquisition, of liabilities assumed from the acquired business or of assets acquired;
- costs and delays in implementing, and the potential difficulty in maintaining, uniform standards, controls, procedures and policies, including the integration of different information systems;
- the presence or absence of adequate internal controls and/or significant fraud in the financial systems of acquired companies; and
- failure to achieve anticipated benefits, such as cost savings and revenue enhancements.

The protection of our intellectual property may be costly and ineffective. If we are not able to adequately secure or enforce protection of our intellectual property, then we may not be able to compete effectively and we may not be profitable.

Our future success depends in part on our ability to protect our intellectual property. We rely primarily on patent and trade secret laws to protect our intellectual property. We currently have numerous patents registered in countries located in North America, Europe, and Asia. We also rely on a combination of trademark, trade secret and other intellectual property laws and various contract rights to protect our proprietary rights. However, we cannot be sure that these intellectual property rights provide sufficient protection from competition. Third parties may claim that our products and systems infringe their patents or other intellectual property rights. Third party infringement claims, regardless of their outcome, would not only consume our financial resources, but also would divert the time and effort of our management and could result in our customers or potential customers deferring or limiting their purchase or use of the affected products or services until resolution of the litigation. If a competitor were to challenge our patents, or assert that our products or processes infringe its patent or other intellectual property rights, we could incur substantial litigation costs, be forced to design around their patents, pay substantial damages or even be forced to cease our operations, any of which could be expensive and have an adverse effect on our operating results.

We depend on a limited number of third party suppliers for key materials and components for our products.

We have established relationships with third party suppliers that provide materials and components for our products. A supplier's failure to supply materials or components in a timely manner or to supply materials and components that meet our quality, quantity or cost requirements, combined with a delay in our ability to obtain substitute sources for these materials and components in a timely manner or on terms acceptable to us, would harm our ability to manufacture our products effectively, or would significantly increase our production costs, either of which could materially and adversely affect us. In addition, we rely on a limited number of suppliers for certain proprietary die cast parts, electronics, software, catalysts and engines for use in our end products. Approximately 29.1%, 23.0%, and 26.7% of our purchases of raw materials and services during the years ended December 31, 2015, 2014, and 2013, respectively, were supplied by ten entities. During 2015, 2014, and 2013, no suppliers represented more than 10.0% of our purchases of raw materials and services.

Class action litigation due to stock price volatility or other factors could cause us to incur substantial costs and divert our management's time and attention.

From January 1, 2015 through December 31, 2015, our stock price fluctuated from a low of $3.81 to a high of $11.64. From January 1, 2014 through December 31, 2014, our stock price fluctuated from a low of $8.00 to a high of $14.20. From January 1, 2013 through December 31, 2013, our stock price fluctuated from a low of $12.25 to a high of $21.44. In the past, securities class action litigation often has been brought against a company following periods of volatility in the market price of its securities. Any securities litigation could result in substantial costs and could divert the time and attention of our management.

Our actual operating results may differ materially from our guidance.

From time to time, we release guidance in our quarterly earnings releases, quarterly earnings conference calls or otherwise, regarding our future performance that represent our management's estimates as of the date of release. This guidance, which includes forward-looking statements, is based on projections prepared by our management. These projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our registered public accountants nor any other independent expert or outside party compiles or examines the projections and, accordingly, no such person expresses any opinion or any other form of assurance with respect thereto.

Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. The principal reason that we release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such persons.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions and estimates inherent in the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results will vary from our guidance and the variations may be material. In light of the foregoing, investors are urged not to rely upon, or otherwise consider, our guidance in making an investment decision in respect of our common stock.

We may have security breaches of our information technology infrastructure and systems

Our information technology infrastructure and systems may be vulnerable to cyber-terrorism, computer viruses, system failures and other intentional or unintentional interference, negligence, fraud and other unauthorized attempts to access or interfere with these systems and proprietary information. Although we believe we have implemented and maintain reasonable security controls over proprietary information as well as information of our customers, stockholders and employees, a breach of these security controls may have a material adverse effect on our business, financial condition and results of operations and could subject us to significant regulatory actions and fines, litigation, loss, third-party damages and other liabilities.

Item 1B. Unresolved Staff Comments.
None.

Item 2. Properties.
Facilities

Our executive offices are located in New York, New York. We currently lease additional manufacturing, research and development and general office facilities, under leases expiring through 2020, in the following locations set forth below:

Location	Principal Uses	Square Footage
FSS Industrial Operations:		
Ontario, Canada	Sales, marketing application, development and assembly, manufacturing	110,000
Santa Ana, California	Sales, manufacturing, design, and development	108,000
Delfgauw, Holland	Sales, marketing application, development and assembly	20,000
Calgary, Canada	Sales, marketing application, development and assembly	11,000
FSS Automotive Operations:		
Cherasco, Italy	Sales, marketing application, development and assembly, manufacturing	644,000
Beccar, Argentina	Sales, marketing and assembly, manufacturing	129,000
Sterling Heights, Michigan	Sales, marketing application, development and assembly	83,000
Union City, Indiana	Sales, marketing application and assembly	75,000
Changodar (Ahmedabad), India	Sales and assembly	85,000
Cesena, Italy	Sales, marketing application, development and assembly	11,000
Badia, Italy	Sales and assembly	8,000
Total		1,284,000

We also lease nominal amounts of office space in various countries. We believe our facilities are presently adequate for our current core product manufacturing operations and OEM development programs and production.

Item 3. Legal Proceedings.
From time to time, we may be involved in litigation relating to claims arising out of the ordinary course of our business including, but not limited to, product liability, asbestos related liability, employment matters, patent and

trademarks, and customer account collections. We are not a party to, and, to our knowledge, there are not threats of any claims or actions against us, the ultimate disposition of which would have a material adverse effect on our consolidated results of operations or liquidity. We are aware of four putative stockholder class actions that have been filed since the announcement of the merger with Westport which challenge the proposed merger. We believe that the claims are without merit and intend to defend the actions vigorously.

Item 4. Mine Safety Disclosures
Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is traded on the NASDAQ Stock Market under the symbol "FSYS." As of March 7, 2016, there were approximately 224 holders of record of our common stock. The closing price of our common stock as reported on the Nasdaq Stock Market was $ 5.88.

The high and low per share prices of our common stock as reported on the Nasdaq Stock Market were as follows:

	High	Low
Year Ended December 31, 2015		
First Quarter	$11.64	$9.47
Second Quarter	$11.57	$7.20
Third Quarter	$7.73	$4.80
Fourth Quarter	$7.64	$3.81
Year Ended December 31, 2014		
First Quarter	$14.20	$10.02
Second Quarter	$11.48	$9.25
Third Quarter	$11.40	$8.70
Fourth Quarter	$11.88	$8.00

The chart below provides a comparison of the cumulative total stockholder return on our common stock with that of a broad equity market index and either a published industry index or a peer group index.

The chart below compares the cumulative total stockholder return on our common stock since December 31, 2011 measured at the end of each fiscal year with the cumulative total return of the Nasdaq Composite Index and the Nasdaq Transportation Index over the same period (assuming the investment of $100 and reinvestment of all dividends).

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Fuel Systems	$ 100.00	$ 88.17	$ 84.11	$ 66.34	$ 29.65