

***Approved by Board of Directors: December 10, 2021*****Purpose**

Ballard's Corporate Governance Policies (the "Policies") are designed to ensure the independence of the Board and its ability to effectively supervise management's operation of the Corporation. Ballard is committed to establishing and maintaining best corporate governance practices and to make such practices publicly available. The Policies are reviewed on an annual basis in the context of changing regulation and emerging best practices with a view to enhancing Ballard's governance.

In these Policies, "Ballard" or the "Corporation" means Ballard Power Systems Inc.

**Board Composition**

The Board has the authority under Ballard's Articles of Incorporation to fix the number of directors, subject to a minimum of 3 directors while Ballard is a public company. A majority of directors must be independent. Candidates for the Board are selected by the People, Corporate Governance & Compensation Committee (the "PCGCC"), and recommended to the Board for approval, in accordance with guidelines approved by the Board, taking into consideration the overall composition and diversity of the Board and the areas of expertise that new Board members can offer.

A director is considered an independent director if he or she meets the criteria of an "independent" director as established by the TSX and NASDAQ and by any applicable rules or regulations including the Sarbanes-Oxley Act of 2002 and the CSA National Instrument 58-101 *Disclosure of Corporate Governance*.

**Director Appointment****Board Recruitment – Qualifications and Considerations**

The Board believes that its membership should be composed of highly qualified directors who demonstrate integrity and suitability for overseeing management. The PCGCC and the Board have determined that the criteria to be considered when selecting directors and recommending their election by the shareholders include the following:

- a) Direct experience in leading a business as a CEO or other senior executive
- b) Strategy development experience
- c) Sales/Marketing experience
- d) Finance/Accounting experience & education
- e) Product development experience
- f) Corporate governance experience & education
- g) Early-Stage business commercialization experience
- h) CleanTech sector knowledge
- i) Asian market experience

The Board believes that its membership should be composed of highly qualified directors from diverse backgrounds, who collectively meet these criteria. To this end, the PCGCC will, when identifying candidates to recommend for appointment or election to the Board:

- a) consider only candidates who are highly qualified based on their experience, expertise, perspectives, and personal skills and qualities;
- b) consider diversity criteria including gender, age, ethnicity and geographic background; and
- c) in addition to its own search, as and when appropriate from time to time, engage qualified independent external advisors to conduct a search for candidates who meet the Board's expertise, skills and diversity criteria.

The Board retains the right to amend or defer the tenure provisions of this policy, and/or the candidate profile provisions in extraordinary circumstances, to the benefit of Ballard.

#### Majority Voting in Director Elections

At any meeting of Ballard's shareholders where directors are to be elected, shareholders will be able to either: (a) vote in favor; or (b) withhold their shares from being voted in respect of each nominee separately. If, with respect to any nominee, the total number of shares withheld exceeds the total number of shares voted in favor, then the nominee will immediately submit his or her resignation to the Board to take effect immediately upon acceptance by the Board.

Upon receipt of such conditional resignation, the PCGCC will consider the matter and, as soon as possible, make a recommendation to the full Board of Directors regarding whether or not the resignation should be accepted. In the absence of extraordinary circumstances, the Board expects the Committee will recommend accepting the resignation.

The Board will decide whether or not to accept the tendered resignation and will, not later than 90 days after the shareholders' meeting, issue a press release which either confirms that they have accepted the resignation or provides an explanation for why they have refused to accept it. The director tendering his or her resignation will not participate in any meeting of the PCGCC or Board which considers the resignation.

Subject to any restrictions or requirements contained in applicable corporate law or Ballard's constating documents, the Board may: (a) leave a resulting vacancy unfilled until the next annual meeting; (b) appoint a replacement director whom the Board considers merits the confidence of the shareholders; or (c) call a special meeting of shareholders to elect a director nominee.

This policy does not apply in respect of any contested shareholders' meeting. For purposes hereof, a contested meeting is any meeting of shareholders where the number of nominees for director is greater than the number of directors to be elected. In a contested meeting, directors will instead be elected by a plurality of the votes cast, meaning that the nominees receiving the most votes in favor will be elected.

#### Tenure and Term Limits

Directors are elected yearly at Ballard's annual shareholders' meeting and serve on the board until the following annual shareholders' meeting, at which time they either stand for re-election or leave the board.

A Director is expected to serve on at least one Committee of the Board. The PCGCC and Audit Committee will ensure a rotation of Committee members and Chairs to broaden the experience and skills of each member of the Board, and ensure an appropriate mix of experience and expertise in respect of the various roles of the Board and its committees.

A Director may only serve on the Board for a maximum of 15 consecutive years. The Board will conduct annual performance assessments of each individual Board Director, and individual performance will be the primary indicator of tenure.

The provisions with respect to tenure will not apply to the President & Chief Executive Officer in his/her role as a Board member.

## **Director Responsibilities**

### Responsibilities of the Board

The responsibilities of the board of directors are detailed in the board mandate. These responsibilities include selection of management, corporate strategy, fiscal management and reporting, legal and statutory compliance, risk management, external communications, and evaluation of performance. In addition, the board has also committed to conducting a formal evaluation and review of its performance each year.

### Responsibilities of individual directors

In addition to the terms of reference for the board, the board has established terms of reference for individual directors which set out their individual responsibilities and duties. These terms of reference serve as a code of conduct with which each director is expected to comply, and address matters such as conflicts of interest, acting in the best interests of the Corporation, the level of availability which is expected of board members, requirements for maximizing the effectiveness of board and committee meetings, and considerations directors are to keep in mind in order to be able to make effective and informed decisions.

### Boards of other organizations

Directors are expected to limit their service on boards of other organizations in order to ensure they are an available resource to management and the rest of the board. Without specific approval from the Board:

- no director may serve on more than five public company boards, including the Corporation's Board; and
- directors who are CEOs (or hold similar positions) may serve on no more than 2 public company boards, in addition to his/her own company.

In calculating service on public company boards, service on a board of a company affiliated with the director's employer will not be included. Any director's service on more than five public company boards, or the service on more than two additional public company boards for directors who are CEOs, will be subject to review by the PCGCC and the Board's determination that the director is able to effectively serve on the Corporation's Board. The PCGCC will take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and making its recommendations to the Board for approval. Service on boards of other organizations should be consistent with the Corporation's conflict of interest policies.

### Responsibilities of the Chair of the Board

The Chair of the Board must be an independent director, and he or she is appointed annually by the board of directors following the annual shareholders' meeting. The specific responsibilities of the Chair are contained in a set of terms of reference.

### Board Committees

The responsibilities of each committee of the board are contained in committee mandates which are established by the board and reviewed at least once a year. Each committee's mandate sets out the specific duties of the committee and the matters delegated to the committee for decision or for consideration and recommendation back to the board. The mandate of each committee is posted on Ballard's website. There are currently two standing committees of the board the Audit Committee and the Corporate Governance & Compensation Committee. Directors who are appointed by shareholders pursuant to agreements with the Corporation are not eligible to serve on board committees.

The Audit Committee and the PCGCC are comprised solely of independent directors. Certain responsibilities which have a corporate governance aspect have been delegated to the Audit Committee. Related party transactions are approved by the Audit Committee, other than in cases where the board has delegated review to a special committee. The Audit Committee is also tasked with ensuring a method for the anonymous receipt, retention and treatment of complaints received by the Corporation relating to accounting and auditing matters. Under the Corporation's Corporate Watch Policy, various methods are provided for submissions of complaints, including an anonymous toll free phone number and website. Messages are retrieved by a designated person within the Corporation and any submissions received relating to accounting or auditing matters are forwarded directly to the Audit Committee for further action.

Each of the committee chairs reports on the activities of the committee to the full board following the committee meetings.

### **Director Compensation**

Directors are compensated through cash, common shares in the capital of Ballard, deferred share units redeemable for common shares in the capital of Ballard or any combination thereof. Ballard does not grant options to directors. The level of director compensation is reviewed annually by the PCGCC, which may engage the services of external compensation consultants to assist in the review.

Remuneration for directors effective January 1, 2021, is paid in Canadian dollars as follows:

	<b>Cash</b>	<b>DSUs</b>	<b>Total</b>
Annual Retainer (Non-Executive Chair of the Board)	<b>\$75,000</b>	<b>\$100,000</b>	<b>\$175,000</b>
Annual Retainer (Director)	<b>\$55,000</b>	<b>\$75,000</b>	<b>\$130,000</b>
Annual Retainer (Audit Committee & PCGCC Chairs)	<b>\$8,400</b>	<b>\$11,600</b>	<b>\$20,000</b>
Annual Retainer (Commercial Committee Chair)	<b>\$3,150</b>	<b>\$4,350</b>	<b>\$7,500</b>

Directors may annually elect to receive all of their remuneration in DSUs, at their discretion.

No additional meeting fees are payable for board or standing committee meetings. Compensation for participation in special committees will be determined by the board on a case-by-case basis, taking into account the expected scope of the special committee in question.

If a meeting or group of meetings is held on a continent other than the continent on which an independent director is resident, that person will receive an additional fee of \$2,250, in recognition of the additional time required to travel to and from the meeting or meetings.

Management directors, and directors who are appointed by shareholders pursuant to agreements with the Corporation, are not compensated by the Corporation for their service as directors, but will be entitled to reimbursement for travel and other reasonable expenses incurred in connection with fulfilling their duties.

### **Share Ownership Requirements**

The board of directors has adopted the following minimum share ownership requirements:

Directors must hold the number of Ballard common shares having a value equivalent to three times the director's annual retainer. Directors may apply DSUs they have received as payment for all or part of their annual retainer towards the minimum share ownership requirements.

The value of shares held by directors will be measured on or about December 31st of each year based on the purchase price actually paid by the director for such shares, or the value of DSUs received by the director when granted, as applicable. Directors have six years from the date that they are first elected to the Board to comply.

Any director who fails to comply with the share ownership requirements may not stand for re-election.

Management directors, and directors who are appointed by shareholders pursuant to agreements with the Corporation, are not subject to these shareholding requirements.

### **Access to Senior Management and External Advisors**

Directors are required to be available to senior management as a resource and to be available for communications with the Chair and the President and Chief Executive Officer between board meetings. Directors are also encouraged to have direct access to senior management and, as necessary, external advisors of the Corporation, in order to remain knowledgeable about Ballard's products and activities and to be fully informed regarding decisions and matters presented to the board for consideration.

### **Director Orientation and Continuing Education**

Each director receives an orientation to Ballard upon joining the board. Such orientation consists of a site visit, presentations regarding the Corporation's business and products, and a reference manual which contains various reference documents and information, including the board mandate, committee mandates, terms of reference for the Chair and individual directors, and certain key corporate policies.

Continuing education is offered by way of ongoing circulation of informative materials aimed at topical subject matters, as well as guest speakers who are invited to speak on various topics.

### **Management Succession and CEO Performance Evaluation**

The PCGCC is tasked with ensuring that there is a succession plan in place for members of Ballard's executive team. The PCGCC also reviews annually the performance of the Chief Executive Officer against job objectives and the compensation of the Chief Executive Officer.

## **Annual Performance Evaluation**

Each year, the board conducts an evaluation and review of its performance during the past year. The evaluation is conducted through a process determined from time to time by the PCGCC which elicits responses from individual directors on a confidential basis regarding the board and individual directors. The process may include the completion of a questionnaire by all of the directors as well as individual director self-evaluations and peer evaluations. The PCGCC presents the summary results to the full board, which then, based on the results of the evaluation, determines appropriate changes to improve board effectiveness.