

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Ballard Power Systems Inc.		2 Issuer's employer identification number (EIN) None	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact 604.453.3749	5 Email address of contact investors@ballard.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 9000 Glenlyon Parkway		7 City, town, or post office, state, and Zip code of contact Burnaby, British Columbia, Canada V5J 5J8	
8 Date of action October 1, 2015		9 Classification and description Common Shares	
10 CUSIP number 058586108	11 Serial number(s) N/A	12 Ticker symbol NASDAQ: BLDP	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On October 1, 2015, a subsidiary of Ballard Power Systems Inc. ("Ballard") merged with Protonex Technology Corporation ("Protonex") with Protonex surviving the merger pursuant to an Agreement and Plan of Merger dated as of June 29, 2015 (the "Acquisition"). The Protonex shareholders exchanged each of their shares of Protonex common stock for approximately 0.1587 Ballard common shares in the Acquisition.**

The Acquisition is described in the Registration Statement of Ballard dated as of July 7, 2015, as amended ("Registration Statement"), which is available at www.sec.gov. A general summary of certain tax considerations applicable to U.S. shareholders of Protonex is set forth in the section of the Registration Statement entitled "The Merger Proposal - Material U.S. Federal Income Tax Consequences" ("U.S. Tax Discussion").

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Ballard believes that the Acquisition should qualify as a tax-deferred reorganization within the meaning of Code Section 368(a). As a result, each Protonex shareholder should generally have a tax basis in the Ballard common shares received in the Acquisition equal to such shareholder's aggregate tax basis in the Protonex shares surrendered.**

Certain Protonex shareholders that fail to file a timely gain recognition agreement with the IRS may recognize a gain under Code Section 367. Shareholders that recognize a gain should have a tax basis in the Ballard common shares received equal to their fair market value at the time of the Acquisition.

Shareholders should review the Registration Statement and the U.S. Tax Discussion and consult with their own tax advisors regarding the U.S. federal income tax consequences of the Acquisition.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **In the event that the Acquisition is taxable, for purposes of calculating fair market value, the fair market value of a Ballard common share on October 1, 2015 is estimated at \$1.23, which was the average of the high and low prices for Ballard common shares on the NASDAQ on October 1, 2015.**

Shareholders should consult with their own tax advisors to determine whether they are required to recognize any gain and what measure of fair market value is appropriate.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► **Ballard believes that the Acquisition should qualify as a reorganization within the meaning of Code Section 368(a). Consequently, the U.S. federal income tax consequences of the Acquisition to Protonex shareholders should be determined under Code Sections 354, 358, 367, 1001, and 1221.**

18 Can any resulting loss be recognized? ► **If the Acquisition qualified as a reorganization within the meaning of Code Section 368(a), then in general, each Protonex shareholder who received Ballard common shares in the Acquisition should not recognize any loss.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► **In general, any gain recognized should be reported by shareholders for the tax year which includes October 1, 2015 (e.g., a calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2015 calendar year).**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ►  Date ► _____

Print your name ► **KERRY HILLIER** Title ► **CORPORATE SECRETARY**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ► Dorsey & Whitney LLP			Firm's EIN ► 41-0223337	PO1568530
	Firm's address ► Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104			Phone no. (206) 903-8812	