

**Title: Terms of Reference for Directors**

***Approved by Board of Directors: February 28, 2018***

**Mandate**

In carrying out his or her responsibilities as a member of the board of directors, each director owes a fiduciary duty to Ballard and must ensure that he or she:

- A) acts honestly and in good faith with a view to the best interests of Ballard; and
- B) exercises the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**Duties and Responsibilities**

**In carrying out his or her mandate as a director, each director must:**

- A) maintain confidentiality of all information which is learned in his or her capacity as a director;
- B) exercise good judgment and act with integrity;
- C) avoid conflicts of interest;
- D) disclose contracts or arrangements in which the director has an interest;
- E) be an available resource to management and the rest of the board;
- F) ensure that Ballard operates according to best practices;
- G) support and encourage legal, ethical and credible business practices;
- H) act and function independently of management; and
- I) be available for communications with the Chairman and/or CEO between meetings;

**To promote the effectiveness of Board and committee meetings, each director must:**

- A) prepare for such meetings by reviewing the materials sent out in advance of the meeting;
- B) attend not less than 75% of their total board and committee meetings during their term, unless an acceptable reason for absences is provided; and attend each meeting whenever possible;
- C) be in attendance for the full duration of the meeting, whenever possible;
- D) have acquired adequate information necessary for decision making;

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- E) participate fully and frankly in deliberations and discussions during the meeting;
- F) encourage free and open discussion of the affairs of Ballard by the board members; and;
- G) question senior management appropriately regarding strategy, operations and results;

**In order to be able to make well-informed decisions, each director must:**

- A) remain knowledgeable about Ballard's products and industry;
- B) develop a thorough understanding of Ballard's role in the industry and the community;
- C) maintain an understanding of the regulatory, business, social and political environments in which Ballard operates;
- D) maintain an understanding of current professional development matters affecting public company boards and the role of corporate directors generally; and
- E) remain knowledgeable about Ballard's facilities and visit them when appropriate.