



March 11, 2024

**IMPORTANT TAX NOTICE TO U.S. SHAREHOLDERS RELATED TO YOUR
INVESTMENT IN
BALLARD POWER SYSTEMS INC.**

Re: Fiscal Year 2023 PFIC status

This statement is provided for shareholders of Ballard Power Systems Inc. (“Ballard”) who are “United States persons” (“U.S. Shareholders”) for purposes of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). It is not relevant to other shareholders.

Ballard is considered to be a “passive foreign investment company” within the meaning of Section 1297(a) of the Code for its taxable year ended December 31, 2023. No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. The determination as to whether any corporation was, or will be, a PFIC for a particular tax year depends, in part, on the application of complex U.S. federal income tax statutes, regulations and the interpretation thereof. In addition, whether any corporation will be a PFIC for any tax year depends on its assets and income over the course of such tax year and, as a result, the PFIC status of Ballard for 2023 and any future year is subject to a complex analysis and therefore cannot be determined with certainty. For U.S. Shareholders, certain significant and potentially adverse United States federal income tax consequences result from this designation. These consequences may be generally mitigated by making a timely and effective election to treat Ballard as a “Qualified Electing Fund” within the meaning of Section 1295 of the Code (a “QEF Election”).

Pursuant to the requirements of Treasury Regulation section 1.1295-1(g)(1), the attached PFIC Annual Information Statement is being made available to U.S. Shareholders who intend to make a QEF Election. The attached PFIC Annual Information Statement contains information to enable you or your own tax advisor to prepare your tax return if you make the QEF Election.

A U.S. Shareholder who makes a QEF Election is required to annually include in income their pro rata share of the ordinary earnings and net capital gains of Ballard. The QEF Election is made by completing and attaching *Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund* (IRS Form 8621) to your timely-filed U.S. federal income tax return, including extensions.

THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST U.S. PERSONS SOLELY TO MAKE A QEF ELECTION AND DOES NOT CONSTITUTE TAX ADVICE. U.S. SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS TO DETERMINE WHETHER THEY ARE ELIGIBLE TO MAKE ANY APPLICABLE ELECTIONS PERTAINING TO THE COMPANY'S STATUS AS A PFIC. ANY DECISION TO MAKE OR NOT MAKE ANY ELECTION THAT MAY BE AVAILABLE WILL DEPEND UPON A U.S. SHAREHOLDER'S PARTICULAR TAX SITUATION AND MAY HAVE SIGNIFICANT AND CONTINUING U.S. TAX CONSEQUENCES. BALLARD DOES NOT PROVIDE TAX, ACCOUNTING OR LEGAL ADVICE TO ITS SHAREHOLDERS AND IS UNABLE TO GIVE ADVICE IN THIS REGARD. ANYTHING CONTAINED IN THIS NOTICE CONCERNING ANY FEDERAL TAX OR OTHER ISSUE IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY PERSON OR ENTITY FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON ANY TAXPAYER.

Further information on PFIC rules and the QEF Election is available from the Internal Revenue Service, including the following webpage: <https://www.irs.gov/forms-pubs/about-form-8621>. Instructions to complete IRS Form 8621 may be accessed at: <https://www.irs.gov/instructions/i8621>.

For further information, U.S. shareholders should consult their own tax advisors and seek additional information at www.irs.gov.

The foregoing statements are qualified in their entirety by the discussion set forth under the heading "Certain U.S. Federal Income Tax Considerations" in the Annual Report of Ballard on Form 40-F filed with the United States Securities and Exchange Commission on March 11, 2024.

Ballard Power Systems Inc. PFIC Annual Information Statement

(1) This PFIC Annual Information Statement applies to the taxable period of Ballard Power Systems Inc. ("Ballard") beginning on January 1, 2023 and ending on December 31, 2023.

(2) Each person who owned or was treated under U.S. Internal Revenue Code Section 1298(a) as owning common shares of Ballard during the tax year ended December 31, 2023, a "Shareholder", has the following pro-rata share of ordinary earnings and net capital gain of Ballard for the taxable year end specified in paragraph (1) above:

Ordinary Earnings:	\$0.00000
Net Capital Gain:	\$0.00000

(3) The amount of cash and fair market value of other property distributed or deemed distributed by Ballard to each Shareholder during the taxable year specified in paragraph (1) is as follows:

Ordinary Earnings:	None
Fair Market Value of Other Property:	None

(4) Ballard will permit each Shareholder to inspect and copy the permanent books of account, records, and such other documents as may be maintained by Ballard that are necessary to establish that Ballard's ordinary earnings and net capital gain are computed in accordance with U.S. income tax principles, and to verify these amounts and the Shareholder's pro-rata share thereof.

BALLARD POWER SYSTEMS INC.

By: 

Printed Name: Paul Dobson

Title: Senior Vice President & Chief Financial Officer

Date: March 11, 2024

The following additional information is supplied to enable the Shareholder to complete IRS Form 8621:
(Please note that a Shareholder may have additional filing disclosures, including but not limited to IRS Forms 926, 5471 and/or 8938, as a result of the Shareholder's investment in the Company. Please consult your tax advisor.)

Address of the Company:	9000 Glenlyon Pkwy, Burnaby Canada
Taxpayer Identification Number of the Company	98-0604356
Country of Incorporation of the Company	Canada
Date of Incorporation	November 12, 2008
Tax Year of the Company	January 1, 2023 to December 31, 2023