State of California AIR RESOURCES BOARD

EXECUTIVE ORDER D-731-1

Relating to Exemptions under Section 27156 of the Vehicle Code

XL Hybrids, Inc.

Pursuant to the authority vested in the Air Resources Board by Sections 27156 of the Vehicle Code; and

Pursuant to the authority vested in the undersigned by Sections 39515 and 39516 of the Health and Safety Code and Executive Order G-14-012;

IT IS ORDERED AND RESOLVED: That installation of the XL3 Hybrid System, manufactured by XL Hybrids, Inc. of 145R Newton Street, Boston, Massachusetts 02135, has been found not to reduce the effectiveness of the applicable vehicle pollution control system, and therefore, the XL3 Hybrid System is exempt from the prohibitions in Section 27156 of the Vehicle code for installation on 2012-2014 model-year General Motor medium duty gasoline-powered vehicles with engines in the following test groups:

Model Year	Test Group	
2012	CGMXT06.0396	
2013	DGMXT06.0396	
2014	EGMXT06.0394	
2014	EGMXT06.0396	

This exemption is based on evaluation of the XL3 Hybrid System under the "Procedures for Exemption of Add-On and Modified Parts" (Procedures), last amended June 1, 1990.

The XL3 Hybrid System includes the following major components:

Component	Part Number	Description
Energy Storage System	ASY-00017	Battery Pack
Motor	ASY-00032	Electric Traction Motor
Controller	ASY-00050	Hybrid Control Module
Inverter	ASY-00031	Inverter

This Executive Order is based on emission testing XL Hybrids, Inc. conducted with the XL3 Hybrid System. The Air Resources Board reserves the right to conduct additional emission tests in the future. If such test results demonstrate that the XL3 Hybrid

System adversely affects emissions, this Executive Order may be rescinded. Further, if such test results or other evidence provides the Air Resources Board with reasons to suspect that the XL3 Hybrid System will affect the durability of the emission control system, XL Hybrids, Inc. shall be required to submit durability data to show that the durability of the vehicle emission control system is not, in fact, affected and/or that the add-on or modified parts demonstrate adequate durability.

XL Hybrids Inc. shall collect On-Board Diagnostic II (OBDII) mode \$09 data upon installation of the Hybrid System and again after approximately 6 months of customer use for at least 5 vehicles to be provided within one year of the first date of sale of the Hybrid System. If the mode \$09 data demonstrate that the XL3 Hybrid System does not comply with the minimum in-use monitor performance rates specified in 13 CCR 1968.2, this Executive Order may be rescinded.

This Executive Order is valid provided that installation instructions for the XL3 Hybrid System do not recommend tuning the vehicles to specifications different from those of the vehicle manufacturer.

Changes made to the design or operating conditions of the XL3 Hybrid System, as exempt by the Air Resources Board, which adversely affect the performance of the vehicle's emission control system, shall invalidate this Executive Order.

Marketing of the XL3 Hybrid System using identification other than that shown in this Executive Order or for an application other than that listed in this Executive Order shall be prohibited unless prior approval is obtained from the Air Resources Board.

Exemption of the XL3 Hybrid System shall not be construed as exemption to sell, offer for sale, or advertise any component of the system as an individual device.

This Executive Order shall not apply to any XL3 Hybrid System advertised, or offered for sale, sold with, or installed on a motor vehicle prior to or concurrent with transfer to an ultimate purchaser.

No claim of any kind, such as "Approved by the Air Resources Board," may be made with respect to the action taken herein in any advertising or other oral or written communication.

In addition to the foregoing, the Air Resources Board reserves the right in the future to review this Executive Order and the exemption provided herein to assure that the exempted add-on or modified part continues to meet the standards and procedures of California code of Regulations, Title 13, Section 2222, et seq.

THIS EXECUTIVE ORDER DOES NOT CONSTITUTE A CERTIFIATION. ACCREDITATION, APPROVAL, OR ANY OTHER TYPE OF ENDORSEMENT BY THE AIR RESOURCES BOAORD OF ANY CLAIMS OF THE APPLICANT CONCERNING ANTI-POLLUTION BENEFITS OR ANY ALLEGED BENEFITS OF XL HYBRIDS, INC.'S XL3 HYBRID SYSTEM.

Violation of any of the above conditions shall be grounds for revocation of this Executive Order. The Executive Order may be revoked only after a ten-day written notice of intention to revoke the Executive Order, in which period the holder of the Executive Order may request in writing a hearing to contest the proposed revocation. If a hearing is requested, it shall be held within ten days of receipt of the request, and the Executive Order may not be revoked until a determination is made after the hearing that grounds for revocation exist.

Executed at El Monte, California this 29 day of August 2014

Annette Hebert, Chief Emissions Compliance, Automotive Regulations and Science Division