



## TERMS AND CONDITIONS SCHEDULE (the "Schedule")

1. **System:** The I-PHI™ system is a compact high performance electrolyzer which is designed to produce a faster and more complete burn of fuel when the vehicle engine in which it is installed is operating (the "System").
2. **Goods and Services.** Subject to the terms of the Agreement, IHS hereby agrees to sell the System and any such other goods as included in the Agreement (collectively, the "Goods") and perform the installation of the System (the "Services"), as the case may be, in accordance with the Agreement.
3. **Restrictions.** Except as expressly provided for in the Agreement, Client will not:
  - 3.1. otherwise copy or use the System;
  - 3.2. do anything which infringes any System ownership rights held by IHS.
  - 3.3. adapt, modify, decompile, disassemble or reverse engineer the System; or
  - 3.4. use the System to develop any product having the same primary function as the System.
4. **Charges and Payments.** Client will pay the fees in accordance with the obligations set out in the Agreement (the "Fees"). The Fees exclude:
  - 4.1. customs duties and any sales tax or stamp duty, or other taxes, which will be the responsibility of Client;
  - 4.2. any applicable Goods and Services Tax, Provincial Sales Tax, or other tax, which will be charged to Client in addition to the Fees.
  - 4.3. Client will pay all invoices issued by IHS in the manner specified on the invoice in Canadian dollars on or prior to the delivery of the Goods.
  - 4.4. All amounts due under the Agreement which remain unpaid past due payment dates shall bear interest at the rate of One and One-Half per cent (1.5%) per month (Eighteen per cent (18%) per year) from the date such amounts become due to the date of payment.
5. **Delivery of the Goods.**
  - 5.1. Where any of the Goods included in any delivery installment do not comply with the specifications of the Agreement, Client may reject that delivery installment or any of the Goods included in it without prejudice to its right to insist upon performance of the balance of the Agreement, including the delivery of all subsequent installments of the Goods.
  - 5.2. Where all of the Goods comprising part of the Agreement are not shipped within 90 days of the delivery date agreed upon by IHS and Client in this Agreement, Client may cancel the Agreement with respect to the Goods that have not been shipped by giving IHS notice to that effect, but no such termination shall affect the liability of Client to pay the Fees of any other of the Goods that form part of the Agreement that were shipped prior to the time when the Agreement was cancelled.
6. **Warranty.** IHS warrants and covenants that:
  - 6.1. It has the right to grant to Client the right to use the System.
  - 6.2. The System is warranted against defects in parts and workmanship for a period of two (2) years from the date of installation of the System, provided the System is operated in accordance with the Operational and Maintenance Manual.
  - 6.3. In the event that the System does not perform as per Section 1 of this Schedule at any time within the warranty period specified in Section 6.1 and 6.2 upon receipt by IHS of written notification of such non-conformance, IHS shall, at no expense to Client, either use reasonable commercial efforts to fix any material non-conformance; or replace the System.
  - 6.4. EXCEPT AS EXPRESSLY SET FORTH IN THIS SCHEDULE, IHS DOES NOT MAKE AND EXPRESSLY DISCLAIMS ALL WARRANTIES, REPRESENTATIONS AND CONDITIONS WITH RESPECT TO THE SYSTEM AND THE PERFORMANCE OF THE SERVICES PROVIDED HEREUNDER OR OTHERWISE REGARDING THE AGREEMENT, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, ACCURACY, AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS PROVIDED IN THIS SCHEDULE, CLIENT ACKNOWLEDGES AND AGREES THAT IHS SHALL NOT BE LIABLE FOR ANY ERROR, OMISSION, DEFECT, DEFICIENCY, OR NONCONFORMITY IN THE SYSTEM OR PERFORMANCE OF THE SERVICES. WITHOUT LIMITING THE FOREGOING, IHS DOES NOT WARRANT THAT THE SYSTEM (OR CLIENT'S USE THEREOF OR INSTALLATION OF THE SYSTEM) WILL BE FREE OF ALL ERRORS OR THE USE THEREOF WILL BE UNINTERRUPTED.
  - 6.5. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY IHS, ITS DEALERS, DISTRIBUTORS, AGENTS OR EMPLOYEES SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF ANY WARRANTY PROVIDED HEREIN.
7. **Environmental Credits.** All Environmental Credits will be validated, verified and monetized in accordance with the IHS Carbon Plan, and all Environmental Credits will be owned and administered by IHS. Client agrees to provide to IHS any information required for the carbon plan and monitoring performance including ECM data and GPS information.
8. **Indemnification.** Client agrees to indemnify, defend and hold harmless IHS from and against any and all losses, costs, expenses, claims, or damages arising out of any claim, suit, action or judgment brought against IHS by a third party as a result of the improper use by Client of the System.
9. **Limitation of Liability.** NEITHER IHS NOR ITS OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, LICENSORS, RESELLERS OR REPRESENTATIVES SHALL BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, VEHICLE ACCIDENTS, ENGINE DIFFICULTIES OR DAMAGE, FUEL COSTS, LOSS OF REVENUES AND/OR PROFITS, OR LOSS OF GOODWILL, WHETHER FORESEEABLE OR UNFORESEEABLE, THAT MAY ARISE OUT OF OR IN CONNECTION WITH THE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, DAMAGES OR COSTS RESULTING FROM THE USE OF OR INABILITY TO USE THE SYSTEM, PERFORMANCE OF THE SERVICES, OR LATE DELIVERY OF THE GOODS OR PERFORMANCE OF THE SERVICES, EVEN IF IHS HAS BEEN NOTIFIED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES OCCURRING, REGARDLESS IF SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHERWISE. IN NO EVENT WILL THE TOTAL LIABILITY OF IHS FOR ANY DAMAGES INCURRED BY CLIENT EVER EXCEED THE FEES ACTUALLY PAID BY CLIENT TO IHS UNDER THE AGREEMENT, REGARDLESS OF THE FORM OF ACTION, WHETHER BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHERWISE.
10. **Voiding the Warranty.** The warranty as provided for in the Agreement shall be null and void in the event of the occurrence of the following:
  - 10.1. If the Client does not pass IHS pre-install inspection (the pre-install inspection ensures Client vehicles are in good working order prior to installation);
  - 10.2. If the System is not installed and serviced by an I-PHI™ certified installer (as certified in writing by IHS);
  - 10.3. If the System is not refilled with IHS approved distilled water, as approved in writing by IHS (Client is advised to carry approved distilled water at all times);
  - 10.4. If Client performs any action as contemplated in Sections 3.1 to 3.4 of this Schedule;
  - 10.5. If the maintenance procedures are not properly adhered to;
  - 10.6. If the System or delivery line connecting to the System are moved, cut or come into contact with any heat source after the original installation by a certified System installer; or
  - 10.7. If Client uses the System in a manner not contemplated in this Schedule, or makes any changes to the System which are not approved in writing by IHS.  
End users who are in need of warranty service should contact their I-PHI™ certified installer from whom the product was purchased. If this is not possible, Client may call IHS at 1-866-447-6960 and arrangements will be made for a certified installer to inspect the System.
11. **Maintenance Procedures and Components.** Client acknowledges that:
  - 11.1. The exterior cover of the System is made of stainless steel and can only be cleaned with soap and water.
  - 11.2. High pressure washers can not be used on or around The System for cleaning purposes.
  - 11.3. Should the outside of the System become dusty, a light cleaning may be performed using compressed air, not to exceed 25psi.
12. **Adding Distilled Water.** Client acknowledges failure to use IHS approved distilled water will result in contamination of the System and will void the IHS warranty. Client covenants and agrees to:
  - 12.1. do an inspection of the water reservoir during all regularly scheduled maintenance inspections, and to refill the reservoir if it gets low;
  - 12.2. fill the System with only steam distilled water;  
Client acknowledges a switch will activate and not allow the System to function, if the water reservoir has run dry and that the Client will be required to refill the water reservoir before System operation will resume. Client further agrees not to tamper with the System or any of its ancillary equipment save the water reservoir.
13. **System Mandatory Safety Inspection.**
  - 13.1. Client covenants and agrees to make arrangements with an I-PHI™ certified installer to do a unit inspection after each of the Client's first, second and third months following installation to ensure proper functioning of the System.
  - 13.2. Client covenants and agrees that if any electrolyte fluid from the I-PHI™ should come into contact with Client's skin, he/she will use the vinegar packet provided to neutralize the electrolyte fluid and will flush with water thoroughly and seek medical attention, and in the case of eye contact he/she will flush his/her eyes immediately with **WATER ONLY** and seek medical attention.
14. **Counterpart.** The Agreement may be executed (by original or facsimile) by the parties in one or more counterparts, each of which shall be considered an original and one and the same agreement. This Agreement shall not be effective until accepted by IHS.
15. **Assignment.** The Agreement, this Schedule and the warranties hereunder are not assignable.
16. **Governing Law/Jurisdiction.** The Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
17. **Entire Agreement and Amendments.** The Agreement contains the entire agreement between IHS and Client and supersedes all prior agreements.
18. **Arbitration.** All disputes which arise from the Agreement, or as to any other matter in any way relating to the Agreement or to the duties or the liabilities of any party under the Agreement shall be referred to arbitration if no resolution can be reached. The arbitration shall be governed by the provisions of *The Arbitration Act* (Ontario).