

AGREEMENT

THIS AGREEMENT (this “**Agreement**”) is made effective this 28th day of August, 2023

BETWEEN:

HYBRID POWER SOLUTIONS INC., a corporation incorporated under the laws of British Columbia having an office at Unit 208, 333 Terminal Avenue Vancouver, British Columbia V6A 4C1

(“**HPS**”)

AND:

TREEWALK CONSULTING INC., a corporation incorporated under the laws of British Columbia having an office at Unit 220, 333 Terminal Avenue Vancouver, British Columbia V6A 4C1

(“**Treewalk**”)

WHEREAS:

- A. HPS and Treewalk entered into a consulting agreement dated February 23, 2022 (the “**Consulting Agreement**”) pursuant to which Treewalk agreed to provide accounting, financial, and administrative services to HPS, and in consideration therefor, HPS agreed to pay Treewalk the hourly rates as set out in Schedule “B” to the Consulting Agreement;
- B. as of the date hereof, HPS owes Treewalk an aggregate of \$688,137.50 in fees for services performed (the “**Debt**”);
- C. HPS anticipates completing an initial public offering by October 15, 2023 (the “**IPO**”) and listing its common shares on the Canadian Securities Exchange (the “**CSE**”); and
- D. in this Agreement, the parties wish to establish how the Debt will be repaid.

NOW THEREFORE in consideration of the foregoing and for other good and valuable consideration, the parties agree as follows:

- 1. **Agreement.** Subject to the terms and conditions herein, HPS agrees to pay Treewalk the Debt, in the manner set out in this section, and HPS agrees to accept payment of the Debt in the manner set out in this section as full and final satisfaction of all amounts owing by and obligations of HPS to Treewalk under the Consulting Agreement, as of the date hereof. The parties agree that the aforementioned repayment will occur as follows:
 - (a) on or before August 31, 2023, HPS will pay Treewalk \$38,137.50, by cheque, bank draft or wire, to Treewalk, which amount represents the aggregate monthly wages payable by HPS for the services provided by (or to be provided by) Shalini Arora to HPS during the months of June, July and August 2023;
 - (b) HPS will issue to Treewalk a promissory note in the principal amount of \$100,000 (the “**Principal Sum**”) effective August 28, 2023 and with the following terms:
 - (i) the Principal Sum will bear interest at 15% per annum;

- (ii) the Principal Sum, together with interest, will be re-payable on the earlier of: (A) August 28, 2025; and (B) the completion of an equity financing(s) by HPS (occurring after the completion of the IPO) for minimum gross proceeds of \$3,000,000;
 - (c) on the closing of the IPO, HPS will pay Treewalk \$400,000, by cheque, bank draft, or wire; and
 - (d) HPS will facilitate a \$150,000 investment by Treewalk into HPS, through Treewalk's participation in the IPO, on the same terms as the IPO offering.
2. **CSE Policies.** Treewalk agrees and acknowledges that: (a) HPS is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Ontario, and Newfoundland and Labrador and subject to continuous disclosure obligations under Canadian securities laws; (b) HPS has filed an application for listing on the CSE and received conditional approval to list its common shares on the CSE subject to HPS fulfilling all of the listing requirements of the CSE; and (c) HPS is subject to the rules, policies and notices of the CSE and as a result this Agreement and the transactions contemplated herein are subject to the approval of the CSE, if required.
3. **Consent to Disclosure and Use of Personal Information.** Treewalk expressly acknowledges and agrees that:
- (a) it consents to the disclosure of personal information by HPS to applicable securities commissions and CSE
 - (b) it will complete, sign and return such additional documentation as may be required from time to time under applicable securities laws, any other applicable laws, or the requirements of any other regulatory body in connection with this Agreement and the transactions contemplated herein.
4. **Representations and Warranties.** Treewalk represents, warrants, declares and certifies to the HPS, and acknowledges and agrees that HPS is relying upon such, that:
- (a) the Debt is a bona fide debt and is the full extent of the amounts and other claims owing by HPS to Treewalk as at the date first written above; and
 - (b) Treewalk has not sold, assigned, charged, hypothecated, encumbered or otherwise transferred or disposed of the Debt (or any part thereof), or any rights therein or thereto, to any other person or party; and
 - (c) Treewalk has the full power, right, capacity and authority to execute this Agreement and perform its obligations hereunder, including but not limited to settling the Debt as set out in section 1.
5. **Discharge and Release.** Treewalk hereby agrees, and on behalf of its successors and assigns hereby agrees, that upon HPS's fulfilment of its obligations under this Agreement, HPS and its directors, officers, employees, servants and agents, and their respective successors and assigns, are released and forever discharged from any and all claims, suits, demands, debts due, accounts, damages, expenses and any other causes of action that Treewalk and its successors and assigns ever had, now have and may thereafter have relating to the Debt.
6. **Further Assurances.** Each of HPS and Treewalk covenant and agree to execute all other documents required to implement the foregoing, and to do such things, to attend such meetings and to execute such other documents and further assurances as may be deemed necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement.

7. **Independent Legal Advice.** Treewalk acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that it has either done so or waived its right to do so in connection with the entering into of this Agreement. Treewalk acknowledges that Morton Law LLP acts for and has prepared this agreement on behalf of HPS, and that Morton Law LLP and has not provided legal advice to Treewalk in connection with this Agreement.
8. **Time.** Time will be of the essence of this Agreement.
9. **Notices.** All notices and other communications given or made pursuant to this Agreement will be in writing and will be deemed to have been duly given and received on the day it is delivered, provided that it is delivered on a business day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if notice is delivered after 5:00 p.m. local time or if such day is not a business day then the notice will be deemed to have been given and received on the next business day. Notice will be sufficiently given if delivered (either in person, by courier service or other personal method of delivery), or if transmitted by email to the parties at the following addresses (or at such other addresses as will be specified by any party by notice to the other given in accordance with these provisions):
 - (a) if to HPS, at the address noted on the first page of this Agreement, or by email to [*Email Redacted*];and
 - (b) if to Treewalk, at the address on the first page of this Agreement or by email to [*Email Redacted*].
10. **Invalidity.** If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under the law, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby to the fullest extent possible by law.
11. **Waivers.** No failure or delay on the parties' part in exercising any power or right hereunder will operate as a waiver thereof.
12. **Currency.** Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.
13. **Governing Law.** This Agreement shall be governed by and be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein. The courts of British Columbia shall have sole jurisdiction to hear and determine all manner of disputes and claims arising out of or in any way connected with this Agreement.
14. **Entire Agreement.** This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and undertakings, whether oral or written, relative to the subject matter hereof.
15. **Enurement.** This Agreement will enure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.
16. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute: one and the same instrument. Transmission of an executed signature page by email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

HYBRID POWER SOLUTIONS INC.

Per: “*Francois Renaud-Byrne*”
Francois Renaud-Byrne, CEO

TREEWALK CONSULTING INC.

Per: “*Alex McAulay*”
Alex McAulay, CEO