

CONSULTING AGREEMENT

THIS AGREEMENT is made and dated effective as of the 1st day of October, 2016

BETWEEN:

PATRIOT ONE TECHNOLOGIES INC. a company incorporated under the laws of the Province of British Columbia, with an office at 16473 92A Avenue, Surrey, BC V4N 5N1

(the "**Company**")

AND:

DINESH KANDANCHATHA

(the "**Consultant**")

WHEREAS:

- A. The Company wishes to engage the Consultant to provide services as the President and Chief Technical Officer of the Company upon the terms and conditions described in this Agreement.
- B. The Consultant has accepted the Company's offer.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, the Company and the Consultant agree as follows:

1. ENGAGEMENT AND SERVICES

- 1.1. The Company agrees to engage the Consultant to provide services as the President and Chief Technical Officer of the Company (the "**Services**"), on the terms and conditions of this Agreement, and the Consultant hereby accepts and agrees to such engagement.

2. TERM OF ENGAGEMENT

- 2.1. The term of the Consultant's engagement shall commence on the effective date of this Agreement and shall continue for an initial period of two years.

3. DUTIES, RESPONSIBILITIES AND REPORTING

- 3.1. The Consultant shall perform such duties, assume such responsibilities and carry out such instructions or policies as may reasonably be required of him by the Company from time to time, consistent with his position.
- 3.2. The Consultant shall report and be responsible to the Company's Board of Directors (the "**Board**"). The Board shall have the sole and exclusive right to determine the powers, duties and responsibilities of the Consultant, and to evaluate and judge his performance.

- 3.3. The Consultant shall advise the Board to the best of his ability and in accordance with reasonable business standards regarding the management, operations and business affairs of the Company, and shall provide the Board with such reports as the Board may reasonably require regarding such matters.
- 3.4. The Consultant shall at all times conduct himself in accordance with all applicable laws that relate to his position or to the affairs of the Company.
- 3.5. The Consultant shall comply with all policies applying to the Company's senior executives that may reasonably be issued by the Company from time to time. It is agreed that the introduction and administration of such policies are within the sole discretion of the Company. If the Company introduces, amends or deletes such policies as conditions warrant, such introduction, deletion or amendment shall not constitute a breach of this Agreement. If there is a direct conflict between this Agreement and any such policy, this Agreement shall prevail to the extent of the inconsistency.

4. COMPENSATION

- 4.1. Consulting Fee. The Company agrees to pay the Consultant monthly cash compensation in the amount of \$16,666 plus GST, if applicable, referred to hereinafter as the ("**Compensation**"), to be paid monthly in arrears. The Company shall review the Compensation annually, at which time it may increase but not decrease, all in accordance with general compensation increases for the Company's executives and as appropriate in light of the performance of the Consultant and the Company.
- 4.2. Additional Fee. The Company shall pay to the Consultant \$100,000 plus GST, if applicable, upon the Company completing an equity financing of at least \$2,000,000 after January 1, 2017 and before the termination of this Agreement.
- 4.3. Vacation. The Consultant shall be entitled to three (3) weeks' vacation (the "**Vacation**") annually, during which time the Company will continue to pay the Compensation to the Consultant. The Consultant shall not be entitled to accumulate more than six (6) weeks' vacation in total at any given time. The dates of Vacation times shall be chosen by the Consultant taking into account the needs of the Company.
- 4.4. Options. Subject to all required regulatory approvals, the Company shall grant to the Consultant the right and option to purchase from the Company 400,000 common shares of the Company under the Company's stock option plan, if any, then in force at an exercise price of \$0.30 and expiring five years from the date of issuance. The number of options and the terms and conditions thereof will be subject to the approval of the Company's board of directors. The Board of Directors will consider and determine at least once each calendar year if options are to be granted to senior executives.
- 4.5. Deductions. The Consultant hereby acknowledges that the Company is not required and shall not be required to make any remittances and payments required of employers by statute on the Consultant's behalf and the Consultant shall not be entitled to the payroll benefits provided by the Company to its employees, such as Canada Pension Plan and Employment Insurance

5. TERMINATION

- 5.1. The services of the Consultant may be terminated at any time by the Company with 30 days written notice to that effect.
- 5.2. The Consultant may terminate his services under this Agreement at any time by providing the Company with 30 days written to that effect. Where the Consultant provides the Company with written notice under this provision, the Company may waive such notice, in whole or in part, in which case the Consultant's services will terminate on the date specified by the Company.
- 5.3. Upon termination of the Consultant's services, for any reason:
 - 5.3.1. the Company shall pay the Consultant all fees earned up to and including his last day of services (the "**Termination Date**");
 - 5.3.2. any existing rights or options of the Consultant to acquire shares in the Company shall expire in accordance with the terms of the applicable share option plan(s); and
 - 5.3.3. all files, computer disks, information and documents pertaining to the Company's business shall remain the property of the Company, and shall promptly be delivered by the Consultant to the Company's office, and no copy, duplication or reproduction of any kind whatsoever shall be made of such files, computer disks, information or documents without the express written consent of the Company.

6. INSURANCE

- 6.1. The Consultant agrees that the Company may, from time to time, apply for and take out in its own name and at its own expense, life, health, accident, or other insurance that the Company may deem necessary or advisable to protect its interests hereunder; and the Consultant agrees to submit to any medical or other examination necessary for such purposes and to assist and cooperate with the Company in preparing such insurance. The Consultant agrees that it shall have no right, title, or interest in or to such insurance or the proceeds thereof.

7. EXPENSES

- 7.1. The Company shall reimburse the Consultant for all authorized travelling and other out-of-pocket expenses actually and properly incurred by the Consultant in the course of carrying out his duties and responsibilities under this Agreement.
- 7.2. The Consultant agrees to render to the Company an itemized monthly expense report, together with original receipts, showing all monies expended, and such other expense information as the Company may reasonably require from time to time.

8. CONFIDENTIAL INFORMATION

- 8.1. In this Agreement, "Confidential Information" means information disclosed to, used by, developed by, or made known to the Consultant in the course of his engagement with the Company which is not generally known by persons outside the Company's employ including, but not limited to, information (printed, electronic or otherwise) pertaining to the Company's past, present, future and contemplated technology, assets, operations, products, production methods,

facilities, equipment, marketing methods or strategies, personnel, finances, pricing, interest rates, sales, customers, industrial designs, inventions, routines, policies, and business procedures.

- 8.2. The Consultant acknowledges that he will have access to and be entrusted with Confidential Information in the course of his engagement with the Company, and that the Company's business would be irreparably harmed if such Confidential Information were disclosed to, or used by, any person outside the Company's employ.
- 8.3. The Consultant acknowledges and agrees that the right to maintain the absolute secrecy of its Confidential Information is a proprietary right which the Company is entitled to protect.
- 8.4. The Consultant covenants and agrees that he will not, except as required by law, either during the term of his engagement under this Agreement or at any time thereafter, directly or indirectly, by any means whatsoever, divulge, furnish, provide access to, or use for any purpose other than the purposes of the Company, any of the Company's Confidential Information.

9. NON-COMPETITION

- 9.1. The Consultant covenants and agrees that during the term of his engagement with the Company and for a period of one (1) year following its termination, regardless of the reason for such termination or the party effecting it, he shall not, except as an executive or employee of the Company, whether individually or in partnership or jointly or in conjunction with any person or persons, as principal, agent, shareholder, officer, employee or in any other manner whatsoever, carry on any business, or be engaged or employed in any business, within North America and Europe that competes with the Company.

10. NON-SOLICITATION

- 10.1. The Consultant covenants and agrees that during the term of his engagement with the Company and for a period of one (1) year following its termination, regardless of the reason for such termination or the party effecting it, he shall not, except as an employee of the Company, whether individually or in partnership or jointly or in conjunction with any person or persons, as principal, agent, shareholder, officer, employee or in any other manner whatsoever:

10.1.1. solicit the customers, clients or suppliers of the Company to transfer their business from the Company to any other person;

10.1.2. seek in any way to persuade or entice any employee of the Company to leave that employment; or

10.1.3. be a party to or abet any such action.

11. INVENTIONS

- 11.1. In this Agreement, "Invention" means any invention, improvement, method, process, advertisement, concept, system, apparatus or design.
- 11.2. The Consultant acknowledges and agrees that every Invention which the Consultant may at any time make, devise or conceive, individually or jointly with others, during the term of his services under this Agreement, whether during the Company's business hours or otherwise, and which relates in any manner to the Company's business or which may be useful to the Company in

connection with the Company's business shall belong to, and be the exclusive property of the Company, and the Consultant will make full and prompt disclosure to the Company of every such Invention.

- 11.3. The Consultant undertakes to assign to the Company, or its nominee, every such Invention and to execute all assignments and other instruments and to do any other things necessary and proper to confirm the Company's right and title in and to every such Invention. The Consultant further undertakes to perform all proper acts within his power necessary or desired by the Company to obtain letters patent, copyright or trade mark in the name of the Company and at the Company's expense for every such invention in whatever countries the Company may desire, without payment by the Company to the Consultant of any royalty, license fee, price or additional compensation.
- 11.4. The obligations contained in Part **Error! Reference source not found.** of this Agreement shall continue beyond the termination of the Consultant's engagement and shall be binding upon the Consultant's assigns, executors, administrators and other legal representatives.

12. INJUNCTIVE RELIEF

- 12.1. The Consultant acknowledges and agrees that a breach by the Consultant of any of the covenants contained in Parts 8, 9, 10 or 11 of this Agreement would result in irreparable harm to the Company that could not adequately be compensated by way of a damage award. The Consultant agrees that in the event of any such breach, in addition to all other remedies available to the Company at law or in equity, the Company shall be entitled as a matter of right to obtain from a court of competent jurisdiction such relief by way of restraining order, injunction, decree or otherwise as may be appropriate to ensure compliance with the provisions of Parts 8, 9, 10 or 11 of this Agreement.

13. DISCLOSURE

- 13.1. The Consultant shall promptly disclose to the Company the nature and extent of any interest of the Consultant or any member of his family, whether as owner, shareholder, partner, lender or other investor, director, officer, employee, consultant or otherwise, in:

13.1.1. any business that is purchasing or selling, or that seeks to purchase or sell, goods or services from or to the Company; or

13.1.2. any person or entity that seeks to invest in, or obtain control of, the Company.

14. GOVERNING LAW

- 14.1. This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia and shall in all respects be treated as a British Columbia contract.

15. SEVERABILITY

- 15.1. All paragraphs and covenants contained in this Agreement are severable, and in the event that any of them shall be held to be invalid, unenforceable or void by a court of a competent jurisdiction, such paragraphs or covenants shall be severed and the remainder of this Agreement shall remain in full force and effect.

16. ENTIRE AGREEMENT

- 16.1. This Agreement contains the complete agreement concerning the engagement of the Consultant by the Company and shall, as of the date it is executed, supersede any and all other agreements between the parties. The parties agree that there are no collateral contracts or agreements between them, that neither of them has made any representations to the other except such representations as are specifically set forth in this Agreement, and that any statements or representations that may previously have been made by either of them to other have not been relied on in connection with the execution of this Agreement and are of no effect.
- 16.2. The Consultant agrees that all restrictions contained in this Agreement are reasonable and valid and hereby waives any and all defences to their strict enforcement by the Company. The Consultant acknowledges that he has been given a full opportunity by the Company to seek independent legal advice prior to the execution and delivery of this Agreement.
- 16.3. No waiver or modification of this Agreement or any covenant, condition or restriction herein contained shall be valid unless executed in writing by the party to be charged therewith.

17. CONSIDERATION

- 17.1. The parties acknowledge and agree that this Agreement has been executed by each of them in consideration of the mutual premises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged.
- 17.2. The parties waive any and all defences relating to an alleged failure or lack of consideration in connection with this Agreement.

18. NOTICE

- 18.1. Any notice required to be given under this Agreement shall be sufficiently given if delivered by hand or sent by registered mail as follows:

To the Consultant:

Dinesh Kandanchatha

To the Company:

Patriot One Technologies Inc.
16473 92A Avenue
Surrey, BC V4N 5N1

19. INTERPRETATION

- 19.1. Headings are included in this Agreement for convenience of reference only and do not form part of this Agreement.

19.2. In the event that this Agreement provides a lesser benefit to the Consultant than the minimum standard contained in any applicable legislation, the minimum standard contained in such legislation shall prevail to the extent of the inconsistency.

20. ENUREMENT

20.1. The provisions of this Agreement shall enure to the benefit of and be binding upon the Consultant, his heirs, executors, personal legal representatives and permitted assigns, and the Company, its successors, assigns and related companies.

20.2. This Agreement shall not be assigned by the Consultant.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto effective the day, month and year first above written.

PATRIOT ONE TECHNOLOGIES INC.

Per: "Martin Cronin"
Authorized Signatory

SIGNED, SEALED AND DELIVERED)
BY **DINESH KANDANCHATHA**)
in the presence of:)
_____)
Signature)
_____)
Name)
_____)
Address)

"Dinesh Kandanchatha"
DINESH KANDANCHATHA