United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the year ended: December 31, 2016

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the period ended:

Q2Power Technologies Inc.
(Exact name of Registrant as specified in its Charter)

Delaware	000-55148	20-1602779
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

420 Royal Palm Way, #100
Palm Beach, FL 33480
(Address of Principal Executive Offices)

(561) 693-1423
(Registrant's Telephone Number, including area code)

(Former name or former address, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $0.0001

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes [ ] No [X]

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
(1) Yes [X] No [ ] (2) Yes [X] No [ ]

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or emerging growth company:

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[X]
Emerging Growth Company	[ ]		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common stock held by non-affiliates computed by reference to the price at which the common stock was last sold, or the average bid and asked price of such common stock, as of the last business day of the Registrant's most recently completed fiscal quarter.

March 31, 2017 - $2,951,051. There are approximately 29,510,517 shares of common voting stock of the Registrant beneficially owned by non-affiliates on March 31, 2017. There is a limited public market for the common stock of the Registrant, so this computation is based upon the closing bid price of $0.10 per share of the Registrant's common stock on the OTCQB.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. [X] Yes [ ] No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

May 24, 2017: Common –46,266,604

Documents incorporated by reference: None.

FORWARD LOOKING STATEMENTS

This Annual Report contains certain forward looking statements, as defined in the Private Securities Litigation Reform Act of 1995, including or related to our future results, events and performance (including certain projections, business trends and assumptions on future financings), and our expected future operations and actions. In some cases, you can identify forward-looking statements by the use of words such as "may," "should," "plan," "future," "intend," "could," "estimate," "predict," "hope," "potential," "continue," "believe," "expect" or "anticipate" or the negative of these terms or other similar expressions. These forward-looking statements generally relate to our plans and objectives for future operations and are based upon management's reasonable estimates of future results or trends. In evaluating these statements, you should specifically consider the risks that the anticipated outcome is subject to, including the factors discussed under "RISK FACTORS" and elsewhere. These factors may cause our actual results to differ materially from any forward-looking statement. Actual results may differ from projected results due, but not limited to, unforeseen developments, including those relating to the following:

- We fail to raise capital;
- We fail to implement our business plan;
- We fail to compete at producing cost effective products;
- Market demand for compost and engineered soils;
- The availability of additional capital at reasonable terms to support our business plan;
- Economic, competitive, demographic, business and other conditions in our markets;
- Changes or developments in laws, regulations or taxes;
- Actions taken or not taken by third-parties, including our suppliers and competitors;
- The failure to acquire or the loss of any license or patent;
- Changes in our business strategy or development plans;
- The availability and adequacy of our cash flow to meet its requirements; and
- Other factors discussed under the section entitled "RISK FACTORS" or elsewhere herein.

You should read this Annual Report completely and with the understanding that actual future results may be materially different from what we expect. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, future financings, performance, or achievements. Moreover, we do not assume any responsibility for accuracy and completeness of such statements in the future. We do not plan to update any of the forward-looking statements after the date of this Annual Report to conform such statements to actual results.

JUMPSTART OUR BUSINESS STARTUPS ACT DISCLOSURE

We qualify as an "emerging growth company," as defined in Section 2(a)(19) of the Securities Act by the Jumpstart Our Business Startups Act (the "JOBS Act"). An issuer qualifies as an "emerging growth company" if it has total annual gross revenues of less than $1.0 billion during its most recently completed fiscal year, and will continue to be deemed an emerging growth company until the earliest of:

- the last day of the fiscal year of the issuer during which it had total annual gross revenues of $1.0 billion or more;
- the last day of the fiscal year of the issuer following the fifth anniversary of the date of the first sale of common equity securities of the issuer pursuant to an effective registration statement;
- the date on which the issuer has, during the previous three-year period, issued more than $1.0 billion in non-convertible debt; or
- the date on which the issuer is deemed to be a "large accelerated filer," as defined in Section 240.12b-2 of the Exchange Act.

As an emerging growth company, we are exempt from various reporting requirements. Specifically, we are exempt from the following provisions:

- Section 404(b) of the Sarbanes-Oxley Act of 2002, which requires evaluations and reporting related to an issuer's internal controls;
- Section 14A(a) of the Exchange Act, which requires an issuer to seek shareholder approval of the compensation of its executives not less frequently than once every three years; and
- Section 14A(b) of the Exchange Act, which requires an issuer to seek shareholder approval of its so-called "golden parachute" compensation, or compensation upon termination of an employee's employment.

Under the JOBS Act, emerging growth companies may delay adopting new or revised accounting standards that have different effective dates for public and private companies until such time as those standards apply to private companies.

PART I

ITEM 1. BUSINESS

In this Annual Report, references to "Q2Power," the "Company," "we," "our," "us" and words of similar import refer to "Q2Power Technologies, Inc.," the Registrant, a Delaware corporation. References to "Q2P" or the "Subsidiary" refer to Q2Power Corp., a Delaware corporation, our subsidiary and operating company.

Organizational History and Merger with Q2P

The Company, formerly known as Anpath Group, Inc. ("Anpath"), was organized pursuant of the laws of the State of Delaware on August 26, 2004, under the name "Telecomm Sales Network, Inc.". On January 10, 2006, the Company completed the acquisition of EnviroSystems Inc., a Nevada corporation ("ESI"), pursuant to which ESI became a wholly-owned operating subsidiary of the Company. The Company conducted all its business through ESI, and on January 12, 2007, changed its name to Anpath. Effective August 5, 2015, Anpath effected a one for seven (1 for 7) reverse split of our outstanding common stock (the "Reverse Split"). All computations contained herein take into account the Reverse Split.

On November 12, 2015, the Company, its newly formed and wholly-owned subsidiary, AnPath Acquisition Sub, Inc., a Delaware corporation ("Merger Subsidiary"), and Q2P consummated their Agreement and Plan of Merger (the "Merger Agreement"), resulting in the Merger Subsidiary merging with and into Q2P. As a result, Q2P was the surviving company and a wholly-owned subsidiary of AnPath (the "Merger").

As a result of the Merger, all outstanding shares of Q2P were exchanged for 24,034,475 shares of the Company's common stock, representing approximately 93% of the total issued and outstanding common stock of the Company, excluding stock options, warrants and convertible notes outstanding at such time. In addition, the Company assumed both the Q2P 2014 Founders Stock Option Plan and the 2014 Employees Stock Option Plan (the "Option Plans"), and 1,095,480 options outstanding thereunder. Also pursuant to the Merger, the officers and directors of Q2P took over the management and Board of Directors of the Company.

In connection with the Merger, the Company sold the former operating entity of Anpath, ESI, to three former officers and shareholders of Anpath in exchange for the return of 470,560 shares of common stock of the Company and ESI retaining all of the old liabilities of ESI including a litigation judgment.

In December 2015, the Company officially changed its name to Q2Power Technologies, Inc. to reflect the new business direction of the Company – that of Q2P – after the Merger. In February 2016, the Company changed its fiscal year end from March 31 to December 31 to reflect the year-end of its operating Subsidiary, and up-listed its common stock to the OTCQB. The financial statements and footnotes to the financial statements reflect this change of fiscal year end.

Q2P's Waste-to-Power Business

Q2P was originally formed as a Florida limited liability company by Cyclone Power Technologies, Inc. ("Cyclone") to pursue development and commercialization of its patented waste heat recovery engine. In July 2014, Q2P commenced operations as an independent company after receiving its initial round of funding and signing a formal Separation Agreement with Cyclone. From then until recently, the business of Q2P was the development of waste heat and waste fuel-to-power systems based on core technology licensed from Cyclone on a worldwide exclusive basis for 20 years, with two 10-year renewal terms.

Q2P's prime target market for its waste-to-power technology (the "Q2P Technology") was small-scale Waste Water Treatment Plants ("WWTPs"), whereby the Q2P Technology could capture methane produced from the WWTPs and convert it into power and usable heat. The Q2P Technology was comprised of our unique external heat engine (the "Q2P Engine") as well as waste fuel burners, controls and other subcomponents (collectively with the Q2P Engine, referred to as a "CHP System"). We developed the CHP System from proof-of-concept to a working "pilot stage" product between 2014 and 2015.

Our pilot program operated in central Ohio for approximately six months, during which time we collected significant information about the technology itself, and the operations and cost structures of WWTPs generally. A large portion of a WWTP's operating expenditures are spent removing the residual sludge (called "biosolids") from digesters, that vast portion of which is either combusted, landfilled or applied directly to the land. Technologies and processes that can convert biosolids to other useful products, such as compost and engineered soils, we determined, could provide additional value to agricultural and construction sector customers and new revenue streams for this waste value chain. In mid-2016, along with the addition of two new Board of Director members with vast experience in the waste water, biosolids and waste recycling sectors, the Company started pursuing synergistic alliances with companies that have both technology and business networks for the manufacturing and sale of such beneficial re-use products. This led us to the composting industry.

New Business Model: Compost and Engineered Soils

Overview. According to the U.S Composting Council, one-third of the world's arable land has been lost to soil erosion. In the United States, 99 million acres (28% of all cropland) are eroding above soil tolerance rates, meaning the long-term productivity of the soil cannot be maintained and new soil is not adequately replacing the lost soil. This erosion reduces the ability of the soil to support plant growth and store water, making food production more difficult, reducing the earth's ability to filter out carbon and produce oxygen, and adding significant pressure on water resources.

Management believes that soil health may be one of the most important issues facing our planet, affecting the food we eat, water we drink, and air we breathe. Composting is a critical process for recycling organic wastes for beneficial uses to replenish top soil, conserve water and reduce pollution. Composting further protects our climate by sequestering carbon in the soil, and reducing methane production from landfills by reducing the volume of organic wastes disposed in this manner.

The composting industry is highly fragmented, comprised of over 5,000 facilities throughout the United States, most of which are small in size and supplying varying product qualities. An estimated $5.6 billion in compost is sold annually in the United States, according to the U.S. Compost Council, but less than 10% of farms nationwide currently utilize compost to supplement top soil and reduce chemical and water requirements. New applications for compost such as engineered soils used in general construction, infrastructure projects, land reclamation, sod and turf farms and other green landscape projects are creating an additional business opportunities globally.

One of the most compelling business aspects of the compost industry in management's opinion is the trend among certain facilities to view their business less as simply a waste management solution (making money through "tipping fees" – i.e., the fees paid to take waste), and more as a manufacturing process to produce higher end compost and soil products that can be sold at higher margins and have beneficial uses for our planet.

We also believe that the composting industry in the United States is prime for consolidation, operational and technological efficiency improvements, and comprehensive sales and marketing strategies to increase demand and usage. We have a plan in place to build the Company over the next years by acquiring strategic compost facilities and established distribution channels and brands, and developing procedures and programs to foster organic growth.

Acquisition and Funding Strategy. The Company seeks to acquire companies and assets in the compost and soils sector. These targets include both operating compost facilities and independent sales companies with established distribution and product brands. Through a mixture of these acquisitions located in key regions, management believes we can grow rapidly but prudently utilizing a relatively "capital light" strategy.

The Company is currently in discussions with multiple potential acquisition targets, which it may acquire solely or in connection with strategic partners. Initial acquisitions include leaders in the industry with well-run facilities focused on end product (i.e., compost and soil) production and sales, and established brands. Future acquisition targets may include undervalued facilities in key locations that, through better management and more focus on end product production, management believes can become profitable in a short period of time.

Bridge Financing. In connection with this plan, on March 31, 2017, the Company closed the initial $1,050,000 in its Convertible Promissory Note "Bridge" offering (the "Offering"). The total size of the Offering is $1,500,000, with an additional $500,000 over-allotment option at the Company's discretion. As of May 24, 2017, a total of $1,400,000 had been raised in the Bridge Financing plus $168,151 of old debt had been converted into the offering.

The Convertible Promissory Notes (the "Notes") convert at a 50% discount to the post-funding valuation of the Company at the closing of its next offering in the minimum amount of $5,000,000 (the "Equity Offering"). The conversion valuation has a ceiling of $12,000,000, and a "floor" company value of $6,000,000 in the event there is no Equity Offering before the Notes are able to be converted. The Notes convert into common stock, or preferred stock if received by investors in the Equity Offering, commencing on the soonest of the Equity Offering closing or December 31, 2017, at the discretion of the holder. Maturity is 36 months from issuance with 15% annual interest which will be capitalized each year into the principal of the Notes and paid in kind. There are no warrants issued in connection with the Offering.

Funds from the Offering will be used to secure acquisitions of compost and soil companies with closings expected to occur concurrently with the closing of the Equity Offering, and up to 12 months of operating capital. A limited portion of the funds will also be used to eliminate liabilities on the Company's balance sheet. The Offering was led by two accredited investors, and joined by 19 additional accredited investors which included the Company's Directors. Management conducted the Offering and no broker fees were paid in connection with the initial closing.

Future Financing. Management is currently working on securing the next round of funding needed to close the initial projected acquisitions. We expect this round would be a minimum of $10,000,000, and be consummated sometime in 2017 at a valuation to be determined based on the consolidated pro-forma revenue/EBITDA projections of initial acquisitions. Management can make no guaranty that such financing can be completed on terms acceptable to the Company if at all.

Business of Compost and Soils

Tipping Fees. The business of composting, especially biosolids, has historically been driven by tipping fees – the amount paid to the compost facility to haul and receive waste products. In the case of biosolids, tipping fees range from $35 to $60 (or more based on location) per ton, with $44 per ton being the average.

A medium to large compost facility may accept between 100 and 200 tons of biosolids per day, or between 30,000 and 60,000 tons per year. Therefore, such facilities can expect between $1.3MM and $2.6MM in tipping fees on an annual basis. These contracts (often with municipalities) are usually long-term from 1 to 10 years in length.

Costs of hauling wastes are typically the largest portion of receiving these feedstocks, comprising about 50% of the tipping fee. Costs to manufacture compost, mainly labor, equipment, fuel and other direct overhead, usually comprise between 30% and 40% of the tipping fee. This provides a typical compost facility with gross margins on the manufacturing of a finished compost product of 10% to 20%.

Product Sales. For many compost facilities (especially those that work with biosolids), margins made on tipping fees drive their business model, and little effort or expense is made on producing a quality and consistent end product. For these facilities, limited additional revenue and margin is made on the back end – at times only about 10% to 20% of their revenue is from soil sales. They may give away product to landfills for cover, or sell it to farmers for prices between $4 and $8 per cubic yard on average.

As mentioned above, one of the more compelling aspects of the compost industry is the trend among certain facilities to view their business less as a waste management solution, and more as a manufacturing process to produce higher end compost and soil products. Management believes this is a fundamental transition in thinking about operations, procedures and priorities. Those facilities that have made the transition to focus on end product may have higher production costs to assure consistency of feedstock, better manufacturing procedures, and greater marketing costs, but the financial benefit can be material. Whereas average low quality compost may sell for $4/yard, high quality products can fetch much higher prices – between $12/yard and $80/yard for the top end soil products.

Business Plan and Value Appreciation Strategy

The Company believes that by creating a nationwide footprint of composting facilities that can manufacture consistent, quality product, combined with strong sales and marketing strategies, we can create substantial added value from acquired assets. When combined with a solid acquisition plan backed by the proper financial partners and executed by an experienced team, management believes there is great potential for building a dominant company in this sector over the next two to three years, with further significant growth opportunities in the following years.

Product Focus. As discussed above, the Company plans to achieve organic growth by maximizing sales of high end compost and soils through a network of distribution channels. Part of this strategy would include transitioning facilities that are more reliant on tipping fees to better manufacturing processes that can achieve higher quality products. For those facilities that already have these procedures in place, we plan to introduce new branded and blended soils products into their regional markets that command higher prices and margins.

Sales Channels/Distribution. Current sales of compost and soils predominately involve selling to one farm at a time / one project at a time. The trend in farmland is moving towards PE and REIT owned assets, which creates the ability to negotiate long-term compost sales with corporate customers, and acquire composters strategically located where these large customers control land. The Company will seek to develop nationwide marketing and sales channels with large corporate customers, government agencies, etc. Marketing is a major component of compost sales that seems to be lacking in the industry, and can result in significant strides in organic growth in management's opinion.

The engineered soils market is generally in its early growth stages. Management believes there are substantial opportunities to promote these products for construction, federal/municipal infrastructure programs, and land reclamation/mining projects. As infrastructure projects increase nationwide, as is expected in the current political environment, so will the soils market. The Company plans to invest in sales and marketing to attract nationwide landscape engineering firms, state and municipal planning agencies and other customers that can benefit from and place large orders for engineered soils. To the extent that we can divert more compost to construction and infrastructure projects, we can better grow revenue and margins organically, while always being cognizant of cyclical changes in this market.

Efficiencies. Management expects that consolidating composting companies can lead to better operational and sales efficiencies. Activities such as safety, accounting, legal, advertising, lobbying, training and others can be done at the corporate level, thus reducing overlapping personnel and efforts. To create greater efficiencies, the Company's employee base is expected to include operational experts with successful track records of consolidating operations and cultures in a merger strategy.

Composting Industry

Size and Composition. According to research conducted by the U.S. Composting Counsel, there are approximately 5,000 commercial composters in the United States diverting an estimated 19.4 million tons of organics from landfills. These organic waste streams primarily consist of yard trimmings, food scraps, biosolids (from waste water treatment plants) and some agricultural waste streams, including manure.

Of the approximately 5,000 composting sites in the U.S., most are small producers generating under $1 million per year in revenue. Less than 400 composters in the U.S., by the Company's count based on industry data, generate more than $5 million in revenue per year, and even few over $10 million.

Compost manufacturers can also be segmented by the types of waste they collect for processing. The three main feedstocks are biosolids from waste water treatment plants, yard (or "green") waste from commercial or municipal waste collection firms, and pre or post-consumer food waste. The largest number of composters utilize green waste, however, the largest volume of compost in the U.S. comes from biosolids.

Applications/Sectors for Compost Sales. The applications for agricultural compost and engineered soils are wide and growing. Engineered soils (sometimes called manufactured soils) are blends of soil, soil components and soil-like material used in horticulture, landscape, construction and site restoration applications. Using engineered soils allows for "tailoring" of soil properties to specific needs. Soil blending is performed at a production scale across the United States, generating millions of cubic yards of product annually. Compost is a primary component of engineered soils, typically comprising 1/3 of its volume.

The largest segments for the application of compost and engineered soils include the following:

Agriculture. Making farmland more productive and sustainable is the largest application of compost. Compost improves infiltration rates, water holding capacity and soil tilth; and fertilizes the soil to supplement nitrogen, phosphorus and potassium. Use of compost can save farmers money by decreasing water, chemical fertilizer and pesticide uses by up to 80%. Despite the utilization of compost on farmland being an age-old practice, the market for this in the U.S. is still largely untapped, estimated at only a 10% utilization rate relative to all farmable land, according to the U.S. Composting Council.

Construction: For both traditional construction and LEED certified projects, use of engineered soils for control of erosion, water retention, sedimentation and pollution can result in cost savings and easier compliance with permitting. Further, Low Impact Development (LID) approaches – maintaining and enhancing pre-development watershed regimes – have become critically important, especially in urban settings. Engineered soils play a major role in green roofs, bio-retention cells, rain gardens, infiltration trenches and open grid pavement systems. The goals of these systems are to reduce the flow rate, volume and contaminant level of storm water runoff (compost can retain 20X its weight in water).

Silviculture and Land Reclamation (Mining): Engineered soils are being used to repopulate forests (silviculture) and other land where heavy use, industry or other activities such as mining have decimated the vegetation. This is an important area to help control water conservation and climate change.

Sod and Turf: Engineered soils are being used to improve sod and turf quality, produce a lighter material, and enhance growth efficiency. They are being used for college and high school athletic fields (especially to replace synthetic turf fields), and for golf course construction and maintenance.

Competition

The composting industry is highly fragmented with no clear leader on a national basis. As composting is very much a localized business constrained by the costs of transporting soils over long distances, each region or community that we may enter in the future will have a dominant market player. The Company views these local leaders as potential acquisition targets or partners; however, there is no assurance that the Company will be able to acquire or build a dominant business in each location it chooses to enter.

Large waste companies such as Waste Management ("WM") and Republic Industries own compost facilities in their respective portfolios. WM in particular owns over 40 compost facilities, typically connected to a landfill property. Management believes that these compost sites are under-utilized and not geared to creating the highest value end-products for sale into multiple markets. As a result, we believe there is an opportunity to work with large companies like WM to help them expand their sales and marketing operations.

Intellectual Property

Compost. With respect to the Company's future composting business model, we do not hold any specific intellectual property; however, certain of the companies we have identified for acquisition or partnership do have trade secrets in soil formulas, manufacturing processes, and patentable compost additives, all of which could be valuable for our on-going growth strategy.

Engine Development. The Company has maintained the intellectual property developed in connection with the Q2P Engine and the CHP System over the past three years. This intellectual property consists of designs, drawings, manufacturing processes, and patentable technology. Management believes that this property has significant value for both the Company and third parties that wish to license or acquire the know-how to develop and manufacture these unique waste-to-power systems. As of March 31, 2017, the Company was working with one party, Phoenix Power Group, to commercialize this technology under a Collaboration Agreement. Also, the Company was in discussions with parties about the possible sale of the technology, although no such agreement has been reached to date.

Further, the Company has a license agreement (the "License") from Cyclone, which originally developed and patented certain versions of the Q2P Engine and components. over the previous eight years with over $8 million in R&D expenditures during this time. Key terms of the License between the Company and Cyclone are as follows:

- **Term:** 20-year exclusive right to manufacture, market, sell, sub-license and sub-contract all Cyclone technology, including engines, components and other devices, for the WtP and WHR markets. The term has two 10-year renewal periods. We are currently in the second third of this agreement.
- **Territory:** Worldwide.
- **Royalties**: 5% royalty to Cyclone on all sales of the Q2P Engine. We do not pay any royalties on the complete CHP System, including other components that we have developed or purchased.
- **Up-Front Fee**: We paid a one-time payment of $175,000 in September 2014 for the rights in the license.
- **Transfers**: We must receive the approval of Cyclone to sell or transfer our license. No approval is needed in connection with a merger of our Company. We do not need approval for sub-licensing, only notice to Cyclone.
- **Improvements**: We share equally with Cyclone the patent rights of all improvements we make to the licensed technology.
- **Right to First Opportunity:** In the instance Cyclone declares bankruptcy, we shall have the first right to purchase Cyclone's patents, which must be exercised within 30 days. We have filed a lien on the Cyclone patents to protect our interests in this event.
- **Infringement**: We have the obligation to participate in the defense of patent infringement cases involving the Q2P Engine or improved technology.

Patents. Currently, the Q2P Engine is not protected under active patents in the United States, or to the Company's knowledge, active international patents.

Trade Secrets. With respect to proprietary know-how that is not patentable and processes for which patents are difficult to enforce, we rely on among other things, trade secret protection and confidentiality agreements to safeguard our interests. We believe that some elements of our power system involve proprietary know-how, technology or data that are not covered by patents or patent applications, including certain technical processes, equipment designs, algorithms and procedures. We have taken security measures to protect these elements. All of our research and development personnel have entered into confidentiality and proprietary information agreements with us. These agreements address intellectual property protection issues and require our associates and employees to assign to us all of the inventions, designs and technologies they develop during the course of employment with us. We also require our customers and business partners to enter into confidentiality agreements before we disclose any sensitive aspects of our technology or business plans.

Trademarks. We have received approval from the USPTO for use of our Q2P and Q2Power trademarks. We acquired from Cyclone the U.S. trademarks for "WHE", WHE Generation" and "Generation WHE" in connection with our Separation Agreement. The Company is not currently using these WHE marks.

Exchange Act

We are subject to the following regulations of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and applicable securities laws, rules and regulations promulgated under the Exchange Act by the SEC. Compliance with these requirements of the Exchange Act increases our legal and accounting costs.

Smaller Reporting Company

We are subject to the reporting requirements of Section 13 of the Exchange Act, and subject to the disclosure requirements of Regulation S-K of the SEC, as a "smaller reporting company." That designation will relieve us of some of the informational requirements of Regulation S-K.

Emerging Growth Company

We are also an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or "JOBS Act." As long as we remain an "emerging growth company," we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not an "emerging growth company," like those applicable to a "smaller reporting company," including, but not limited to, a scaled down description of our business in SEC filings; no requirements to include risk factors in Exchange Act filings; no requirement to include certain selected financial data and supplementary financial information in SEC filings; not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act; reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements that we file under the Exchange Act; no requirement for Sarbanes-Oxley Act Section 404(b) auditor attestations of internal control over financial reporting; and exemptions from the requirements of holding an annual nonbinding advisory vote on executive compensation and seeking nonbinding stockholder approval of any golden parachute payments not previously approved. We are also only required to file audited financial statements for the previous two fiscal years when filing registration statements, together with reviewed financial statements of any applicable subsequent quarter.

We may take advantage of these reporting exemptions until we are no longer an "emerging growth company." We can remain an "emerging growth company" for up to five years. We would cease to be an "emerging growth company" prior to such time if we have total annual gross revenues of $1 billion or more and when we become a "larger accelerated filer," have a public float of $700 million or more or we issue more than $1 billion of non-convertible debt over a three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Sarbanes/Oxley Act

Except for the limitations excluded by the JOBS Act discussed under the preceding heading "Emerging Growth Company," we are also subject to the Sarbanes-Oxley Act of 2002. The Sarbanes/Oxley Act created a strong and independent accounting oversight board to oversee the conduct of auditors of public companies and strengthens auditor independence. It also requires steps to enhance the direct responsibility of senior members of management for financial reporting and for the quality of financial disclosures made by public companies; establishes clear statutory rules to limit, and to expose to public view, possible conflicts of interest affecting securities analysts; creates guidelines for audit committee members' appointment, compensation and oversight of the work of public companies' auditors; management assessment of our internal controls; prohibits certain insider trading during pension fund blackout periods; requires companies and auditors to evaluate internal controls and procedures; and establishes a federal crime of securities fraud, among other provisions. Compliance with the requirements of the Sarbanes/Oxley Act will substantially increase our legal and accounting costs.

Exchange Act Reporting Requirements

Section 14(a) of the Exchange Act requires all companies with securities registered pursuant to Section 12(g) of the Exchange Act like we are to comply with the rules and regulations of the SEC regarding proxy solicitations, as outlined in Regulation 14A. Matters submitted to shareholders at a special or annual meeting thereof or pursuant to a written consent will require us to provide our shareholders with the information outlined in Schedules 14A (where proxies are solicited) or 14C (where consents in writing to the action have already been received or anticipated to be received) of Regulation 14, as applicable; and preliminary copies of this information must be submitted to the SEC at least 10 days prior to the date that definitive copies of this information are forwarded to our shareholders.

We are also required to file annual reports on Form 10-K and quarterly reports on Form 10-Q with the SEC on a regular basis, and will be required to timely disclose certain material events (e.g., changes in corporate control; acquisitions or dispositions of a significant amount of assets other than in the ordinary course of business; and bankruptcy) in a Current Report on Form 8-K.

Number of Total Employees and Number of Full Time Employees

As of the date of this Annual Report, we have one full-time employee, one director active on our operations, and three consultants including our principal accounting officer.

Reports to Security Holders

You may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may also find all of the reports that we have filed electronically with the SEC at their Internet site www.sec.gov.

ITEM 1A. RISK FACTORS

A number of factors could affect the business of the Company and and/or our operating subsidiary, Q2P. Any factor which could adversely affect the business of Q2P could, by extension, have a negative effect on the Company's own financial performance. Among these potential factors are the following:

WE HAVE LIMITED OPERTING HISTORY AND ARE OPERATING AT A LOSS, AND THERE IS NO GUARANTEE THAT WE WILL REMAIN AS A GOING CONCERN OR BECOME PROFITABLE.

We recently began operations and anticipate that we will operate at a loss for some time. Since we have limited operating history and no history of profitability, we have no financial results upon which you may judge our potential. There can be no guarantee that we will remain as a going concern or ever become profitable. In the future, we may experience under-capitalization, development delays, set-backs with closing or integrating acquisitions, lack of funding options, setbacks and many of the problems, delays and expenses encountered by any early stage business, many of which are beyond our control. These include, but are not limited to:

- inability to identify suitable companies for acquisition, joint venture and/or customer sales;
- inability to raise sufficient capital to fund our business plan;
- development and marketing problems encountered in connection with new and existing products;
- substantial delays and expenses related to manufacturing, testing, development and deployment of our products;
- competition from larger and more established companies; and
- lack of market acceptance of our anticipated products and services.

BECAUSE OUR HISTORY IS LIMITED AND WE ARE SUBJECT TO INTENSE COMPETITION, ANY INVESTMENT IN US WOULD BE INHERENTLY RISKY.

Because we are a company with no operational history and no profitability until we presumably complete our initial acquisitions, our business activity can be expected to be extremely early-staged and subject to numerous risks. The compost and soil business is highly competitive in different regions with many companies having access to the same market. Some of them have greater financial resources and longer operating histories than we have and can be expected to compete within the business in which we engage and intend to engage. There can be no assurance that we will have the necessary resources to become or remain competitive. We are subject to the risks which are common to all companies with a limited history of operations and profitability. Therefore, investors should consider an investment in us to be an extremely risky venture.

WE WILL REQUIRE ADDITIONAL FINANCING.

For the foreseeable future, we expect to rely upon funds raised from current convertible debt financing and future debt or equity offerings to provide initial seed capital and further operating capital for the Company. As of the filing of this Report, management forecasts that it has operating capital to last until the end of 2017, but we will need to complete a future larger funding in order to complete our expected acquisitions. Therefore, we will have to obtain additional financing in order to expand our business consistent with our proposed operations and plan. There can be no guarantee that additional funds will be available when and if needed. If we are unable to obtain such financing, or if the terms thereof are too costly, we may be forced to curtail or cease operations until such time as alternative financing may be arranged, which could have a materially adverse impact on our planned operations and our shareholders' investment.

WE REMAIN AT RISK REGARDING OUR ABILITY TO CONDUCT SUCCESSFUL OPERATIONS.

The results of our operations will depend, among other things, upon our ability to complete acquisitions, integrate their operations and culture into a cohesive unit, and manage and grow those operations. Further, it is possible that our operations will not generate income sufficient to meet operating expenses or will generate income and capital appreciation, if any, at rates lower than those anticipated or necessary to sustain ourselves. Our operations may be affected by many factors, some known by us, some unknown, and some which are beyond our control. Any of these problems, or a combination thereof, could have a materially adverse effect on our viability as an entity and might cause the investment of our shareholders to be impaired or lost. Our acquisitions are in various stages of development and our management team has not yet been fully formed. Some of our projects may not be completed in time to allow production or marketing due to the inherent risks of product development, limitations on financing, competition, obsolescence, loss of key personnel and other factors. Unanticipated obstacles can arise at any time and result in lengthy and costly delays or in a determination that further development is not feasible.

The consummation of our acquisition plan may take longer than anticipated and could be additionally delayed. We may not be able to complete acquisitions at valuations and prices that provide upside appreciation to shareholders. Therefore, there can be no assurance of timely completion and introduction of projects on a cost-effective basis, or that such projects, if introduced, will achieve the results anticipated such that, in combination with existing projects, they will sustain us or allow us to achieve profitable operations.

OUR SUCCESS WILL BE DEPENDENT UPON OUR MANAGEMENT.

Our success is dependent upon the decision making of our directors and executive officers. We believe that our success depends on the continued service of our key employees and our ability to hire additional key employees when and as needed. Although we currently intend to retain our existing management, we cannot assure you that such individuals will remain with us. Further, we cannot assure that we will be able to find and recruit new employees on terms acceptable to the Company. We have fixed term employment agreements with our two key employees – Messrs. Bolin and Nelson — but have not obtained key man life insurance on the lives of either of them. The unexpected loss of the services of one or more of our key executives, directors and advisors, or the inability to find new key employees within a reasonable period of time could have a material adverse effect on the economic condition and results of operations of the Company.

WE MAY NOT BE ABLE TO EFFECTIVELY CONTROL AND MANAGE OUR GROWTH

Our strategy envisions a period of potentially rapid growth. We currently maintain nominal administrative and personnel capacity due to the startup nature of our business, and our expected growth may impose a significant burden on our future planned administrative and operational resources. The growth of our business will require significant investments of capital and increased demands on our management, workforce and facilities. We will be required to substantially expand our administrative and operational resources and attract, train, manage and retain qualified management and other personnel. Failure to do so or satisfy such increased demands would interrupt or would have a material adverse effect on our business and results of operations.

FUTURE ACQUISITIONS MAY BE UNSUCCESSFUL AND MAY NEGATIVELY AFFECT OPERATIONS AND FINANCIAL CONDITION.

The integration of businesses, personnel, product lines and technologies can be difficult, time consuming and subject to significant risks. Any difficulties could disrupt our ongoing business, distract our management and employees, increase our expenses and decrease our revenue.

OUR SALES CYCLES MAY BE LONG.

We expect that the period between our initial contact with a potential customer for new products such as engineered soils and the purchase of our products may be long and subject to delays associated with the budgeting, approval, and competitive evaluation processes which frequently accompany such projects. We believe that a customer's decision to purchase our products is discretionary and is influenced by budgetary cycles. Further, industries such as construction are historically cyclical, and to the extent we focus manufacturing and sales resources on products geared towards these markets, we could experience a material effect on our revenue and profitability if we are caught in a market downturn.

OUR FAILURE TO DEVELOP AND INTRODUCE IMPROVED PRODUCTS COULD HURT OUR GROWTH.

We plan to invest financial resources in research and development and marketing of new soil products and technologies. These activities are inherently uncertain and we could encounter practical difficulties in commercializing our results, and our expenditures may not produce corresponding benefits. Other companies are developing a variety of competing products and could produce solutions that prove more cost-effective or have better performance than ours.

PROBLEMS WITH PRODUCT QUALITY MAY DAMAGE OUR MARKET REPUTATION AND PREVENT US FROM MAINTAINING OR INCREASING OUR MARKET SHARE.

Any widespread product failures may damage our market reputation and cause our sales to decline, which could have a material adverse effect on our financial results. Such product failures may open us to litigation for which we may not be properly insured, and for which an unfavorable result could have a material adverse effect on our operations and value of your holdings.

POTENTIAL CONFLICTS OF INTEREST.

The officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such person(s) may face a conflict in selecting between the Company and his other business interests. The Company has not formulated a policy for the resolution of such conflicts.

LIQUIDITY RISKS ASSOCIATED WITH OUR COMMON STOCK.

Limited Public Market. There is a limited trading market for our shares of common stock and a robust trading market for our securities may not develop in the foreseeable future. If no market develops, it may be difficult or impossible for you to sell your shares if you should desire to do so. Our common stock is quoted on the OTC Pink Market, however, the Company intends to list on the OTCQB. There is extremely limited and sporadic trading of our common stock and no assurance can be given, when, if ever, an active trading market will develop or, if developed, that it will be sustained.

No Trading of Stock. Current rules promulgated by the SEC may prohibit shareholders from trading their shares of common stock under Rule 144 for at least six months unless registered.

Limited Marketability and Transferability; Liability. There is a limited market through which our common stock may be sold and transfer of these shares is subject to significant restrictions. Unless our shares are registered with the Securities and Exchange Commission and any required state authorities, or an appropriate exemption from registration is available, a holder of the shares may be unable to liquidate an investment in such securities, even though his or her personal financial condition may dictate such a liquidation. In addition, the shares will likely not be readily acceptable as collateral for loans. Therefore, prospective stockholders who require liquidity in their investments should not invest in our common stock.

THE PRICE OF OUR COMMON STOCK MAY FLUCTUATE SIGNIFICANTLY, WHICH COULD LEAD TO LOSSES FOR STOCKHOLDERS.

The securities of public companies can experience extreme price and volume fluctuations, which can be unrelated or out of proportion to the operating performance of such companies. We expect our common stock price will be subject to similar volatility. Any negative change in the public's perception of the prospects of our Company or companies in our market could also depress our common stock price, regardless of our actual results. Factors affecting the trading price of our common stock may include:

* Regulatory actions;
* Variations in our operating results;
* Announcements of technological innovations, new products or product enhancements, strategic alliances or significant agreements by us or by our competitors;
* Recruitment or departure of key personnel;
* Litigation, legislation, regulation or technological developments that adversely affect our business;
* Changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to follow our common stock; and
* Market conditions in our industry, the industries of our customers and the economy as a whole.

IF SECURITIES ANALYSTS DO NOT PUBLISH RESEARCH OR REPORTS ABOUT OUR BUSINESS OR IF THEY DOWNGRADE OUR STOCK, THE PRICE OF OUR STOCK COULD DECLINE.

The trading market for our common stock may be affected by research and reports that industry or financial analysts may in the future publish about us or our business, over which we will have no control. There are many large, well-established publicly traded companies active in our industry and market, which means it will be unlikely that we will receive widespread, if any, analyst coverage. Furthermore, if one or more of the analysts who in the future elect to cover us, downgrade our stock, our stock price would likely decline rapidly.

THE APPLICATION OF THE "PENNY STOCK" RULES COULD ADVERSELY AFFECT THE MARKET PRICE OF OUR COMMON STOCK AND INCREASE YOUR TRANSACTION COSTS TO SELL THOSE SHARES.

As long as the trading price of our common stock is below $5.00 per share, the open-market trading of our common stock will be subject to the "penny stock" rules. The penny stock rules impose additional sales practice requirements on broker-dealers who sell securities to persons other than established customers and accredited investors (generally those with assets in excess of $1 million or annual income exceeding $200,000 or $300,000 together with their spouses). For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of securities and have received the purchaser's written consent to the transaction before the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the broker-dealer must deliver, before the transaction, a disclosure schedule prescribed by the Commission relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information on the limited market in penny stocks. These additional burdens imposed on broker-dealers may restrict the ability or decrease the willingness of broker-dealers to sell our common stock, and may result in decreased liquidity of our common stock and increased transaction costs for sales and purchases of our common stock as compared to other securities.

WE DO NOT INTEND TO PAY DIVIDENDS.

We have not paid any cash dividends on our common stock since inception and we do not anticipate paying any cash dividends in the foreseeable future. Earnings, if any, that we may realize will be retained in the business for further development and expansion.

WE WILL NEED TO RAISE CAPITAL WHICH WILL CAUSE DILUTION.

We are currently operating at a loss and intend to increase our operating expenses significantly as we complete acquisitions and expand our development and marketing. We expect that the proceeds received from the current sale of convertible debt securities will not be sufficient to fund day-to-day operations for more than nine to twelve months, and will not allow us to consummate all of the acquisitions we have planned. After operations begin, the operating expenses will be significant and the Company will have to generate substantial revenues to achieve profitability. As a result, we may never achieve or sustain profitability, which would cause the value of the shares underlying your Notes to decline. Additionally, we may encounter unforeseen costs that could also require us to seek additional capital. We currently do not have any permanent arrangements or credit facilities in place as a source of funds should this need arise, and there can be no assurance that we will be able to raise sufficient, if any, additional capital, nor is there any assurance that we will be able to raise such capital on acceptable terms. Any additional financing may result in significant dilution to our company's existing shareholders.

CONCENTRATION OF STOCK OWNERSHIP AND CONTROL.

Our plan entails conducting multiple acquisitions and fund raising rounds, much of which may utilize our common stock. In this regard, future investors and target owners may control a significantly large amount of equity, and as a result, these stockholders acting together will be able to influence many matters requiring stockholder approval including the election of directors and approval of mergers and other significant corporate transactions. This concentration of ownership may have the effect of delaying, preventing or deterring a change in control, and could deprive our stockholders of an opportunity to receive a premium for their shares of common stock as part of a sale of our company and may affect the market price of our stock.

OUR FINANCIAL STATEMENTS CONTAIN AN "AUDITOR'S 'GOING CONCERN' OPINION".

The Report of Independent Registered Public Accounting Firm issued in connection with our audited financial statements for the calendar year ended December 31, 2016 expressed substantial doubt about our ability to continue as a going concern, due to the fact that we have incurred significant operating losses and have had negative cash flows from operations since inception. Our stock is listed on the Pink Sheets, due to our failure to file our third quarter 2016 10-Q and this Annual Report in a timely manner.

BECAUSE OUR COMMON STOCK IS A "PENNY STOCK," YOU MAY HAVE GREATER DIFFICULTY SELLING YOUR SHARES.

Our common stock is a "penny stock" as defined in Rule 3a51-1 of the Securities and Exchange Commission. Section 15(g) of the Exchange Act and Rule 15g-2 of the Securities and Exchange Commission require broker/dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before making any transaction in a penny stock for the investor's account. In addition, Rule 15g-9 of the Securities and Exchange Commission requires broker/dealers in penny stocks to approve the account of any investor for transactions in these stocks before selling any penny stock to that investor. Compliance with these requirements may make it harder for our selling stockholders and other stockholders to resell their shares.

THE COMPANY HAS PREFERRED STOCK WITH ADDITIONAL PRIORITY RIGHTS.

The Company has 600 shares of Series A Convertible Preferred Stock (the "Preferred Stock") outstanding with a purchase value of $600,000, held by two institutional investors. The Preferred Stock converts into common stock at $0.15 per share, subject to price protection provisions in the instance certain shares are issued at a lower price. The Preferred Stock must be redeemed by the Company if not converted prior to the second anniversary, which is December 2017. Holders of the Preferred Stock have additional rights to approve extraordinary transactions, including a sale or merger, additional debt and other similar items. The holders of the Preferred Stock can control significant influence over the Company.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None. Not required for smaller reporting companies.

ITEM 2. PROPERTIES

The Company currently conducts its business from offices in Palm Beach, Florida. The Company has no formal agreement for this space which is leased by Greenblock Capital, a company for which our CEO is also Managing Director, but owns no equity or voting position. Over the course of 2016, the Company expects to lease permanent office space in Atlanta, GA, however, no space has been located to date.

Through June 2016, the Company leased 2,500 of office and manufacturing / assembly space from Precision CNC in Lancaster, Ohio at a rate of $2,500 per month. Precision CNC is owned by a former employee of the Company, who also owns a non-majority stake in Q2Power, and served as the primary manufacturing supplier for the Company. That lease was terminated by mutual agreement in the second quarter of 2016.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any pending legal proceeding and, to the knowledge of our management, no federal, state or local governmental agency is presently contemplating any proceeding against us. No director, executive officer, affiliate of ours, or owner of record or beneficially of more than five percent of our common stock is a party adverse to the Company or has a material interest adverse to us in any proceeding.

When the Company sold the ESI subsidiary to three former shareholders following the Merger, that company had a judgment against it from a litigation brought in the Superior Court of the County of Iredell, North Carolina, seeking payment of wages of approximately $25,000, together with vacation pay, the value of health insurance benefits and medical expenses. On April 10, 2015, the Court entered judgment against ESI in favor of the plaintiff. Claims made by the plaintiff against AnPath (the Company at that time) and certain of the officers and directors of Anpath at that time were dismissed by the Court. The Company does not believe it has any liability in this matter, and that the judgment was properly retained by ESI in the sale; however, the judgment is still outstanding and management cannot guaranty that it will not be brought back into the litigation or collection efforts in the future.

ITEM 4. MINE SAFETY DISCLOSURES

None; not applicable.

PART II

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

There is no "established trading market" for our shares of common stock. Due to our failure to timely file our 10-Q for the period ended September 30, 2016 and this Annual Report, we were moved from the OTCQB market to the OTC Pink Market in January 2017. Management expects to be up-listed again to the OTCQB upon the filing on this Annual Report and the March 31, 2017 quarterly report.

No assurance can be given that any market for our common stock will develop or be maintained. If a public market ever develops in the future, the sale of shares of our common stock that are deemed to be "restricted securities" pursuant to Rule 144 of the SEC by members of management or others may have a substantial adverse impact on any such market.

Set forth below are the high and low closing bid prices for our common stock for each quarter of the years 2015 and 2016. These bid prices were obtained from OTC Markets Group, Inc. All prices listed herein reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not represent actual transactions. Prices reflect a 7:1 reverse split effective as of August 5, 2015.

Period	High	Low
January 1, 2015 through March 31, 2015	$ 0.56	$ 0.11
April 1, 2015 through June 30, 2015	$ 11.90	$ 0.11
July 1, 2015 through September 30, 2015	$ 0.70	$ 0.15
October 1, 2015 through December 31, 2015	$ 0.75	$ 0.30
January 1, 2016 through March 31, 2016	$ 0.65	$ 0.25
April 1, 2016 through June 30, 2016	$ 0.34	$ 0.10
July 1, 2016 through September 30, 2016	$ 0.21	$ 0.05
October 1, 2016 through December 31, 2016	$ 0.09	$ 0.01

Rule 144

The following is a summary of the current requirements of Rule 144:

	Affiliate or Person Selling on Behalf of an Affiliate	Non-Affiliate (and has not been an Affiliate During the Prior Three Months)
Restricted Securities of Reporting Issuers	During six-month holding period – no resales under Rule 144 permitted. After six-month holding period – may resell in accordance with all Rule 144 requirements including: ● Current public information, ● Volume limitations, ● Manner of sale requirements for equity securities, and ● Filing of Form 144.	During six- month holding period – no resales under Rule 144 permitted. After six-month holding period but before one year – unlimited public resales under Rule 144 except that the current public information requirement still applies. After one-year holding period – unlimited public resales under Rule 144; need not comply with any other Rule 144 requirements.

Restricted Securities of Non-Reporting Issuers	During one-year holding period – no resales under Rule 144 permitted. After one-year holding period – may resell in accordance with all Rule 144 requirements including: ● Current public information, ● Volume limitations, ● Manner of sale requirements for equity securities, and Filing of Form 144.	During one-year holding period – no resales under Rule 144 permitted. After one-year holding period – unlimited public resales under Rule 144; need not comply with any other Rule 144 requirements.

Holders

The number of record holders of our common stock as of the date of this Annual Report is approximately 307. This figure does not include approximately 430 beneficial owners who may hold their shares in "street name," based on a recent NOBO list.

Dividends

We have not declared any cash dividends with respect to our common stock, and do not intend to declare dividends in the foreseeable future. The future dividend policy of our Company cannot be ascertained with any certainty, and if and until we determine to engage in any business or we complete any acquisition, reorganization or merger, no such policy will be formulated. There are no material restrictions limiting, or that are likely to limit, our ability to pay dividends on our securities.

Securities Authorized for Issuance under Equity Compensation Plans

Equity Compensation Plan Information.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, stock appreciation rights and common stock awards*	Weighted-average exercise price of outstanding options, stock appreciation rights and common stock awards	Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a)
	(a)	(b)	(c)
Equity compensation plans approved by security holders	None	None	None
Equity compensation plans not approved by security holders	6,115,480	$ 0.21	1,884,520
Total	6,115,480	$ 0.21	1,884,520

- All securities in this table are issued under the Company's 2014 Founder's Stock Option Plan, 2014 Employee Stock Option Plan, and the 2016 Omnibus Plan. All securities are common stock options, stock appreciation rights and stock awards. There are no warrants or other securities issued under these plans.

Recent Sales of Unregistered Securities

The following table sets forth the sales of unregistered securities by the Company in 2016 and 2017 up to the date of filing that were not previously reported in Form 10-Q or 8-K filings. Further, the following table does not reflect sales of unregistered securities made by Q2P prior to the consummation of the Merger.

To whom	Date	Number of shares	Consideration
None not previously reported.			

We issued all securities previously reported to persons who were "accredited investors" as that term is defined in Rule 501 of Regulation D of the SEC, or to "sophisticated investors" or key employees; and each such person had prior access to all material information about us prior to the offer and sale of these securities, and had the right to consult legal and accounting professionals. We believe that the offer and sale of these securities were exempt from the registration requirements of the Securities Act, pursuant to Sections 4(a)(2) and 4(6) thereof, and Rule 506 of Regulation D of the SEC.

Purchases of Equity Securities by Us and Affiliated Purchasers

None.

ITEM 6: SELECTED FINANCIAL DATA

Not required for smaller reporting companies.

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking Statements

Statements made in this Annual Report which are not purely historical are forward-looking statements with respect to the goals, plan objectives, intentions, expectations, financial condition, results of operations, future performance and business of our Company and our wholly-owned subsidiary, Q2P, including, without limitation, (i) our ability to raise capital, and (ii) statements preceded by, followed by or that include the words "may," "would," "could," "should," "expects," "projects," "anticipates," "believes," "estimates," "plans," "intends," "targets" or similar expressions.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond our control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including the following, general economic or industry conditions, nationally and/or in the communities in which we may conduct business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, our ability to raise capital, changes in accounting principles, policies or guidelines, financial or political instability, acts of war or terrorism, other economic, competitive, governmental, regulatory and technical factors affecting our current or potential business and related matters. Accordingly, results actually achieved may differ materially from expected results in these statements. Forward-looking statements speak only as of the date they are made. We do not undertake, and specifically disclaim, any obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of such statements. We have no obligation to update any of our forward-looking statements other than as required by law.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND PLAN OF OPERATIONS

Overview

The following discussion contains forward-looking statements that reflect the Company's plans, estimates and beliefs, and actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report, particularly in "RISK FACTORS."

The Company's operating subsidiary, Q2P, was originally formed in April 2010 in the state of Florida as a limited liability company called "Cyclone-WHE LLC." The purpose of the Company at such time was essentially the same as it was through most of 2016: to complete research and development on its waste-to-power technology with the goal of pursuing business opportunities in the renewable power sector on a global basis. Since May 2016, the Company also began to pursue other lines of business, such as the manufacturing of compost and soils from biosolids and other waste streams, and has materially limited its R&D operations. Although no operations in the compost and soils field have commenced, management has made progress towards identifying certain operational composing facilities in the U.S. for potential acquisition or partnership. The Company re-domiciled to Delaware as a corporation in April 2014, formally split from its former parent in July 2014, and changed its name to "Q2Power Corp." in February 2015. It is licensed to do business in Florida, where it maintains offices.

On November 12, 2015, Q2P consummated its Agreement and Plan of Merger (the "Merger Agreement") with the Company (then called Anpath Group, Inc.) and the Company's newly formed and wholly-owned subsidiary, AnPath Acquisition Sub, Inc., a Delaware corporation ("Merger Subsidiary"), resulting in the Merger Subsidiary merging with and into Q2P. As a result, Q2P was the surviving company and a wholly-owned subsidiary of AnPath (the "Merger"). As a result of the Merger, all outstanding shares of Q2P were exchanged for 24,034,475 shares of the Company's common stock, representing approximately 93% of the total issued and outstanding common stock of the Company, excluding stock options, warrants and convertible notes outstanding at such time. In addition, the Company assumed both the Q2P 2014 Founders Stock Option Plan and the 2014 Employees Stock Option Plan (the "Option Plans"), and 1,095,480 options outstanding thereunder. As of the date of the Merger, the officers and directors of Q2P took over the management and Board of Directors of the Company.

In connection with the Merger, the Company sold the former operating entity of Anpath, ESI, to three former officers and shareholders of Anpath in exchange for the return of 470,560 shares of common stock of the Company and ESI retaining all of the old liabilities of ESI including a litigation judgment.

In December 2015, the Company officially changed its name to Q2Power Technologies, Inc. to reflect the new business direction of the Company – that of Q2P – after the Merger. In February 2016, the Company changed its fiscal year end from March 31 to December 31 to reflect the year-end of its operating Subsidiary, and up-listed its common stock to the OTCQB. The financial statements and footnotes to the financial statements reflect this change of fiscal year end.

A. Plan of Operation

In the second and third quarters of 2016, the Company announced that it had taken several important steps to expand its business model into the commercial composting and sustainable soils sector. This included starting an alliance with a leading company in this space based in Georgia, and adding a key advisor with over 40 years of experience in this industry to our team. Two of the Company's independent Directors also have significant experience and contacts in waste water, biosolids, waste management and other areas that are synergistic and overlapping with composting.

In August 2016, the Company, ERTH Products LLC and Exceptional Products Inc. (the "ERTH Companies"), entered into a binding letter of intent (the "LOI") contemplating the acquisition of the ERTH Companies by the Company. The ERTH Companies, based in Georgia, manufacture agricultural compost and engineered soils for the construction industry from waste water biosolids. Under the LOI, the ERTH Companies agreed to a 90 day exclusivity period to negotiate the terms of this acquisition. The Company also added Wayne King Sr., the founder of the ERTH Companies, to the Company's Board of Advisors. The exclusivity period of this LOI terminated in November 2016; however, an addendum to this LOI was signed in April 2017 to extend that exclusivity period through September 30, 2017. During 2017, the Company expects to advance these plans by either completing this acquisition, and/or acquiring other established businesses in this sector. Management believes these plans have a greater likelihood of success since the initial closing of $1,050,000 on March 31, 2017, in its $1,500,000 Convertible Promissory Note "Bridge" Offering.

The Company's strategy in composting and sustainable soils is supported by a Research & Markets report published May 2016 stating that the global market for these products — specifically engineered soils, of which composting is a major component — is projected to reach $7.8 billion by 2021, at a CAGR of 6.7% from 2016 to 2021. The growth of this market is being driven by soil productivity, water conservation and pollution concerns in the United States and worldwide. According to these and other reports, 99 million acres (28% of all cropland) in the U.S. are eroding above soil tolerance rates, meaning the long-term productivity of the soil cannot be maintained and new soil is not adequately replacing the lost soil. This erosion reduces the ability of the soil to support plant growth and hold water, adding significant pressure on this critical depleting resource. Further, soils produced with compost are being used with more frequency in construction, infrastructure and land reclamation projects to reduce costs, accelerate permitting, and create more sustainable landscapes. Management sees an opportunity in the composting and engineered soils markets to build a strong, cash flowing company, while doing good for the environment.

In connection with these new plans, the Company has also taken steps to reduce its R&D overhead in the second and third quarters of 2016, including scaling back a large portion of its engineering and technical personnel in order to dedicate more resources to pursuing partnerships and acquisitions in the compost industry. Management anticipates that this plan may help get the Company to consistent revenue and profitability quicker, and increase shareholder value over the short and long term.

Management continues to believe that the Company's engine and power system technology is viable as a commercial product, targeted to many of the same customers that the Company plans to work with in the composting business. These include waste water treatment plants that produce methane, and can benefit from the conversion of that otherwise flared fuel to electricity and process heat. The IP that the Company has licensed and developed over the last two years is a valuable asset which we intend on maintaining and protecting moving forward, with the possibility of selling it to the right buyer at the right time. In March 2017, the Company began discussions to sell its technology to one such party, but no agreement has been reached as of the date of filing this Report.

In January 2017, the Company transferred its sales agreement with MagneGas to Phoenix Power Group, a licensee of the Company's technology. Under this agreement, Phoenix assumed all responsibility and liabilities associated with delivering a waste-to-power system to the customer utilizing the Company's technology, and will receive any additional fees paid by the customer for successful performance. Phoenix released the Company of approximately $250,000 in deferred revenue liabilities in connection with this contract assignment, and agreed to certain royalty fees payable to the Company for sales of the engine and system.

Through December 31, 2017, management expects to spend approximately $1.2 million on operations, reduced from $2.0 to $2.5 million with respect to operations to support an R&D project. Our average monthly burn-rate from October 2016 through March 2017 is approximately $50,000 per month, which has been reduced by management from about $150,000 per month in the first half of 2016. However, we estimate that this will increase again in 2017 as we ramp-up partnerships and acquisitions in the compost sector, including the hiring of new operational and sales personnel. Funds to cover operational short-falls over the following 12 months may be raised through the issuance of equity securities and/or debt funding.

In March 2017, the Company completed the initial $1,050,000 trench of a $1,500,000 Convertible Promissory Note "Bridge" offering (the "Bridge Offering"). Discussion of the Bridge Offering is provided in "Financial Condition, Liquidity and Capital Resources". Funds from the Bridge Offering are sufficient to provide for operations for the Company through the end of 2017, including advancing its strategy to acquire cash-flowing composting businesses.

B. **Management's Discussion and Analysis of Financial Condition and Results of Operations**

Fiscal Year Ended December 31, 2016 Compared to Fiscal Year Ended December 31, 2015.

On February 12, 2016, the Board of Directors approved a change in the fiscal year end for the Company from March 31 to December 31. This change is a result of the Merger, and reflects the fiscal year end period for Q2P, the operating Subsidiary. The Company's financial statements further reflect the operations of Q2P in 2015 up until the date of the Merger, November 12, 2015, and thereafter, the combined operations of Q2P and the public Company.

Statement of Operations

During the year ended December 31, 2016, the Company generated $40,000 of sales related to the Company completing its first milestone under a contract with a customer for a waste liquid fuel-to-power system. During the year ended December 31, 2015, the Company generated $20,000 of sales related to Q2P providing engineering services to one customer. Cost of sales during these periods were $7,172 and $5,802, respectively.

Q2Power recorded total expenses of $2,080,138 in the year ended December 31, 2016, a decrease of $1,318,859 (39%) from our total expenses of $3,398,997 for the year ended December 31, 2015. This decrease in expenses resulted in a loss from operations of $2,047,310 in 2016, down from $3,384,799 (40%) in the previous year period. Some of the principal reasons behind the lower expenses and loss from operations in 2016 over the previous year including the significantly reduced R&D operations and the termination of many of the Company's engineering and technical personnel in the second half of 2016 due to limited funds.

Included in the expenses for 2016 and 2015 were the following material items: Payroll increased to $583,949 in 2016 from $559,219 in the prior year (4%). Professional fees decreased to $988,848, from $1,134,543 in the prior year (13%), primarily due to additional consultants on staff (paid in cash and stock), and higher legal and accounting costs in connection with being a public company. Research and development decreased to $352,583 in 2016 from $1,423,769 in the previous year (75%) primarily due to scale back of these operations during the second half of 2016.

In total, the Company incurred a net loss of $1,497,723 in 2016 compared to $3,536,021 in 2015, a decrease of $2,038,298. The change in net loss was due to the higher operating expenses in 2015, as described above, plus a gain on derivative liabilities of $808,011. These derivative liabilities are further explained below.

Balance Sheet

Material changes in the Company's balance sheet in 2016 over 2015 were due in part to the following transactions and events: (1) in June 2016, the Company and Precision CNC entered into an agreement to eliminate $49,299 in payables owed to Precision CNC in return for the transfer of certain net assets of the Company with a remaining book value of $70,495, which included office furniture, software and computer systems, and 50,000 shares of restricted common stock valued at $10,500; (2) in January 2016, the Company issued an additional 100 shares of its Preferred Stock for $100,000 with corresponding warrants; (3) in May 2016, the Company received a $150,000 term note with an original maturity date of 120 days, which was subsequently extended to December 31, 2017; and (4) in April 2016, the Company settled a dispute over a stock repurchase agreement with Cyclone Power, which extinguished $150,000 in related party obligations. Also in 2016, the Company issued $107,567 in related party debt, other notes payable of $33,000, and an increase in deferred revenue of $50,000 over the prior year.

Primarily as a result of these transactions, and the derivative liabilities associated with the Company's Convertible Debentures, Preferred Stock and warrants, the Company's total current liabilities in 2016 decreased to $1,778,703 from $2,465,292 in 2015. Accumulated deficit at December 31, 2016 was $6,863,102 as compared to $5,365,379 at the end of 2015, resulting from the continued net loss, and off-set in part by changes in derivative liabilities.

Results of Operations

Since July 2014, the Company through Q2P has primarily devoted its efforts to commercializing the Q2P engine and CHP system, developing its waste-to-power business model, and recruiting executive management and key employees. As a new entity, the Company has limited current business operations and nominal assets. The Company currently operates at a loss with minimal to no revenue.

Since the change in business direction to focus on strategic partnerships and acquisitions in the compost space, the Company has reduced its operating expenses from approximately $150,000 per month to approximately $50,000 per month by laying-off some employees and restricting our R&D budget. As of the date of this Report, we have one employee paid as a consultant and three more consultants including our Chairman. Other expenses include legal and accounting, marketing, and other general expenses. We have also used equity, including common stock and stock options, to pay some expenses over the last year; and we reduced approximately $50,000 in payables through the transfer of some furniture, equipment and other assets to an affiliated vendor. Our monthly burn has increased to approximately $100,000 per month as of April 1, 2017, as our plan for growth in the composting sector starts to materialize, and initial acquisitions are in process.

The net loss for the year ended December 31, 2016, of $1,497,723 includes non-cash operating expenses of: $418,488 in stock issued for services and related amortization expense, $665,680 in stock options and restricted stock units issued to employees, $808,011 in derivative liability gains, $71,270 of depreciation and amortization, and $355,839 increase in accounts payable and accrued expenses. As a result, net cash used in operating activities amounted to $516,838 in 2016.

With respect to our technology, in January 2017, the Company transferred its sales agreement with MagneGas to Phoenix Power Group, a licensee of the Company's technology. Under this agreement, Phoenix assumed all responsibility and liabilities associated with delivering a waste-to-power system to the customer, and will receive any additional fees paid by the customer for successful performance. Phoenix released the Company of approximately $250,000 in deferred revenue liabilities in connection with this contract assignment, and agreed to certain royalty fees payable to the Company for sales of the engine and system. In March 2017, the Company began discussions to sell its technology to a third party, but no agreement has been reached as of the date of filing this Report, and management may choose a different path for the Company's technology if the right opportunity arises.

Financial Condition, Liquidity and Capital Resources

The Company's limited funds as of December 31, 2016 raise substantial doubt about the Company's ability to operate as a going concern. See "Note 2 – Basis of Presentation and Going Concern" in the Company's condensed consolidated financial statements. As of March 31, 2017, the Company has funds required to operate through the end of 2017.

Since July 2014, excluding the 2017 Bridge Offering, Q2P has raised approximately $4.2 million in capital over several financings, inclusive of cash invested and some debt and payables converted to stock. With these funds, the Company has been able to complete the prototype stage of its technology, place our first operating pilot unit in the field, recruit a solid engineering and business team, and secure strong Directors with significant industry experience. Many of these investments in people and contacts will assist us in the development of our new business line.

One of the Company's independent Directors had also made an advance to the Company in January 2016 of $10,500.

On January 11, 2016, the Company issued 100 shares of Redeemable Convertible Preferred Stock to an accredited investor (the "Preferred Stock") for $100,000. The Preferred Stock is convertible at $0.21 per share of the Company's common stock (the "Conversion Price") as of December 31, 2016. The Preferred Stock bears a 6% dividend per annum, calculable and payable per quarter in cash or additional shares of common stock as determined in the Certificate of Designation. The Preferred Stock has no voting rights until converted to common stock, and has a liquidation preference equal to the Purchase Price.

On March 15, 2016, the Company entered into a 120-day term loan agreement with one accredited investor in the principal amount of $150,000. The loan bears 20% interest with interest payments due monthly. The holders received loan issuance costs of a 100,000 shares equity kicker valued at $26,000, $3,000 cash and a second security interest in the assets of the Company. This loan matured on July 15, 2016, and a 10% late penalty was assessed on July 15, 2016. On March 22, 2017, the Company and the lenders entered into an Addendum to the loan agreement which extended the maturity date to December 31, 2017, allowed for conversion at the discretion of the holders to common stock at a price of $0.15 per share, and waived all defaults in return for payment of $30,000 which included the late fee and accrued but unpaid interest.

On April 29, 2016, the Company's three independent Directors loaned to the Company a total of $60,200 pursuant to three Convertible Notes which are automatically convertible into the equity securities issued in the Company's next financing of at least $1,000,000 at the same price and same terms. The Convertible Notes bear 8% interest and have a 10% Original Issuance Discount. The total principal amount of all three Notes was $66,000. The Notes mature in six months, and can be converted to common stock at $0.26 per share if a qualified financing event has not occurred by such time. In May 2016, three other shareholders of the Company provided an additional $26,709 to the Company on the same loan terms; and in June 2016, one of the Company's Directors loaned an additional $15,000, with a principal amount of $16,667, to the Company also on the same terms.

In July and August 2016, the Company received subscription agreements from six accredited investors (four of whom were previous shareholders) to purchase 750,000 shares of restricted common at a price of $.21 per share for an aggregate of $157,500, less $610 in financing costs.

In September 2016, the Company's three independent Board members advanced the Company $3,000 for payment of insurance premiums. In November and December 2016, the three Directors made six additional advances to the Company in the aggregate amount of $11,400.

Details of the Company's prior financings follows:

During the year ended December 31, 2014, Q2P raised $353,501 in its initial Seed Round Funding, excluding transaction costs of $51,000, in a convertible debt security, which automatically converted to common stock at a post-Merger equivalent of approximately $0.35 per share on September 30, 2014.

Q2P raised $1,416,367 at a post-Merger stock price equivalent of approximately $0.79 per share in its Series A Funding Round during the year ended December 31, 2014. Direct offering costs related to the Series A Funding Round were $30,000. In January 2015, Q2P closed a continuation round of its Series A Funding, whereby it raised an additional $362,360 at the same price and terms.

In May 2015, Q2P's Board of Directors authorized a Rights Offering whereby each shareholder of Q2P received one Subscription Right for each share of common stock owned as of that date. The Subscription Rights allowed participating shareholders to purchase three shares of common stock in Q2P at a post-Merger stock price equivalent of approximately $0.18. The Rights Offering closed on June 3, 2015, at which time Subscriptions from approximately 90% of the Q2P shareholders totaling $1,061,975 had been received, inclusive of $821,516 in cash, the cancellation of $83,158 and $103,251 of payables and accrued expenses incurred in 2014 for outside and employee services, respectively, and $54,050 of subscriptions receivable. Transaction costs associated with the Rights Offering totaled $10,000.

At the time of the Merger, Q2P had 70,689,632 shares of common stock outstanding, which converted to 24,034,475 shares of the Company pursuant to the Merger. Shares purchased in the Rights Offering accounted for approximately 75% of the shares converted for Company common stock.

Subsequent to the Merger, the Company raised $600,000 in its Series A 6% Convertible Preferred Stock (the "Preferred Stock") from two separate accredited investors in November 2015 and January 2016, respectively. The Preferred Stock was originally convertible at $0.26 per share at the discretion of the holders, and contains price protection provisions in the instance that the Company issues shares at a lower price, subject to certain exemptions. As a result of the July 2016 common stock offering described below, the conversation price for these Preferred Shares automatically reduced to $0.21 per share, and as a result of the Bridge Offering, the conversion price was reset to $0.15 per share. Preferred Stock holders also received other rights and protections including piggy-back registration rights, rights of first refusal to invest in subsequent offerings, security over the Company's assets (secondary to the Company's debt holders), and certain negative covenant guaranties that the Company will not incur non-ordinary debt, enter into variable pricing security sales, redeem or repurchase stock or make distributions, and other similar warranties. The Preferred Stock is redeemable after two years if not converted, and has no voting rights until converted to common stock. The Preferred Stock holders also received 50% warrant coverage at an exercise price of $0.50, with a five-year term and similar price protections as in the Preferred Stock. Pursuant to agreements with the warrant holders, this conversion price remains at $0.50 as of March 31, 2017.

All promissory notes and shares in these offerings were sold pursuant to an exemption from the registration requirements of the Securities Exchange Commission under Regulation D to accredited or sophisticated investors who completed questionnaires confirming their status. Unless otherwise described in this Current Report, reference to "restricted" common stock means that the shares have not been registered and are restricted from resale pursuant to Rule 144 of the Securities Act of 1933, as amended.

Subsequent Event Bridge Offering – March 2017

On March 31, 2017, the Company closed the initial $1,050,000 in its Bridge Offering. The total size of the Bridge Offering is $1,500,000, with an additional $500,000 over-allotment option at the Company's discretion, and may be held open for an additional 60 days after the initial closing. As of May 24, 2017, the Company had raised $1,400,000 in the Bridge offering with an additional $168,151 old debt converted into the offering.

The Convertible Promissory Notes (the "Notes") convert at a 50% discount to the post-funding valuation of the Company at the closing of its next offering in the minimum amount of $5,000,000 (the "Equity Offering"). The conversion valuation has a ceiling of $12,000,000, and a "floor" company value of $6,000,000 in the event there is no Equity Offering before the Notes are able to be converted.

The Notes convert into common stock, or preferred stock if received by investors in the Equity Offering, commencing on the soonest of the Equity Offering closing or December 31, 2017, at the discretion of the holder. Maturity is 36 months from issuance with 15% annual interest which will be capitalized each year into the principal of the Notes and paid in kind. There are no warrants issued in connection with the Offering.

Funds from the Bridge Offering will be used to secure acquisitions of compost and soil companies with closings expected to occur concurrently with the closing of the Equity Offering, and up to 12 months of operating capital. A limited portion of the funds will also be used to eliminate liabilities on the Company's balance sheet.

As provided in the Bridge Offering as of the initial closing date, the Company settled or restructured approximately $800,000 in balance sheet liabilities (See Notes to the Consolidate Financial Statement, Note 12- Subsequent Events).

The Offering was led by two accredited investors, and joined by 19 additional accredited investors which included the Company's Directors. Management conducted the Offering and no broker fees were paid in connection with the initial closing. All securities issued in the Offering and debt settlements were issued pursuant to an exemption from registration under Section4(a)(2) under the Securities Act of 1933.

Separation from Cyclone and Related License Agreement

On July 28, 2014, Q2P (which at such time was called WHE Generation Corp., and renamed Q2Power Corp. on January 26, 2015) commenced operations as an independent company after receiving its initial round of seed funding and signing a formal separation agreement (the "Separation Agreement") from Cyclone. The Separation Agreement between Q2P and Cyclone provided for a formal division of certain assets, liabilities and contracts related to Q2P's business, as well as establishing procedures for exchange of information, indemnification of liability, and releases and waivers for the principals moving forward. As part of the separation from Cyclone, Q2P also purchased for $175,000 certain licensing rights to use Cyclone's patented technology on a worldwide, exclusive basis for 20 years with two 10-year renewal terms for Q2P's waste heat and waste-to-power business (the "License Agreement"). The License Agreement contains a royalty provision equal to 5% of gross sales payable to Cyclone on sales of engines derived from technology licensed from Cyclone.

Also, as part of the separation from Cyclone, Q2P assumed a license agreement between Cyclone and Phoenix Power Group, which included deferred revenue of $250,000 from payments previously made to Cyclone for undelivered products. The net balances as of December 31, 2016 2015 for the Cyclone licensing rights were $69,271 and $113,021, respectively; and the net balances as of December 31, 2016 and 2015 for the Phoenix deferred revenue were $250,000 and $250,000, respectively, which are included as a component of deferred revenue on the consolidated balance sheets, and which were eliminated with the transfer of the Magnegas contract to Phoenix in January 2017.

The Company also assumed a contract with Clean Carbon of Australia and a corresponding $10,064 prepayment for services or other value to be provided in the future. This deposit has been presented as deferred revenue on the December 31, 2016 and 2015 consolidated balance sheets.

The licensing rights are amortized over its estimated useful life of 4 years. Accumulated amortization for the years ended December 31, 2016 and 2015 was $105,729 and $61,979, respectively.

Stock Repurchase Agreement

On April 8, 2016, the Company and Cyclone resolved a dispute regarding a 2014 Stock Purchase Agreement, whereby the parties agreed to terminate that agreement and all amounts owed by either party to the other, including a release of all claims, and Cyclone retained 212,500 shares of common stock of the Company and the Company has no obligation to buy these shares. The Company paid a consultant 100,000 shares of restricted common stock valued at $26,000 in connection with the negotiation and signing of that agreement.

Cash and Working Capital

We have incurred negative cash flows from operations since inception. As of December 31, 2016, the Company had an accumulated deficit of $6,863,103. Details of this are discussed above in the Balance Sheet disclosure.

Critical Accounting Policies

Our financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP). Disclosures regarding our Critical Accounting Policies are provided in Note 3 of the footnotes to our consolidated financial statements.

Off-Balance Sheet Arrangements

The Company did not engage in any “off-balance sheet arrangements” (as that term is defined in Item 303(a)(4)(ii) of Regulation S-K) as of June 30, 2015.

ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for smaller reporting companies.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of
Q2Power Technologies, Inc.

We have audited the accompanying consolidated balance sheets of Q2Power Technologies and Subsidiary (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, stockholders' deficit, and cash flows for each of the years then ended. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Q2Power Technologies and Subsidiary as of December 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company's lack of liquidity and working capital and its recurring operating losses raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ EisnerAmper LLP

Fort Lauderdale, Florida
May 25, 2017

Q2POWER TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS		
Cash	$ 3,330	$ 1,012
Prepaid expenses	8,753	24,333
TOTAL CURRENT ASSETS	12,083	25,345
SOFTWARE, PROPERTY AND EQUIPMENT, NET	6,732	100,734
OTHER ASSETS		
Licensing rights in Cyclone, net	69,271	113,021
Total other assets	69,271	113,021
TOTAL ASSETS	$ 88,086	$ 239,100
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 798,444	$ 541,763
Notes payable	183,000	-
Notes payable - related parties	107,567	-
Debentures	165,000	435,750
Derivative liabilities	213,042	1,067,989
Related party obligation - Cyclone	-	150,000
Capitalized lease obligations-current portion	1,586	9,726
Deferred revenue and license deposits	310,064	260,064
TOTAL CURRENT LIABILITIES	1,778,703	2,465,292
TOTAL LIABILITIES	1,778,703	2,465,292
Redeemable convertible preferred stock - Series A; $0.0001 par value, 1,500 designated Series A, 600 and 500 shares issued and outstanding at December 31, 2016 and 2015, respectively (liquidation preference of $639,946)	513,729	319,264
STOCKHOLDERS' DEFICIT		
Preferred stock, $0.0001 par value; 5,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, $0.0001 par value, 100,000,000 shares authorized, 29,651,431 and 26,624,227 shares issued and outstanding at December 31, 2016 and 2015, respectively	2,965	2,662
Additional paid-in capital	4,659,578	3,106,369
Treasury stock, 212,500 shares, at cost	-	(150,000)
Subscription receivable	(3,787)	(3,787)
Prepaid expenses with common stock - related parties	-	(135,321)
Accumulated deficit	(6,863,102)	(5,365,379)
TOTAL STOCKHOLDERS' DEFICIT	(2,204,346)	(2,545,456)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 88,086	$ 239,100

See notes to consolidated financial statements

Q2POWER TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended December 31,	
	2016	2015
REVENUES	$ 40,000	$ 20,000
COST OF REVENUES	7,172	5,802
Gross profit	32,828	14,198
EXPENSES		
Payroll	583,949	559,219
Professional and consulting fees	988,848	1,134,543
Research and development	352,583	1,423,769
General and administrative	154,758	281,467
Total Expenses	2,080,138	3,398,998
LOSS FROM OPERATIONS	(2,047,310)	(3,384,800)
OTHER INCOME (EXPENSE)		
Financing costs, including interest expense	(226,728)	(19,691)
Loss on extinguishment of payables	(31,696)	-
Change in fair value of derivative liabilites	808,011	(131,530)
Total Other Income (Expense)	549,587	(151,221)
LOSS BEFORE INCOME TAXES	(1,497,723)	(3,536,021)
INCOME TAXES	-	-
NET LOSS	(1,497,723)	(3,536,021)
PREFERRED STOCK		
Contractual dividends on Series A redeemable convertible preferred stock	(35,918)	(4,027)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (1,533,641)	$ (3,540,048)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS - BASIC AND DILUTED	(0.05)	(0.21)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	28,437,204	16,678,368

See notes to consolidated financial statements

Q2POWER TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Preferred Stock		Common Stock		Additional Paid In	Treasury	Prepaid Expenses with Common	Subscription	Accumulated	Total Stockholders'
	Shares	Value	Shares	Value	Capital	Stock	Stock	Receivable	Deficit	Deficit
Balance, December 31, 2014	-	$ -	5,232,542	$ 523	$ 2,163,825	$ (150,000)	$ (229,459)	$ (100,000)	$ (1,829,358)	$ (144,470)
Issuance of restricted shares for outside services	-	-	329,153	33	261,353	-	229,459	-	-	490,845
Issuance of restricted shares for employee services	-	-	30,600	3	24,297	-	-	-	-	24,300
Sale of common stock	-	-	456,305	46	362,314	-	-	-	-	362,360
Sales of common stock in Rights Offering, net of direct offering costs of $10,000	-	-	18,117,971	1,812	1,053,952	-	(16,154)	(3,787)	-	1,035,823
Repurchase and retirement of restricted shares in connection with retirement of note receivable and subscription receivable	-	-	(132,096)	(13)	(104,887)	-	-	100,000	-	(4,900)
Amortization of stock option grants	-	-	-	-	517,039	-	-	-	-	517,039
Merger Q2Power Corp with Q2Power Tech	-	-	1,835,312	184	(719,023)	-	-	-	-	(718,839)
Settlement of debt with common stock	-	-	225,000	23	27,852	-	-	-	-	27,874
Issuance of shares for Greenblock consulting agreement	-	-	1,000,000	100	129,900	-	(130,000)	-	-	-
Amortization of Greenblock agreement	-	-	-	-	10,833	-	10,833	-	-	21,666
Payment & retirement of common stock received pursuant to sale of ESI subsidiary	-	-	(470,560)	(47)	(617,059)	-	-	-	-	(617,106)
Series A, preferred stock contractual dividends	-	-	-	-	(4,027)	-	-	-	-	(4,027)
Net loss year ended December 31, 2015	-	-	-	-	-	-	-	-	(3,536,021)	(3,536,021)
Balance, December 31, 2015	-	-	26,624,227	2,662	3,106,369	(150,000)	(135,321)	(3,787)	(5,365,379)	(2,545,456)
Amortization of shares purchased in Rights Offering and paid via salary deductions	-	-	-	-	-	-	9,692	-	-	9,692
Amortization of stock option grants and restricted stock units	-	-	-	-	665,680	-	-	-	-	665,680
Series A, preferred stock contractual dividends	-	-	-	-	(35,918)	-	-	-	-	(35,918)
Issuance of restricted shares for employee services	-	-	450,000	45	116,955	-	-	-	-	117,000
Settlement of accounts payable with common stock	-	-	187,919	19	49,840	-	-	-	-	49,859
Conversion of debentures to common stock	-	-	1,289,285	129	270,621	-	-	-	-	270,750
Reclassification of derivative liabilities to additional paid in capital at conversion of debentures	-	-	-	-	125,975	-	-	-	-	125,975
Vesting of shares for Greenblock consulting agreement	-	-	-	-	97,500	-	(97,500)	-	-	-
Amortization of Greenblock agreement	-	-	-	-	21,666	-	223,129	-	-	244,795
Issuance of shares for note payable issuance costs	-	-	100,000	10	25,990	-	-	-	-	26,000
Settlement of related party obligation for treasury shares - Cyclone	-	-	-	-	-	150,000	-	-	-	150,000
Settlement of accounts payable with common stock and software, property and equipment	-	-	50,000	5	10,495	-	-	-	-	10,500
Sales of common stock	-	-	750,000	75	157,425	-	-	-	-	157,500

Issuance of restricted shares for outside services	-	-	200,000	20	46,980	-	-	-	-	47,000
Net loss year ended December 31, 2016	-	-	-	-	-	-	-	-	(1,497,723)	(1,497,723)
	-	$ -	29,651,431	$ 2,965	$ 4,659,578	$ -	$ -	$ (3,787)	$ (6,863,102)	$ (2,204,346)

See notes to consolidated financial statements

Q2POWER TECHNOLOGIES, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

	For the years ended December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (1,497,723)	$ (3,536,021)
Adjustments to reconcile net loss to net cash used by operations:		
Depreciation and amortization	71,270	84,251
Restricted shares issued for outside services	68,667	376,226
Restricted shares issued for employee services	117,000	111,397
Amortization of stock option grants and restricted stock unit grants	665,680	517,039
Amortization of prepaid expenses via common stock	232,821	229,459
Change in value of derivative liabilities	(808,011)	131,530
Amortization of preferred stock discount	137,585	13,492
Amortization of debt issuance costs	42,758	-
Loss on extinguishment of payables	31,696	-
Changes in operating assets and liabilities		
Decrease (increase) in prepaid expenses	15,580	(16,121)
Increase in accounts payable & accrued expenses	355,839	197,931
Increase in deferred revenue and license deposits	50,000	-
Net cash used in operating activities	(516,838)	(1,890,817)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for software, property and equipment	(4,013)	(88,846)
Net cash used in investing activities	(4,013)	(88,846)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of capitalized leases	(8,140)	(12,637)
Proceeds from notes payable, net of issuance costs	173,709	-
Proceeds from notes payable - related parties, net of issuance costs	100,100	-
Proceeds from notes payable - related parties	-	70,000
Repayments from loans payable - related parties	-	(70,000)
Proceeds from sales of common stock, net of amounts deposited in escrow and direct offering costs	-	855,568
Receipt of restricted cash previously held in escrow	-	10,010
Proceeds from sale of redeemable preferred stock and common stock warrant	100,000	500,000
Proceeds from sales of common stock	157,500	362,360
Net cash provided by financing activities	523,169	1,715,301
NET CHANGE IN CASH	2,318	(264,362)
CASH - Beginning of year	1,012	265,374
CASH - End of year	$ 3,330	$ 1,012
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Payment of interest in cash	$ 20,458	$ 6,199
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Conversion of debentures to 1,289,285 shares of common stock	$ 270,750	$ -
Reclassification of derivative liabilities to additional paid in capital at conversion of debentures	$ 125,975	$ -
Accrual of contractual dividends on Series A convertible preferred stock	$ 35,918	$ 4,027
Issuance of 100,000 shares of common stock for note payable issuance costs	$ 26,000	$ -
Settlement of accounts payable to 187,919 shares of common stock	$ 49,859	$ -
Settlement of accounts payable with software, property and equipment and 50,000 shares of stock	$ 49,299	$ -
Settlement of related party obligation for treasury shares - Cyclone	$ 150,000	$ -
Merger of Q2Power Corp with Q2Power Technologies, Inc.	$ -	$ 718,839
Payment and retirement of common stock received pursuant to sale of ESI subsidiary	$ -	$ 617,106
Issuance of 64,338 shares of common stock for subscription receivable	$ -	$ 3,787
Conversion of debt assumed in merger to 225,000 shares of common stock	$ -	$ 27,874
Retirement of restricted shares in settlement of notes and subscription receivables from related parties	$ -	$ 104,900
Conversion of accounts payable and accrued expenses to commont stock in Rights Offering	$ -	$ 196,409

See notes to consolidated financial statements

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Q2Power Technologies, Inc. (hereinafter the "Company") was incorporated in Delaware on August 26, 2004. The Company is primarily a holding company for its sole subsidiary, Q2Power Corp. Formerly, the Company's name was Anpath Group, Inc. ("Anpath").

Q2Power Corp. (the "Subsidiary" or "Q2P"), has operated a renewable power R&D company focused on the conversion of waste to energy and other valuable "reuse" products since July 2014. The operations of the Company are essentially those of the Subsidiary. In May 2016, the Company began exploring other synergistic business lines, such as composting from waste water biosolids. Although no operations in these fields have commenced, management has made progress towards identifying certain operational composting facilities in the U.S. for potential acquisition or partnership. Moving forward, the Company intends to phase out its R&D activities and focus entirely on the business of compost and engineered soils manufacturing and sales.

On November 12, 2015, the Company and its special purpose merger subsidiary completed a merger (the "Merger") with Q2P. As a result of the Merger, all outstanding shares of Q2P were exchanged for 24,034,475 shares of the Company's common stock. In addition, the Company assumed both the Q2P 2014 Founders Stock Option Plan and the 2014 Employees Stock Option Plan (the "Option Plans"), and 1,095,480 options outstanding thereunder. Also pursuant to the Merger, the officers and directors of Q2P assumed control over the management and Board of Directors of the Company. Subsequent to the Merger, the Company officially changed its name to Q2Power Technologies, Inc.

On December 1, 2015, in connection with the Merger the Company also sold its prior operating subsidiary, EnviroSystems Inc. ("ESI"), to three former shareholders in exchange for a return of 470,560 shares of the Company's common stock. ESI assumed all debt, payables and a litigation judgment that was on its books as of the Merger date.

On February 12, 2016, the Board of Directors of the "Company approved a change in the fiscal year end for the Company from March 31 to December 31. This change is a result of the Merger, and reflects the fiscal year-end period for Q2P.

NOTE 2 – BASIS OF PRESENTATION AND GOING CONCERN

The Company has incurred net losses of $1,497,723 and $3,536,021 for the years ended December 31, 2016 and 2015, respectively. The accumulated deficit since inception is $6,863,103, which is comprised of operating losses (which were paid in cash, stock for services and other equity instruments) and other expenses. The Company has a working capital deficit at December 31, 2016 of $1,766,620. These conditions raise substantial doubt about the Company's ability to continue as a going concern. There is no guarantee whether the Company will be able to generate enough revenue and/or raise capital sufficient to support its operations. The ability of the Company to continue as a going concern is dependent on management's plans which include implementation of its business model to generate revenue from power purchase agreements, product sales, and continuing to raise funds through debt or equity offerings. The Company will also likely continue to rely upon related-party debt or equity financing, which may not be available at the time required by the Company or under terms favorable to the Company. See also Note 13, Subsequent Events.

The consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

U.S. Generally Accepted Accounting Principles ("GAAP") requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, the reported amounts of revenues and expenses, cash flows and the related footnote disclosures during the period. On an on-going basis, the Company reviews and evaluates its estimates and assumptions, including, but not limited to, those that relate to the realizable value of identifiable intangible assets and other long-lived assets, derivative liabilities, income taxes and contingencies. Actual results could differ from these estimates.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its Subsidiary. All significant inter-company transactions and balances have been eliminated in consolidation. References herein to the Company include the Company and its Subsidiary, unless the context otherwise requires.

Cash

The Company considers all unrestricted cash, short-term deposits, and other investments with original maturities of no more than ninety days when acquired to be cash and cash equivalents for the purposes of the statement of cash flows. The Company maintains cash balances at two financial institutions, and has experienced no losses with respect to amounts on deposit.

Revenue Recognition

Revenue from the Company's waste-to-power operations is recognized at the date of shipment of engines and systems, engine prototypes, engine designs or other deliverables to customers when a formal arrangement exists, the price is fixed or determinable, the delivery or milestone deliverable is completed, no other significant obligations of the Company exist and collectability is reasonably assured. Payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as deferred revenue. The Company will not allow its customers to return prototype products.

For the year ended December 31, 2016, the Company recognized revenue $40,000 related to the first achieved milestone and delivery under a technology sales agreement. The Company also received an additional $50,000 upon signing of that agreement, which is accounted for as deferred revenue that will be recognized upon contract completion. In 2015, the Company recognized revenue of $20,000 related to two engineering services agreements with one customer.

Research and Development

Research and development activities for product development are expensed as incurred and are primarily comprised of salaries. Costs for years ended December 31, 2016 and 2015 were $352,583 and $1,423,769, respectively.

Stock Based Compensation

The Company applies the fair value method of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 718, "*Share Based Payment*", in accounting for its stock based compensation. This standard states that compensation cost is measured at the grant date based on the fair value of the award and is recognized over the service period, which is usually the vesting period. The Company values stock based compensation at the market price for the Company's common stock and other pertinent factors at the grant date.

The Company accounts for transactions in which services are received from non-employees in exchange for equity instruments based on the fair value of the equity instruments exchanged, in accordance with ASC 505-50, "*Equity Based payments to Non-employees*". The Company measures the fair value of the equity instruments issued based on the market price of the Company's stock at the time services or goods are provided.

Common Stock Options

The Black-Scholes option pricing valuation method is used to determine fair value of these options consistent with ASC 718, *'Share Based Payment".* Use of this method requires that the Company make assumptions regarding stock volatility, dividend yields, expected term of the awards and risk-free interest rates.

Derivatives

Derivatives are recognized initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes are therein generally recognized in profit or loss.

Software, Property and Equipment

Software, property and equipment are recorded at cost. Depreciation is computed on the straight-line method, based on the estimated useful lives of the assets as follows:

	Years
Software	2
Furniture and equipment	7
Computers	5

Expenditures for maintenance and repairs are charged to operations as incurred.

Impairment of Long Lived Assets

The Company continually evaluates the carrying value of intangible assets and other long lived assets to determine whether there are any impairment losses. If indicators of impairment are present and future cash flows are not expected to be sufficient to recover the assets' carrying amount, an impairment loss would be charged to expense in the period identified. To date, the Company has not recognized any impairment charges.

Income Taxes

Income taxes are accounted for under the asset and liability method as stipulated by FASB ASC 740, "Income Taxes" ("ASC 740"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities or a change in tax rate is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced to estimated amounts to be realized by the use of a valuation allowance. A valuation allowance is applied when in management's view it is more likely than not (50%) that such deferred tax will not be utilized.

In the event that an uncertain tax position exists in which the Company could incur income taxes, the Company would evaluate whether there is a probability that the uncertain tax position taken would be sustained upon examination by the taxing authorities. Reserves for uncertain tax positions would be recorded if the Company determined it is probable that a position would not be sustained upon examination or if payment would have to be made to a taxing authority and the amount is reasonably estimated. As of December 31, 2016, the Company does not believe it has any uncertain tax positions that would result in the Company having a liability to the taxing authorities. Interest and penalties related to the unrecognized tax benefits is recognized in the consolidated financial statements as a component of income taxes.

Basic and Diluted Loss Per Share

Net loss per share is computed by dividing the net loss less preferred dividends by the weighted average number of common shares outstanding during the period. Diluted net loss per share is calculated by dividing the net loss less preferred dividends by the weighted average number of common shares outstanding during the period plus any potentially dilutive shares related to the issuance of stock options, shares from the issuance of stock warrants, shares issued from the conversion of redeemable convertible preferred stock and shares issued from the conversion of convertible debt. There were no dilutive shares as of December 31, 2016 and 2015.

At December 31, 2016, there were the following potentially dilutive securities that were excluded from diluted net loss per share because their effect would be anti-dilutive: 6,115,480 shares from common stock options, 1,568,845 shares from common stock warrants, 785,714 shares from the conversion of debentures, 126,923 shares from the conversion of notes payable, 413,719 shares from the conversion of notes payable – related parties and 2,857,142 shares from the conversion of redeemable convertible preferred stock. At December 31, 2015, there were the following potentially dilutive securities that were excluded from diluted net loss per share because their effect would be anti-dilutive: 1,745,480 shares from common stock options, 1,376,538 shares from common stock warrants, 2,075,000 shares from the conversion of debentures and 2,380,952 shares from the conversion of redeemable convertible preferred stock. Subsequent to December 31, 2016, the Company completed a convertible debt offering which resulted in an additional amount of potentially dilutive shares upon the conversion of these securities (see Note 13 – Subsequent Events).

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU"), No. 2014-09, "*Revenue from Contracts with Customers*", to replace the existing revenue recognition criteria for contracts with customers and to establish the disclosure requirements for revenue from contracts with customers. The ASU is effective for interim and annual periods beginning after December 15, 2017. Adoption of the ASU is either retrospective to each prior period presented or retrospective with a cumulative adjustment to retained earnings or accumulated deficit as of the adoption date. The Company is currently assessing the future impact of the ASU on its consolidated financial statements; however, in light of the material changes in the Company's business model which have occurred after December 31, 2016, the Company expects to do further review in the second quarter of 2017.

In August 2014, the FASB issued ASU No. 2014-15, "*Presentation of Financial Statements – Going Concern*", to provide guidance within GAAP requiring management to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and requiring related disclosures. The ASU is effective for annual periods ending after December 15, 2016. The Company adopted this ASU effective December 31, 2016. The adoption of this ASU did not have a material impact to the Company's financial position, results of operations or cash flows.

In November 2015, the FASB issued ASU No. 2015-17, "*Balance Sheet Classification of Deferred Assets*", requiring management to provide a classification of all deferred taxes as noncurrent assets or noncurrent liabilities. This ASU is effective for annual periods beginning after December 15, 2016. The Company does not anticipate this ASU will have a material impact to the Company's financial position, results of operations or cash flows.

In January 2016, the FASB issued ASU No. 2016-01, "*Recognition and Measurement of Financial Assets and Financial Liabilities*", requiring management to address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. This ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently assessing the impact of the ASU on its financial position, results of operations or cash flows.

In February 2016, the FASB issued ASU No. 2016-02, "*Leases (Topic 842) (the Update)*", requiring management to recognize any right-to-use-asset and lease liability on the statement of financial position for those leases previously classified as operating leases. The criteria used to determine such classification is essentially the same as under the previous guidance, but it is more subjective. The lessee would classify the lease as a finance lease if certain criteria at lease commencement are met. This ASU is effective for fiscal years beginning after December 15, 2018. The Company is currently assessing the impact of the ASU on its financial position, results of operations or cash flows.

In March 2016, the FASB issued ASU 2016-06, "*Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments (a consensus of the FASB Emerging Issues Task Force)*", which applies to all entities that are issuers of or investors in debt instruments (or hybrid financial instruments that are determined to have a debt host) with embedded call (put) options, and requires that embedded derivatives be separated from the host contract and accounted for separately as derivatives if certain criteria are met. One criterion is that the economic characteristics and risks of the embedded derivatives are not clearly and closely related to the economic characteristics and risks of the host contract. This ASU is effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The Company is currently assessing the impact of the ASU on its financial position, results of operations or cash flows.

In March 2016, the FASB issued ASU 2016-09, "*Improvements to Employee Share-Based Payment Accounting*," which amends ASC Topic 718, "*Compensation – Stock Compensation*." The ASU includes provisions intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements, including the income tax effects of share-based payments and accounting for forfeitures. This ASU is effective for public business entities for annual reporting periods beginning after December 15, 2016, and interim periods within that reporting period. The Company is currently assessing the impact of the ASU on its financial position, results of operations or cash flows.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments. This standard amends and adjusts how cash receipts and cash payments are presented and classified in the statement of cash flows. *ASU 2016-15* is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years and will require adoption on a retrospective basis unless impractical. If impractical the Company would be required to apply the amendments prospectively as of the earliest date possible. The Company is currently evaluating the impact that *ASU 2016-15* will have on its financial position, results of operations or cash flows.

Concentration of Risk

The Company does not have any off-balance sheet concentrations of credit risk. The Company expects cash and accounts receivable to be the two assets most likely to subject the Company to concentrations of credit risk. The Company's policy is to maintain its cash with high credit quality financial institutions to limit its risk of loss exposure.

The Company historically purchased much of its machined parts through Precision CNC, a related party company that sub-let office space to Q2P through June 27, 2016 and owns a non-controlling interest in the Company. See Note 6.

NOTE 4 – SOFTWARE, PROPERTY AND EQUIPMENT, NET

Software, property and equipment, net consists of the following:

	December 31, 2016	December 31, 2015
Software	$ -	$ 83,735
Furniture and Computers	1,328	51,643
Shop Equipment	9,540	9,540
Total	10,868	144,918
Accumulated depreciation and amortization	4,136	44,184
Net software, property and equipment	$ 6,732	$ 100,734

At December 31, 2015, the Company had software under capital leases with gross value of $24,671, net of accumulated depreciation and amortization of $15,419. The software was included in the disposal of assets to Precision CNC discussed below in Note 6; however, the Company must continue to pay all outstanding amounts under the capital leases, a balance of $1,586 as of December 31, 2016.

Depreciation and amortization expense for the years ended December 31, 2016 and 2015 was $27,520 and $39,866, respectively.

The Company disposed of $70,495 of net software, property and equipment for the settlement of related party accounts payable in 2016 (see Note 6).

NOTE 5 – CYCLONE LICENSE RIGHTS AND DEFERRED REVENUE

In 2014, Q2P purchased for $175,000 certain licensing rights to use Cyclone's patented technology on a worldwide, exclusive basis for 20 years with two 10-year renewal terms for Q2P's waste heat and waste-to-power business. This agreement contains a royalty provision equal to 5% of gross sales payable to Cyclone on sales of engines derived from technology licensed from Cyclone. Also, as part of the separation from Cyclone, Q2P assumed a license agreement between Cyclone and Phoenix Power Group, which included deferred revenue of $250,000 from payments previously made to Cyclone for undelivered products.

The net balances as of December 31, 2016 and 2015 for the Cyclone licensing rights were $69,271 and $113,021, respectively, and the net balances as of December 31, 2016 and 2015 for the Phoenix deferred revenue were both $250,000, which are included as a component of deferred revenue on the consolidated balance sheets. Under the terms of the revised agreement with Phoenix Power Group, revenue associated with these deferrals will be recognized subject to the achievement of certain milestones, as follows: (1) on the completion of certain performance testing of the engine, deferred revenue of $150,000 will be recognized; and (2) on the delivery of the first 10 "Generation 1 Engines", other deferred revenue will be recognized at a rate of $10,000 per delivered engine.

In connection with the separation from Cyclone, the Company also assumed a contract with Clean Carbon of Australia and a corresponding $10,064 prepayment for services or other value to be provided in the future. This deposit has been presented as deferred revenue on the December 31, 2016 and 2015 consolidated balance sheets.

The licensing rights are amortized over its estimated useful life of 4 years. Amortization expense for the years ended December 31, 2016 and 2015 was $43,750 and $43,750, respectively.

NOTE 6 – RELATED PARTY TRANSACTIONS

Expenses prepaid with common stock at December 31, 2016 and 2015 totaled $0 and $43,333, respectively. The balance at December 31, 2015 relates to stock issued to GBC for future services with a remaining amount of $119,167, and shares purchased by the CEO and paid for through salary deductions with a remaining amount of $16,154. Our CEO is a Managing Director of GBC, although he has no equity or voting rights in GBC.

Through June 2016, the Company sub-leased approximately 2,500 square feet of assembly, warehouse and office space within the Precision CNC facility located at 1858 Cedar Hill Road in Lancaster, Ohio. The sublease provided for the Company to pay rent monthly in the amount of $2,500, which covered space and some utilities. Occupancy costs for the years ended December 31, 2016 and 2015 were $15,000 and $30,000, respectively. The sublease has been terminated as of June 27, 2016.

The Company also purchased much of its machined parts through Precision CNC up until June 2016. Precision CNC owns a non-controlling interest in the Company. For the years ended December 31, 2016 and 2015, the amounts paid to Precision CNC totaled $13,868 and $160,601, respectively, and consisted of rent and research and development expenses for machined parts.

On June 27, 2016, the Company and Precision CNC entered into an agreement to eliminate $49,299 in payables owed to Precision CNC in return for the transfer of certain net assets of the Company with a remaining book value of $70,495, which included office furniture, software and computer systems, and 50,000 shares of restricted common stock valued at $10,500. The Company recorded a loss on this transaction in the amount of $31,696. Accounts payable and accrued expenses at December 31, 2016 and December 31, 2015 include $0 and $31,048, respectively, to Precision CNC.

The Company also maintains an executive office in Florida, which is leased by GBC and is used by the Company's CEO. The Company has no formal agreement for this space, but paid GBC $0 and $10,000 for the space for the years ended December 31, 2016 and 2015, respectively.

During 2016 members of the Company's Board of Directors made several loans and advances to the Company, as follows:

- On January 8, 2016, a member of the Board of Directors made an advance to the Company totaling $10,500 with a 6% per annum rate, payable on demand. As of December 31, 2016, such advance is still outstanding.

- On April 29, 2016, the Company's three independent Directors loaned the Company a total of $60,200 pursuant to three Convertible Notes which are automatically convertible into the equity securities issued in the Company's next financing of at least $1,000,000 at the same price and same terms. The Convertible Notes bear 8% interest and have a 10% Original Issuance Discount. The total principal amount of all three Notes was $66,000. The total original issuance discount of $5,800 was recognized as a component of financing costs in the consolidated statement of operations for the year ended December 31, 2016. The Notes matured October 2016, and can be converted to common stock at $0.26 per share if a qualified financing event has not occurred by such time. As of December 31, 2016, these notes are still outstanding.

- On June 13, 2016, one of the Company's independent directors loaned $15,000 to the Company on the same terms as the April 2016 notes, with a principal amount of $16,667. The original issuance discount of $1,667 was recognized as a component of financing costs in the consolidated statement of operations for the year ended December 31, 2016. As of December 31, 2016, this note is still outstanding.

- In September 2016, three of the Company's Directors advanced $1,000 each for payment of insurance premiums. In November and December 2016, the three Directors made six additional advances to the Company in the aggregate amount of $11,400. There were no formal terms for these advances; however, the Company imputed 8% per annum interest in connection with the March 2017 conversion advances into the Convertible Promissory Note Bridge offering (see below). As of December 31, 2016, these advances are still outstanding.

In March 2017, all outstanding Director notes and advances with an aggregate amount outstanding of$156,368 were converted into the Company's new $1,500,000 Convertible Promissory Note Bridge offering (see Note 13, Subsequent Events).

NOTE 7 – INCOME TAXES

A reconciliation of the differences between the effective income tax rates and the statutory federal tax rates for the years ended December 31, 2016 and 2015 (computed by applying the U.S. Federal corporate tax rate of 34 percent to the loss before taxes) is as follows:

	2016	2015
Tax benefit at U.S. statutory rate	$ 509,226	$ 1,202,247
State taxes, net of federal benefit	—	—
Stock and stock based compensation	(362,519)	(350,942)
Net derivative expenses	274,724	(44,659)
Amortization of preferred stock discount	(46,779)	(4,587)
Other permanent differences	(24,877)	(1,213)
Increase in valuation allowance	(349,775)	(800,846)
	$ —	$ —

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and liabilities for the years ended December 31, 2016 and 2015 consisted of the following:

	2016	2015
Net operating loss carry-forward	$ 1,410,055	$ 1,165,617
Deferred tax assets – accrued salaries	79,412	(14,656)
Deferred tax assets – accrued interest	11,269	—
Depreciation expense	509	509
Net deferred tax assets	1,501,245	1,151,470
Valuation allowance	(1,501,245)	(1,151,470)
Total net deferred tax asset	$ —	$ —

At December 31, 2016 and 2015, the Company had net deferred tax assets of $1,501,245 and $1,151,470 principally arising from net operating loss carry-forwards for income tax purposes. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the net deferred tax asset, a valuation allowance equal to the net deferred tax asset has been established at December 31, 2016 and 2015. At December 31, 2016, the Company has net operating loss carry forwards totaling $4,766,850, which will begin to expire in 2034.

The Company's NOL and tax credit carryovers may be significantly limited under the Internal Revenue Code (IRC). NOL and tax credit carryovers are limited under Section 382 when there is a significant "ownership change" as defined in the IRC. During the year ended December 31, 2016 and in prior years, the Company may have experienced such ownership changes, which could impose such limitations.

The limitations imposed by the IRC would place an annual limitation on the amount of NOL and tax credit carryovers that can be utilized. When the Company completes the necessary studies, the amount of NOL carryovers available may be reduced significantly. However, since the valuation allowance fully reserves for all available carryovers, the effect of the reduction would be offset by a reduction in the valuation allowance.

NOTE 8 – NOTES PAYABLE AND DEBENTURES

On July 2, 2014, the Company (then Anpath, under different management) closed a financing by which one accredited investor purchased two Original Issue Discount Senior Secured Convertible Debentures (the "Debentures") in the total aggregate principal amount of $435,500 due March 31, 2015, and a Common Stock Purchase Warrant to purchase a total of 415,000 shares at $2.45 per share (based on post 7:1 reverse split numbers), exercisable for a period of five years. The Debentures do not bear interest, but contained an Original Issue Discount of $20,750. All assets of the Company are secured under the Debentures, including our Subsidiary and its assets. The Debentures and warrants contain certain anti-dilutive protection provisions in the instance that the Company issues stock at a price below the stated conversion price of the debentures, as well as other standard protections for the holder.

On September 23, 2015, the Company entered into a Modification and Extension Agreement with the two holders to modify the terms of the Debentures to extend the maturity date to July 31, 2016, and reset the conversion price of the Debentures to $0.21. Pursuant to the Merger, the Debentures and warrants remained an outstanding obligation of the Company, thus were assumed by Q2P.

In January 2016, another accredited investor purchased $105,000 in outstanding principal amount of the Debentures from the current holder. The Company did not receive any consideration in this transaction as it was a transfer amongst the holders of the Debentures.

In March 2017, the Company entered into a second Modification and Extension Agreement with the two holders to extend the maturity date to July 31, 2017, reset the conversion price to $0.15, and waive any defaults under the Debentures. The warrants' exercise price, which had been reset to $0.50 per verbal agreement of the parties in the third quarter of 2016, was formally documented under this March 2017 modification agreement.

During the year ended December 31, 2016, aggregate principal of $270,750 was converted to 1,289,285 shares of common stock (see Note 9).

On March 15, 2016, the Company entered into a 120-day term note payable with one accredited investor in the principal amount of $150,000. The note bears 20% interest with interest payments due monthly. The Company incurred issuance costs of 100,000 shares of common stock valued at $26,000, $3,000 cash and provided a second security interest in the assets of the Company to the holders. Issuance costs expensed during the year ended December 31, 2016 were $29,000. At December 31, 2016, the issuance costs had been fully amortized and the loan balance was $150,000, and accrued interest related to the note was $11,667. This loan matured on July 15, 2016, and a 10% late penalty was assessed on July 15, 2016.

On March 22, 2017, the Company and the note holder entered into an Addendum to the loan agreement which extended the maturity date to December 31, 2017, allowed for conversion of the principal amount and accrued interest at the discretion of the holder to common stock at a price of $0.15 per share, and waived all defaults in return for payment of $30,000 which included the late fee and accrued but unpaid interest.

In May 2016, three investors loaned to the Company a total of $26,709 pursuant to three notes, which are automatically convertible into the equity securities issued in the Company's next financing of at least $1,000,000 at the same price and same terms. These notes are the same securities issued to the Company's Directors in April and June 2016 (see Note 6). The notes bear 8% interest and have a 10% Original Issuance Discount. The total principal amount of all three notes was $33,000. The notes mature in six months, and can be converted to common stock at $0.26 per share if a qualified financing event has not occurred by such time. In March 2017, $11,000 of these notes were converted into the Company's new $1,500,000 Convertible Promissory Note Bridge offering (see Note 13, Subsequent Events). The remaining $22,000 of these notes remain are in default as of December 31, 2016.

NOTE 9 – FAIR VALUE MEASUREMENT AND DERIVATIVES

The Company measures fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2	Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
Level 3	Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

All derivatives recognized by the Company are reported as derivative liabilities on the consolidated balance sheets and are adjusted to their fair value at each reporting date. Unrealized gains and losses on derivative instruments are included in change in value of derivative liabilities on the consolidated statements of operations.

The following two tables set forth the Company's consolidated financial assets and liabilities measured at fair value by level within the fair value hierarchy at December 31, 2016 and 2015. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair value at December 31, 2016	Level 1	Level 2	Level 3
Preferred stock embedded conversion feature	$ 123,266	$ -	$ -	$ 123,266
Anti-dilution provision in common stock warrants included with preferred stock	52,904	-	-	52,904
Debenture embedded conversion feature	25,884	-	-	25,884
Anti-dilution provision in common stock warrants included with debentures	10,988	-	-	10,988
Total derivatives	$ 213,042	$ -	$ -	$ 213,042

	Fair value at December 31, 2015	Level 1	Level 2	Level 3
Preferred stock embedded conversion feature	$ 376,065	$ -	$ -	$ 376,065
Anti-dilution provision in common stock warrants included with preferred stock	51,203	-	-	51,203
Debenture embedded conversion feature	560,778	-	-	560,778
Anti-dilution provision in common stock warrants included with debentures	79,943	-	-	79,943
Total derivatives	$ 1,067,989	$ -	$ -	$ 1,067,989

There were no transfers between levels during the year ended December 31, 2016.

As part of the Merger, the Company assumed debentures that are convertible into shares of common stock, which Anpath issued in July 2014 (see Note 8). The debentures conversion price will be adjusted depending on various circumstances. The conversion options embedded in these instruments contain no explicit limit to the number of shares to be issued upon settlement and as a result are classified as liabilities under ASC 815. Additionally, the Company issued in connection with the debentures 415,000 warrants to purchase the Company's common stock. The conversion price will be adjusted depending on various circumstances, and as there is no explicit limit to the number of shares to be issued upon settlement they are classified as liabilities under ASC 815.

The terms of the convertible redeemable preferred stock (see Note 10) include an anti-dilution provision that requires an adjustment in the common stock conversion ratio should subsequent issuances of the Company's common stock be issued below the instruments' original conversion price of $0.26 per share, subject to certain defined excluded issuances. In 2015 per a modification agreement with the holder, the conversion price was reset to $0.21. Accordingly, we bifurcated the embedded conversion feature, which is shown as a derivative liability recorded at fair value on the consolidated balance sheet.

The agreement setting forth the terms of the common stock warrants issued to the holders of the convertible preferred stock (see Note 10) also includes an anti-dilution provision that requires a reduction in the warrant's exercise price of $0.50 should the conversion ratio of the convertible preferred stock be adjusted due to anti-dilution provisions. Accordingly, the warrants do not qualify for equity classification, and, as a result, the fair value of the derivative is shown as a derivative liability on the consolidated balance sheet.

During 2016, the two debenture holders converted a total of $270,750 of their debentures for 1,289,285 shares of common stock. Pursuant to the conversion of these debentures, the Company reclassified a total of $125,975 of derivative liabilities to additional paid in capital during 2016. The changes in fair value of these derivative liabilities were recorded in the consolidated statement of operations until the date of conversion.

The following tables present a reconciliation of the beginning and ending balances of items measured at fair value on a recurring basis that use significant unobservable inputs (Level 3) and the related realized and unrealized (gains) losses recorded in the consolidated statements of operations during the period:

	Year Ended December 31, 2016				
	Preferred stock embedded conversion feature	Anti-dilution provision in common stock warrants included with preferred stock	Debenture embedded conversion feature	Anti-dilution provision in common stock warrants included with debentures	Total
Fair value, December 31, 2015	$ 376,065	$ 51,203	$ 560,778	$ 79,943	$ 1,067,989
Net unrealized gain on derivatives	(277,337)	(52,800)	(408,919)	(68,955)	(808,011)
Purchases and issuances (sales and settlements)	24,538	54,501	(125,975)	—	(46,936)
Fair value, December 31, 2016	$ 123,266	$ 52,904	$ 25,884	$ 10,988	$ 213,042
Changes in unrealized gains, included in income on instruments held at end of year	$ (277,337)	$ (52,800)	$ (408,919)	$ (68,955)	$ (808,011)

	Year Ended December 31, 2015				
	Preferred stock embedded conversion feature	Anti-dilution provision in common stock warrants included with preferred stock	Debenture embedded conversion feature	Anti-dilution provision in common stock warrants included with debentures	Total
Fair value, December 31, 2014	$ —	$ —	$ —		$ —
Net unrealized (gains)/loss on derivatives	205,509	23,503	(85,319)	(12,163)	131,530
Purchases and issuances (sales and settlements)	170,556	27,700	646,097	92,106	936,459
Fair value, December 31, 2015	$ 376,065	$ 51,203	$ 560,778	$ 79,943	$ 1,067,989
Changes in unrealized (gains)/losses, included in income on instruments held at end of year	$ 205,509	$ 23,503	$ (85,319)	$ (12,163)	$ 131,530

The Company's derivative liabilities are valued by using Monte Carlo Simulation methods, which simulate a range of possible future stock prices and estimates the probabilities and timing of future financing events. Where possible, the Company verifies the values produced by its pricing models to market prices. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit spreads, measures of volatility and correlations of such inputs. These derivative liabilities do not trade in liquid markets, and as such, model inputs cannot generally be verified and do involve significant management judgment. Such instruments are typically classified within Level 3 of the fair value hierarchy. The following assumptions were used to value the Company's derivative liabilities at December 31, 2016: dividend yield of -0-%, volatility of 63.86 – 115.9%, risk free rates of 0.85 - 1.93% and an expected term of 0.6 years to 4.0 years.

During 2016, the Company continues to refine its estimates and has updated the volatility used in its valuation models and the underlying number of shares of common stock for the derivative warrants. The net impact of these adjustments resulted in a $117,456 decrease in the fair value of derivative liabilities during the year ended December 31, 2016, which could have been reflected as part of the estimated fair value of these derivative liabilities at December 31, 2015. However, the Company recorded these true-up adjustments during 2016 given the inherent estimated nature of Level 3 fair value measures. The Company recorded a total gain of $808,011 and loss of $131,530 for the change in fair value of all the Level 3 derivatives during the years ended December 31, 2016 and 2015, respectively.

NOTE 10 – COMMON STOCK, PREFERRED STOCK AND WARRANTS

Common Stock

During 2016, the Company issued 3,027,204 shares of restricted common stock valued at $678,609. Details of these issuances are provided below.

On January 1, 2016, the Company issued 187,919 shares of restricted common stock valued at $49,859 as consideration for the payment of accounts payable to vendors resulting in no gain or loss.

On February 2, 2016, the two debenture holders converted a total of $40,000 of their debentures for 190,476 shares of common stock.

On February 25, 2016, the Company issued 450,000 shares of restricted common stock valued at $117,000 to three key employees, including its CTO. These employees were terminated during 2016; however, they were permitted to retain their shares upon termination.

On March 11, 2016, one of the debenture holders converted $31,500 of their debentures for 150,000 shares of restricted common stock.

On March 15, 2016, the Company issued 100,000 shares of restricted common stock to the holder of the Company's 120-day term loan valued at $26,000 for the fair value of the services rendered related to this loan.

On April 8, 2016, the Company issued 100,000 shares of restricted common stock valued at $26,000 to a consultant in connection with the negotiation of the settlement with Cyclone.

On June 22, 2016, one debenture holder converted a total of $31,500 of its debenture for 150,000 shares of common stock.

On June 27, 2016, the Company issued 50,000 shares of restricted common stock valued at $10,500 as partial consideration for the payment of accounts payable to an affiliated vendor.

Between July 11, 2016 and August 16, 2016, the two debenture holders converted a total of $167,750 of their debentures for 798,809 shares of restricted common stock.

Between July 20, 2016 and August 9, 2016, six accredited investors purchased a total of 750,000 shares of restricted common stock at a price of $0.21 per share for $157,500.

On October 1, 2016, the Company issued 100,000 shares of restricted common stock valued at $21,000 to a consultant for services rendered during the fourth quarter of 2016.

Redeemable Convertible Preferred Stock

On January 11, 2016, the Company issued 100 shares of Redeemable Convertible Preferred Stock (the "Preferred Stock") for proceeds of $100,000 to an accredited investor. The Company issued 500 shares of Preferred Stock to another accredited investor for $500,000 in December 2015.

The Company's Preferred Stock was convertible at $0.21 per share of the Company's common stock (the "Conversion Price") as of September 30, 2016. In March 2017, that conversion price was reset to $0.15 per the terms of a Modification and Extension Agreement. The Preferred Stock bears a 6% dividend per annum, calculable and payable per quarter in cash or additional shares of common stock as determined in the Certificate of Designation. The Preferred Stock has no voting rights until converted to common stock, and has a liquidation preference equal to the Purchase Price. On the second anniversary of the Original Issue Date (the "Two Year Redemption Date"), the Company is obligated to redeem all of the then outstanding Preferred Stock, for an amount in cash equal to the Two Year Redemption Amount (such redemption, the "Two Year Redemption"). Each share of Preferred Stock receives warrants (the "Warrants") equal to one-half of the Purchase Price to purchase common stock in the Company exercisable for five (5) years following closing at a price of $0.50 per share.

The Preferred Stock has price protection provisions in the case that the Company issues any shares of stock not pursuant to an "Exempt Issuance" at a price below the Conversion Price. Exempt Issuances include: (i) shares of Common Stock or common stock equivalents issued pursuant to the Merger or any funding contemplated by the Merger; (ii) any common stock or convertible securities outstanding as of the date of closing; (iii) common stock or common stock equivalents issued in connection with strategic acquisitions; (iv) shares of common stock or equivalents issued to employees, directors or consultants pursuant to a plan, subject to limitations in amount and price; and (v) other similar transactions. The Certificate of Designation contains restrictive covenants not to incur certain debt, repurchase shares of common stock, pay dividends or enter into certain transactions with affiliates without consent of holders of 67% of the Preferred Stock. The unconverted shares of Preferred Stock must be redeemed in two years from issuance.

Management has determined that the Preferred Stock is more akin to a debt security than equity primarily because it contains a mandatory 2-year redemption at the option of the holder, which only occurs if the Preferred Stock is not converted to common stock. Therefore, management has presented the Preferred Stock outside of permanent equity as mezzanine equity, which does not factor in to the totals of either liabilities or equity. The proceeds have been allocated between the three features of the stock offering: the embedded conversion feature in the Preferred Stock, the warrants, and the Preferred Stock itself. The fair values of the embedded conversion feature and warrants were recorded as a discount against the stated value of the Preferred Stock on the date of issuance. This discount is amortized to interest expense over the term of the redemption period (2 years), which will result in the accretion of the Preferred Stock to its full redemption value. Unamortized discount as of December 31, 2016 and 2015 was $126,217 and $184,764, respectively. Interest expense related to the preferred stock discount for the years ended December 31, 2016 and 2015 was $137,585 and $13,492, respectively.

The Preferred Stock also carries a 6% per annum dividend calculated on the stated value of the stock and is cumulative and payable quarterly beginning July 1, 2016. These dividends are accrued at each reporting period. They add to the redemption value of the stock; however, as the Company shows an accumulated deficit, the charge has been recognized in additional paid-in capital. The Company has accrued but not paid these dividends beginning July 1, 2016.

Warrants

The following is a summary of all outstanding common stock warrants as of December 31, 2016:

	Number of warrants	Exercise price per share	Average remaining term in years	Aggregate fair value
Warrants issued in connection with issuance of Debentures	415,000	$ 0.50	2.50	$ 10,988
Warrants issued in connection with issuance of Preferred Stock	1,153,845	$ 0.50	3.95	$ 52,904

NOTE 11 – STOCK OPTIONS AND RESTRICTED STOCK UNITS

On July 31, 2014, the Board of Directors of Q2P approved the Founders Stock Option Plan ("Founders Plan") and the 2014 Employee Stock Option Plan (the "2014 Plan"), collectively the "Option Plans". The Option Plans were developed to provide a means whereby directors and selected employees, officers, consultants, and advisors of the Company may be granted incentive or non-qualified stock options to purchase restricted common stock of the Company. On February 25, 2016, to accommodate the appointment of new Board members and additional incentive stock options and stock grants to key employees of the Company, the Board approved the 2016 Omnibus Equity Incentive Plan ("2016 Plan"), which allowed for an additional 4 million shares of common stock, stock options, stock rights (restricted stock units), or stock appreciation rights to be granted by the Board in its discretion.

In recognition of and compensation for services rendered by employees for the year ended December 31, 2016, the Company issued 710,000 common stock options under the Founders Plan on February 25, 2016. Of these 710,000 options, all are vested as of December 31, 2016, and 40,000 options previously granted in 2015 were cancelled in 2016 due to termination of employment.

In recognition of and compensation for services rendered by the Company's Board Chairman, the Company issued 400,000 common stock options under the 2014 Plan on February 25, 2016, which contained vesting provisions that provided for immediate vesting of 200,000, and 200,000 on August 25, 2016.

In recognition of and compensation for services rendered by employees and members of the Company's Board of Directors, the Company issued 3,300,000 common stock options, 450,000 restricted stock units and 450,000 shares of common stock under the 2016 Plan as follows:

On February 25, 2016, the Company issued 1,800,000 common stock options to the Company's Board Chairman, which contains provisions for vesting upon the achievement of specific milestones. As of December 31, 2016, by action of the Board of Directors, all 1,800,000 were deemed vested.

The 450,000 restricted stock units were issued on February 25, 2016, and provide for vesting in full on February 21, 2017; however, as of September 30, 2016, all these restricted stock units had been terminated as the relevant employees were no longer with the Company.

On March 21, 2016, the Company issued 400,000 common stock options to a member of the Board of Directors, which provided for immediate vesting of 200,000 shares and 200,000 shares vested on September 21, 2016.

In June 2016, the Company issued 150,000 common stock options under the 2016 Plan to one new Board of Advisors Member. The options vest one-half in six months and the balance in 12 months, with a 10-year term and exercisable at a price of $0.30 per share (re-priced to $0.21 per share as discussed below).

In August 2016, the Company issued 150,000 common stock options under the 2016 Plan to one new Board of Advisors Member. The options vest one-half in six months and the balance in 12 months, with a 10-year term and exercisable at a price of $0.21 per share.

In December 2016, the Company issued 800,000 common stock options under the 2016 Plan to two members of the Board of Directors. The options vest one half in six months and the balance in 12 months, with a 5-year term and exercisable at a price of $0.21 per share.

Options awarded under the Option Plans and the 2016 Plan for year ended December 31, 2016 were valued at $530,000 (pursuant to the Black Scholes valuation model, and as shown in the table detailing the calculation of fair value below), with a weighted average exercise price of $0.21 per share and with a weighted average contractual life of 5.5 years.

In October 2016, per resolution of the Board of Directors, all outstanding stock options were reset to a $0.21 per share exercise price. The Company recorded a corresponding expense of $157,225.

For the year ended December 31, 2016, the charge to the consolidated statements of operations for the amortization of stock option grants and restricted stock units awarded under the Option Plans and the 2016 Plan was $665,680. The remaining unamortized stock option expense for all outstanding stock options at December 31, 2016 was $142,339. On May 27, 2016, the majority of the employees of the Subsidiary were terminated in an effort to reduce expenses, and were allowed to retain their options, which were immediately vested. The expense related to the outstanding options previously granted to these terminated employees was recognized in full in this period as they were no longer subject to a service requirement with respect to vesting of the award.

A summary of the common stock options issued under the Option Plans and the 2016 Plan for the period from December 31, 2015 through December 31, 2016 follows:

	Number Outstanding	Weighted Avg. Exercise Price	Weighted Avg. Remaining Contractual Life (Years)
Balance, December 31, 2014	714,000	$ 0.11	8.1
Options issued	1,076,580	0.30	8.2
Options exercised	—	—	—
Options cancelled	(45,100)	0.30	8.7
Balance, December 31, 2015	1,745,480	$ 0.30	8.1
Options issued	4,410,000	0.21	4.5
Options exercised	—	—	—
Options cancelled	(40,000)	(0.30)	—
Balance, December 31, 2016	6,115,480	$ 0.21	6.1

The vested and exercisable options at period end follows:

	Exercisable/ Vested Options Outstanding	Weighted Avg. Exercise Price	Weighted Avg. Remaining Contractual Life (Years)
Balance, December 31, 2016	4,917,147	$ 0.21	6.1

The fair value of new stock options granted using the Black-Scholes option pricing model was calculated using the following assumptions:

	Year Ended December 31, 2016	Year Ended December 31, 2015
Risk free interest rate	0.97% - 1.79%	1.93% - 2.35%
Expected volatility	82.76% - 83.14%	109.95% - 152.10%
Expected dividend yield	0%	0%
Expected term in years	3.5	3.5
Average value per options	$0.120 - $0.121	$0.178 - $0.230

Expected volatility is based on historical volatility of two securities which the Company believes best match the characteristics of the Company for purposes of measuring volatility in the absence of a market trading history of the Company's common stock. Short Term U.S. Treasury rates were utilized as the risk free interest rate. The expected term of the options was calculated using the alternative simplified method codified as ASC 718 "*Accounting for Stock Based Compensation,*" which defined the expected life as the average of the contractual term of the options and the weighted average vesting period for all issuances.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The Company has an employment agreement with Christopher Nelson, CEO (the "Executive"). As of September 30, 2016, the Company's employment agreement with Sudheer Pimputkar, CTO, was terminated by mutual agreement.

Christopher Nelson's agreement provides for a term of three (3) years from its Effective Date (July 31, 2014), with automatically renewing successive one-year periods starting on the end of the third anniversary of the Effective Date. If the Executive is terminated "without cause" or pursuant to a "change in control" of the Company, as both defined in the respective agreements, the Executive shall be entitled to (i) any unpaid Base Salary accrued through the effective date of termination, (ii) the Executive's Base Salary at the rate prevailing at such termination through 24 months from the date of termination or the end of his Term then in effect, whichever is longer, and (iii) all of the Executive's stock options shall vest immediately.

On June 2, 2015, in connection with the Right Offering, the Company's CEO agreed to an amendment to his employment agreement reducing his base salary from $180,000 per year to $138,000, and cancelled $28,000 in debt owed to him by the Company. Also concurrently with the closing of the Rights Offering, our CEO satisfied a promissory note he owed to the Company in the amount of $99,900 created in connection with the 2014 exercise of his warrants, which were issued in 2010 related to his services previously rendered, by returning to the Company 370,000 shares of common stock. The Company forgave $5,250 in accrued interest. All other provisions detailed in the July 31, 2014 employment agreement remain unchanged.

As of April 1, 2017, the Company and Mr. Nelson entered into a new employment agreement (see Note 13, Subsequent Events).

Sudheer Pimputkar had an employment agreement providing $170,000 per year base salary for a term of one (1) year from its Effective Date (April 1, 2015), with automatically renewing successive one year periods starting on the end of the first anniversary of the Effective Date. The Company and Mr. Pimputkar mutually terminated the agreement at September 30, 2016, and agreed to a settlement of all amounts owed to him on March 22, 2017 consisting of $13,985 in cash and $55,938 payable in 372,923 shares of restricted stock.

In June 2015, the Company implemented a compensation package for a director who also serves as SEC counsel for $4,000 per quarter and 250,000 stock options per year vesting quarterly with a 10-year term and exercisable at $0.27 per share (now $0.21 per share), which vested in July 2016. For the year ended December 31, 2016, the charge to the consolidated statement of operations was $16,000. The Company's third independent director received a package of 400,000 stock options, half vesting after six months and half six months later. As of the end of 2016, all independent directors received the same compensation package of 400,000 options per year. The charge to the consolidated statement of operations for these options was $6,717.

NOTE 13 - SUBSEQUENT EVENTS

On March 31, 2017, the Company closed the initial $1,000,000 in a Convertible Promissory Note "Bridge" offering (the "Bridge Offering"). The total size of the Bridge Offering is $1,500,000, with an additional $500,000 over-allotment option at the Company's discretion. As of May 24, 2017, the Company had raised $1,400,000 in the Bridge offering with an additional $168,151 old debt converted into the offering.

The Convertible Promissory Notes (the "Notes") convert at a 50% discount to the post-funding valuation of the Company at the closing of its next offering in the minimum amount of $5,000,000 (the "Equity Offering"). The conversion valuation has a ceiling of $12,000,000, and a "floor" company value of $6,000,000 in the event there is no Equity Offering before the Notes are able to be converted.

The Notes convert into common stock, or preferred stock if received by investors in the Equity Offering, commencing on the earliest of the Equity Offering closing or December 31, 2017, at the discretion of the holder. Maturity is 36 months from issuance with 15% annual interest which will be capitalized each year into the principal of the Notes and paid in kind. There are no warrants issued in connection with the Offering.

Funds from the Bridge Offering will be used to secure acquisitions of compost and soil companies with closings expected to occur concurrently with the closing of the Equity Offering, and up to 12 months of operating capital. A limited portion of the funds will also be used to eliminate liabilities on the Company's balance sheet. The Bridge Offering was led by two accredited investors, and joined by 19 additional accredited investors which included $75,000 of new cash investments by the Company's Directors, as well as conversion of $156,368 of old notes and advances made by them in 2016 and 2017. Management conducted the Offering and no broker fees were paid in connection with the initial closing. All securities issued in the Offering and debt settlements were issued pursuant to an exemption from registration under Section4(a)(2) under the Securities Act of 1933.

As provided in the Bridge Offering as of March 31, 2017, the Company settled or restructured approximately $800,000 in balance sheet liabilities, as follows:

- In connection with settlements of $189,449 owed to former employees, the Company paid $52,123 to these employees and issued 915,506 shares of restricted common stock;

- The Company's CEO agreed to waive $112,797 in salary and fees owed to him, and converted $100,000 deferred salary into 666,667 shares of restricted common stock;

- Board of Director members and other shareholders of the Company converted $168,152 of loans and advances made to the Company in 2016 into the Bridge Offering Notes;

- The Company renegotiated its pre-existing convertible notes in the principal amount of $165,000 to extend the maturity date to July 31, 2017, set the conversion price at $0.15, and waive any defaults;

- The Company amended its existing term loan to extend the maturity date to December 31, 2017, waive all defaults, and allow the holder to convert the principal and accrued interest into common stock at a price of $0.15 per share at its discretion; and

- Management is in the process of reaching settlements on approximately $200,000 in additional payables and contract liabilities.

On December 28, 2016, the Board approved an issuance of 10 million shares of common stock to the Company's Chairman and 5 million shares to the CEO. These shares were not actually issued until February 2017, and have significant restrictions. To fully earn his shares, by July 2017, the Company's Chairman must join the Company as a senior executive on a full-time basis for a period of at least 12 months, during which 12 month or extended period: (1) the Company must complete at least $3 million in funding and (2) complete its first strategic acquisition. To fully earn his shares, the Company's CEO must continue to serve the Company as a senior executive on a full-time basis for a period of at least 18 months, during which 18 month or extended period: (1) the Company must complete at least $3 million in funding and (2) complete its first strategic acquisition. If these conditions are not met, the executives may forfeit all of their shares.

On April 1, 2017, the Company entered into new Employment Agreements with its Chairman and CEO. The Chairman will receive a $12,500 per month fee upon the closing of the Bridge Offering and until assumes the role of CEO on a full-time basis, at which time, his base salary will be increased to $350,000 per year. The Company's current CEO will receive a $10,000 per month fee upon the closing of the Bridge Offering, and at such time that the Chairman assumes the role of CEO, he will move into the position of President and General Counsel at a base salary of $220,000 per year. Both agreements have provisions for a 12 month severance in the instance either executive is terminated without cause or after a change in control.

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A: CONTROLS AND PROCEDURES

In connection with the preparation of this Annual Report, management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this Annual Report. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures.

During the evaluation of disclosure controls and procedures as of December 31, 2016, management identified certain material weaknesses in internal control over financial reporting, which management considers an integral component of disclosure controls and procedures. These included a lack of knowledge and experience with accounting for derivative liabilities, stock options and redeemable preferred stock. Management was also under-staffed to complete the required work in the timeframe needed, due in part to a lack of funding. Management concluded that, as of December 31, 2016, the Company's disclosure controls and procedures were not effective based on the criteria in *Internal Control – Integrated Framework* issued by the COSO, version 2013.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process, under the supervision of the Chief Executive Officer and the Chief Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles in the United States (GAAP). Internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company's assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the Board of Directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") as of 2013. As a result of this assessment, management identified certain material weaknesses in internal control over financial reporting. A material weakness is a control deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The identified material weaknesses are disclosed below:

- Management has a lack of knowledge and experience with accounting for derivative liabilities, common stock options and redeemable preferred stock.
- Management is understaffed to perform the necessary accounting, including preparation of the required financial disclosures, in a timely manner.
- Management has not yet formed an audit committee.

As a result of the material weaknesses in internal control over financial reporting described above, management concluded that, as of December 31, 2016, the Company's internal control over financial reporting was not effective based on the criteria in *Internal Control – Integrated Framework* issued by the COSO, version 2013.

The Company is in the process of addressing and correcting these material weaknesses. Management will be diligent in its efforts to continue to improve the reporting processes of the Company, including the continued development of proper accounting policies and procedures.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. We were not required to have, nor have we, engaged our independent registered public accounting firm to perform an audit of internal control over financial reporting pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting in connection with the evaluation required by Rule 13a-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B: OTHER INFORMATION

There was no other information required to be disclosed in the fourth quarter of 2016 that was not filed by the Company in a Current Report on Form 8-K.

PART III

ITEM 10: DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Identification of Directors and Executive Officers

The following table sets forth the names of all of our current directors and executive officers. The Directors will serve until the next annual meeting of the shareholders or until their successors are elected or appointed and qualified, or their prior resignation or termination.

Name	Positions Held	Age	Date of Election or Designation	Date of Termination or Resignation
Kevin Bolin	Chairman of the Board	53	February 2016	*
Christopher Nelson	CEO & Director	47	July 2014	*
Joel Mayersohn	Director	59	July 2014	*
Scott Whitney	Director	60	March 2016	*
Tristan Peitz	Director	33	May 2017	*

*These persons presently serve in the capacities indicated. On February 28, 2017, Michelle Murcia resigned as Chief Financial Officer of the Company. Ms. Murcia's position as Principal Accounting Officer was taken over by Peter Dunleavy, who was previously Controller, on a part-time, non-executive basis.

Business Experience

Kevin M. Bolin – Chairman of the Board. Mr. Bolin is a waste management and renewable energy senior executive with over 20 years' experience in the sectors. Mr. Bolin's current and previous industry positions include: Executive Chairman of the Board and interim CEO of Alter NRG (2009-2015), a publicly-traded (Toronto Stock Exchange) leader in plasma gasification of waste feedstock technology acquired from Westinghouse. At Alter NRG, he oversaw the corporate restructuring, operational turnaround, capital raising of over $35 million, and eventual sale of the company in July 2015 at a 160% premium to market which represented a 7x return to investors during his tenure as Chairman. Prior to that, he was CEO, President and Director of EnerTech Environmental (1992-2010), a renewable energy and biosolids technology company, which he grew to $20 million in annual sales anchored by long-term contracts valued at $390 million, and raised over $200 million in funding. He is currently an Industrial Advisor to EQT Infrastructure (2013-present), a global private equity firm with over 20 Billion Euros under management. In addition to these accomplishments, Mr. Bolin has won awards, been issued patents, and published numerous articles in the waste and renewable energy sectors. He is a certified public accountant with his BBA from the University of Notre Dame.

Christopher Nelson – CEO & Director. Mr. Nelson oversees the strategic direction of the Company, including finance, business development, and legal aspects. He also serves as Managing Director of GreenBlock Capital LLC in Palm Beach, Florida, a boutique merchant bank specializing in technology investments and growth capital. Until July 31, 2014, Mr. Nelson served as President and General Counsel of Cyclone, positions he held since March 2011. During his tenure at Cyclone, Mr. Nelson assisted and oversaw all aspects of the company's business and legal affairs, including: public securities filings and over $8 million in financing transactions, licensing and development agreements with major corporations and the military, investors and public relations, and general corporate matters. Mr. Nelson has practiced law in Florida for over 20 years, and since 2001 has represented many start-up, early stage and established businesses seeking financing, acquisitions and general growth management counseling. Between 1997 and 2000, Mr. Nelson was an associate with Greenberg Traurig PA, and between 1995 and 1997 an associate with Akerman Senterfitt PA, both in Miami, Florida. At both firms he served in their corporate and securities practice, representing NYSE and NASDAQ companies. Mr. Nelson was heavily involved in the legal end of the 1995 – 2000 roll-up of both Republic Industries and AutoNation. Mr. Nelson received a BA from Princeton University, and JD from University of Miami School of Law.

Scott W. Whitney – Director. Mr. Whitney is currently CEO of Liberty Tire Recycling Co., the world's largest provider of tire recycling services, reclaiming approximately 140 million discarded tires per year in the US and Canada. Prior to this, he was CEO of Greenwood Fuels, a Green Bay, WI based company that manufactures renewable fuel pellets from non-recyclable by-products of various manufacturing processes such as paper, label and packaging production. For over 25 years, Mr. Whitney served in several executive roles at Covanta Holding Corp., a $2 Billion waste-to-power company traded on the NYSE, including President of Covanta's European group, and Senior Vice President of business development at Covanta Energy Group where he oversaw the development of their waste-to-energy, independent power and water/wastewater treatment businesses in North America, South America, Europe and the Middle East. He is a currently member of the Board of Directors of Epcot Crenshaw, a research and development company based in West Chester, PA, and its subsidiary, Green Harvest, a company that develops and operates integrated anaerobic digestion and gasification facilities. In addition, Mr. Whitney is a frequent speaker at various industry events for organizations such as Forbes Magazine, UK Trade & Investment, and the US Department of Commerce. He received his BS in Marine Engineering from the United States Naval Academy and served as an officer in the United States Navy.

Joel Mayersohn – Director. Mr. Mayersohn is a Partner in the Ft. Lauderdale, FL, office of Dickinson Wright PLLC, where he specializes in corporate, securities and business law. Over the last 30 years, he has advised a diversified client base in private placements, public offerings, mergers and acquisitions, financing transactions and general securities law matters. He also has experience in venture capital, bridge loans and pipe financings. Mr. Mayersohn was previously on the Board of Directors of Cyclone, until July 31, 2014. He is a member of the Florida and New York Bars.

Tristan Peitz – Director. Mr. Peitz was appointed to the Board on May 1, 2017, as one of the lead investors for the Company's recent Bridge Offering. Over the last seven years, he has worked at Cohen Capital Management, a $600 million family office, where he built and manages a credit book which consists of $120 million of municipal bonds and a $60 million high yield book. On the equity side of the business, Mr. Peitz is a generalist with deep sector experience and responsibility for energy and healthcare. At CCM, he has also served as financial adviser for mergers and acquisitions, analysis on several early stage and venture investments, and creation and implementation of complex tax strategies. Prior to CCM, Mr. Peitz served at AlixPartners, a premier turnaround and restructuring focused consulting firm. At AlixPartners, he assisted organizations in the areas of financial advisory services, corporate strategy & operations, restructuring and turnarounds, divestitures and business exits, and forensic investigations related to internal fraud and abuse. Projects he worked on at AlixPartners included Tribune Company, MEI Conlux, Building Materials Holding Corp., Mattson Technology and others. Prior to joining AlixPartners, Mr. Peitz was a research analyst at Eminence Capital, a New York based $4 billion hedge fund, and before that an investment banking analyst with Jefferies & Company focused on healthcare, biotech and biofuel companies to evaluate leveraged buyouts, refinancings, restructurings, IPOs and M&A transactions. Mr. Peitz attended the University of Michigan where he graduated with distinction from the Ross School of Business with a BA in Business Administration - concentration in finance and accounting.

Employment Agreements

Both Mr. Nelson and Mr. Bolin have Employment Agreements that provide for terms from two to three years with renewal terms, base salary and performance based bonuses, a 12-month severance for termination without cause or for "good reason", non-compete / non-solicitation, and other standard features.

Mr. Bolin's agreement will take effect upon his assumption of the role of CEO of the Company, expected to occur at or before the closing of the next round of funding. His annual base salary will be $350,000. Prior to that time and after the closing of the Bridge Round, he will receive a fee of $12,500 per month.

Mr. Nelson's agreement was effective as of April 1, 2017, at which time he began to receive a fee of $10,000 per month. Upon Mr. Bolin's assumption of the role of CEO of the Company, Mr. Nelson will assume the role of President/GC and his annual base salary will be $220,000. This transition has been approved by the Board and the relevant parties.

Director Compensation

Directors receive 400,000 stock options per year, vesting half immediately and half in six months, with a 10-year term and priced at current market rates. Directors are also eligible to receive other cash or equity based compensation, including Restricted Stock Units, at the discretion of the Board (with such interested members abstaining from a vote). This option package became common for all independent Directors at the end of 2016.

Executive Recruitment

Management is currently in discussions with several individuals to fill other key positions including CFO, COO and Sales & Marketing Director. Several of these individuals are well known to our management and have been selected because of their experience, top reputations and performance history. Others may be appointed in connection with acquisitions. All members of senior management are expected to have employments agreements with non-compete provisions similar to current executive.

Family Relationships

There are no family relationships between any of the Company's directors or executive officers or any person nominated or chosen by the Company to become a director or executive officer.

Directorships

None of our directors or executive officers is a director of a company that is required to file reports under Sections 15 or 13(d) of the Exchange Act.

Involvement in Certain Legal Proceedings

During the past 10 years, none of our present or former directors, executive officers or persons nominated to become directors or executive officers or control person of our Company:

- has filed a petition under federal bankruptcy laws or any state insolvency laws, nor had a receiver, fiscal agent or similar officer appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

- was convicted in a criminal proceeding or named subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

- was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him or her from or otherwise limiting the following activities:

  Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

  Engaging in any type of business practice; or

  Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

- was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in the preceding bullet point, or to be associated with persons engaged in any such activity;

- was found by a court of competent jurisdiction in a civil action or by the SEC to have violated any Federal or State securities law, and the judgment in such civil action or finding by the SEC has not been subsequently reversed, suspended, or vacated;

- was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

- was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

  any Federal or State securities or commodities law or regulation; or

  any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or

  any law or regulation prohibiting mail or wire fraud in connection with any business activity; or

- was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, or any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Promoters and Control Person

To the best of our management's knowledge, and except as indicated below, no person who may be deemed to have been a promoter or founder of our Company was the subject of any of the legal proceedings listed under the heading "Involvement in Certain Legal Proceedings" above.

Section 16(a) Beneficial Ownership Reporting Compliance

Our shares of common stock are registered under the Exchange Act, and therefore the officers, directors and holders of more than 10% of our outstanding shares are subject to the provisions of Section 16(a), which requires them to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and our other equity securities. Officers, directors and greater than 10% beneficial owners are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file. Based solely upon review of the copies of such forms furnished to us during the fiscal year ended December 31, 2016, and to the date of this Current Report, we the Company was delayed in filing Form 4's for each of its Directors in 2016. As of the date of this filing, that has been corrected.

Code of Ethics

We have adopted a code of ethics for our principal executive and financial officers. Our code of ethics was posted to our web site as November 2015.

Corporate Governance

Nominating Committee. We have not established a Nominating Committee because we have only four directors and one executive officer, and we believe that we are able to effectively manage the issues normally considered by a Nominating Committee. If we do establish a Nominating Committee, we will disclose this change to our procedures in recommending nominees to our Board of Directors.

Audit Committee. We have not established an Audit Committee because we have only four directors and one executive officer. We believe that we are able to effectively manage the issues normally considered by an Audit Committee. If we do establish an Audit Committee, we will disclose this change to our procedures in recommending nominees to our Board of Directors.

Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law provides, in general, that a corporation incorporated under the laws of the State of Delaware, such as the Company, may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than a derivative action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. In the case of a derivative action, a Delaware corporation may indemnify any such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification will be made in respect of any claim, issue or matter as to which such person will have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or any other court in which such action was brought determines such person is fairly and reasonably entitled to indemnity for such expenses.

Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws provide that we will indemnify our directors, officers, employees and agents to the extent and in the manner permitted by the provisions of the Delaware General Corporation Law. Any repeal or modification of these provisions shall be prospective only, and shall not adversely affect any limitation on the liability of our directors or officers existing prior to the time of such repeal or modification. We are also permitted to apply for insurance on behalf of any director, officer, employee or other agent for liability arising out of his actions, whether or not the Delaware General Corporation Law would permit indemnification.

ITEM 11: EXECUTIVE COMPENSATION

The following table sets forth the aggregate compensation paid by us for services rendered during the periods indicated. Note, only Mr. Nelson is currently an employee of the Company; Ms. Murcia terminated her employment in 2017, and Mr. Pimputkar's employment was terminated by mutual agreement in September 2016.

Summary Executive Compensation Table

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($) (g)	Nonqualified Deferred Compensation ($) (h)	All Other Compensation ($) (i)	Total Earnings ($) (j)
Christopher Nelson,	2016	174,459	0	0	0	0	0	0	$ 174,459
CEO	2015	138,461	25,523	0	18,000	0	0	0	$ 202,107
Michelle Murcia,	2016	0	0	0	0	0	0	22,200	$ 22,200
CFO	2015	0	0	0	54,000	0	0	80,500	$ 156,900
Sudheer Pimputkar,	2016	117,334	0	65,000	0	0	0	0	$ 182,334
CTO	2015	88,199	0	24,300	$ 54,720	0	0	27,783	$ 228,052

(c) Salaries include those amounts paid and accrued as an expense on the books of the Company.

(d) Mr. Nelson's bonus in 2015 related to a tax liability repayment to his for consulting fees the Company paid in 2014. This bonus is accrued as an expense on the Company's books as of December 31, 2016. Mr. Nelson waived and released the Company of this bonus payment in March 2017, in connection with also waiving $87,244 in accrued but unpaid salary and converting $100,000 in accrued but unpaid salary into 666,667 shares of common stock.

(e)(f) Stock and Option Awards are calculated based on the face value of awards as of the date of grant.

(i) All Other Compensation is comprised of consulting fees.

Outstanding Option and Stock Awards

	Option Awards					Stock Awards			
Name (a)	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price ($) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested ($) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Vested Units or Other Rights That Have Not Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (j)
Christopher Nelson,	255,000	-	-	$ 0.21	7/30/24	-	-	-	-
CEO	20,000	40,000	40,000	$ 0.21	11/17/25	-	-	-	-
Michelle Murcia,	34,000			$ 0.21	12/4/24	-	-	-	-
CFO	34,000			$ 0.21	6/29/25	-	-	-	-
	34,000			$ 0.21	6/29/25	-	-	-	-
	20,000	40,000	40,000	$ 0.21	11/16/25	-	8,050	0	0
	60,000			$ 0.21	11/17/25	-	-	-	-

Sudheer Pimputkar,	122,400			$	0.21	3/19/25	-	-	-	-
CTO	60,000	-	-	$	0.21	11/17/25	-	-	-	-

Director Compensation

The Company provided its outside directors in 2016 an annual grant of 400,000 stock options. One outside director received an additional $12,000 in fees in the 2016. Directors shall also be reimbursed for reasonable travel expenses incurred in connection with meetings of the Board of Directors. The following table contains disclosure concerning the compensation of the Company's directors for its year ended December 31, 2016:

Name (a)	Fees Earned or Paid in Cash ($) (b)	Stock Awards ($) (c)	Option Awards ($) (d)	Non-Equity Incentive Plan Compensation ($) (e)	Nonqualified Deferred Compensation Earnings ($) (f)	All Other Compensation ($) (g)	Total ($) (h)
Kevin Bolin	0	0	$ 180,000	0	0	0	$ 180,000
Scott Whitney	0	0	$ 89,200	0	0	0	$ 89,200
Joel Mayersohn	12,000	0	$ 48,400	0	0	0	$ 60,400

In February 2016, the Company appointed Kevin Bolin to the Board as its Chairman. As compensation for his services on the Board, Mr. Bolin received options to purchase 400,000 shares of common stock, vesting half immediately and half in six months, terminating in five years and exercisable at the higher of $0.50 or the current market price at the time of grant. In addition, Mr. Bolin received additional performance-based options to purchase another 1.8 million shares of common stock, which vest if certain specific milestones are met by the Company within the timeframe provided in his agreement, including recruitment of additional top tier directors, closing of key acquisitions and strategic partnerships, and securing long-term capital. As of December 2016, all these 1,800,000 performance options vested. As of October 13, 2016, the exercise price of all of Mr. Bolin's options was reduced to $0.21 per share.

In March 2016, the Company appointed Scott Whitney to the Board. As compensation for his services on the Board, Mr. Whitney received options to purchase 400,000 shares of common stock, vesting half immediately and half in six months, terminating in five years and exercisable at the higher of $0.50 or the current market price at the time of grant. As of October 13, 2016, the exercise price of all of Mr. Whitney's options was reduced to $0.21 per share.

On February 25, 2016, to accommodate the appointment of new Board members and additional incentive stock options and stock grants to key employees of the Company, the Board approved the 2016 Omnibus Equity Incentive Plan ("2016 Plan"), which allowed for an additional 4 million shares of common stock, stock options, stock rights or stock appreciation rights, to be granted by the Board in its discretion.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security ownership of certain beneficial owners. As of May 24, 2017, there were no persons outside of management and Directors known to the Company to be the beneficial owner of more than five percent of any class of the registrant's voting securities (including any "group" as that term is used in section 13(d)(3) of the Exchange Act). The percent of class is based on 46,266,604 shares of common stock issued and outstanding as of May 24, 2017.

Security ownership of management. The following information as of May 24, 2017, is provided for all current management and Directors as to each class of equity securities of the registrant or any of its parents or subsidiaries, including directors' qualifying shares, beneficially owned by all directors and nominees, all stock options and stock appreciation rights that are vested or will vest within the following 60 days. The percent of class is based on 46,266,604 shares of common stock issued and outstanding as of May 24, 2017, and includes in the total outstanding the additional shares of common stock underlying any vested options (or vesting in the following 60 days) for the specific beneficial owner.

(1) Title of class	(2) Name of beneficial owner	(3) Amount and nature of beneficial ownership	(4) Percent of class
Common	Kevin Bolin (1)	12,200,000	26.3%
Common	Christopher Nelson (2)	6,822,200	14.7%
Common	Joel Mayersohn (3)	631,842	1.4%
Common	Scott Whitney (4)	800,000	1.7%
Common	Tristan Peitz (5)	200,000	*
Common	All Officers and Directors	20,654,042	44.6%

* Under 1%

(1) Mr. Bolin's holdings include 2,200,000 vested stock options and 10,000,000 shares subject to forfeiture (see below).

(2) Mr. Nelson's holdings include 285,000 vested stock options and 5,000,000 shares subject to forfeiture (see below).

(3) Mr. Mayersohn's holdings include 546,000 stock options either vested or vesting in the following 180 days.

(4) Mr. Whitney's holdings are all stock options either vested or vesting in the following 180 days.

(5) Mr. Peitz's shares include 200,000 vested stock options, but exclude 200,000 options that vest in September 2017.

None of our officers and directors own any Preferred Stock or other classes of securities other than common stock options. Currently, there are no other shareholders that hold 5% or more of the total outstanding common stock of the company.

Forfeiture of Executive Shares

In December 2016, the Board of Directors approved for Mr. Bolin 10,000,000 shares of common stock, and for Mr. Nelson 5,000,000 shares of common stock, both as compensation and both subject to forfeiture provisions. These shares were not actually issued until February 2017. The forfeiture provisions provide that by July 1, 2017, Mr. Bolin must join the Company as a senior executive on a full-time basis for a period of at least 12 months, during which 12 month or extended period: (1) the company must complete at least $3 million in funding and (2) complete its first strategic acquisition. Mr. Nelson's forfeiture provision is the same, however, the period of time to remain as an employee is 18 months commencing January 1, 2017. If these individuals do not fulfill their commitments and performance goals, the Board of Directors may in its full discretion, terminate the shares and retire them to treasury. Until such time, however, the shareholders may exercise all rights of voting and otherwise afforded to the common stock of the company.

Changes in control. On November 12, 2015, in connection with the closing of the Merger, the Company issued 24,034,475 shares of our common stock to the shareholders of Q2P. Additionally, the officers and directors of the Company were replaced with the officers and directors of Q2P. This series of transactions constituted a change in control of the registrant.

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTORS INDEPENDENCE

Transactions with Related Persons

In 2016, the Company's three independent directors loaned to the Company an aggregate of $93,167 pursuant to 8% interest convertible promissory notes, and advanced to the Company an additional $14,400. All of these loans and advances were converted into the Company's Bridge Offering in March 2017.

Joel Mayersohn, our Director, is also a partner in the law firm of Dickinson Wright PLLC, which provides legal services for the Company, including SEC work.

Promoters and Certain Control Persons

See the heading "Transactions with Related Persons" above.

Parents of the Smaller Reporting Company

We have no parents.

Director Independence

We had three independent directors serving on our Board of Directors as of the end of 2016 – Messrs. Bolin, Whitney and Mayersohn. In May 2017, we added an additional independent Board member, Mr. Peitz; and Mr. Bolin commenced working as an executive Chairman for the Company with an agreement to become CEO by July 2017, which would override his independence.

ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following is a summary of the fees billed to Q2Power by our independent registered public accounting firm for professional services rendered for 2016 and 2015:

Fee Category	2016	2015
Audit Fees	$ 107,139	$ 50,000 (approximate)
Audit-related Fees	-	$ 1,000
Tax Fees	-	-
All Other Fees	-	-

Audit fees - Consists of fees for professional services rendered by EisnerAmper LLP for the audit of our annual consolidated financial statements and the review of interim consolidated financial statements included in our quarterly reports and services that are normally provided by our principal accountants in connection with statutory and regulatory filings or engagements.

Audit-related fees - Consists of fees for assurance and related services by our principal accountants that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under "Audit fees."

Tax fees - Consists of fees for professional services rendered by our principal accountants for tax compliance, tax advice and tax planning.

All other fees - Consists of fees for products and services provided by our principal accountants, other than the services reported under "Audit fees," "Audit-related fees" and "Tax fees" above.

PART IV

ITEM 15: EXHIBITS AND FINANCAL STATEMENT SCHEDULES

(a) Financial Statements.

Consolidated Balance Sheets of the Company as of December 31, 2016 and 2015

Consolidated Statements of Operations of the Company for the years ended December 31, 2016 and 2015

Consolidated Statements of Stockholders' Deficit of the Company for the years ended December 31, 2016 and 2015

Statements of Cash Flows of the Company for the years ended December 31, 2016 and 2015

Notes to Consolidated Financial Statements

(b) Exhibits.

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to the Form 8-K filed December 15, 2015 and Form 8-K filed December 23, 2010)
3.2	Amended and Restated Bylaws (incorporated by reference to the Form 8-K filed December 23, 2010)
4.1	Certificate of Designation of Preferences, Rights and Limitations of Series A 6% Convertible Preferred Stock (incorporated by reference to the Form 8-K filed November 18, 2015)
10.01	Securities Purchase Agreement for Convertible Debentures (incorporated by reference to the Form 8-K filed July 2, 2014)
10.02	Original Issue Discount Senior Secured Convertible Debentures (incorporated by reference to the Form 8-K filed July 2, 2014)
10.03	Common Stock Purchase Warrant issued with Convertible Debentures (incorporated by reference to the Form 8-K filed July 2, 2014)
10.04	Security Agreement in connection with the Convertible Debentures (incorporated by reference to the Form 8-K filed July 2, 2014)
10.05	Agreement and Plan of Merger (incorporated by reference to the Form 8-K filed August 26, 2015)
10.06	Form of Warrant Agreement issued in connection with Preferred Stock (incorporated by reference to the Form 8-K filed November 18, 2015)
10.07	Amended and Restated License Agreement with Cyclone (incorporated by reference to the Form 8-K filed November 18, 2015)
10.08	Form of Subscription Agreement for Convertible Note Bridge Offering (incorporated by reference to the Form 8-K filed April 4, 2017)
10.09	Form of Promissory Note for Convertible Note Bridge Offering (incorporated by reference to the Form 8-K filed April 4, 2017)
10.10	2016 Omnibus Equity Incentive Plan
10.11	Employment Agreement with Kevin Bolin

10.12	Employment Agreement with Christopher Nelson
21.1	Subsidiaries of the Company
31.1	302 Certification of Christopher Nelson, CEO
31.2	302 Certification of Peter Dunleavy, Principal Accounting Officer
32	906 Certification

(c) Financial Statement Schedules.

The following documents are filed as part of this Report:

1. Financial Statements

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Q2POWER TECHNOLOGIES INC.

Date: *5/25/17*

By: */s/ Christopher M. Nelson*
Christopher M. Nelson
Chief Executive Officer and Director

Date: *5/25/17*

By: */s/ Peter Dunleavy*
Peter Dunleavy
Principal Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: *5/25/17*

By: */s/ Kevin Bolin*
Kevin Bolin
Chairman of the Board of Directors

Date: *5/25/17*

By: */s/ Christopher M. Nelson*
Christopher M. Nelson
Chief Executive Officer and Director

Date: *5/25/17*

By: */s/ Joel Mayersohn*
Joel Mayersohn
Director

Date: *5/25/17*

By: */s/ Scott Whitney*
Scott Whitney
Director

Q2POWER TECHNOLOGIES, INC.

2016 OMNIBUS EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are (a) to attract and retain the best available personnel to ensure the Company's success and accomplish the Company's goals; (b) to incentivize Officers, Employees, Directors and Consultants with long-term equity-based compensation to align their interests with the Company's stockholders, and (c) to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" except as may otherwise be provided in a Stock Option Agreement, Restricted Stock Agreement or other applicable agreement, means the occurrence of any of the following:

(i) The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if the Company's shareholders immediately prior to such merger, consolidation or reorganization cease to directly or indirectly own immediately after such merger, consolidation or reorganization at least a majority of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization;

(ii) The consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets (other than (x) to a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (y) to a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company or (z) to a continuing or surviving entity described in Section 2(f)(i) in connection with a merger, consolidation or corporate reorganization which does not result in a Change in Control under Section 2(f)(i));

(iii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause, if any Person (as defined below in Section 2(f)(iv)) is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control;

(iv) The consummation of any transaction as a result of which any Person becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company's then outstanding voting securities. For purposes of this Paragraph (iv), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude:

(1) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or an affiliate of the Company;

(2) a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company;

(3) the Company; and

(4) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company; or

(v) A complete winding up, liquidation or dissolution of the Company.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions.

(g) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(h) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 hereof.

(i) "Common Stock" means the common stock of the Company.

(j) "Company" means Q2Power Technologies, Inc., a Delaware corporation, or any successor thereto.

(k) "Consultant" means any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services to such entity.

(l) "Director" means a member of the Board.

(m) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(n) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(p) "Exchange Program" means a program established by the Committee under which outstanding Awards are amended to provide for a lower Exercise Price or surrendered or cancelled in exchange for (i) Awards with a lower exercise price, (ii) a different type of Award or awards under a different equity incentive plan, (iii) cash, or (iv) a combination of (i), (ii) and/or (iii). Notwithstanding the preceding, the term Exchange Program does not include any (i) action described in Section 13 or any action taken in connection with a change in control transaction nor (ii) transfer or other disposition permitted under Section 12. For the purpose of clarity, each of the actions described in the prior sentence, none of which constitute an Exchange Program, may be undertaken (or authorized) by the Committee in its sole discretion without approval by the Company's shareholders.

(q) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, or if the Common Stock is quoted on the Over-the-Counter (OTC) market, be that the OTCQB, OTCBB or Pink Sheets, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination, as reported in *The Wall Street Journal,* the OTC, or such other source as the Administrator deems reliable;

(iii) For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement in Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Company's Common Stock; or

(iv) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

(r) "Fiscal Year" means the fiscal year of the Company.

(s) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(t) "Inside Director" means a Director who is an Employee.

(u) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(v) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(w) "Option" means a stock option granted pursuant to the Plan.

(x) "Outside Director" means a Director who is not an Employee.

(y) "Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(z) "Participant" means the holder of an outstanding Award.

(aa) "Performance Goal" means a performance goal established by the Committee pursuant to Section 10(c) of the Plan.

(bb) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(cc) "Performance Unit" means an Award which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(dd) "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(ee) "Plan" means this 2016 Omnibus Equity Incentive Plan.

(ff) "Registration Date" means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(g) of the Exchange Act, with respect to any class of the Company's securities.

(gg) "Restricted Stock" means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan.

(hh) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(ii) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(jj) "Section 16(b)" means Section 16(b) of the Exchange Act.

(kk) "Service Provider" means an Employee, Director or Consultant.

(ll) "Share" means a share of the Common Stock, as adjusted in accordance with Section 13 of the Plan.

(mm) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

(nn) "Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 13 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 4,000,000 Shares (the "Initial Share Reserve"). The Shares may be authorized, but unissued, or reacquired Common Stock. Notwithstanding the foregoing and, subject to adjustment as provided in Section 13, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in this Section 3(a), plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Sections 3(b) and 3(c).

(b) Automatic Share Reserve Increase. The number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2017 Fiscal Year, in an amount equal to the least of (i) 1,500,000 Shares, (ii) three percent (3%) of the outstanding Shares on the last day of the immediately preceding Fiscal Year or (iii) such number of Shares determined by the Board.

(c) Lapsed Awards. To the extent an Award expires, is surrendered pursuant to an Exchange Program or becomes unexercisable without having been exercised or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to or repurchased by the Company due to failure to vest, the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the forfeited or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). Notwithstanding the foregoing (and except with respect to Shares of Restricted Stock that are forfeited rather than vesting), Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan will be administered by a Committee of two (2) or more "outside directors" within the meaning of Section 162(m) of the Code.

(iii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations established for the purpose of satisfying applicable foreign laws, for qualifying for favorable tax treatment under applicable foreign laws or facilitating compliance with foreign laws; sub-plans may be created for any of these purposes;

(viii) to modify or amend each Award (subject to Section 18 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(ix) to allow Participants to satisfy withholding tax obligations in such manner as prescribed in Section 14 of the Plan;

(x) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xi) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award; and

(xii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

(d) Exchange Program. Notwithstanding the anything in this Section 4, the Committee shall not implement an Exchange Program without the approval of the holders of a majority of the Shares that are present in person or by proxy and entitled to vote at any annual or special meeting of Company's shareholders.

(e) Delegation by the Committee. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or any part of its authority and powers under the Plan to one or more Directors or officers of the Company; provided, however, that the Committee may not delegate its authority and powers (a) with respect to an Officer or (b) in any way which would jeopardize the Plan's qualification under Code Section 162(m) or Rule 16b-3.

5. Award Eligibility and Limitations.

(a) Award Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to any qualified person including Service Providers. Incentive Stock Options may be granted only to Employees, Officers and Directors.

(b) Award Limitations. The following limits shall apply to the grant of any Award if, at the time of grant, the Company is a "publicly held corporation" within the meaning of Section 162(m) of the Code:

(i) Options and Stock Appreciation Rights. Subject to adjustment as provided in Section 13, no Employee shall be granted within any fiscal year of the Company one or more Options or Stock Appreciation Rights, which in the aggregate cover more than 500,000 Shares reserved for issuance under the Plan; provided, however, that in connection with an Employee's initial service as an Employee, an Employee may be granted Options or Stock Appreciation Rights, which in the aggregate cover up to an additional 2,000,000 Shares reserved for issuance under the Plan.

(ii) Restricted Stock and Restricted Stock Units. Subject to adjustment as provided in Section 13, no Employee shall be granted within any fiscal year of the Company one or more awards of Restricted Stock or Restricted Stock Units, which in the aggregate cover more than 500,000 Shares reserved for issuance under the Plan; provided, however, that in connection with an Employee's initial service as an Employee, an Employee may be granted Restricted Stock or Restricted Stock Units s, which in the aggregate cover up to an additional 1,000,000 Shares reserved for issuance under the Plan.

(iii) Performance Units and Performance Shares. Subject to adjustment as provided in Section 13, no Employee shall receive Performance Units or Performance Shares having a grant date value (assuming maximum payout) greater than two million dollars ($2 million) or covering more than 500,000 Shares, whichever is greater; provided, however, that in connection with an Employee's initial service as an Employee, an Employee may receive Performance Units or Performance Shares having a grant date value (assuming maximum payout) of up to an additional amount equal five million dollars ($5 million) or covering up to 1,000,000 Shares, whichever is greater. No Participant may be granted more than one award of Performance Units or Performance Shares for the same Performance Period.

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars ($100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted. With respect to the Committee's authority in Section 4(b)(viii), if, at the time of any such extension, the exercise price per Share of the Option is less than the Fair Market Value of a Share, the extension shall, unless otherwise determined by the Committee, be limited to the earlier of (1) the maximum term of the Option as set by its original terms, or (2) ten (10) years from the grant date. Unless otherwise determined by the Committee, any extension of the term of an Option pursuant to this Section 4(b)(viii) shall comply with Code Section 409A to the extent necessary to avoid taxation thereunder.

(b) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration for both types of Options may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13 of the Plan.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the Option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Employees and Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions (if any) related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment), or any other basis (including the passage of time) determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Dividend Equivalents. The Administrator may, in its sole discretion, award dividend equivalents in connection with the grant of Restricted Stock Units that may be settled in cash, in Shares of equivalent value, or in some combination thereof.

(e) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made upon the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(f) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(b) relating to the maximum term and Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set Performance Goals or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, or individual goals, applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Measurement of Performance Goals. Performance Goals shall be established by the Committee on the basis of targets to be attained ("Performance Targets") with respect to one or more measures of business or financial performance (each, a "Performance Measure"), subject to the following:

(i) Performance Measures. For each Performance Period, the Committee shall establish and set forth in writing the Performance Measures, if any, and any particulars, components and adjustments relating thereto, applicable to each Participant. The Performance Measures, if any, will be objectively measurable and will be based upon the achievement of a specified percentage or level in one or more objectively defined and non-discretionary factors preestablished by the Committee. Performance Measures may be one or more of the following, as determined by the Committee: (i) sales or non-sales revenue; (ii) return on revenues; (iii) operating income; (iv) income or earnings including operating income; (v) income or earnings before or after taxes, interest, depreciation and/or amortization; (vi) income or earnings from continuing operations; (vii) net income; (vii) pre-tax income or after-tax income; (viii) net income excluding amortization of intangible assets, depreciation and impairment of goodwill and intangible assets and/or excluding charges attributable to the adoption of new accounting pronouncements; (ix) raising of financing or fundraising; (x) project financing; (xi) revenue backlog; (xii) power purchase agreement backlog; (xiii) gross margin; (xiv) operating margin or profit margin; (xv) capital expenditures, cost targets, reductions and savings and expense management; (xvi) return on assets (gross or net), return on investment, return on capital, or return on shareholder equity; (xvii) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (xviii) performance warranty and/or guarantee claims; (xix) stock price or total stockholder return; (xx) earnings or book value per share (basic or diluted); (xxi) economic value created; (xxii) pre-tax profit or after-tax profit; (xxiii) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration or market share, geographic business expansion, objective customer satisfaction or information technology goals; (xxiv) objective goals relating to divestitures, joint ventures, mergers, acquisitions and similar transactions; (xxv) construction projects consisting of one or more objectives based upon meeting project completion timing milestones, project budget, site acquisition, site development, or site equipment functionality; (xxvi) objective goals relating to staff management, results from staff attitude and/or opinion surveys, staff satisfaction scores, staff safety, staff accident and/or injury rates, headcount, performance management, completion of critical staff training initiatives; (xxvii) objective goals relating to projects, including project completion timing milestones, project budget; (xxviii) key regulatory objectives; and (xxix) enterprise resource planning.

(ii) Committee Discretion on Performance Measures. As determined in the discretion of the Committee, the Performance Measures for any Performance Period may (a) differ from Participant to Participant and from Award to Award, (b) be based on the performance of the Company as a whole or the performance of a specific Participant or one or more subsidiaries, divisions, departments, regions, stores, segments, products, functions or business units of the Company or individual project company, (c) be measured on a per share, per capita, per unit, per square foot, per employee, per store basis, and/or other objective basis (d) be measured on a pre-tax or after-tax basis, and (e) be measured on an absolute basis or in relative terms (including, but not limited to, the passage of time and/or against other companies, financial metrics and/or an index). Without limiting the foregoing, the Committee shall adjust any performance criteria, Performance Measures or other feature of an Award that relates to or is wholly or partially based on the number of, or the value of, any stock of the Company, to reflect any stock dividend or split, repurchase, recapitalization, combination, or exchange of shares or other similar changes in such stock. Awards that are not intended by the Company to comply with the performance-based compensation exception under Code Section 162(m) may take into account other factors (including subjective factors).

(e) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Goals or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any Performance Goals or other vesting provisions for such Performance Unit/Share.

(f) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made upon the time set forth in the applicable Award Agreement. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(g) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence unless contrary to Applicable Law. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Participant's employer or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Participant's employer is not so guaranteed, then six (6) months following the first (1st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

13. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event of a stock split, reverse stock split, stock dividend, combination, consolidation, recapitalization (including a recapitalization through a large nonrecurring cash dividend) or reclassification of the Shares, subdivision of the Shares, a rights offering, a reorganization, merger, spin-off, split-up, repurchase, or exchange of Common Stock or other securities of the Company or other significant corporate transaction, or other change affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number, kind and class of securities that may be delivered under the Plan and/or the number, class, kind and price of securities covered by each outstanding Award, the numerical Share limits in Section 3 of the Plan. Notwithstanding the forgoing, all adjustments under this Section 13 shall be made in a manner that does not result in taxation under Code Section 409A.

(b) Dissolution or Liquidation. In the event of the proposed winding up, dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a merger or Change in Control, each outstanding Award will be treated as the Administrator determines, including, without limitation, that each Award be assumed, cancelled or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. The Administrator will not be required to treat all Awards similarly in the transaction.

Except as set forth in an Award Agreement, in the event that the successor corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all Performance Goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 13(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

14. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or prior to any time the Award or Shares are subject to taxation, the Company and/or the Participant's employer will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation or social insurance contributions) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (a) paying cash, (b) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld (to the extent required to avoid adverse accounting consequences), or (c) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld to the extent required to avoid adverse accounting consequences or Shares having a Fair Market Value in excess of such amount that have been held for such period required to avoid adverse accounting consequences. Except as otherwise determined by the Administrator, the Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(c) Compliance With Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A (or an exemption therefrom) and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A (or an exemption therefrom), such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. In no event will the Company be responsible for or reimburse a Participant for any taxes or other penalties incurred as a result of applicable of Code Section 409A.

15. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, or (if different) the Participant's employer, nor will they interfere in any way with the Participant's right or the Participant's employer's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

16. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

17. Term of Plan. Subject to Section 21 of the Plan, the Plan will become effective upon the earlier of its adoption by the Board or the Company's shareholders. It will continue in effect for a term of ten (10) years from such effective date, unless terminated earlier under Section 18 of the Plan.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Committee may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

19. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

20. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

21. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

22. Governing Law. The Plan and all Awards hereunder shall be construed in accordance with and governed by the laws of the State of New York, but without regard to its conflict of law provisions.

Q2POWER TECHNOLOGIES, INC.
2016 OMNIBUS EQUITY INCENTIVE PLAN

STOCK OPTION AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Q2Power Technologies, Inc. 2016 Omnibus Equity Incentive Plan (the "***Plan***") will have the same defined meanings in this Stock Option Award Agreement (the "***Award Agreement***").

I. NOTICE OF STOCK OPTION GRANT

Participant Name:

Address:

You have been granted an Option to purchase Common Stock of Q2Power Technologies, Inc. (the "***Company***"), subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number	
Date of Grant	
Vesting Commencement Date	
Exercise Price per Share	$
Total Number of Shares Granted	
Total Exercise Price	$
Type of Option:	U.S. Incentive Stock Option
	U.S. Nonstatutory Stock Option
Term/Expiration Date:	

Vesting Schedule:

Subject to Section 2 of the Award Agreement and any acceleration provisions contained in the Plan or set forth below, this Option may be exercised, in whole or in part, in accordance with the following schedule:

[INSERT VESTING SCHEDULE]

Termination Period:

This Option will be exercisable for three (3) months after Participant ceases (as defined in Section 2 of the Award Agreement) to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option will be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing, in no event may this Option be exercised after the Term/Expiration Date as provided above and may be subject to earlier termination as provided in Section 13 of the Plan.

By Participant's signature and the signature of the Company's representative below, Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Stock Option Grant (including any country-specific addendum thereto), attached hereto as Exhibit A, all of which are made a part of this document. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT:	Q2POWER TECHNOLOGIES, INC.
Signature	By
Print Name	Title

Residence Address:

EXHIBIT A

TERMS AND CONDITIONS OF STOCK OPTION GRANT

1. Grant of Option. The Company hereby grants to the Participant named in the Notice of Grant attached as Part I of this Award Agreement (the "***Participant***") an option (the "***Option***") to purchase the number of Shares, as set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the "***Exercise Price***"), subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18 of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan will prevail.

If designated in the Notice of Grant as an Incentive Stock Option ("***ISO***"), this Option is intended to qualify as an ISO under Section 422 of the U.S. Internal Revenue Code of 1986, as amended (the "***Code***"). However, if this Option is intended to be an ISO, to the extent that it exceeds the $100,000 rule of Code Section 422(d) it will be treated as a Nonstatutory Stock Option ("***NSO***"). Further, if for any reason this Option (or portion thereof) will not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event will the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

2. Vesting Schedule. Except as provided in Section 3, the Option awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs. Service Provider status will end on the day that notice of termination is provided (whether by the Company or Parent or Subsidiary for any reason or by Participant upon resignation) and will not be extended by any notice period that may be required contractually or under applicable local law. Notwithstanding the foregoing, the Administrator (or any delegate) shall have the sole discretion to determine when Participant is no longer providing active service for purposes of Service Provider status and participation in the Plan.

3. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

4. Exercise of Option.

(a) Right to Exercise. This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Award Agreement.

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice, in the form attached as Exhibit B (the "***Exercise Notice***") or in a manner and pursuant to such procedures as the Administrator may determine, which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "***Exercised Shares***"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice will be completed by Participant and delivered to the Company. The Exercise Notice will be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares together with any applicable tax withholding. This Option will be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by such aggregate Exercise Price.

5. Method of Payment. Payment of the aggregate Exercise Price will be by any of the following, or a combination thereof, at the election of Participant unless the Administrator in its sole discretion requires a specific method of payment:

(a) cash (US dollars); or

(b) check (denominated in U.S. dollars); or

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d) surrender of other Shares which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company.

Participant understands and agrees that any cross-border remittance made to exercise this option or transfer proceeds received upon the sale of Stock must be made through a locally authorized financial institution or registered foreign exchange agency and may require the Participant to provide such entity with certain information regarding the transaction.

6. Tax Obligations.

(a) Withholding Taxes. Regardless of any action the Company or Participant's employer (the "***Employer***") takes with respect to any or all applicable national, local, or other tax or social contribution, withholding, required deductions, or other payments, if any, that arise upon the grant, vesting, or exercise of this Option, the holding or subsequent sale of Shares, and the receipt of dividends, if any ("***Tax-Related Items***"), Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant, vesting, or exercise of the Option, the subsequent sale of Shares acquired under the Plan and the receipt of dividends, if any; and (b) does not commit to and is under no obligation to structure the terms of the Option or any aspect of the Option to reduce or eliminate Participant's liability for Tax-Related Items, or achieve any particular tax result. Further, if Participant has become subject To tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) No payment will be made to Participant (or his or her estate or beneficiary) for an Option unless and until satisfactory arrangements (as determined by the Company) have been made by Participant with respect to the payment of any Tax-Related Items obligations of the Company and/or the Employer with respect to the Option. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from Participant's wages or other cash compensation paid to Participant by the Company or the Employer; or

(ii) withholding from proceeds of the sale of Shares acquired upon exercise of the Option, either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization); or

(iii) withholding in Shares to be issued upon exercise of the Option; or

(iv) surrendering already-owned Shares having a Fair Market Value equal to the Tax-Related Items that have been held for such period of time to avoid adverse accounting consequences.

If the obligation for Tax-Related Items is satisfied by withholding Shares, the Participant is deemed to have been issued the full number of Shares purchased for tax purposes, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items due as a result of the Participant's participation in the Plan. Participant shall pay to the Company or Employer any amount of Tax-Related Items that the Company may be required to withhold as a result of Participant's participation in the Plan that cannot be satisfied by one or more of the means previously described in this paragraph 6. Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

(b) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Grant Date, or (ii) the date one (1) year after the date of exercise, Participant will immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(c) Code Section 409A (Applicable Only to Participants Subject to U.S. Taxes). Under Code Section 409A, an option that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the "***IRS***") to be less than the Fair Market Value of a Share on the date of grant (a "***Discount Option***") may be considered "deferred compensation." A Discount Option may result in (i) income recognition by Participant prior to the exercise of the option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The Discount Option may also result in additional state income, penalty and interest charges to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the Date of Grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Participant will be solely responsible for Participant's costs related to such a determination.

7. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

8. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE EMPLOYER AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE EMPLOYER TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE (SUBJECT TO APPLICABLE LOCAL LAWS).

9. Nature of Grant. In accepting the Option, Participant acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) the grant of the Option is voluntary and occasional and does not Create any contractual or other right to receive future grants of Options, or benefits in lieu of Options even if Options have been granted repeatedly in the past;

(c) all decisions with respect to future awards of Options, if any, will be at the sole discretion of the Company;

(d) Participant's participation in the Plan is voluntary;

(e) the Option and the Shares subject to the Option are an extraordinary items that do not constitute regular compensation for services rendered to the Company or the Employer, and that are outside the scope of Participant's employment contract, if any;

(f) the Option and the Shares subject to the Option are not intended to replace any pension rights or compensation;

(g) the Option and the Shares subject to the Option are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, or end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty; further, if Participant exercises the Option and obtains Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the Exercise Price;

(i) Participant also understands that neither the Company, nor any affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Option (or the calculation of income or Tax-Related Items thereunder);

(j) in consideration of the grant of the Option, no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of employment by the Employer (for any reason whatsoever and whether or not in breach of local labor laws), and Participant irrevocably releases the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Participant shall be deemed irrevocably to have waived his or her entitlement to pursue such claim; and

(k) the Option and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

10. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

11. Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and its affiliates may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any affiliate, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Personal Data"). Participant understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States, Participant's country (if different than the United States), or elsewhere, and that the recipient's country may have different data privacy laws and protections than Participant's country.

For Participants located in the European Union, the following paragraph applies: Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Personal Data by contacting Participant's local human resources representative. Participant authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom Participant may elect to deposit any Shares received upon exercise of the Option. Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that he or she may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, without cost, by contacting in writing Participant's local human resources representative. Participant understands that refusal or withdrawal of consent may affect Participant's ability to participate in the Plan or to realize benefits from the Option. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

12. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company, in care of its CEO or General Counsel at Q2Power Technologies, Inc. 1858 Cedar Hill Rd., Lancaster, OH 43130, or at such other address as the Company may hereafter designate in writing.

13. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

14. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

15. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state, federal or foreign law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. The Company will make all reasonable efforts to meet the requirements of any such state, federal or foreign law or securities exchange and to obtain any such consent or approval of any such governmental authority. Assuming such compliance, for income tax purposes the Exercised Shares will be considered transferred to Participant on the date the Option is exercised with respect to such Exercised Shares. The Company shall not be obligated to issue any Shares pursuant to this Option at any time if the issuance of Shares, or the exercise of an Option by Participant, violates or is not in compliance with any laws, rules or regulations of the United States or any state or country.

16. Lock-Up Agreement. In connection with the initial public offering of the Company's securities, Optionee hereby agrees not to offer, pledge, sell, contract to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company and the managing underwriters for such offering for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company's initial public offering. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Optionee hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. Notwithstanding the foregoing, if during the last 17 days of the restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this subsection shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement. In order to enforce the restriction set forth above, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Section.

If the underwriters release or waive any of the foregoing restrictions in connection with a transfer of shares of Common Stock, the underwriters shall notify the Company at least three business days before the effective date of any such release or waiver. Further, the Company will announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the underwriters shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (x) the release or waiver is effected solely to permit a transfer not for consideration and (y) the transferee has agreed in writing to be bound by the same terms of the lock-up provisions applicable in general to the extent, and for the duration, that such lock-up provision remain in effect at the time of the transfer.

17. Plan Governs. This Award Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Award Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Award Agreement will have the meaning set forth in the Plan.

18. Administrator Authority. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

19. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to Options awarded under the Plan or future options that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

20. Language. If Participant has received this Award Agreement, including appendices, or any other document related to the Plan translated into a language other than English, and the meaning of the translated version is different than the English version, the English version will control.

21. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Option and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Participant understands that the laws of the country in which he or she is resident at the time of grant, vesting, and/or exercise of this Option or the holding or disposition of Shares (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent exercise of this Option or may subject Participant to additional procedural or regulatory requirements he or she is solely responsible for and will have to independently fulfill in relation to this Option or the Shares. Notwithstanding any provision herein, this Option and any Shares shall be subject to any special terms and conditions or disclosures as set forth in any addendum for Participant's country (the "Country-Specific Addendum," which forms part this Award Agreement).

22. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

23. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

24. Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection to this Option.

25. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

26. Governing Law. This Award Agreement will be governed by the laws of the State of Delaware, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Option or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Ohio.

EXHIBIT B

Q2POWER TECHNOLOGIES, INC.

2016 OMNIBUS EQUITY INCENTIVE PLAN

EXERCISE NOTICE

Q2Power Technologies, Inc.
1858 Cedar Hill Rd.
Lancaster, OH 43130

1. Exercise of Option. Effective as of today, , , the undersigned ("***Purchaser***") hereby elects to purchase shares (the "***Shares***") of the Common Stock of Q2Power Technologies, Inc. (the "***Company***") under and pursuant to the 2016 Omnibus Equity Incentive Plan (the "***Plan***") and the Stock Option Award Agreement dated (the "***Award Agreement***"). The purchase price for the Shares will be $, as required by the Award Agreement.

2. Delivery of Payment. Purchaser herewith delivers to the Company the full purchase price of the Shares and any required tax withholding to be paid in connection with the exercise of the Option.

3. Representations of Purchaser. Purchaser acknowledges that Purchaser has received, read and understood the Plan and the Award Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Stockholder. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to the Option, notwithstanding the exercise of the Option. The Shares so acquired will be issued to Purchaser as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in Section 13 of the Plan.

5. Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

6. Entire Agreement; Governing Law. The Plan and Award Agreement are incorporated herein by reference. This Exercise Notice, the Plan and the Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This agreement is governed by the internal substantive laws, but not the choice of law rules, of the State of Delaware.

Submitted by:	Accepted by:
PURCHASER:	Q2OIWER TECHNOLOGIES, INC
Signature	By
Print Name	Title
Address:	
	Date Received

Q2POWER TECHNOLOGIES, INC.

2016 OMNIBUS EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Q2Power Technologies, Inc. 2016 Omnibus Equity Incentive Plan (the "***Plan***") will have the same defined meanings in this Restricted Stock Unit Award Agreement (the "***Award Agreement***").

I. NOTICE OF RESTRICTED STOCK UNIT GRANT

Participant Name:

You have been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number:

Date of Grant:

Vesting Commencement Date:

Number of Restricted Stock Units:

Vesting Schedule:

Subject to Section 3 of the Award Agreement and any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Unit will vest on the Vesting Commencement Date if the Participant is still in the employment of the Company and in good standing, as determined by the Board of Directors.

In the event Participant ceases to be an employee of the Company (or gives or is given notice of such termination) for any or no reason before Participant vests in the Restricted Stock Unit, the Restricted Stock Unit and Participant's right to acquire any Shares hereunder will immediately terminate.

By Participant's signature and the signature of the representative of Q2Power Technologies, Inc. (the "***Company***") below, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant (including any country-specific addendum thereto), attached hereto as Exhibit A, all of which are made a part of this document. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT:

Signature

Print Name

Residence Address:

Q2POWER TECHNOLOGIES, INC.

By

Title

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. Grant. The Company hereby grants to the individual named in the Notice of Grant attached as Part I of this Award Agreement (the "***Participant***") under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18 of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan will prevail.

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Any Restricted Stock Units that vest in accordance with Sections 3 or 4 will be paid to Participant (or in the event of Participant's death, to his or her estate) in whole Shares, subject to Participant satisfying any applicable tax withholding or other obligations as set forth in Section 7. Subject to the provisions of Section 4, such vested Restricted Stock Units will be paid in Shares as soon as practicable after vesting.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs. Service Provider status will end on the day that notice of termination is provided (whether by the Company or Parent or Subsidiary for any reason or by Participant upon resignation) and will not be extended by any notice period that may be required contractually or under applicable local law. Notwithstanding the foregoing, the Administrator (or any delegate) shall have the sole discretion to determine when Participant is no longer providing active service for purposes of Service Provider status and participation in the Plan.

4. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator.

Notwithstanding anything in the Plan or this Award Agreement to the contrary, if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to death**,** and if (x) Participant is a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless the Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to the Participant's estate as soon as practicable following his or her death. It is the intent of this Award Agreement to comply with the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any proposed, temporary or final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture upon Termination of Status as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, the balance of the Restricted Stock Units that have not vested as of the time notice is provided (whether by Participant or the Company or Parent or Subsidiary) of Participant's termination as a Service Provider for any or no reason and Participant's right to acquire any Shares hereunder will immediately terminate.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Withholding of Taxes. Regardless of any action the Company or Participant's employer (the "***Employer***") takes with respect to any or all applicable national, local, or other tax or social contribution, withholding, required deductions, or other payments, if any, that arise upon the grant or vesting of the Restricted Stock Units or the holding or subsequent sale of Shares, and the receipt of dividends, if any ("***Tax-Related Items***"), Participant acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including grant or vesting, the subsequent sale of Shares acquired under the Plan, and the receipt of dividends, if any; and (b) does not commit to and is under no obligation to structure the terms of the Restricted Stock Units or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax-Related Items, or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Notwithstanding any contrary provision of this Award Agreement, no certificate representing the Shares will be issued to Participant, unless and until satisfactory arrangements (as determined by the Administrator) will have been made by Participant with respect to the payment of any Tax-Related Items which the Company determines must be withheld with respect to such Shares.

The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax-Related Items, in whole or in part (without limitation) by (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the minimum amount required to be withheld, (c) delivering to the Company already vested and owned Shares having a Fair Market Value equal to the amount required to be withheld, or (d) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax-Related Items by reducing the number of Shares otherwise deliverable to Participant. If Participant fails to make satisfactory arrangements for the payment of any required Tax-Related Items hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4, Participant will permanently forfeit such Restricted Stock Units and any right to receive Shares thereunder and the Restricted Stock Units will be returned to the Company at no cost to the Company.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. No Guarantee of Continued Service or Grants. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OF RESTRICTED STOCK UNITS OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

Participant also acknowledges and agrees that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time; (b) the grant of Restricted Stock Units is voluntary and occasional and does not Create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units even if Restricted Stock Units have been granted repeatedly in the past; (c) all decisions with respect to future awards of Restricted Stock Units, if any, will be at the sole discretion of the Company; (d) Participant's participation in the Plan is voluntary; (e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are extraordinary items that do not constitute regular compensation for services rendered to the Company or the Employer, and that are outside the scope of Participant's employment contract, if any; (f) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation; (g) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, or end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer.

10. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company, in care of its CEO or General Counsel at Q2Power Technologies, Inc. 1858 Cedar Hill Rd., Lancaster, OH 43130, or at such other address as the Company may hereafter designate in writing.

11. Grant is Not Transferable. Except to the limited extent provided in Section 6, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Award Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

13. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. Where the Company determines that the delivery of the payment of any Shares will violate federal securities laws or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates that the delivery of Shares will no longer cause such violation. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority. The Company shall not be obligated to issue any Shares pursuant to the Restricted Stock Units at any time if the issuance of Shares violates or is not in compliance with any laws, rules or regulations of the United States or any state or country.

Furthermore, the Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Participant understands that the laws of the country in which he or she is resident at the time of grant or vesting of the Restricted Stock Units or the holding or disposition of Shares (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent the issuance of Shares or may subject Participant to additional procedural or regulatory requirements he or she is solely responsible for and will have to independently fulfill in relation to the Restricted Stock Units or the Shares. Notwithstanding any provision herein, the Restricted Stock Units and any Shares shall be subject to any special terms and conditions or disclosures as set forth in any addendum for Participant's country (the "Country-Specific Addendum," which forms part this Award Agreement).

14. Lock-Up Agreement. In connection with the initial public offering of the Company's securities, Participant hereby agrees not to offer, pledge, sell, contract to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company and the managing underwriters for such offering for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company's initial public offering. In addition, upon request of the Company or the underwriters managing a public offering of the Company's securities (other than the initial public offering), Participant hereby agrees to be bound by similar restrictions, and to sign a similar agreement, in connection with no more than one additional registration statement filed within 12 months after the closing date of the initial public offering, provided that the duration of the lock-up period with respect to such additional registration shall not exceed 90 days from the effective date of such additional registration statement. Notwithstanding the foregoing, if during the last 17 days of the restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the restricted period the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this subsection shall continue to apply until the end of the third trading day following the expiration of the 15-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the restricted period extend beyond 216 days after the effective date of the registration statement. In order to enforce the restriction set forth above, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Section.

If the underwriters release or waive any of the foregoing restrictions in connection with a transfer of shares of Common Stock, the underwriters shall notify the Company at least three business days before the effective date of any such release or waiver. Further, the Company will announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the underwriters shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (x) the release or waiver is effected solely to permit a transfer not for consideration and (y) the transferee has agreed in writing to be bound by the same terms of the lock-up provisions applicable in general to the extent, and for the duration, that such lock-up provision remain in effect at the time of the transfer.

15. Plan Governs. This Award Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Award Agreement and one or more provisions of the Plan, the provisions of the Plan will govern. Capitalized terms used and not defined in this Award Agreement will have the meaning set forth in the Plan.

16. Administrator Authority. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

17. Electronic Delivery and Language. The Company may, in its sole discretion, decide to deliver any documents related to Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company. If Participant has received this Award Agreement, including appendices, or any other document related to the Plan translated into a language other than English, and the meaning of the translated version is different than the English version, the English version will control.

18. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

19. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

20. Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

21. Data Privacy. ***Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement by and among, as applicable, the Company and its affiliates for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that the Company and its affiliates may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any affiliate, details of all Restricted Stock Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Personal Data"). Participant understands that Personal Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States, Participant's country (if different than the United States), or elsewhere, and that the recipient's country may have different data privacy laws and protections than Participant's country.***

For Participants located in the European Union, the following paragraph applies: Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Personal Data by contacting Participant's local human resources representative. Participant authorizes the recipients to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom Participant may elect to deposit any Shares received. Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that he or she may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, without cost, by contacting in writing Participant's local human resources representative. Participant understands that refusal or withdrawal of consent may affect Participant's ability to participate in the Plan or to realize benefits from the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

22. Foreign Exchange Fluctuations and Restrictions. Participant understands and agrees that the future value of the underlying Shares is unknown and cannot be predicted with certainty and may decrease. Participant also understands that neither the Company, nor any affiliate is responsible for any foreign exchange fluctuation between local currency and the United States Dollar or the selection by the Company or any affiliate in its sole discretion of an applicable foreign currency exchange rate that may affect the value of the Restricted Stock Units or Shares received (or the calculation of income or Tax-Related Items thereunder). Participant understands and agrees that any cross-border remittance made to transfer proceeds received upon the sale of Shares must be made through a locally authorized financial institution or registered foreign exchange agency and may require the Participant to provide such entity with certain information regarding the transaction.

23. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

24. Governing Law. This Award Agreement will be governed by the laws of the State of Delaware, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Ohio.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into this 1st day of April, 2017, by and between **Q2Power Technologies, Inc.**, a Delaware corporation (the "Company") and **Kevin M. Bolin**, a resident of the State of Georgia (the "Employee").

W I T N E S S E T H:

WHEREAS, the Company and the Employee deem it desirable and in the best interests of the Company to enter into this Employment Agreement on the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties intending to be legally bound, hereby agree as follows:

I. Employment

1.1 Employment**.** Subject to the terms and conditions herein, the Company hereby employs the Employee, and the Employee hereby accepts employment from the Company. Employee shall serve as Chairman (subject continued appointment to the Board of Directors by the Company's shareholders) and, upon the Effective Date, Chairman and Chief Executive Officer of the Company (or such other executive level position as may be determined by the Board of Directors of the Company from time to time) and shall render such services to the Company as are customary for such position. The Employee agrees that during the term of his employment, he will devote his full professional and business-related time, skills and best efforts to the business of the Company and to the performance of any other reasonable duties as may be assigned to him from time to time by the Board of Directors of the Company, and shall not, during his employment, unless otherwise agreed to by the Board, seek or accept other employment, become self-employed in any other capacity during the term of his employment, or engage in any activities which are detrimental to or in conflict with the business of the Company. Notwithstanding the foregoing, the Employee may engage in other business arrangements that do not materially interfere with the performance of his duties. Those activities listed in Schedule A, are not considered to materially interfere with the performance of his duties. The Employee's principal place of employment shall be the Company's offices within the area of Atlanta, Georgia. The Employee shall, however, be required to travel as is reasonably required to perform his duties hereunder.

1.2 Effective Date of this Agreement; Term**.** This Agreement shall be effective as of the date hereof (the "Start Date"); however, that date in which the Company closes on at least $5 million in equity financing shall be defined as the official Effective Date of the Agreement (the "Effective Date"). The Term of this Agreement shall commence on the Start Date and continue for a period of two years from the Effective Date. This Agreement will automatically renew for annual periods at the end of the initial Term unless either the Board or the Employee provides notice of termination to the other in writing no less than 60 days before the end of such term.

1.3 Projections, Evaluations and Reports. The Employee shall submit to the Board, on such forms and at such times as requested by the Board, proposed budgets for the Company and forecasts for the performance of the Company for such monthly, quarterly or annual periods as requested by the Board; and to otherwise comply with all reporting obligations to the Board. At least once a year after the Effective Date, the Board shall evaluate the performance of the Employee in managing the business relative to the budgets and forecasts previously provided by Employee. The Company may take into account such performance and adjust the compensation, bonuses or other benefits of the Employee as deemed appropriate by the Board.

1.4 Termination of Employment**.**

(a) The employment of Employee shall automatically terminate upon the death of Employee.

(b) In the event Employee becomes "Disabled" (as defined as Employee's inability, due to physical or mental incapacity, to perform his duties and responsibilities for a period of ninety (90) consecutive days or any sixty (60) days in any twelve (12) month period as determined by a medical doctor selected by the Company or its insurers), either Employee or the Company may terminate the employment of Employee by delivering a written termination notice to the other party.

(c) The Company may terminate the employment of Employee for "Cause" by delivering a written termination notice to Employee upon the occurrence of any of the following events:

(i) Employee fails to cure any breach of this Agreement by him within thirty (30) days after receiving written notice thereof from the Company;

(ii) Employee is convicted of or pleads guilty to any felony or other crime of moral turpitude;

(iii) Employee commits an act constituting fraud, deceit or material misrepresentation with respect to the Company or any supplier, client, customer or shareholder of the Company;

(iv) Employee embezzles funds or assets from the Company or any supplier, client, customer or shareholder of the Company; or

(v) Employee abuses any alcoholic, controlled or illegal substance or drug in a manner which materially interferes with the performance of his duties hereunder.

(d) Notwithstanding anything else contained herein to the contrary, the Company or Employee may terminate the employment of Employee at any time without Cause by delivering a written termination notice to the other party.

(e) Employee may terminate the employment of Employee for "Good Reason" by delivering a written termination notice to the Company upon the occurrence of any of the following events:

(i) the Company fails to cure any material breach of this Agreement by it within thirty (30) days after receiving written notice thereof from Employee.

(ii) the Company shall require Employee to change his principal place of employment to any location outside the metropolitan Atlanta, Georgia, area;

(iii) the Company substantially and materially changes the job capacity and title of the Employee set out in this Agreement; or

(iv) the Company undergoes a Change of Control (as defined below).

For purposes hereof, "Change of Control" means (a) any direct or indirect acquisition by any person, whether singly or in concert with one or more persons, of 50% or more, on a fully diluted basis, of the outstanding stock of the Company or a sale of all or substantially all of the assets of the Company; *provided, however*, that shares of capital stock (i) issued or to be issued to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary, pursuant to stock purchase or stock option plans or other arrangements; and (ii) acquired by any person who is a Company stockholder as of the date of this Agreement, shall not be included when calculating or deemed to be a "Change in Control;" and (b) the failure of the Company to obtain the assumption in writing of its obligations under this Agreement by any successor to all or substantially all of its business or assets after any transaction described in subparagraph (a) hereof.

1.5. Severance and Consideration to Employee upon Termination.

(a) Death of Employee. In the event that the employment of Employee is terminated pursuant to Section 1.4 (a) hereof as a result of Employee's death, then Employee's estate shall be entitled to be paid his Salary and benefits through the period that is three (3) months from the date of such death. Further, all issued but unvested stock options or other equity compensation shall immediately vest.

(b) Disability of Employee. In the event that the employment of Employee is terminated by either the Company or Employee pursuant to Section 1.4 (b) hereof as a result of Employee becoming Disabled, then the Company shall pay Employee his Salary through the period that is three (3) months from the date of notice of termination pursuant to such provision. Further, all issued but unvested stock options or other equity compensation shall immediately vest.

(c) Termination for Cause. In the event that the Company terminates the employment of Employee for Cause pursuant to Section 1.4 (c) hereof, then Employee shall be entitled to be paid his Salary and benefits through the date of such termination. All issued but unvested stock options or other equity compensation shall immediately terminate.

(d) Termination without Cause, or for Good Reason. In the event the Company terminates the employment of Employee without Cause pursuant to Section 1.4(d) hereof or Employee terminates the employment of Employee for Good Reason pursuant to Section 1.4(e) hereof, then the Company shall pay Employee an amount equal to his salary through the period that is twelve (12) months from the date of notice of termination pursuant to such provision, to be paid out over such period on the Company's standard payroll cycle; provided however, if such termination is more than 30 days before the Effective Date, the severance period will be three (3) months. Further, all issued but unvested stock options or other equity compensation shall immediately vest.

II. Compensation and Benefits

2.1 Salary. In consideration of the services to be rendered by the Employee under this Agreement during the term of employment, and subject to adjustment as set forth below, the Company shall pay the Employee a base salary at a rate of **Three Hundred Fifty Thousand Dollars ($350,000.00)** per annum commencing on the Effective Date. Such base salary shall be payable in cash at the times consistent with the Company's payroll practices. Said base salary, together with any bonus compensation which may be paid by the Company, may be adjusted from time to time in the discretion of the Board, and shall be reviewed no less than annually. All payments of compensation shall be subject to withholding and other applicable taxes. In the event that any of the payments made or benefits provided pursuant to this Agreement are determined to be income to the Employee for tax purposes, and subject to withholding, the Employee agrees that the Company may withhold any amounts required by law from either such benefits or Employee's gross salary.

From the Start Date until the Effective Date, the Employee shall be paid $12,500 per month, pro-rated for partial months. This initial fee shall be paid without tax withholdings, which shall be the Employee's responsibility.

2.2 Salary Review. Employee's base salary shall be reviewed annually, on January 1st of each year hereafter, by the Compensation Committee of the Board of Directors. The first such review shall occur on January 1, 2018. Increases in base salary shall be based upon Employee performance, Company performance, and the Company's economic condition as determined by the Compensation Committee of the Board of Directors in its discretion.

2.3 Bonuses. Employee shall be entitled to participate in such bonus pools as established by the Compensation Committee of the Board. The eligibility and amount of any such bonus shall be as set by the Compensation Committee, and shall be based upon Employee performance, Company performance, and the Company's economic condition. Upon the Effective Date, marked by the successful completion of a financing round in the amount of $5 million or more, the Employee shall receive a $100,000 cash bonus if such date is within six months of March 31, 2017, and $62,500 if after six months from such date.

2.4 Other Employee Benefits.

(a) Expense Reimbursement. The Company shall reimburse the Employee for reasonable expenses actually incurred by him and related to the performance of his duties hereunder upon submission, in accordance with Company policies on approved forms, by him of bills or statements of accounts therefor.

(b) Stock Options and Other Incentive Programs. The Company currently has in place an Employee Stock Option Plan, pursuant to which options have previously been granted to Employee. Employee shall keep all of such previously granted options, subject to the terms, conditions and obligations contained in the Stock Option Plan and Agreement, and shall be entitled to such additional options at such times, in such amounts and under such conditions as determined by the Board in its discretion.

Employee shall be entitled to participate in such other Incentive Plans as may be authorized and adopted from time to time by the Company, provided that the Employee must meet any and all eligibility provisions required under said Incentive Plans.

(c) Specific Benefits. The Company shall provide Employee with the other specific benefits outlined on Schedule B attached hereto.

(d) Insurance. The Company shall provide Employee with the Company's standard health insurance benefit package, with no contribution requirements of Employee.

(e) Vacation and Time Off. Employee shall be entitled to paid time off for vacation, sickness and personal leave for twenty (20) days per calendar year. Employee may not carry over unused days, unless otherwise agreed to by the Board. Employee shall not be entitled to any extra compensation for unused time off.

(f) Other Fringe Benefits. Employee shall be entitled to participate in such other fringe benefit plans as may be authorized and adopted from time to time by the Company, provided that the Employee must meet any and all eligibility provisions required under said fringe benefit plans.

III. Non-Compete and Work Product Agreement

3.1. Non-Compete**.** Employee covenants that during the term of the employment of Employee, and during the one (1) year period immediately thereafter, the Employee will not take a Competitive Position (as defined below) within the Restricted Territory (as defined below).

3.2 Certain Definitions. For purposes of this Article 3, the following terms shall have the meaning given them as follows:

A. "Competitive Position" shall mean (i) Employee's direct or indirect equity ownership (excluding ownership of less than one percent (1%) of the outstanding common stock of any publicly held corporation) or control of any portion of any Competing Business; (ii) Employee serving as a director, officer, joint venturer, partner, or agent of or to any Competing Business; or (iii) any employment, consulting or independent contractor arrangement between Employee and any Competing Business whereby Employee is required to perform services for the Competing Business.

B. "Competing Business" shall mean the composting, soils manufacturing or biosolids disposal business of the Company, or any other field of business in which the Company is then actively or plans to be engaged.

C. "Restricted Territory" shall mean that territory in which the Company is actively engaged in business, either through existing commercial projects or through ongoing development.

3.3 Non-Disclosure. Employee agrees that he shall not, during the term of his employment with the Company or at any time thereafter, without the prior written consent of the Board, disclose any Confidential Information (as defined below) relating to the products, sales, inventions or Business of the Company or any of its subsidiaries or affiliates; except for such disclosure as may be required during the term of employment in connection with Employee's work for the Company. At the time of termination of his employment with the Company, Employee shall return to the Company all documents, drawings, blueprints, computer files, lists or records (including copies of the same) in the possession of Employee. For purposes of this Agreement, "Confidential Information" shall be defined as any information not publicly known regarding the Business of the Company, including but not limited to trade secrets, formulas, product information, research, processes, techniques, engineering data, designs, drawings, development or experimental work, work in progress, test or marketing data, customer lists, accounting or pricing information, business plans and strategies, contracts or other secret or confidential matter.

3.4 Right to Inventions, Patents and Work Product. Employee expressly agrees that all rights to original works, discoveries and/or inventions that Employee shall make or conceive, whether patentable or not, and whether conceived alone or with others, during the term of his employment shall become and remain the sole property of the Company, its successors and assigns, unless expressly released by the Company in writing. This provision shall not apply to inventions, discoveries or work product of Employee that are completely unrelated to the Business, and which do not result from any work performed by Employee on behalf of the Company, so long as such inventions discoveries or work product are developed entirely on Employee's own time and without use of Company facilities, equipment, supplies or Confidential Information. Employee shall promptly disclose to the Company any and all inventions, discoveries or work product made or conceived by Employee, and shall assist Company in taking any action necessary to protect the Company's proprietary rights to such inventions, discoveries or work product (including the filing of patents, copyrights, or trademarks).

3.5 Equitable Relief**.** The Employee acknowledges that the services to be rendered by him are of a special, unique, unusual, extraordinary, and intellectual character, which gives them a peculiar value, and the loss of which cannot reasonably or adequately be compensated in damages in an action at law; and that a breach by him of any of the provisions contained in this Agreement will cause the Company irreparable injury and damage. The Employee further acknowledges that he possesses unique skills, knowledge and ability and that any material breach of the provisions of this Agreement would be extremely detrimental to the Company. By reason thereof, Employee agrees that the Company shall be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to injunctive and other equitable relief to prevent or curtail any breach of the provisions of Article III of this Agreement by him.

3.6 Non-Solicitation. The Employee shall not, for a period of one year after the term of employment concludes, solicit any employee of the Company for hire, contact any customer of the Company for any reason, contact any major vendor of the Company for supply, and solicit any major consultant of the Company for hire.

IV. Miscellaneous

4.1 Successors Bound; Assignability**.** This Agreement shall be binding upon the Company and the Employee, their respective heirs, executors, administrators or successors in interest, including without limitation, any corporation into which the Company may be merged or by which it may be acquired, or any entity that is the result of a corporate reorganization or restructuring of the Company (including a limited liability company). This Agreement is nonassignable except that the Company's rights, duties and obligations under this Agreement may be assigned to any affiliate of the Company and to the Company's acquirer in the event the Company is merged, acquired or sells substantially all of its assets or any entity that is the result of a corporate reorganization or restructuring of the Company (including a limited liability company).

4.2 Entire Agreement**.** This Agreement constitutes the entire Agreement between the parties hereto with regard to the subject matter hereof, and there are no agreements, understandings or representations relating to the subject matter between the parties other than those set forth herein.

4.3 Counterparts**.** This Agreement may be executed in two or more counterparts, each of which will take effect as an original and all of which shall evidence one and the same Agreement.

4.4 Amendment and Modification**.** This Agreement may only be amended, modified or terminated prior to the end of its term by the mutual agreement of the parties.

4.5 Severability. If any provision of this Agreement, or portion thereof, shall be held by any court or other tribunal of competent jurisdiction to be illegal, void or unenforceable in such jurisdiction, the remainder of such provisions shall not thereby be affected and shall be given full effect, without regard to the invalid portion. It is the intention of the parties that, if any tribunal construes any provision or clause of this Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the area or matter covered thereby, such tribunal shall reduce the duration, area, or matter of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced to the maximum extent permitted by law.

4.6 Governing Law**.** The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

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

"COMPANY"

Q2Power Technologies, Inc.

By: */s/ Christopher Nelson*
Christopher Nelson, CEO

"EMPLOYEE"

/s/ Kevin Bolin
Kevin M Bolin

Schedule A to Employment Agreement

Employee: Kevin M. Bolin

Activities Considered not to material interfere with the performance of his duties:

1. Consultant or Board Member to Orege North America or Orege, S.A.
2. Board Member of Airex
3. President of SGC Advisors
4. Industrial Advisor to EQT
5. Other Board memberships which may arise from time to time.

Schedule B to Employment Agreement

Employee: Kevin M. Bolin

Other Specific Benefits:

- Company shall pay Employees cell phone expenses.
- Company shall pay for educational services to enhance professional status or deemed necessary by the President or the Board.
- Company shall pay any association or other dues deemed appropriate by the Board.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into this 1st day of April, 2017 (the "Start Date"), by and between **Q2Power Technologies, Inc.**, a Delaware corporation (the "Company") and **Christopher Nelson**, a resident of the State of Florida (the "Employee").

W I T N E S S E T H:

WHEREAS, the Company and the Employee deem it desirable and in the best interests of the Company to enter into this Employment Agreement on the terms and conditions stated herein.

WHEREAS, the Company and the Employee has a previous Employment Agreement, which this Agreement supersedes and replaces in its entirety.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties intending to be legally bound, hereby agree as follows:

I. Employment

1.1 Employment**.** Subject to the terms and conditions herein, the Company hereby employs the Employee, and the Employee hereby accepts employment from the Company. Employee shall serve as Chief Executive Officer of the Company from the Start Date until the Effective Date, as defined below, and after such date, as the President and General Counsel of the Company (or such other executive level position as may be determined by the Board of Directors of the Company from time to time) and shall render such services to the Company as are customary for such position. The Employee agrees that during the term of his employment, he will devote his full professional and business-related time, skills and best efforts to the business of the Company and to the performance of any other reasonable duties as may be assigned to him from time to time by the Board of Directors of the Company, and shall not, during his employment, unless otherwise agreed to by the Board, seek or accept other employment, become self-employed in any other capacity during the term of his employment, or engage in any activities which are detrimental to or in conflict with the business of the Company. Notwithstanding the foregoing, the Employee may engage in other business arrangements that do not materially interfere with the performance of his duties. Those activities listed in Schedule A, are not considered to materially interfere with the performance of his duties. The Employee's principal place of employment shall be the Company's offices within the area of Atlanta, Georgia or offices near Palm Beach, Florida. The Employee shall, however, be required to travel as is reasonably required to perform his duties hereunder.

1.2 Effective Date of this Agreement; Term**.** This Agreement shall be effective as of the date hereof (the "Start Date"); however, that date in which the Company closes on at least $5 million in equity financing shall be defined as the official Effective Date of the Agreement (the "Effective Date"). The Term of this Agreement shall commence on the Start Date and continue for a period of two years from the Effective Date. This Agreement will automatically renew for annual periods at the end of the initial Term unless either the Board or the Employee provides notice of termination to the other in writing no less than 60 days before the end of such term.

1.3 Projections, Evaluations and Reports. The Employee shall comply with all reporting obligations to the Board. At least once a year after the Effective Date, the CEO shall evaluate the performance of the Employee in managing the business relative to the budgets and forecasts previously provided by Employee. The Company may take into account such performance and adjust the compensation, bonuses or other benefits of the Employee as deemed appropriate by the Board.

1.4 Termination of Employment.

(a) The employment of Employee shall automatically terminate upon the death of Employee.

(b) In the event Employee becomes "Disabled" (as defined as Employee's inability, due to physical or mental incapacity, to perform his duties and responsibilities for a period of ninety (90) consecutive days or any sixty (60) days in any twelve (12) month period as determined by a medical doctor selected by the Company or its insurers), either Employee or the Company may terminate the employment of Employee by delivering a written termination notice to the other party.

(c) The Company may terminate the employment of Employee for "Cause" by delivering a written termination notice to Employee upon the occurrence of any of the following events:

(i) Employee fails to cure any breach of this Agreement by him within thirty (30) days after receiving written notice thereof from the Company;

(ii) Employee is convicted of or pleads guilty to any felony or other crime of moral turpitude;

(iii) Employee commits an act constituting fraud, deceit or material misrepresentation with respect to the Company or any supplier, client, customer or shareholder of the Company;

(iv) Employee embezzles funds or assets from the Company or any supplier, client, customer or shareholder of the Company; or

(v) Employee abuses any alcoholic, controlled or illegal substance or drug in a manner which materially interferes with the performance of his duties hereunder.

(d) Notwithstanding anything else contained herein to the contrary, the Company or Employee may terminate the employment of Employee at any time without Cause by delivering a written termination notice to the other party.

(e) Employee may terminate the employment of Employee for "Good Reason" by delivering a written termination notice to the Company upon the occurrence of any of the following events:

(i) the Company fails to cure any material breach of this Agreement by it within thirty (30) days after receiving written notice thereof from Employee.

(ii) the Company shall require Employee to change his principal place of employment to any location outside the metropolitan Palm Beach, Florida area ;

(iii) the Company substantially and materially changes the job capacity and title of the Employee set out in this Agreement; or

(iv) the Company undergoes a Change of Control (as defined below).

For purposes hereof, "Change of Control" means (a) any direct or indirect acquisition by any person, whether singly or in concert with one or more persons, of 50% or more, on a fully diluted basis, of the outstanding stock of the Company or a sale of all or substantially all of the assets of the Company; *provided, however*, that shares of capital stock (i) issued or to be issued to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary, pursuant to stock purchase or stock option plans or other arrangements; and (ii) acquired by any person who is a Company stockholder as of the date of this Agreement, shall not be included when calculating or deemed to be a "Change in Control;" and (b) the failure of the Company to obtain the assumption in writing of its obligations under this Agreement by any successor to all or substantially all of its business or assets after any transaction described in subparagraph (a) hereof.

1.5. Severance and Consideration to Employee upon Termination.

(a) Death of Employee. In the event that the employment of Employee is terminated pursuant to Section 1.4 (a) hereof as a result of Employee's death, then Employee's estate shall be entitled to be paid his Salary and benefits through the period that is three (3) months from the date of such death. Further, all issued but unvested stock options or other equity compensation shall immediately vest.

(b) Disability of Employee. In the event that the employment of Employee is terminated by either the Company or Employee pursuant to Section 1.4 (b) hereof as a result of Employee becoming Disabled, then the Company shall pay Employee his Salary through the period that is three (3) months from the date of notice of termination pursuant to such provision. Further, all issued but unvested stock options or other equity compensation shall immediately vest.

(c) Termination for Cause. In the event that the Company terminates the employment of Employee for Cause pursuant to Section 1.4 (c) hereof, then Employee shall be entitled to be paid his Salary and benefits through the date of such termination. All issued but unvested stock options or other equity compensation shall immediately terminate.

(d) Termination without Cause, or for Good Reason. In the event the Company terminates the employment of Employee without Cause pursuant to Section 1.4(d) hereof or Employee terminates the employment of Employee for Good Reason pursuant to Section 1.4(e) hereof, then the Company shall pay Employee an amount equal to his salary through the period that is twelve (12) months from the date of notice of termination pursuant to such provision, to be paid out over such period on the Company's standard payroll cycle; provided however, if such termination is more than 30 days before the Effective Date, the severance period will be three (3) months. Further, all issued but unvested stock options or other equity compensation shall immediately vest.

II. Compensation and Benefits

2.1 Salary. In consideration of the services to be rendered by the Employee under this Agreement during the term of employment, and subject to adjustment as set forth below, the Company shall pay the Employee a base salary at a rate of **Two Hundred Twenty Thousand Dollars ($220,000.00**) per annum commencing on the Effective Date. Such base salary shall be payable in cash at the times consistent with the Company's payroll practices. Said base salary, together with any bonus compensation which may be paid by the Company, may be adjusted from time to time in the discretion of the Board, and shall be reviewed no less than annually. All payments of compensation shall be subject to withholding and other applicable taxes. In the event that any of the payments made or benefits provided pursuant to this Agreement are determined to be income to the Employee for tax purposes, and subject to withholding, the Employee agrees that the Company may withhold any amounts required by law from either such benefits or Employee's gross salary.

From the Start Date until the Effective Date, the Employee shall be paid $10,000 per month, pro-rated for partial months. This initial fee shall be paid without tax withholdings, which shall be the Employee's responsibility.

2.2 Salary Review. Employee's base salary shall be reviewed annually, on January 1st of each year hereafter, by the CEO of the Company. The first such review shall occur on January 1, 2018. Increases in base salary shall be based upon Employee performance, Company performance, and the Company's economic condition as determined by the Compensation Committee of the Board of Directors in its discretion.

2.3 Bonuses. Employee shall be entitled to participate in such bonus pools as established by the Compensation Committee of the Board. The eligibility and amount of any such bonus shall be as set by the Compensation Committee, and shall be based upon Employee performance, Company performance, and the Company's economic condition. Upon the Effective Date, marked by the successful completion of a financing round in the amount of $5 million or more, the Employee shall receive a $100,000 cash bonus if such date is within six months of March 31, 2017, and $62,500 if after six months from such date.

2.4 Other Employee Benefits.

(a) Expense Reimbursement. The Company shall reimburse the Employee for reasonable expenses actually incurred by him and related to the performance of his duties hereunder upon submission, in accordance with Company policies on approved forms, by him of bills or statements of accounts therefor.

(b) Stock Options and Other Incentive Programs. The Company currently has in place an Employee Stock Option Plan, pursuant to which options have previously been granted to Employee. Employee shall keep all of such previously granted options, subject to the terms, conditions and obligations contained in the Stock Option Plan and Agreement, and shall be entitled to such additional options at such times, in such amounts and under such conditions as determined by the Board in its discretion.

Employee shall be entitled to participate in such other Incentive Plans as may be authorized and adopted from time to time by the Company, provided that the Employee must meet any and all eligibility provisions required under said Incentive Plans.

(c) Specific Benefits. The Company shall provide Employee with the other specific benefits outlined on Schedule B attached hereto.

(d) Insurance. The Company shall provide Employee with the Company's standard health insurance benefit package, with no contribution requirements of Employee.

(e) Vacation and Time Off. Employee shall be entitled to paid time off for vacation, sickness and personal leave for twenty (20) days per calendar year. Employee may not carry over unused days, unless otherwise agreed to by the CEO. Employee shall not be entitled to any extra compensation for unused time off.

(f) Other Fringe Benefits. Employee shall be entitled to participate in such other fringe benefit plans as may be authorized and adopted from time to time by the Company, provided that the Employee must meet any and all eligibility provisions required under said fringe benefit plans.

III. Non-Compete and Work Product Agreement

3.1. Non-Compete**.** Employee covenants that during the term of the employment of Employee, and during the one (1) year period immediately thereafter, the Employee will not take a Competitive Position (as defined below) within the Restricted Territory (as defined below).

3.2 Certain Definitions. For purposes of this Article 3, the following terms shall have the meaning given them as follows:

A. "Competitive Position" shall mean (i) Employee's direct or indirect equity ownership (excluding ownership of less than one percent (1%) of the outstanding common stock of any publicly held corporation) or control of any portion of any Competing Business; (ii) Employee serving as a director, officer, joint venturer, partner, or agent of or to any Competing Business; or (iii) any employment, consulting or independent contractor arrangement between Employee and any Competing Business whereby Employee is required to perform services for the Competing Business.

B. "Cometing Business" shall mean the composting, soils manufacturing or biosolids disposal business of the Company, or any other field of business in which the Company is then actively or plans to be engaged.

C. "Restricted Territory" shall mean that territory in which the Company is actively engaged in business, either through existing commercial projects or through ongoing development.

3.3 Non-Disclosure. Employee agrees that he shall not, during the term of his employment with the Company or at any time thereafter, without the prior written consent of the Board, disclose any Confidential Information (as defined below) relating to the products, sales, inventions or Business of the Company or any of its subsidiaries or affiliates; except for such disclosure as may be required during the term of employment in connection with Employee's work for the Company. At the time of termination of his employment with the Company, Employee shall return to the Company all documents, drawings, blueprints, computer files, lists or records (including copies of the same) in the possession of Employee. For purposes of this Agreement, "Confidential Information" shall be defined as any information not publicly known regarding the Business of the Company, including but not limited to trade secrets, formulas, product information, research, processes, techniques, engineering data, designs, drawings, development or experimental work, work in progress, test or marketing data, customer lists, accounting or pricing information, business plans and strategies, contracts or other secret or confidential matter.

3.4 Right to Inventions, Patents and Work Product. Employee expressly agrees that all rights to original works, discoveries and/or inventions that Employee shall make or conceive, whether patentable or not, and whether conceived alone or with others, during the term of his employment shall become and remain the sole property of the Company, its successors and assigns, unless expressly released by the Company in writing. This provision shall not apply to inventions, discoveries or work product of Employee that are completely unrelated to the Business, and which do not result from any work performed by Employee on behalf of the Company, so long as such inventions discoveries or work product are developed entirely on Employee's own time and without use of Company facilities, equipment, supplies or Confidential Information. Employee shall promptly disclose to the Company any and all inventions, discoveries or work product made or conceived by Employee, and shall assist Company in taking any action necessary to protect the Company's proprietary rights to such inventions, discoveries or work product (including the filing of patents, copyrights, or trademarks).

3.5 Equitable Relief**.** The Employee acknowledges that the services to be rendered by him are of a special, unique, unusual, extraordinary, and intellectual character, which gives them a peculiar value, and the loss of which cannot reasonably or adequately be compensated in damages in an action at law; and that a breach by him of any of the provisions contained in this Agreement will cause the Company irreparable injury and damage. The Employee further acknowledges that he possesses unique skills, knowledge and ability and that any material breach of the provisions of this Agreement would be extremely detrimental to the Company. By reason thereof, Employee agrees that the Company shall be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to injunctive and other equitable relief to prevent or curtail any breach of the provisions of Article III of this Agreement by him.

3.6 Non-Solicitation. The Employee shall not, for a period of one year after the term of employment concludes, solicit any employee of the Company for hire, contact any customer of the Company for any reason, contact any major vendor of the Company for supply, and solicit any major consultant of the Company for hire.

IV. Miscellaneous

4.1 Successors Bound; Assignability**.** This Agreement shall be binding upon the Company and the Employee, their respective heirs, executors, administrators or successors in interest, including without limitation, any corporation into which the Company may be merged or by which it may be acquired, or any entity that is the result of a corporate reorganization or restructuring of the Company (including a limited liability company). This Agreement is nonassignable except that the Company's rights, duties and obligations under this Agreement may be assigned to any affiliate of the Company and to the Company's acquirer in the event the Company is merged, acquired or sells substantially all of its assets or any entity that is the result of a corporate reorganization or restructuring of the Company (including a limited liability company).

4.2 Entire Agreement**.** This Agreement constitutes the entire Agreement between the parties hereto with regard to the subject matter hereof, and there are no agreements, understandings or representations relating to the subject matter between the parties other than those set forth herein. The Employee's previous employment agreement with the Company is hereby terminated and superseded and replaced in its entirety by this Agreement.

4.3 Counterparts**.** This Agreement may be executed in two or more counterparts, each of which will take effect as an original and all of which shall evidence one and the same Agreement.

4.4 Amendment and Modification**.** This Agreement may only be amended, modified or terminated prior to the end of its term by the mutual agreement of the parties.

4.5 Severability. If any provision of this Agreement, or portion thereof, shall be held by any court or other tribunal of competent jurisdiction to be illegal, void or unenforceable in such jurisdiction, the remainder of such provisions shall not thereby be affected and shall be given full effect, without regard to the invalid portion. It is the intention of the parties that, if any tribunal construes any provision or clause of this Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the area or matter covered thereby, such tribunal shall reduce the duration, area, or matter of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced to the maximum extent permitted by law.

4.6 Governing Law**.** The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

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

"COMPANY"

Q2Power Technologies, Inc.

By: */s/ Kevin Bolin*
Kevin Bolin, Chairman

"EMPLOYEE"

/s/ Christopher Nelson
Christopher Nelson

Schedule A to Employment Agreement

Employee: Christopher Nelson

Activities Considered not to material interfere with the performance of his duties:

Managing Director of GreenBlock Capital, LLC, in Palm Beach, FL

The Employee may serve on the Board of Directors of other companies, as reasonably approved by the Board of Directors of the Company.

Schedule B to Employment Agreement

Employee: Christopher Nelson

Other Specific Benefits:

- Company shall pay Employees cell phone expenses.
- Company shall pay for educational services to enhance professional status or deemed necessary by the CEO or the Board, including CLE legal credits.
- Company shall pay any association or other dues deemed appropriate by the Board, including his Florida Bar license fees.

Exhibit 21.1

Subsidiaries

Q2Power Corp.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Christopher Nelson, certify that:

1. I have reviewed this annual report on Form 10-K of Q2Power Technologies, Inc. for the period ending December 31, 2016;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 25, 2017

By: /s/ Christopher Nelson
Christopher Nelson
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Peter Dunleavy, certify that:

1. I have reviewed this annual report on Form 10-K of Q2Power Technologies, Inc. for the period ending December 31, 2016;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 25, 2017

By: */s/ Peter Dunleavy*
Peter Dunleavy
Principal Accounting Officer

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for Q2Power Technologies, Inc., (the "Company") for the year ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Christopher Nelson, Chief Executive Officer of the Company, and Peter Dunleavy, Principal Accounting Officer, certify pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 25, 2017

By: */s/ Christopher Nelson*
Christopher Nelson
Chief Executive Officer
(Principal Executive Officer)

By: */s/ Peter Dunleavy*
Peter Dunleavy
Principal Accounting Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.