

## SETTLEMENT AND RELEASE

### AGREEMENT

This Settlement and Release Agreement is entered into by FlowWorks, Inc., a Washington corporation (FlowWorks); Timothy Hicks; Carl Data Solutions, Inc., a British Columbia Corporation (Carl); 5346 Investments, Ltd., a British Columbia Limited Company; and Kerr Wood Leidal Associates, Ltd., a Canadian corporation.

### RECITALS

1. FlowWorks, Inc. is a corporation incorporated under the laws of the State of Washington.
2. Timothy Hicks is an individual resident of the State of Washington.
3. Carl Data Solutions, formerly Carl Capital Corp., is a corporation organized under the laws of British Columbia.
4. Timothy Hicks and FlowWorks are the parties to King County Superior Court Cause No. 16-2-03468-3 SEA ("the Lawsuit").
5. The parties wish to settle the Lawsuit and all disputes between them.

### AGREEMENT

#### 1. Currency.

All references to currency in this Agreement refer to U.S. Dollars unless otherwise stated.

#### 2. Cash payments within thirty (30) days.

FlowWorks will pay Mr. Hicks one thousand dollars (\$1,000) within thirty (30) days of this Agreement becoming effective. Also within thirty (30) days of this Agreement becoming effective, FlowWorks will pay Mr. Hicks an additional ten thousand dollars (\$10,000).

#### 3. Cash payment within ninety (90) days.

FlowWorks will pay Mr. Hicks one hundred thousand dollars (\$100,000) within ninety (90) days of this Agreement becoming effective.

**4. Carl shares, first tranche.**

Carl Data Solutions will issue to Mr. Hicks four hundred forty-four thousand four hundred forty-four (444,444) shares of Carl Data Solutions within five (5) business days of this Agreement becoming effective. Those shares will be subject to the following terms, in addition to any regulations of the Canadian Securities Exchange (CSE):

- a. When issued, the shares will be delivered to the following ("Escrow Agent"):

Pam Hosfield  
Computershare  
Relationship Manager  
T: 604-661-9435  
C: 778-879-7841  
510 Burrard Street, 3<sup>rd</sup> Floor  
Vancouver, B.C. V6C 3B9

Carl shall pay all costs associated with the issuance, delivery and release of all Carl shares to Mr. Hicks, including but not limited to all Escrow Agent fees or other charges associated with any Carl shares.

- b. The shares will be released by Escrow Agent to Mr. Hicks on the following schedule:
- i. 36,888 shares on July 1, 2017, or the first business day thereafter.
  - ii. 36,888 shares on October 1, 2017, or the first business day thereafter.
  - iii. 36,888 shares on January 1, 2018, or the first business day thereafter.
  - iv. 36,888 shares on April 1, 2018, or the first business day thereafter.
  - v. 36,888 shares on July 1, 2018, or the first business day thereafter.
  - vi. 36,888 shares on October 1, 2018, or the first business day thereafter.

- vii. 36,888 shares on January 1, 2019, or the first business day thereafter.
  - viii. 36,888 shares on April 1, 2019, or the first business day thereafter.
  - ix. 36,888 shares on July 1, 2019, or the first business day thereafter.
  - x. 36,888 shares on October 1, 2019, or the first business day thereafter.
  - xi. 36,888 shares on January 1, 2020, or the first business day thereafter.
  - xii. All remaining shares on April 1, 2020, or the first business day thereafter.
- c. Mr. Hicks cannot sell any share until it is released from escrow.
  - d. Mr. Hicks is not required to sell shares at any time. Once shares are released to Mr. Hicks, he is not required to hold them for any particular amount of time, except that he is required to comply with the notice requirement described below.
  - e. If at some point Mr. Hicks wishes to sell shares that have been released to him, he must notify Carl of his intent to sell and of the number of shares he intends to sell.
  - f. If Mr. Hicks notifies Carl of an intent to sell, and at the time of such notice Carl shares are trading at a price higher than the equivalent of \$0.225USD, then Carl will have five (5) business days after the day of Mr. Hick's notice to either purchase the shares at the Market Price, identify a buyer for the shares at the Market Price, or give Mr. Hicks permission to sell the shares. The "Market Price" will be the price at which the Carl shares were trading at the close of trading on the trading day before Mr. Hicks gives notice of his intent to sell. If Carl timely identifies a buyer for the shares, Mr. Hicks must sell the shares to that buyer. If Carl timely decides to purchase the shares, Mr. Hicks must sell the shares to Carl. The trading price of Carl's shares in US currency will be determined by converting the Market Price using the Canadian to US exchange rate published by BMO for the trading day before Mr. Hicks gives notice of intent to sell.

- g. If Mr. Hicks notifies Carl of an intent to sell shares, and at the time of such notice Carl shares are trading at a price lower than \$0.225USD, then within five (5) business days after the day of Mr. Hick's notice Carl will either purchase the shares at \$0.225USD per share or find a buyer to purchase the shares at that price. If Carl timely identifies a buyer for the shares at \$0.225USD, Mr. Hicks must sell the shares to that buyer. The trading price of Carl's shares in US currency will be determined by converting the share price at the close of trading on the day before Mr. Hicks gives notice of intent to sell using the Canadian-to-US exchange rate published by BMO for the trading day before Mr. Hicks gives notice of his intent to sell.

**5. Carl shares, second tranche.**

Carl Data Solutions will issue to Mr. Hicks four hundred forty-four thousand four hundred forty-four (444,444) shares of Carl Data Solutions within ten (10) business days of this Agreement becoming effective. These shares will not be subject to the terms described above in Section 4 but will be subject to the regulations of the CSE.

**6. Carl shares, third tranche.**

Carl Data Solutions will issue to Mr. Hicks forty-four thousand four hundred forty-four (44,444) shares of Carl Data Solutions within six (6) months of this Agreement becoming effective. These shares will not be subject to the terms described above in Section 4 but will be subject to the regulations of the CSE.

**7. Mr. Hicks' Rights as a Shareholder.**

All shares issued to Mr. Hicks pursuant to this Agreement entitle Mr. Hicks to the same rights and privileges as any other shareholder of Carl Data Solutions.

**8. Exchange of copies.**

This Agreement may be signed in counterparts. Once Mr. Hicks signs this Agreement, he will send the copy bearing his original signature to counsel for FlowWorks. When the other parties sign this Agreement, they will send the copies bearing their original signatures to counsel for Mr. Hicks. When Carl signs this Agreement, it will send the copy bearing its original signature to counsel for Mr. Hicks. When Kerr Wood Leidal Associates, Ltd. signs this Agreement, it will send the copy bearing its original signature to counsel for Mr. Hicks. When 5346 Investments, Ltd. signs this Agreement, it will send the copy bearing its original signature to counsel for Mr. Hicks.

**9. Dismissal with prejudice.**

At the time the parties exchange signed copies of this Agreement, they will also exchange signed copies of the Stipulation and Order Dismissing All Claims With Prejudice And Without An Award Of Costs Or Fees To Any Party, which is attached to this Agreement as Exhibit 1. Counsel for FlowWorks will be entitled to file the Stipulation on behalf of all parties once this Agreement becomes effective.

**10. Tax consequences.**

No party makes any representation as to the tax consequences or liability arising from any of the cash payments or share issues to Mr. Hicks. The parties understand and agree that any tax consequences and/or liability arising from these payments to Mr. Hicks are the sole responsibility of Mr. Hicks.

**11. General Release of All Claims by Mr. Hicks.**

Mr. Hicks knowingly and voluntarily releases and forever discharges, to the fullest extent permitted by law, FlowWorks, Inc., Carl Data Solutions, 5346 Investments, Ltd., and Kerr Wood Leidal Associates, Ltd., including their parent corporation(s), affiliates, subsidiaries, divisions, partners, joint ventures, predecessors, insurers, owners, successors and assigns, their current and former employees, attorneys, and their current and former officers, directors and agents (collectively, the "FlowWorks Released Parties"), of and from any and all claims, known and unknown (for purposes of this Agreement, "unknown claims" include any claims which Mr. Hicks does not know or suspect to exist in his favor at the time of this release which, if known by him, might have affected his decision with respect to this Agreement), asserted or unasserted, which Mr. Hicks has or may have against them as of the date of execution of this Agreement. Specifically included in this release, but not by way of limitation, are all claims which are or could have been asserted in the Lawsuit.

Mr. Hicks accepts and assumes the risk that he may discover facts in addition to or different than those that he now knows or believes to be true with respect to the subject matter of this release but nevertheless expressly agrees that the terms of this release shall be in all respects effective and binding even in the event of such discovery of additional or different facts.

The release in this Section 11 shall also be binding on Mr. Hicks' successors, assigns, affiliates, representatives, agents, beneficiaries, administrators, heirs, estate and executors.

Each of the FlowWorks Released Parties shall be entitled to enforce this release as set forth in this Agreement.

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**12. General Release of All Claims by FlowWorks, Carl Data Solutions, Kerr Wood Leidal Associates, Ltd., and 5346 Investments, Ltd.**

FlowWorks, Carl Data Solutions, Kerr Wood Leidal Associates, Ltd., and 5346 Investments, Ltd., hereby knowingly and voluntarily release and forever discharge, to the full extent permitted by law, Mr. Hicks, his partners, joint venturers, insurers, heirs, successors, assigns, agents, his current and former employees, and attorneys (collectively, the "Hicks Released Parties"), of and from any and all claims, known or unknown (for purposes of this Agreement, "unknown claims" include any claims which FlowWorks, Carl Data Solutions, Kerr Wood Leidal Associates, Ltd., or 5346 Investments, Ltd., does not know or suspect to exist in its or their favor at the time of this release which, if known by any of them, might have affected the decision by any of them to execute this Agreement), asserted or unasserted, which FlowWorks, Carl Data Solutions, Kerr Wood Leidal Associates, Ltd., or 5346 Investments, Ltd., has or may have against Mr. Hicks as of the date of the execution of this Agreement.

Specifically included in this release, but not by way of limitation, are all claims which are or could have been asserted in the Lawsuit.

FlowWorks, Carl Data Solutions, Kerr Wood Leidal Associates, Ltd., and 5346 Investments, Ltd., accept and assume the risk that either of them may discover facts in addition to or different than those that either of them now knows or believes to be true with respect to the subject matter of this release but nevertheless expressly agrees that the terms of this release shall be in all respects effective and binding even in the event of such discovery of additional or different facts.

The release in this Section 12 shall also be binding on the releasing parties' parent corporation(s), affiliates, subsidiaries, divisions, partners, joint ventures, predecessors, insurers, successors and assigns, their current and former employees, attorneys, and their current and former officers, directors and agents.

Each of the Hicks Released Parties shall be entitled to enforce this release as set forth in this Agreement.

**13. Non-Disparagement.**

The following definitions apply in this Section 13:

"Disparage" means disparage, defame, or demean in any manner.

“Covered Entity” means FlowWorks, Inc.; Carl Data Solutions; 5346 Investments, Ltd.; Kerr Wood Leidal Associates, Ltd.; or any predecessor, successor, parent, subsidiary, affiliate, partner or joint venture of any of those entities.

“Covered Person” means any current or former founder, owner, officer, employee, or director of any Covered Entity, including without limitation, Chris Johnston, Greg Johnston, Mike Dickens, Mike Currie, Neal Whiteside, Craig Kipkie, Mark Blamey, Brian Lofquist, David Wong, Brad Scharfe, or Jason Scharfe.

Mr. Hicks agrees to not Disparage any Covered Entity or Covered Person.

The Covered Entities and Covered Persons agree not to Disparage Mr. Hicks. This Section will not preclude any party to this Agreement from responding truthfully to compulsory legal process served in connection with any legal or governmental proceeding. This Section will not prevent Carl Data Solutions from complying with its legal disclosure obligations.

#### **14. Affirmations.**

FlowWorks, Carl Data Solutions, Kerr Wood Leidal Associates, Ltd., and 5346 Investments, Ltd., affirm that they have not filed, caused to be filed nor presently are a party to any claim, complaint or action against Mr. Hicks, except the Lawsuit.

Mr. Hicks affirms that he has not filed or caused to be filed and is not presently a party to any claim, complaint or action against any Covered Person or Covered Entity (as those terms are used in Section 13 above), except the Lawsuit.

#### **15. Confidentiality.**

The parties agree not to disclose any information regarding the negotiations that led to this Agreement or the terms of this Agreement, except to their spouses or domestic partners or as necessary to their tax advisors or attorneys. The parties agree that any party who receives an inquiry regarding this matter will state only that the case has been resolved and will give no other indication (verbal or otherwise) regarding the outcome. The parties will instruct their respective attorneys to comply with this provision and treat all non-public facts pertaining to the Lawsuit, the negotiations leading to this agreement, and the terms of settlement as their secret and confidence under any and all governing ethical rules. Among other things, this section expressly forbids Mr. Hicks from discussing the Lawsuit or this Agreement with any employee, agent, or shareholder of FlowWorks, Carl, 5346 Investments Ltd., or Kerr Wood Leidal Associates, Ltd., other than through FlowWorks' attorney.

This Section does not prevent Carl or Mr. Hicks from making legally-required disclosures.

This Section will not preclude any party from responding truthfully to compulsory legal process served in connection with any legal or governmental proceeding. Mr. Hicks also agrees that if he is at any time requested to provide information, whether by subpoena or otherwise, in any matter involving or affecting any Covered Person or Covered Entity (as those terms are defined in Section 13) and related to the Lawsuit he will notify Carl as soon as practicable, but in any event before providing the requested information.

**16. Dispute Resolution.**

In any dispute arising out of this Agreement, the substantially prevailing party will be entitled to an award of costs, expenses, and attorney fees.

**17. Governing Law and Interpretation.**

This Agreement shall be governed and construed in accordance with the laws of the State of Washington without regard to its conflict of laws provision. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

**18. Non-admission of Wrongdoing.**

The parties agree that neither this Agreement nor the furnishing of the consideration for this Agreement will be deemed or construed at any time for any purpose as an admission of any liability or unlawful conduct of any kind.

**19. Amendment.**

This Agreement may not be modified, altered or changed except upon express written consent of all parties in writing and signed by all parties wherein specific reference is made to this Agreement.

**20. Entire Agreement.**

This Agreement sets forth the entire agreement between the parties and fully supersedes any prior agreements or understandings between the parties. The parties acknowledge that they have not relied on any representations, promises or agreements of any kind made by an opposing party in connection with their decision to accept this Agreement, except for those set forth in this Agreement.

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**21. Older Workers Benefit Protection Act.**

This paragraph is intended to comply with the Older Workers benefit Protection Act of 1990 ("OWBPA") with regard to Mr. Hicks' waiver and release of rights under the Age Discrimination in Employment Act of 1967 ("ADEA"):

- a. Mr. Hicks has been advised in writing to consult with an attorney prior to executing this Release.
- b. Mr. Hicks is aware of certain rights to which he may be entitled under the Act, including but not limited to any rights and claims under ADEA.
- c. As consideration for executing this Release, Mr. Hicks has received additional benefits and compensation of value to which he would otherwise not be entitled.
- d. By signing this Release Mr. Hicks acknowledges they he has been given a period of at least 21 days to consider this offer.
- e. Mr. Hicks further acknowledges that he has a period of seven days from the date of execution in which to revoke this Release by written notice to counsel for FlowWorks, Jack M. Lovejoy via email at: jlovejoy@cablelang.com.

**22. Effective Time.**

In the event Mr. Hicks does not exercise the right to revoke this Agreement, it will become effective on the date immediately following the seven-day waiting period described above, assuming it has also been signed by FlowWorks, Carl, 5346 Investments Ltd., and Kerr Wood Leidal Associates, Ltd.

The parties knowingly and voluntarily sign this Agreement as of the date(s) set forth below:

<p>DATE: 05/31/2017</p> <p>"Timothy Hicks"  <del>Timothy Hicks</del></p>	
<p>DATE: 06/07/17</p> <p>FLOWWORKS, INC.</p> <p>"Greg Johnston"          BY: <u>Greg Johnston</u>          ITS: <u>CEO</u></p>	<p>DATE: 06/07/17</p> <p>CARL DATA SOLUTIONS, INC.</p> <p>"Greg Johnston"          BY: <u>Greg Johnston</u>          ITS: <u>CEO</u></p>
<p>DATE: 06/07/2017</p> <p>5346 INVESTMENTS, LTD.</p> <p>"Mike Dickens"          BY: <u>Mike Dickens</u>          ITS: <u>Vice President</u></p>	<p>DATE: 06/07/2017</p> <p>KERR WOOD LEIDAL ASSOCIATES, LTD.</p> <p>"Mike Dickens"          BY: <u>Mike Dickens</u>          ITS: <u>Vice President</u></p>