



THIS AGREEMENT ("Agreement") is made as of the May 13, 2020 (the "Effective Date"), by and between Anbruch Inc. ("Anbruch"), with offices at 25 The Esplanade PO Box 122 Station A Toronto ON M5W 1A2 and 3M with offices at 3M CENTER Bldg. 220-11W-02 ("Client"). Anbruch and Client may be referred to herein independently as a "Party" and/or collectively as the "Parties."

WHEREAS Anbruch is in the business of saving clients money by reducing category specific expenditures and identifying unclaimed assets, refunds, prebates, rebates, credits and/or other forms of monetary benefit due them; and,

WHEREAS, Anbruch offers many expense categories available for evaluation. Those that qualify and are mutually agreed to are "Engaged Categories" at the end of the consulting agreement in APPENDIX A: ENGAGED CATEGORIES; and,

WHEREAS, Anbruch evaluates Client's invoices, bills, statements, etc. (collectively "Client Information") in Engaged Categories to provide assessments, recommendations, strategies, protocols, procedures and/or initiatives (collectively, Anbruch work product, hereinafter known as "Deliverables") which, if implemented, should reduce said expenditures; and,

WHEREAS, Client wishes to engage Anbruch to implement Deliverables for those Engaged Categories;

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, and other good and valuable consideration, the Parties agree as follows:

1. Client Realized Benefits ("Realized Benefits"):

- a. Client Realized Benefits are based on the Engaged Category in APPENDIX A and by Independent Location which are any and all cost savings, prebates, rebates, recoveries, credits, refunds, discounts, cash, interest and/or any other form of monetary benefit received by Client, independently or aggregately, as a result of Anbruch Deliverables, its agents, employees, relationships or actions, and are recorded as either:
 - i. "Cost Savings": the delta between a "Benchmark" (the current spend for each Engaged Category derived from the Client Information) which will be a separate "Benchmark Document" signed by the client after execution of this agreement, and the updated spend on a forward looking basis once Anbruch Deliverables have been implemented;
 - ii. "Benchmark Document": this will be a separately agreed upon document that supplements this agreement, capturing the Clients current spend per itemized cost and agreed upon by the Client to be used to calculate the savings on a go forward basis each month and for the term of this agreement;
 - iii. "Credits/Refunds": any and all cash, refunds, prebates, rebates, recoveries, discounts, interest, credits, penalties credited, and/or any other type of monetary benefit identified and/or recovered, or received by Client by way of cheque or credit from suppliers, by



cheque from a government tax authority or by reduction of accrued taxes or by credit as a result of Anbruch Deliverables;

- iv. "Independent Location": any location that has a different legal address than another location operated by the client and that is considered under the scope of an Engaged Category.
- b. The date Client first receives a Realized Benefit(s) (defined above in Section 1a) in any Engaged Category in the **Savings** field and by Independent Location, is when the Realized Benefits Commencement Date will start the payment term identified in Section 2 below. Each Engaged Category and Independent Location may have a different Commencement date, and the term identified below will begin from each of the specific Engaged Category and Independent Location Commencement Dates. For clarity, should Client receive an initial Realized Benefit in Category "A" by Independent Location in month 3 of the contract, the payment term will begin in month 3 (the Realized Benefits Commencement Date), not the execution date. In the instant matter with a 24 month term, Anbruch will receive its payment for Category "A" by Independent Location starting in month 3, continuing through and including month 27 despite a 24 month term from execution date. If Client receives a Realized Benefit in Category "B" by Independent Location in month 10, Anbruch will receive its payment for Category "B" by Independent Location starting in month 10 and continuing through and including month 34. This only is in effect for any Engaged Category in the Savings field.
- c. The date Client first receives a Realized Benefit(s) (defined above in Section 1a) in any Engaged Category in the **Credits/Refunds** field and by Independent Location, is when the Realized Benefits Commencement Date will start the payment term identified in Section 2 below.

2. **CONSULTING FEES: Savings and/or Credits/Refunds.** Anbruch Fees are based on either: a percentage (below) of future savings created by lowering a current cost ("benchmark"), the "Savings"; or, as a percentage of a refund, the "Credits/Refunds". Credits/Refunds offer a one-time payment whereas savings are ongoing in accordance with the term below.

- a. **Savings:** Client agrees to pay Anbruch THIRTY percent (30%) for THIRTY-SIX (36) months of any Realized Benefit(s) derived as a result of Cost Savings in any Engaged Category;
 - i. Said fees will be invoiced 30 days following the Realized Benefits Commencement Date and continue throughout the agreed-upon term;
- b. **Credits/Refunds:** Client agrees to pay Anbruch THIRTY percent (30%) of any Realized Benefit(s) identified and derived from any Credits in any Engaged Category;
 - i. Said fees will be invoiced on the Realized Benefit(s) Commencement Date;
- c. Fees above will commence at the time of the initial realized benefit(s) for each category/property.

3. **Non-Circumvent:** By entering into this Agreement, Client will refrain from implementing cost savings strategies in any Engaged Category without Anbruch. Notwithstanding the foregoing:

- a. To the extent Client has implemented any cost savings strategies and/or commenced any proceedings related to any Engaged Category(s), Client will disclose same prior to execution of this Agreement.



- b. Client is not under any obligation to implement any Deliverables and shall have the right to reject anything proposed by Anbruch, in Client's sole and absolute discretion, without liability to Anbruch hereunder;
 - c. Should Client implement any strategy related to an Engaged Category(s) without Anbruch, subsequent to Anbruch presenting its Deliverables, Anbruch will be entitled to receive its Consulting Fees pursuant to section 2 above as though it had implemented and presented same;
- 4. **Audit Rights:** Anbruch will have access as needed to Client's information (statements, bills, invoices etc.) in order to benchmark, determine historical versus present expenditures, continual monitoring of pricing awareness and vendor compliance in any Engaged Category. This audit right shall survive termination of this Agreement for a period of two (2) years.
- 5. **Access to Information:** Upon execution of this Agreement, Anbruch will send a data request for each Engaged Category. The data request may include accounting and financial records, documents, invoices, spend data, existing related contracts/ proposals, and/or other collateral necessary for Anbruch to generate Deliverables. Client will provide Anbruch same within 30 days of request.
- 6. **Independent Contractor:** It is understood and agreed that this Agreement does not create any relationship of association, partnership or joint venture between the parties, nor constitute either party as the agent or legal representative of the other for any purpose whatsoever; and the relationship of Consultant to the Company for all purposes shall be one of independent contractor. Neither party shall have any right or authority to create any obligation or responsibility, express or implied, on behalf or in the name of the other, or to bind the other in any manner whatsoever.
- 7. **Indemnification:**
 - a. Anbruch shall not be liable to the Client or any supplier, including but not limited to any government authorities, for omissions, errors or inaccuracies originating from the Client's records or documents, and the Client will hold Anbruch and its agents harmless from and against, any and all, claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever where these directly relate to omissions, errors or inaccuracies in the Client's records.
 - b. Anbruch shall indemnify, release, and hold Client, its affiliates and their respective officers, directors, employees and agents, past, present and future, harmless from and against any liability, damages, losses, costs, judgments, fines, penalties or expenses, including legal expenses, arising out of claims, demands, actions, causes of action, proceedings or suits, whether in law or inequity, due to, arising out of, incidental to or in connection with: (1) any acts or omissions or Anbruch, its employees or agents; (2) any breach of the terms of this agreement by Anbruch; and (3) any negligence by Anbruch, its employees or agents.
 - c. This section shall survive the termination of this agreement.
- 8. **Confidentiality and Non-Disclosure:**
 - a. In connection with this Agreement each Party may receive or have access to confidential



information concerning the other Party, including, without limitation, financial information and trade secrets and Methods, which is non-public and may be proprietary in nature, and may include personal information about the Client's customers and employees. All such information, together with all non-public information concerning a Party and all information concerning this Agreement, is referred to herein as "Confidential Information." Each Party shall use the other's Confidential Information only for the purposes of performing its obligations under this Agreement and shall not use any such Confidential Information for its own purposes, and shall not disclose the same except (i) to its employees, officers, directors, affiliates and advisors on an as-needed basis, in each case who agree to keep such information confidential, in connection with the performance under this Agreement, and in the case of Anbruch to Vendors in connection with providing Anbruch Deliverables to Client hereunder; and (ii) as otherwise required by any regulatory authority, law or regulation, or by legal process. Client understands Anbruch, on its website and in its marketing materials, may identify Client as a client of Anbruch and, in connection, may display Client's logo.

- b. Anbruch shall maintain industry-accepted standards, tools and processes to ensure the Client's confidential information is encrypted and protected from release at all times. Unless it is expressly required by law to retain certain records, Anbruch agrees to delete any confidential information belonging to the Client upon written request by the Client. If any of the Client's confidential information is released or otherwise is believed by Anbruch to have been viewed by an unauthorized third-party, Anbruch shall immediately notify the Client and support the Client's efforts in ensuring containment of this breach and ensuring any exposure to the Client is mitigated. The Client and Anbruch agree to keep confidential all the terms of this agreement.
- c. This section shall survive the termination of this agreement.

9. Compliance with Laws and Client Policies:

- a. The Parties will observe and obey all laws, ordinances, and regulations now or hereinafter in effect and orders issued by any government body or administrative agency and obtain all required licenses or permits as may relate to the performance of their obligations hereunder. Anbruch shall make all government remittances on behalf of its employees engaged in supplying services hereunder including income tax payments, government pension plan payments, employment insurance payments and worker's compensation payments.
- b. Anbruch agrees to make best efforts to report any ethical or compliance issues or concerns surrounding the Client's employees, agents or business partners.

10. Insurance: During the Term, Anbruch shall maintain insurance at its own cost with insurers licensed to do business in Canada.

11. Type of Insurance: The following specific insurance shall be maintained by Anbruch:

- a. Commercial General Liability Insurance (including Contractor's Protective Liability), written on an occurrence basis form, initially having a limit of at least \$5,000,000. The Commercial General Liability Insurance shall have the following liability coverages: Personal Injury, Employer's Liability, Occurrence Property Damage, Broad Form Property Damage, Blanket Contractual,



Cross Liability, Bodily Injury, Non Owned Automobile, Medical Payments and Employees as Additional Insured; and

- b. Professional Liability Insurance, written on an occurrence basis form, initially having a limit of at least \$5,000,000, covering actual or alleged acts, errors or omissions committed by Contractor, its agents or employees, arising out of the performance of this Agreement. The policy coverage shall also extend to include personal injury, bodily injury and property damage from the performance of professional service and/or arising out of the program.

- 12. **Governing Law - Jurisdiction – Dispute Resolution:** This Agreement is governed by and shall be construed with the Laws of the Province of Ontario. Any and all legal proceedings based upon, brought in connection with, or arising under this Agreement, will be adjudicated exclusively in the courts of the Province of Ontario. If either party brings an Action under this agreement, the prevailing party may recover its expenses (including reasonable attorneys' fees) incurred in connection with the Action and any appeal from the losing party.
- 13. **Term and Post Termination:** The initial term of this Agreement shall be for Three (3) years beginning on the Effective Date. Thereafter, this Agreement shall be automatically renewed for successive one (1) year terms, unless either party gives the other party written notice of termination at least sixty (60) days prior to the end of the then current term. Notwithstanding a Termination for any reason, Client will pay Anbruch Fees reflected above for each Engaged Category as though no Termination had taken place.
- 14. **Performance Conditions:** During the Term (defined herein), the Client agrees to co-operate, without delay, with Anbruch and its agents, so that Anbruch and its agents can perform the Engagement to the best of their abilities.
- 15. **Waiver:** The Parties both agree that the waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions.
- 16. **Entire Agreement:** It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement.



In Witness Whereof: the Parties hereto have entered into this Agreement on the date set forth above.

For: 3M	For: Anbruch inc.
Authorized Signature for the Client	Authorized Signature for Anbruch
Name, Title	Andrew Auger, President Name, Title
Date	Date

APPENDIX A: ENGAGED CATEGORIES

Savings	
	Electricity/Natural Gas
	Freight/Parcel
	Payment Processing
	Payroll Processing
	Telecom



CREDITS/REFUNDS	
	Customs Duty/Drawback (US)