

ARTICLE 1 - PERFORMANCE AND SUPPLY

1.1 Quality/Standards. All Goods are to be new (not used, seconds, remanufactured or reconditioned), of first-class quality and meet or exceed legal requirements and national or industry standards and codes.

1.2 Related Services. The supply of the Goods by the Supplier includes the provision of labour and/or other services as may be described in this PO, and will include everything required to be done for the fulfilment and completion of this PO.

1.3 Shipping/Delivery. The Supplier will insure and package and ship the Goods in a manner to prevent damage or loss. Foreign shipments shall be forwarded and invoiced as prescribed by Canadian customs laws and in a manner permitting all claims for exemptions, refunds and rebates.

1.4 Title and Risk of Loss. Despite inspections or testing by SPS, title and all other property rights in and to the Goods shall pass to SPS upon acceptance by SPS. Risk of loss shall pass to SPS upon receipt of the Goods at the Ship To Address.

1.5 Acceptance. SPS will inspect the Goods following receipt to ensure compliance to the satisfaction of SPS. Rejected Goods will be returned and/or remedied at the Supplier's expense. If SPS fails to reject any Goods within 30 days, such Goods are deemed accepted.

1.6 Returns. SPS may, for any reason, up to 30 days following receipt and despite acceptance, return any Goods. Except for non-conforming Goods, SPS will pay shipping costs for returned Goods. SPS will not be liable for restocking or other charges for returned Goods. The Supplier shall promptly issue a full refund for returned Goods.

1.7 No Release. No inspection, testing or acceptance by SPS relieves the Supplier from compliance with this PO, and will not constitute a waiver of any rights SPS may have under this PO or at law. SPS's remedies are cumulative and in addition to any right or remedy available at law or in equity.

ARTICLE 2- WARRANTIES

2.1 Warranty Period. With respect to each Good (including a replacement Good), the Warranty Period is the greater of: **one year** from date the Good is accepted by SPS; and the warranty period offered by the Supplier, either directly or through the manufacturer/supplier for the Good.

2.2 Warranties. In addition to any other warranties or representations forming part of this PO, the Supplier represents and warrants:

- the Supplier is an authorized seller, distributor, and/or supplier of the Goods;
- the Goods will conform to the drawings, samples or other descriptions provided by the Supplier, and the specifications set out in this PO;
- the Goods will be free of any defect for the duration of the Warranty Period;
- the Goods will be delivered free and clear of any liens and adverse claims;
- in addition to any other Supplier warranties, the Goods are covered by full manufacturers' warranties; and
- the Goods do not infringe on any domestic or foreign patent, copyright, trademark or process of manufacture.

2.3 Non-Conforming Goods. The Supplier, to the satisfaction of SPS, shall, at its own cost, promptly remedy any defect, deficiency or other non-conformance discovered during the Warranty Period. The Supplier shall reimburse SPS for all reasonable costs incurred by SPS in relation to non-conforming Goods and refund any payment made for a returned Good.

2.4 Additional Warranties. The warranties set forth herein are in addition to any other warranties or guarantees of any kind, whether statutory or implied, including any implied warranty of merchantability or fitness for a particular purpose, and any additional warranty offered by the Supplier or a manufacturer, which will be assigned by the Supplier to SPS upon delivery of the Goods.

ARTICLE 3- SCHEDULE AND DELAYS

3.1 Compliance with Schedule. Time is of the essence. The Supplier will supply the Goods by the Delivery Due Date and will notify SPS immediately in writing of any anticipated delays, the reasons therefor and the Supplier's mitigation plan. SPS shall not be responsible for costs incurred by the Supplier to meet a Delivery Due Date.

3.2 Delay. The Supplier's failure to meet the Delivery Due Date constitutes a material breach of this PO. SPS may, at its option: (a) cancel the order in whole or in part, and purchase the Goods from other sources; (b) at no additional cost, require the Supplier to expedite shipping or use additional labour to remedy the delay; and (c) invoice the Supplier for costs reasonably incurred by SPS on account of the delay, including additional costs of obtaining the Goods from another source, which invoice will be promptly paid by the Supplier.

ARTICLE 4 - PRICE AND INVOICING

4.1 Rebates/Discounts. SPS shall be entitled to any rebates/ discounts offered by the Supplier, manufacturers and others with respect to the Goods. The Supplier will apply any rebates or discounts on the applicable invoice. If there are procedures for claiming rebates or discounts, the Supplier will assist SPS in submitting the claims.

4.2 Holdbacks. SPS may hold back up to 150% of the price of any Good, without interest, on account of any non-conforming Good until replaced or remedied.

4.3 Set-off. SPS may set off amounts owing by the Supplier to SPS against monies owed by SPS to the Supplier.

4.4 No Waiver. Payments made by SPS shall not be construed as a waiver of any claim SPS may have against the Supplier arising out of this PO.

ARTICLE 5- GENERAL

5.1 Term. Subject to section 5.11 (*Survival*), this PO will terminate the earlier of: (i) fulfillment of this PO by the Supplier and expiration of the return period; and (ii) upon written notice of termination issued by SPS to the Supplier.

5.2 No Guarantee. Nothing herein contained commits SPS to purchase a minimum quantity of Goods or all or any of the Goods listed in this PO.

5.3 Liability and Indemnity. Despite any insurance maintained by SPS, the Surrey Police Board or the City of Surrey, the Supplier hereby defends, indemnifies and saves them harmless from and against all claims resulting from any breach or non-compliance with this PO by the Supplier or any loss or damages caused by the Supplier or anyone for whom it is at law responsible. The Supplier shall be liable for all claims, losses and damages in accordance with this PO. Nothing herein shall be construed as limiting the amounts for which the Supplier may be legally liable.

5.4 Compliance. The Supplier shall, as a material term, fully comply with all applicable laws and applicable SPS safety and security requirements.

5.5 Confidentiality. Information pertaining to SPS, its operations, or its personnel which is obtained by the Supplier as a result of this PO is confidential and must not be disclosed without the prior written authorization of SPS.

5.6 Publicity. The Supplier shall not issue any press release or make any public announcement or disclosure concerning this PO, including disclosure in any reference list, without the prior written consent of SPS. The Supplier will not use trademarks, logos or other marks of SPS or Surrey Police Board without their prior written approval.

5.7 Governing Law. This PO will be governed by and construed in accordance with the laws of British Columbia. The parties accept the jurisdiction of the courts of British Columbia. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this PO.

5.8 Amendments. SPS will not accept any changes to this PO unless made through a written amendment to this PO signed by the parties.

5.9 Subcontracting and Assignment. The Supplier will not subcontract or assign its obligations, in whole or in part, without the prior approval of SPS.

5.10 No Additional Terms. Any term or condition contained in any invoice, sales receipt, claim, statement or other record submitted by the Supplier and in conflict with, or which purport to expand or limit, the terms of this PO, are hereby expressly rejected by SPS without further notice.

5.11 Survival. ARTICLE 2 (Warranties), Section 5.3 (Liability and Indemnity) and Section 5.5 (Confidentiality) survive the expiration or termination of this PO.

5.12 General. This PO constitutes the entire agreement between the parties with respect to its subject matter. This PO is binding upon and will enure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and permitted assigns. This PO may be executed and delivered electronically.