

	Company Name: 红绣服饰有限公司 Hongxiu Clothing Co., Ltd.	Document No.: PL/QC/003	
	Title: <i>QUALITY ASSURANCE & CLAIMS POLICY</i>	Issue: No.1	Page No.: Page 1 of 4



QUALITY ASSURANCE & CLAIMS POLICY

2022

COMPLIMENCE DEPARTMENT

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QUALITY ASSURANCE & CLAIMS POLICY

PREAMBLE:

Hongxiu Clothing Co., Ltd. ("the Company") is fully committed to manufacturing and delivering swimwear products of the highest quality, meeting the specifications and standards mutually agreed upon with our clients ("the Client"). This policy outlines the principles and procedures for ensuring quality and for handling quality claims in a fair, transparent, and efficient manner.

KEY POLICY POINTS:

- **Pre-Shipment Quality Assurance (Our Core Principle):**
 - ◆ **Primary Quality Verification:** The Company operates on a principle of "prevention over cure." The definitive verification of product quality shall be the **Pre-Shipment Inspection (PSI)** conducted prior to the final balance payment and shipment.
 - ◆ **Third-Party Inspection (TPI):** We strongly recommend and welcome the Client to appoint an independent third-party inspection agency to perform the PSI at our factory premises. The inspection shall be based on the pre-agreed Acceptable Quality Level (AQL) standards as stipulated in the Proforma Invoice or Manufacturing Agreement.
 - ◆ **Inspection Cost Sharing:** To foster a strong partnership and demonstrate our confidence in our quality standards, the Company agrees to bear fifty percent (50%) of the cost for the initial Pre-Shipment Inspection. The remaining fifty percent (50%) shall be borne by the Client. The Client will be responsible for arranging and booking the inspection, and the Company will reimburse its 50% share to the Client upon presentation of the official invoice from the inspection agency.
 - ◆ **Re-Inspection Policy:** In the event that the initial inspection fails due to quality issues attributable to the Company, the full cost (100%) of any and all subsequent re-inspections shall be borne solely by the Company until a "Pass" result is achieved.
 - ◆ **Approval for Shipment:** A "Pass" report from the TPI will serve as the Client's formal acceptance of the shipment's quality and an authorization for the Company to proceed with shipment.

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	Title: <i>QUALITY ASSURANCE & CLAIMS POLICY</i>	Issue: No.1	Page No.: Page 3 of 4

- **Post-Arrival Quality Claims Procedure:**

In the unlikely event that the Client identifies significant defects upon the arrival of goods, which were not discoverable during a standard PSI, the following procedure must be followed:

- ◆ **Claim Notification Period:** All quality claims must be submitted in writing to the Company via email within **fourteen (14) calendar days** from the date of cargo delivery to the Client's designated warehouse. The Company shall not be obligated to review or accept any claims submitted after this period.

- ◆ **Required Supporting Evidence:** To validate a claim, the Client must provide a comprehensive claim report which includes:

- The Purchase Order number and relevant style number(s).
- A detailed written description of the nature of the defect(s).
- High-resolution photographs and/or videos that clearly illustrate the alleged defect(s).
- A precise count of the number of defective units per style/color, and the corresponding percentage of the total shipment quantity.

- ◆ **Exclusions:** This policy does not cover claims arising from:

- Damage incurred during ocean/air freight, handling at the destination port, or inland transportation (under FOB, EXW, or FCA terms, this is the Client's responsibility and should be covered by their freight insurance).
- Normal wear and tear, improper storage, or mishandling of the products after delivery.
- Minor variations that fall within the agreed AQL tolerance levels.

- **Claim Assessment & Resolution:**

- ◆ **Internal Review:** Upon receipt of a valid claim, the Company's Quality Control department will conduct a thorough internal review of the evidence provided, cross-referencing it with production records, approved pre-production samples, and the agreed-upon technical specifications.

- ◆ **Collaborative Assessment:** We will engage in open communication with the Client to jointly assess the findings and determine the root cause and severity of the defects.

- ◆ **Resolution Options:** Should the claim be verified as a legitimate manufacturing fault attributable to the Company, we will offer one or more of the following solutions, based on mutual agreement:

- For Minor Defects on a limited number of units:** A credit or discount may be offered on the affected units to compensate for any minor imperfections.
- For Major Defects on a limited number of units:**

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	Title: <i>QUALITY ASSURANCE & CLAIMS POLICY</i>	Issue: No.1	Page No.: Page 4 of 4

- 1) **Credit Note:** A credit note for the FOB value of the confirmed defective units will be issued, which can be applied to and deducted from the Client's subsequent order.
- 2) **Pro-Rata Refund:** A direct refund for the value of the defective units may be processed.
- c. **For Critical/Major Defects affecting a significant portion of the order:**
 - 1) **Replacement:** The Company will remanufacture the defective units and include them, free of charge, in the Client's next consolidated shipment. Airfreight for replacements is not offered as a standard policy but may be considered in exceptional circumstances at the Company's discretion.

● **Final Provisions:**

The Company's total liability for any single claim shall not exceed the FOB invoice value of the confirmed defective goods. This policy is governed by the terms stipulated in the signed Proforma Invoice or Manufacturing Agreement for the specific order.

Endorsed by

_____ Signature _____

Factory manager

_____ Signature _____

Managing Director

Date _____

Revised on 2022

The policy will be reviewed yearly by the Sustainability Manager.