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### **Defective Product Replacement Policy and Procedures**

The suppliers we work with in China back up their product with a warranty for product defects. This document lays out the terms for that warranty, and the process involved for any claims.

1. For existing products a factory already has in production, as a general practice the manufacturer in China will replace or repair, at their option, products which under normal use are defective in material or factory workmanship. The warranty period will vary from factory to factory.
2. If we are sourcing and manufacturing a custom and/or proprietary product for you, and/or you have made a change to an existing product that was already in production in China, the supplier in China is responsible to produce the product to the material, design, finish, tolerance and packaging requirements that were provided to them in writing before the production process began. Without such guidelines, the supplier in China may produce the product using the materials and specifications it sees fit. Factory warranties, especially for custom products, are based on written, objective standards, not assumptions.
3. The purpose for providing you with a sample for approval prior to production is to establish a standard that the factory will use to produce your product. Please be sure to take the time to thoroughly test your sample. If, after inspection of the sample, there are changes that need to be made, such changes must be provided to us in writing. If we do not receive notice of any possible changes and the factory makes the product according to the sample they provided, they cannot be held liable for product defects.
4. The production run will commence only after you have approved the factory's first article production sample. The sample will be deemed approved if it satisfies all written specifications, whether or not the product functions properly, interfaces with other components, or otherwise has the effect intended. You are responsible for costs associated with any product failure if the product is made to the written specifications we received prior to production.
5. Should a shipment of product with defects in factory workmanship be received, a claim must be submitted to the supplier in China via Global Trade Specialists, Inc., in writing within 30 days of receipt of the shipment. The supplier in China reserves the right to reject any claims submitted after 30 days of receipt.
6. If you receive a shipment with a shortage of product, it must be reported within 7 days after receipt of the shipment so the supplier in China can promptly look into the cause.  
**When you receive the shipment, you must count the number of boxes before the driver leaves, and all shortages must be noted on the bill of lading.**

7. A written inspection report with the total number of product to be replaced as well as a list of all problems to be resolved must be provided within 30 days of receipt of shipment. Please note that the supplier in China may require pictures and/or samples of the product showing the problem issues to be sent to them before making the final determination on warranty resolution.

8. Once a decision for warranty resolution has been made, the supplier in China will compensate you by either deducting the value of all defective product from the invoice of a future shipment, or by providing a shipment of replacement product that would be shipped by sea, at their choice. The supplier in China will pay the sea freight to the customs port nearest to you. Replacement shipments may be made by air if the customer pays for the additional cost of the air freight.

9. Any items with defective issues may need to be returned to China. Please do not dispense of any defective product until we provide written instructions on how to proceed. You will not be liable for the return sea freight if a product needs to be returned to China.

10. The supplier in China's sole obligation and the purchaser's sole remedy is as stated above, and in no event shall the supplier in China or Global Trade Specialists, Inc. be responsible or liable for any special, indirect, direct, incidental, consequential or other damages or other expenses of any nature including, without limitation, lost profits, lost opportunities, or diminished production time incurred by purchaser or any other party.

11. Global Trade Specialists, Inc.'s role is as an agent for the customer to the supplier in China. GTS is not the party providing any warranty. GTS will do its best to act in the customer's behalf to obtain a resolution to the customer's satisfaction.