

TERMS AND CONDITIONS OF SALE

11th February 2026

SHORTS OF HAWICK LTD

Ladylaw Mill, Bath Street, Hawick, TD9 7DP, Scotland
Company registered in Scotland (SC184859)

1. Definitions and Interpretation

In these Terms and Conditions:

- 1.1 **“Conditions”** means the terms and conditions set out in this document together with any agreed variations confirmed in writing by the Supplier.
- 1.2 **“Contract”** means the contract between the Supplier and the Customer for the sale of Goods in accordance with these Conditions.
- 1.3 **“Date of Contract”** means the date on which the Supplier confirms acceptance of the Customer’s order in writing.
- 1.4 **“Date of Supply”** means the date on which the Goods are dispatched by the Supplier.
- 1.5 **“Supplier”** means Shorts of Hawick Ltd, including its employees, agents, subcontractors or nominees.
- 1.6 **“Customer”** means the individual, firm or company purchasing the Goods from the Supplier.
- 1.7 **“Goods”** means the goods or materials supplied by the Supplier under the Contract.
- 1.8 **“Private Label Goods”** means Goods manufactured wholly or partly to the Customer’s specification, including bespoke designs, colours, yarns, trims, labelling, branding, packaging or exclusive products not offered for general sale.
- 1.9 **“Purchase Order”** or **“PO”** means any written order issued by or on behalf of the Customer (including by email or electronic ordering system) specifying quantities, pricing, delivery requirements or specifications for Goods, whether described as a purchase order or otherwise, and whether or not stated to be subject to any internal or third-party approval.
- 1.10 **“Deposit”** or **“Advance Payment”** means any payment made by the Customer prior to completion or delivery of the Goods.
- 1.11 **“Subjective Characteristics”** means qualitative or sensory attributes of the Goods, including but not limited to handle, softness, drape, feel, hand-feel or perceived luxury, which are inherently dependent on individual perception, context, use, finishing, lighting, temperature, or handling, and which are not capable of precise objective measurement unless expressly defined by written specification at the Date of Contract.
- 1.12 **“Notice of Readiness”** has the meaning given in clause 4.8.

2. Application of Conditions

- 2.1 These Conditions apply to all Contracts for the sale of Goods by the Supplier to the Customer and shall prevail over any terms proposed by the Customer. Any terms and conditions endorsed upon, delivered with or contained in the Customer’s purchase order, acknowledgement or other document shall be of no effect.
- 2.2 The Customer acknowledges that by placing an order they accept these Conditions in full.
- 2.3 Acceptance of delivery of the Goods or payment of any invoice shall constitute acceptance of these Conditions.
- 2.4 Where the Customer approves designs, colours, samples or specifications (whether in writing, by email, or otherwise), such approval shall constitute authority for the Supplier to proceed with procurement and production, and the Customer shall not subsequently reject the Goods on grounds relating to such approved matters.
- 2.5 Receipt by the Supplier of the Customer’s purchase order together with any agreed deposit or advance payment shall constitute confirmation of the Contract and irrevocable authority for the Supplier to procure materials, allocate production capacity, and commence manufacture. The Customer acknowledges that such actions may be taken immediately and that the associated costs are not recoverable other than as expressly provided for under these Conditions.

3. Prices and Quotations

- 3.1 All prices and quotations are based on circumstances prevailing at the Date of Contract.
- 3.2 The Supplier reserves the right to amend prices prior to order confirmation to reflect increases in raw materials, labour, energy, transport, or other supply costs.
- 3.3 Once an order is confirmed in writing by the Supplier, the price shall be fixed and binding unless otherwise agreed in writing.
- 3.4 The Customer acknowledges that prices for Private Label Goods are based on bespoke manufacture and are not subject to standard wholesale pricing or resale assumptions.
- 3.5 Unless otherwise expressly agreed in writing, all prices are quoted ex works (EXW) Ladylaw Mill, Bath Street, Hawick, TD9 7DP, Scotland, in accordance with Incoterms® 2020.
- 3.6 Prices are exclusive of carriage, freight, packaging (where applicable), insurance, customs duties, taxes, and any other charges relating to transport or export, all of which shall be payable by the Customer in addition to the price of the Goods.
- 3.7 Any new or increased tariffs, duties, taxes or governmental charges imposed after the Date of Contract but before delivery shall be payable by the Customer in addition to the agreed price.
- 3.8 Where the Supplier arranges carriage at the Customer's request, such carriage is arranged strictly as agent for the Customer, and all associated costs shall be invoiced to and payable by the Customer.

4. Delivery, Risk and Insurance

- 4.1 Any delivery dates provided are estimates only and time shall not be of the essence.
- 4.2 The Supplier shall not be liable for any loss, damage or expense arising from late delivery.
- 4.3 Any cancellation date or deadline must be expressly agreed in writing at the time of order.
- 4.4 Risk in the Goods shall pass to the Customer when the Goods are made available for collection at the Supplier's premises or, where the Supplier arranges carriage at the Customer's request, upon delivery of the Goods to the carrier.
- 4.5 Unless expressly agreed otherwise in writing, the Supplier shall not be responsible for insuring the Goods in transit, and the Customer shall be responsible for arranging any insurance it considers appropriate.
- 4.6 Where the Supplier arranges carriage of the Goods, it does so as agent for the Customer only.

4.7 Export and International Sales

4.7.1 International sales shall be governed by clause 3.5 (ex works (EXW), Incoterms® 2020) unless expressly agreed otherwise in writing.

4.7.2 The Customer shall be solely responsible for:

- all export and import licences, permits, customs clearances and formalities;
- payment of all duties, tariffs, import VAT, sales taxes, customs charges or other governmental levies;
- compliance with all laws and regulations applicable in the country of destination;
- ensuring that the Goods comply with all labelling, consumer protection, textile composition, safety or regulatory requirements in the country of destination, unless the Supplier has expressly agreed in writing to assume such responsibility.

4.7.3 The Supplier shall have no liability for delay, loss, additional costs or refusal of entry arising from:

- customs inspections or border controls;
- changes in tariffs, duties or trade regulations;
- failure by the Customer to provide accurate shipping, regulatory or compliance information;

- sanctions, embargoes or trade restrictions affecting the destination country.

4.7.4 Where the Supplier agrees in writing to arrange carriage, export documentation or customs clearance, it does so strictly as agent for the Customer and without assuming responsibility for customs decisions, delays or charges imposed by authorities.

4.7.5 If Goods are delayed, rejected, detained or returned due to matters within the Customer's responsibility (including regulatory non-compliance, incorrect documentation, or unpaid duties), the Customer shall indemnify the Supplier for all resulting costs, including storage, demurrage, return freight, destruction costs, and administrative charges.

4.7.6 The Customer warrants that it is not subject to any trade sanctions and that the Goods will not be exported, re-exported or supplied in breach of any applicable export control or sanctions legislation.

4.8 The Supplier may notify the Customer when the Goods are ready for collection or dispatch ("Notice of Readiness"). Risk shall pass in accordance with clause 4.4 upon such Notice of Readiness (and making the Goods available), whether or not the Customer collects immediately.

5. Credit Limits

5.1 All Customers may be subject to an agreed credit limit. Unless expressly agreed otherwise in writing by the Supplier, Private Label Goods shall not be supplied on credit.

5.2 If the Customer exceeds the agreed credit limit or fails to pay any sum due, the Supplier may suspend or terminate outstanding orders without liability.

6. Suspension or Termination of Orders

6.1 Where payment is overdue or credit limits exceeded, the Supplier may:

- suspend production or delivery;
- refuse to accept further orders; and/or
- cancel outstanding Contracts.

6.2 Such suspension or termination shall not prejudice the Supplier's right to recover sums already due.

7. Terminated Orders and Goods

7.1 Where a Contract is terminated, the Supplier may sell, complete, or otherwise deal with any Goods in its possession in such manner as it sees fit.

7.2 The Supplier shall have no liability to the Customer for any loss arising from such action.

8. Cancellation and Amendments

8.1 Orders for Private Label Goods may not be cancelled or amended by the Customer once confirmed in writing by the Supplier and/or where a deposit or advance payment has been made, except with the Supplier's prior written consent.

8.2 The Customer acknowledges that Private Label Goods are manufactured specifically to their requirements and that the Supplier may incur costs for yarn, materials, labour, machine time, finishing and overheads immediately upon order confirmation.

8.3 Where the Customer cancels an order for Private Label Goods after confirmation:

- all costs incurred by the Supplier up to the date of cancellation shall be payable by the Customer; and
- any deposit or advance payment received shall be applied against such costs.

- 8.4 Where costs incurred exceed the deposit paid, the Supplier shall be entitled to invoice the Customer for the balance, which shall be payable in accordance with these Conditions.
- 8.5 Where the deposit exceeds the costs incurred (which shall be determined reasonably by the Supplier acting in good faith), the excess shall be refunded to the Customer.
- 8.6 Cancellation shall not affect the Supplier's right to complete, sell, or otherwise dispose of any Goods or materials in its possession in accordance with clause 7.
- 8.7 Where the Customer fails to take delivery of Private Label Goods within 14 days of the Supplier's Notice of Readiness (as defined in clause 4.8), the Supplier may store, resell, or dispose of the Goods at the Customer's risk and cost, at its discretion, and recover reasonable storage and handling costs.

9. Payment Terms and Interest

- 9.1 All Goods shall, as standard, be supplied on a pro-forma basis.
- 9.2 The Supplier may, at its sole discretion, agree alternative payment terms in writing for any specific order or Customer.
- 9.3 For the avoidance of doubt, the Supplier's acceptance of an order or delivery of Goods shall not constitute agreement to alternative payment terms unless confirmed in writing.
- 9.4 The Supplier reserves the right to charge statutory interest under the Late Payment of Commercial Debts (Interest) Act 1998, together with reasonable recovery costs.
- 9.5 Interest shall accrue daily from the due date until payment is made in full.
- 9.6 Any delivery dates quoted shall be calculated from the date payment is received, not from the Date of Contract.
- 9.7 Payments made in respect of Private Label Goods are non-refundable, save where required by law or expressly agreed in writing by the Supplier.
- 9.8 The Customer shall pay all amounts due in full without deduction, counterclaim, set-off or withholding unless required by law.

10. Retention of Title

10.1 Title to the Goods shall not pass to the Customer until the Supplier has received payment in full (in cleared funds) for:

- the Goods; and
- all other sums due from the Customer to the Supplier on any account whatsoever.

10.2 Until title passes:

- the Customer shall hold the Goods as bailee and fiduciary agent for the Supplier;
- the Goods shall be stored separately and clearly identifiable as the Supplier's property;
- the Customer shall not remove, deface or obscure any identifying mark or packaging.

10.3 The Customer may resell the Goods in the ordinary course of business before title passes, but:

- any such sale shall be effected as principal and not as agent of the Supplier; and
- the proceeds of sale shall be held on trust for the Supplier to the extent of all sums owed.

10.4 The Supplier may at any time require the Customer to deliver up the Goods if payment is overdue or the Customer becomes subject to any insolvency event.

10.5 The Supplier shall be entitled to enter any premises where the Goods are stored for the purpose of recovering them.

10.6 The Customer shall not pledge or grant any charge over the Goods which remain the property of the Supplier.

10.7 In the event of the Customer's insolvency, the Supplier shall be entitled to trace and claim the proceeds of sale of the Goods.

11. Insolvency

11.1 The Supplier may terminate the Contract immediately by written notice if, after the date of this agreement, the Customer:

- becomes insolvent;
- enters liquidation, administration or receivership;
- enters into any new trust deed, voluntary arrangement, moratorium or arrangement with creditors (other than any arrangement disclosed to and accepted by the Supplier prior to the date of this agreement); or
- ceases or threatens to cease trading;
- has a petition presented for winding up;
- suspends, or threatens to suspend, payment of its debts;
- is unable to pay its debts as they fall due within the meaning of the Insolvency Act 1986.

11.2 For the avoidance of doubt;

- the Supplier's continued supply under this agreement shall not constitute a waiver of its rights in respect of any future insolvency event; and
- the Supplier shall not be obliged to continue supply under any voluntary arrangement, compromise, or restructuring affecting the Customer's creditors.

12. Quality and Defects

12.1 The Customer shall inspect the Goods on delivery.

12.2 Subject to clause 12.3, the Supplier warrants that Goods will be free from material defects in workmanship and materials for 30 days from delivery.

12.3 The Supplier's liability is limited (at its option) to repair, replacement, or refund.

12.4 This clause does **not** apply to:

- fair wear and tear;
- misuse, negligence, improper handling, storage or care;
- alteration or repair not carried out by or on behalf of the Supplier;
- damage caused after delivery, including damage occurring in transit where risk has passed in accordance with clause 4; or
- failure by the Customer to inspect or notify the Supplier in accordance with clause 13.

12.5 Colour Matching and Variations

Where Goods (including Private Label Goods) are supplied in a specified or selected colour, the Supplier shall use reasonable commercial efforts to achieve the closest available match using existing yarns, dyes or shade cards unless otherwise expressly agreed in writing.

12.6 Pantone and Reference Colours

Exact Pantone or reference colour matching is not guaranteed unless expressly agreed in writing and may require custom yarn dyeing, extended lead times, and additional cost. Where such agreement is not in place, colour approval shall be on a closest-match basis only.

12.7 Approvals and Visual Representations

Where colour approval is given by reference to photographs, digital images, swatches, or samples, the Customer

acknowledges that on-screen representation may vary depending on device, calibration, lighting and environment, and such approvals shall not constitute a guarantee of absolute colour accuracy.

12.8 Industry Tolerances

The Customer accepts that minor colour variation between batches, garments, or under different lighting conditions is inherent in textile manufacture and shall not constitute a defect.

12.9 Exclusion from Defects

Colour variation within industry-accepted tolerances, or variation from Pantone or reference colours where clause 12.6 applies, shall not be deemed a defect for the purposes of this Contract.

12.10 Subjective Characteristics including handle, softness, drape or feel, where not expressly specified in writing at the Date of Contract, shall not of themselves constitute a defect attributable to the Supplier for the purposes of clause 12, and any claim arising from such characteristics shall be limited to the extent permitted by clause 15.

13. Damaged or Missing Goods

13.1 Claims for Goods damaged in transit or missing on delivery must be notified to the Supplier in writing within 5 working days of delivery.

13.2 Notification under clause 13.1 is required to enable the Supplier to assist with any claim against the carrier, but shall not constitute acceptance of liability by the Supplier where risk has passed in accordance with clause 4.

13.3 Failure to notify the Supplier within this period shall constitute acceptance of the Goods.

14. Intellectual Property and Customer Specifications

14.1 The Customer warrants that all designs, labels, branding, specifications and instructions supplied do not infringe any third-party rights or applicable laws.

14.2 The Customer shall indemnify the Supplier against all losses, claims, costs or liabilities arising from compliance with such specifications.

15. Limitation of Liability

15.1 Nothing in these Conditions limits liability for:

- death or personal injury caused by negligence;
- fraud or fraudulent misrepresentation; or
- any liability that cannot be excluded under UK law.

15.2 Subject to clause 15.1, the Supplier shall not be liable for indirect or consequential losses, including loss of profit or business.

15.3 Subject to clause 15.1, the Supplier's total liability under or in connection with the Contract shall not exceed the price paid by the Customer for the relevant Goods.

15.4 The Supplier shall have no liability for any product recall, market withdrawal, regulatory action or consumer claim arising from:

- specifications, designs, labelling, branding or instructions supplied by the Customer;
- regulatory requirements in the country of destination; or
- modification, repackaging or resale of the Goods by the Customer.

The Customer shall indemnify the Supplier against all costs, claims, losses and expenses arising from such matters.

16. Force Majeure

16.1 The Supplier shall not be liable for failure or delay in performance due to events beyond its reasonable control, including but not limited to fire, flood, war, labour disputes, supply chain disruption, or failure of utilities or transport.

17. Entire Agreement

17.1 These Conditions constitute the entire agreement between the parties and supersede all prior agreements or representations.

17.2 No variation shall be binding unless agreed in writing and signed by a director of the Supplier.

18. Governing Law and Jurisdiction

18.1 These Conditions and any Contract shall be governed by Scots law.

18.2 The Scottish courts shall have exclusive jurisdiction.