

TERMS AND CONDITIONS OF SAMPLE DEVELOPMENT 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 **“Agreed Brief”** means the written design brief, specification, measurements, reference materials, instructions and other requirements accepted by the Supplier for the relevant Sample Development Services.
- 1.2 **“Conditions”** means the terms and conditions set out in this document together with any agreed variations confirmed in writing by the Supplier.
- 1.3 **“Contract”** means the contract between the Supplier and the Customer for the provision of Sample Development Services in accordance with these Conditions.
- 1.4 **“Customer”** means an individual, firm or company acting wholly or mainly for purposes relating to its trade, business, craft or profession and instructing the Supplier to carry out Sample Development Services. These Conditions are not intended for consumers acting wholly or mainly outside their trade, business, craft or profession.
- 1.5 **“Customer Change”** means any change requested by or on behalf of the Customer after development has begun, including a change to the design, fit, measurements, yarn, gauge, styling, trims, colour, construction, specification or Subjective Characteristics.
- 1.6 **“Development Fee”** means the fee agreed for the technical and creative Sample Development Services. Unless expressly stated otherwise in writing, it excludes Prototype Make Costs, Materials Costs, carriage, testing and third-party charges.
- 1.7 **“Development Issue”** means a matter arising naturally during prototyping that requires assessment, adjustment or further development and is not a Shorts-Originated Error or Customer Change.
- 1.8 **“Development Sample”** means any prototype, sample garment, panel, component or other physical item produced as part of the Sample Development Services.
- 1.9 **“Materials Costs”** means the cost of yarn, trims, labels, components, packaging and consumables used or purchased for a Development Sample, including reasonable sampling waste and any minimum purchase quantities.
- 1.10 **“Prototype Make Costs”** means the charges for physically producing a Development Sample, including knitting, making-up, linking, sewing, hand-finishing, washing, drying, pressing, inspection and packing, as applicable.
- 1.11 **“Sample Development Services”** means any design interpretation, technical development, programming, knitting trial, prototyping, sampling or pre-production work carried out by the Supplier, whether included within the Development Fee or separately chargeable under these Conditions.
- 1.12 **“Shorts-Originated Error”** means a programming, technical or manufacturing mistake by the Supplier resulting from its failure to follow the Agreed Brief, approved measurements, approved construction or other agreed written instruction.
- 1.13 **“Subjective Characteristics”** means qualitative or sensory attributes including handle, softness, drape, feel, weight, appearance or perceived luxury which are inherently dependent on individual perception and are not capable of precise objective measurement unless expressly defined in the Agreed Brief.
- 1.14 **“Supplier”** means Shorts of Hawick Ltd, including its employees, agents, subcontractors or nominees.

2. Application of Conditions

- 2.1 These Conditions apply only where the Customer is acting wholly or mainly for purposes relating to its trade, business, craft or profession. They apply to all Sample Development Services carried out by the Supplier and shall prevail over any terms proposed by the Customer, unless a variation is expressly agreed in writing by the Supplier.
- 2.2 These Conditions apply in addition to the Shorts of Hawick Ltd Terms and Conditions of Sale. In the event of conflict, these Conditions shall apply specifically to Sample Development Services.
- 2.3 The Customer shall be deemed to have accepted these Conditions by approving a quotation, paying a Development Fee or deposit, issuing an instruction or purchase order, supplying materials for development, or otherwise authorising the Supplier to commence work.
- 2.4 For the purposes of the Shorts of Hawick Ltd Terms and Conditions of Sale, each Development Sample shall be treated as Goods, including in relation to delivery, risk, insurance and retention of title, except where these Conditions expressly provide otherwise.

3. Purpose of Sample Development

- 3.1 Sample development is an iterative technical and creative process used to explore whether a Customer's design, concept, sketch, reference garment, specification, yarn choice or construction idea can be developed into a knitted sample.
- 3.2 The purpose of sample development is to produce a development sample or prototype for review. It is not, unless expressly agreed in writing, a guarantee of a final production-ready garment, a perfect fit, commercial viability, bulk-production approval, or successful retail outcome.
- 3.3 The Customer acknowledges that prototyping is the stage at which technical issues, programming errors, construction problems, proportion issues, fit adjustments and other matters are identified, reviewed and corrected where appropriate.

4. What the Development Fee Covers

- 4.1 Unless otherwise agreed in writing, the Development Fee covers the reasonable initial technical and creative work required to develop one style. It covers development work and programming only and does not include the physical cost of producing a Development Sample.
- 4.2 The Development Fee may include, where relevant:
- review of the Customer's design brief, sketch, reference garment, measurements or specification;
 - initial technical interpretation of the style;
 - yarn and gauge consideration;
 - machine and programming set-up;
 - development of the knitted structure, construction or shape;
 - reasonable internal technical assessment;
 - reasonable communication with the Customer during the development process; and
 - reasonable correction of the Supplier's own programming or technical errors identified during the agreed development stage.
- 4.3 The Development Fee is separate from all Prototype Make Costs and Materials Costs. Payment of the Development Fee does not entitle the Customer to a physical prototype without payment of the applicable Prototype Make Costs and Materials Costs.
- 4.4 The Development Fee is a contribution towards development time, technical work, programming, machine set-up, technical labour and overheads. It does not represent the full commercial value of the time spent where development becomes complex, extended, uncertain or repeatedly revised.

5. Prototype Make Costs and Materials Costs

5.1 In addition to the Development Fee, the Customer shall pay the Prototype Make Costs and Materials Costs of the first Development Sample and of each additional or revised Development Sample, unless those costs are expressly included in a written quotation.

5.2 Prototype Make Costs may include, as applicable:

- machine knitting and sampling time;
- making-up, linking and sewing;
- hand-finishing and specialist operations;
- washing, drying, pressing and other finishing processes;
- inspection, preparation and packing; and
- any subcontracted or third-party manufacturing work.

5.3 Materials Costs may include yarn, trims, labels, components, packaging and consumables, together with reasonable sampling waste, minimum supplier purchase quantities and materials specially purchased for the Customer's development.

5.4 Where the exact yarn usage, make time or finishing requirement cannot be established before the Development Sample is produced, the Supplier may provide an estimate and invoice the actual reasonable costs after production, before shipment.

5.5 All invoices relating to prototypes, development samples, materials, knitting, making-up, finishing, carriage or other sample-related costs shall be payable in full in cleared funds before the relevant garment is dispatched or made available for collection. The Supplier shall be under no obligation to release or dispatch any prototype or development sample while any related invoice remains unpaid.

5.6 Prototype Make Costs and Materials Costs are payable in addition to the Development Fee and are non-refundable once the relevant work has commenced or the materials have been ordered, allocated, cut, knitted or otherwise used.

6. What the Development Fee Does Not Cover

6.1 Unless expressly agreed in writing, the Development Fee does not include:

- the Prototype Make Costs of the first or any subsequent Development Sample;
- the Materials Costs of the first or any subsequent Development Sample;
- unlimited amendments or repeat samples;
- full design consultancy;
- brand development;
- CAD drawings, tech packs or graded specification sheets;
- size grading;
- multiple sizes;
- multiple colourways;
- multiple yarn trials;
- alternative stitch trials;
- labelling, packaging or branding development;

- custom trims;
- custom yarn dyeing;
- wearer trials;
- fit model testing;
- wash testing;
- laboratory testing;
- compliance testing;
- photography;
- courier, postage or carriage costs;
- production of salesman samples, press samples or range samples;
- approval of a style as production-ready or approval for bulk manufacture; or
- ownership or transfer of knitting programs, patterns, technical files or development know-how.

6.2 Any of the above may be quoted separately.

7. Development Fees

7.1 Unless otherwise agreed in writing, the following Development Fees are indicative only and remain subject to the Supplier's written quotation:

- new garment style: approximately £750 per style, exclusive of VAT;
- accessory style: approximately £250 per style, exclusive of VAT;
- WHOLEGARMENT accessory style: approximately £500 per style, exclusive of VAT.

7.2 The exact fee may vary depending on the complexity of the design, yarn, gauge, construction method, stitch structure, finishing requirements and amount of technical development required.

7.3 Development Fees are payable in advance unless otherwise agreed in writing.

7.4 All prices and charges are exclusive of Value Added Tax ("VAT"). VAT shall be added at the applicable rate and shall be payable by the Customer in addition to the quoted or invoiced amount.

7.5 The Supplier reserves the right to charge statutory interest and recovery costs under the Late Payment of Commercial Debts (Interest) Act 1998 on any sum not paid when due.

8. Additional Development Work

8.1 If the Customer requests a Customer Change after development has begun, further work may be chargeable.

8.2 Additional charges may apply where:

- the design brief changes;
- measurements are changed;
- the yarn is changed;

- the construction method is changed;
- the Customer requests a different fit;
- further samples are required;
- the style requires significant reprogramming;
- the sample does not meet the Customer's subjective expectations;
- the Customer supplies incomplete, unclear or changing instructions; or
- the Customer requests further technical development beyond the original brief.

8.3 Where reasonably practicable, the Supplier will notify the Customer before undertaking substantial additional chargeable work.

8.4 Where development is ongoing and the Customer continues to request Customer Changes, the Customer accepts that additional Development Fees, Prototype Make Costs and Materials Costs may arise.

9. Programming Errors, Corrections and Development Iterations

9.1 The Customer acknowledges that Sample Development Services are an iterative technical process. During prototyping, issues may arise in programming, shaping, stitch structure, construction, measurements, tension, finishing or interpretation of the Agreed Brief.

9.2 Where a Shorts-Originated Error is identified, the Supplier shall use reasonable skill and care to correct the relevant programming or technical work without charging an additional Development Fee solely for that correction.

9.3 A correction may include internal reprogramming, adjustment, re-knitting of an affected panel or sample, or other reasonable remedial action which the Supplier considers appropriate.

9.4 Where a further physical Development Sample is reasonably required solely because of a Shorts-Originated Error, the Supplier shall not charge the Customer additional reasonable direct Prototype Make Costs or replacement Materials Costs attributable solely to correcting that error.

9.5 Clause 9.4 does not apply to Prototype Make Costs or Materials Costs that would have been incurred in any event, nor to any further sample that also incorporates a Customer Change, Development Issue, alternative version, fit amendment, yarn change, subjective preference or other work outside the correction of the Shorts-Originated Error.

9.6 Corrections of Shorts-Originated Errors shall not include, unless expressly agreed in writing:

- changes to the original Agreed Brief;
- changes to Customer-approved measurements;
- changes to fit preference after review;
- changes to yarn, gauge, stitch structure or construction;
- changes arising from Subjective Characteristics;
- redevelopment caused by unclear, incomplete or changing Customer instructions;
- additional colourways, sizes or versions; or
- repeated sampling beyond what is reasonably necessary to correct the identified error.

9.7 For the avoidance of doubt, correction of a programming or technical error does not convert the Development Fee into an unlimited development service or include the ordinary Prototype Make Costs and Materials Costs of the first prototype.

10. Distinction Between Errors, Development Issues and Customer Changes

- 10.1 For charging and correction purposes, a distinction shall be made between Shorts-Originated Errors, Development Issues and Customer Changes.
- 10.2 A Shorts-Originated Error arises where the Supplier has failed to follow the Agreed Brief, approved measurements, approved construction or another agreed written instruction.
- 10.3 The Supplier will use reasonable skill and care to correct a Shorts-Originated Error in accordance with clause 9.
- 10.4 **Development Issues** are matters that arise naturally during prototyping, including adjustments to improve fit, proportion, drape, tension, stitch balance, make-up, construction, efficiency or production suitability.
- 10.5 Some Development Issues may be resolved within the agreed Development Fee, provided they are reasonable and remain within the original scope of the Contract.
- 10.6 Where Development Issues require substantial additional work, further samples, repeated reprogramming, alternative yarn trials or significant redevelopment, the Supplier may charge additional fees and costs.
- 10.7 Customer Changes are changes requested by the Customer after development has begun, including changes to design, fit, measurements, yarn, gauge, styling, trims, colour, construction, specification or Subjective Characteristics.
- 10.8 Customer Changes will usually be chargeable unless expressly agreed otherwise in writing.

11. No Guarantee of Successful Development

- 11.1 The Customer acknowledges that not every design concept can be successfully translated into knitwear within the Agreed Brief, target price point, yarn, gauge, construction method or desired fit.
- 11.2 Some designs may require several rounds of development, technical compromise, alternative yarns, altered measurements or revised expectations.
- 11.3 The Supplier shall use reasonable skill and care in carrying out the Sample Development Services, but does not guarantee that:
- the first sample will be approved;
 - the style will be commercially viable;
 - the design will be suitable for bulk production;
 - the garment will fit exactly as imagined;
 - the Customer's preferred yarn will be suitable;
 - the final cost of production will meet the Customer's target price; or
 - the finished sample will exactly match a sketch, photograph, moodboard, reference garment or digital image.

12. Customer Briefs and Specifications

- 12.1 The Customer is responsible for providing clear, accurate and complete information before development begins.
- 12.2 This may include, where relevant:
- sketches;
 - reference images;
 - measurements;
 - target fit;

- size requirements;
- yarn preferences;
- stitch references;
- trim details;
- labelling requirements;
- finishing requirements;
- intended retail price;
- intended production quantity; and
- compliance or market requirements.

12.3 If information supplied by the Customer is incomplete, inaccurate or changes during development, the Supplier shall not be responsible for delays, additional costs or unsatisfactory results arising from that information.

13. Customer-Supplied Reference Garments

13.1 Where the Customer supplies a reference garment, the Supplier may use it to understand fit, styling, construction or proportions.

13.2 Unless expressly agreed in writing, the Supplier does not guarantee to copy a reference garment exactly.

13.3 The Customer warrants that any reference garment, design, image, sketch, branding or specification supplied by them does not infringe any third-party intellectual property rights.

14. Fit, Measurements and Tolerances

14.1 Knitted garments are flexible textile products and may vary depending on yarn, stitch, finishing, washing, steaming, pressing, relaxation and handling.

14.2 Measurements taken at different stages may vary.

14.3 Unless specific tolerances are agreed in the Agreed Brief, reasonable textile and knitwear tolerances shall apply. Minor variation in measurements, handle, drape, appearance, tension or fit within reasonable industry tolerances shall not constitute defective development work.

15. Yarn, Colour and Handle

15.1 Yarn choice has a significant effect on the final sample, including weight, softness, drape, elasticity, stitch definition, stability, shrinkage and cost.

15.2 Where the Customer selects or approves a yarn, colour or blend, the Supplier shall not be responsible if the final sample does not meet the Customer's subjective expectations for handle, softness, drape, luxury feel, weight or appearance.

15.3 Exact colour matching is not guaranteed unless expressly agreed in writing and may require custom dyeing, additional cost and extended lead times.

15.4 Where the Customer specifies a yarn that is not held in stock or is not ordinarily purchased or used by the Supplier, the Customer shall either:

- supply the required yarn to the Supplier at the Customer's own cost, in which case the Prototype Make Costs shall be calculated excluding the cost of the Customer-supplied yarn; or

- pay in advance for the Supplier to purchase the required yarn on the Customer's behalf, including the full cost of any applicable minimum order quantity, carriage, duties, taxes and other associated supplier charges.

15.5 Any yarn supplied by the Customer must be provided in sufficient quantity and be of suitable quality and condition for the proposed development work. The Supplier shall not be liable for delays, additional costs, excessive wastage, defects or unsatisfactory results arising from the quality, suitability, consistency, availability or performance of Customer-supplied or Customer-specified yarn.

16. Revisions and Further Samples

16.1 Neither the Development Fee nor payment of the Prototype Make Costs for any Development Sample includes unlimited revisions, amendments or repeat samples.

16.2 Subject to clause 9, any further samples, adjustments or redevelopment requested or required after review shall be charged separately unless expressly agreed otherwise in writing.

16.3 Examples of chargeable revisions include:

- changing garment dimensions;
- changing fit;
- changing yarn;
- changing gauge;
- changing stitch structure;
- changing trims;
- changing neckline, armhole, sleeve head or garment shape;
- changing construction method;
- correcting issues caused by unclear or changing Customer instructions; and
- producing a second or subsequent sample, except for a remake falling within clause 9.4.

17. Approval of Samples

17.1 Where the Customer approves a sample, measurement, yarn, colour, fit, construction or specification, such approval gives the Supplier authority to proceed to the next stage, including further sampling, procurement, costing or production.

17.2 After approval, the Customer may not reject subsequent Development Samples, production goods or work on the basis of matters previously approved, unless the Supplier has failed to follow the approved specification.

18. Production Orders Following Sampling

18.1 The Development Fee does not include the cost of bulk production.

18.2 Bulk production will be quoted separately and may be subject to minimum order quantities, yarn availability, production capacity, lead times and separate payment terms.

18.3 Development of a sample does not oblige the Supplier to accept a bulk production order.

18.4 Payment of the Development Fee does not reserve production capacity unless expressly agreed in writing.

19. Cancellation

19.1 Development Fees are non-refundable once work has commenced.

19.2 The Customer acknowledges that development work may begin immediately after payment or written approval, including allocation of technical time, machine set-up and capacity, programming, yarn sourcing and internal planning.

19.3 If the Customer cancels development after work has commenced, the Supplier shall be entitled to retain the Development Fee and invoice for any Prototype Make Costs, Materials Costs and other additional costs already incurred.

20. Delays

20.1 Any development timescales provided are estimates only.

20.2 Sample development may be delayed by:

- yarn availability;
- machine availability;
- technical complexity;
- Customer response times;
- unclear instructions;
- repeated changes;
- supplier delays;
- staff availability; or
- production workload.

20.3 Time shall not be of the essence unless expressly agreed in writing.

21. Intellectual Property and Technical Work

21.1 Unless expressly agreed in writing, all knitting programs, technical files, development notes, patterns, shaping calculations, machine settings, construction methods, internal know-how and production techniques created by the Supplier remain the property of the Supplier.

21.2 Payment in full of the Development Fee, Prototype Make Costs, Materials Costs and all other sums due under the relevant Contract gives the Customer title to the physical Development Sample, but does not transfer ownership of the underlying technical files, programs, methods or know-how.

21.3 The Customer may not require the Supplier to release knitting programs, machine files, technical patterns or development data unless this has been agreed separately in writing and paid for.

22. Customer Designs and Branding

22.1 The Customer remains responsible for the legality and originality of any designs, logos, labels, branding, artwork, references or specifications they supply.

22.2 The Customer shall indemnify the Supplier against any claims, losses, costs or liabilities arising from alleged infringement of third-party rights where the Supplier has worked from the Customer's supplied design, instruction, reference or specification.

23. Confidentiality

23.1 The Supplier will take reasonable care to treat Customer designs, samples and commercial information as confidential.

23.2 Unless a separate non-disclosure agreement is signed, the Supplier may disclose such information to its employees, subcontractors and professional advisers where reasonably necessary to perform the Contract or comply with law, and no enhanced confidentiality obligation shall apply beyond reasonable commercial confidentiality.

24. Limitation of Liability

24.1 Subject to clause 24.3 and to the extent permitted by law, the Supplier's total aggregate liability under or in connection with a Contract shall not exceed the total amount paid by the Customer to the Supplier under that Contract, excluding VAT.

24.2 Subject to clause 24.3, the Supplier shall not be liable for indirect or consequential losses, including loss of profit, loss of sales, missed launch dates, cancelled photoshoots, retailer rejection, wasted marketing costs or loss of business opportunity.

24.3 Nothing in these Conditions limits liability for death or personal injury caused by negligence, fraud, fraudulent misrepresentation or any liability that cannot legally be excluded or limited.

25. Governing Law and Jurisdiction

25.1 These Sample Development Terms and Conditions shall be governed by Scots law.

25.2 The Scottish courts shall have exclusive jurisdiction.