

High School Families,

At the start of the second semester, we wanted to take a moment to discuss the situation with our current high school uniform provider, School Uniforms by Tommy Hilfiger.

As you may recall last spring, we made the move to Tommy Hilfiger uniforms due to a number of factors, among them, the fact that our formal skirt was being discontinued by Land's End, as well as the failure of Land's End to provide feminine fit polos in the red color as they had promised us. Considering the uniform options which Tommy Hilfiger provided (the multiple fit options in ladies' skirts, the feminine fit polos, the grey slacks for men) and the improved price point which Tommy Hilfiger promised, the change seemed like a wise and good option.

While we still feel good about the pieces that have been incorporated into our uniforms, there have been significant supply issues which have plagued a significant number of our families this year. We have had repeated contact with our representative to the company to discuss this issue, resulting in substitute uniform pieces being provided for families in some instances. Additionally, we asked our representative to help us explain to you what they see as a "100-year storm" event for them as a company, which I have included at the bottom of this email.

At this point, we believe that Tommy Hilfiger is making changes that will address the backorder issues. Their summary of the problem and remedy is seen below:

How Did We Get Here?

Major Uniform Provider Closed:

This back-to-school season has proven to be quite unique. A large school uniform provider, Parker Uniforms, went out of business earlier this year leaving nearly 2,000 schools without a uniform provider and in many cases with outstanding orders unfulfilled. We had committed to our inventory for the season a few months before this occurred, and as we brought some of these new schools on board, we placed rush orders for additional inventory to ensure we would have what we needed for all of our schools. However, as these former Parker schools partnered with multiple providers across the country, there were a number of companies requesting rush inventory orders to accommodate their increased need. As a result, a bottleneck occurred along the supply chain causing significant delays.

Prior to this back to school shopping season, our fill rate was 98%. Meaning we were able to fill orders (without a backorder) 98% of the time in 2016 and 2017. This year was truly an anomaly.

What Are We Doing to Overcome This?

We have escalated our communication all along the chain of production. We are doing all we can to expedite the production and delivery of these backordered items. In many cases, we are converting our delivery of goods from sea to air shipments. Product has been flowing into our warehouse and will continue to come in over the upcoming weeks. We anticipate that in the next

30-60 days, we will be largely back on track and in stock on the majority of items we are out of today. Also, we have already started our seasonal buying for the next back to school year (and will continue to do so). We are spending a tremendous amount of time and effort to make sure our inventory plans meet the needs of each and every customer next season.

We will not allow this situation to happen again.

- Placing initial replenishment PO's earlier this year – all product scheduled to be in the warehouse by mid-May
- Ordering 175% of what was sold last year by style/color/size (We will not be bringing on as many new schools as last year when Parker closed, but we still made significant increases to the inventory purchase to ensure highest first-fill rate.)
- Positioning fabric (longest lead time) for replenishment orders as needed throughout the summer
- Consolidating distribution and customer service for better efficiencies
 - Making significant investments in upgraded web experience for customers
 - Much 'quicker' experience
 - Increased visibility to order progress
 - Payment processed upon shipment of product instead of upon placement of order

We are thankful for the improved aesthetic and fit that Tommy Hilfiger uniforms has provided—the kids look great in the hallways! And, we trust that the competitive price point of the uniforms is also a blessing to you.

Thank you for your patience and understanding as we have all weathered this season! If you have further questions, please feel free to send them along to the office, and they will be addressed as soon as possible.