



27 May 2020

Dear Parents and Guardians

I trust that you are well and coping with the current lockdown situation; it has been a long and challenging period both from a social and economic perspective. It seems that we are, however, moving out of this mode when the economy and schools will slowly start to operate.

The post-COVID scenario will provide us with many challenges and opportunities. We, at Grit, are positive about the future and used the past eight weeks to do in-depth analysis, evaluation, and assessment of past practices, as well as to identify future consumer conduct and needs for Grit's various value offerings.

The post-COVID scenario related to the textile (clothing) industry, consumer behavior and expectations as well as health and safety factors will have a tremendous impact on the way our future operations will be positioned. We have the scenario where clothes are no longer fitted because of the fear that clothes could be contaminated, with most retailers subscribing to this practice. Clothing at many stores cannot be returned although this seems to be changing. There will, however, be stringent guidelines in place for the industry. This will include, but is not limited to, the following:

- Clothing to be received by a person wearing the appropriate PPE
- Returned clothing to be registered in an inventory
- Returned clothing to be "quarantined" before being taken back into the system
- Clothing released in the system to be disinfected before returned into the system.

The above changes mean that the lounges and their function will become obsolete and can no longer be accommodated in the process of providing school clothes. Lounges will therefore be closed effective 1 June 2020. Grit has put various measures in place to address and assist the on-line sales function. These measures include:

- A new and upgraded size matrix with measuring instructions and guidelines to ensure correct products are procured.
- A new return process for incorrect or defective products
- Assistance with home deliveries. No deliveries will take place at schools.
- An expanded call center service to assist clients
- We have been advised that S'Cool will be opening more shops in regions to allow parents who wish to buy from shops directly to do so.

We are also investigating the application of 3D scanning at schools to determine the exact size of clothing the learners will require. This will provide parents with a full printout of all clothing sizes required in the range of products. We will test the first scanner, which should arrive in the near future and then decide how and when to extend this service to all schools in the group – this will enhance accuracy, hygiene and speedy execution of orders.

The aim is to extend the benefit that will be derived in cost savings to the clients in the short- and long term. **GRIT management has decided to assist in these difficult times by reducing the cost of clothing on its winter sale during the month of June 2020 by 22%. It must be noted this is only applicable to winter clothes and will be from 1 June 2020 until 30 June 2020.** We will in addition to the above, also endeavor to keep any increases in September to below the CPI.

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We are experiencing a rapidly-changing world and are positioning ourselves to embrace these new opportunities. Further communication regarding the processes and details will be placed on the web and also communicated via the respective schools to our clients.

Stay safe and please observe the basic rules to preserve your health.

FRANS NEL

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