

2016 was a busy year for the Proper Group Business Development team. In addition to launching over \$100M in new, life-time production awards, the team acquired over \$120M in additional life-time production awards. The Tooling and SC production operations ran into the "perfect storm" in the 4th quarter with all the G01 tooling coming due for the customers first preproduction part requirements. Things have not slowed up much in the 1st quarter of 2017. It was a big effort across the board to ensure we met our customer's delivery requirements.

The future is no less exciting. To support the company's future growth and the "One Proper" initiative, our Business Development Team has been organized into (4) focused Business Units... Lighting, Exteriors and Technical Products, Premium Consumer Products and Tooling.

The Exteriors and Technical Products Group is led by Neil Yanik. Neil and his team have been front and center on the launch of the G01/02 programs. This effort will continue through this year. The start of production for the G01 base vehicle is in August of this year. Our company has gained incredible insight and experience in what it takes to manage this level of business. Our design and development team, led by Jim Lake and Mike Tabbert spent significant time early on in 2016 working directly with BMW and their design groups to get the product design right. Our Polymer Tooling and Technical team spent many weeks in China and Germany following tools being built outside the US. The Proper Tooling Team has managed a significant amount of the new tool builds and managed the landing and support of the tools building in China and Germany. Recently, a senior Director of Purchasing and his team from BMW visited our SC plants. His initial response was "Wow". To say the least, he was extremely impressed with what the Proper Group has accomplished.

Even though the team was busy with the BMW launch, they managed to secure additional business which is projected to be over \$21 Million over the life of the programs. Most all of this business was for a new customer (SMP) for new Mercedes Benz programs.

Looking forward, the Exteriors and Technical plastics group will look to capitalize on the exposure and experienced gained over the past year. Our Polymers Team has been approved by Volvo and we are currently in pursuit of a number of direct opportunities for Volvo and their new plant in Charleston SC. In addition to moving up stream on the customer base, this business unit continues to look for new technologies in areas of composite structures and coatings to increase the value proposition to the customer.

The Lighting Business Unit is led by Dan Dare. The Lighting Business Unit acquired over \$80 Million life time sales in new business in 2016. In addition, this unit added 3 new customers to their lineup. Over the past year, the Lighting Group has grown from a part supplier to a player in the molding, coating and assembly of complex lighting products. The Pulaski Plant is currently being expanded to add molding & assembly capacity and add a hard coating line. The added capabilities of hard coating and assembly have put the Lighting Group in a unique position among the supply base. We are truly full service from tooling, to the delivery the final product for small lamp assemblies, including Fog Lamp Assemblies and Photo Electric Scanning Units.

Joe Grippe

President