The background features a dark, black space-like setting. From the bottom left, a cluster of radial light rays in shades of red, orange, yellow, and white fan out towards the top right. A large, semi-transparent gray circle is positioned in the lower right quadrant, partially overlapping the light rays.

Proper

APRIL 2017

SERIES 2

Letter from the CEO

2017 is off to an extremely busy period for both the tooling and polymer organizations. Let me give you a little taste of what is happening. We have a consumer product launch that will happen in the second quarter at Proper Polymers Warren. The new Greenville plant, and the Anderson plant launches its BMW programs in the third quarter. In addition to this, Pulaski will launch a new coating system for lenses in the third quarter as well. The Tooling groups have been on a seven day schedule for most of the first quarter delivering on a large volume of tools. Throughout all of this pressure, the Proper team members have been highly motivated and dedicated to the company's success. I thank you for all the hard work each one has done.

During this time we had two twenty year anniversaries in the tooling group, Dale Miller and Jerry Lochridge. Dale will retire this summer to Arizona. We wish the best to him and his family. Jerry we are glad you are not retiring yet! Thank you both for your dedication.

This last quarter we added Randy DeMorris, VP of Human Resources to our team of leaders. As our company grows in associates, it is important to Mark and I what made this company successful is maintained as we grow. Our vision is Randy's key objective, "having a world class team and building a highly motivated and engaging culture". He has already made some very good associate benefit changes for everyone and I expect to see more in the future.

In the second quarter, we expect to slow down to a normal pace in which each one of you can enjoy some time off with family and friends in the summer months. We expect to have the remainder of the year remain steady. Without any further expansion plans, we will settle into the year and absorb what we have as a very big launch year. This is another new record for our company.



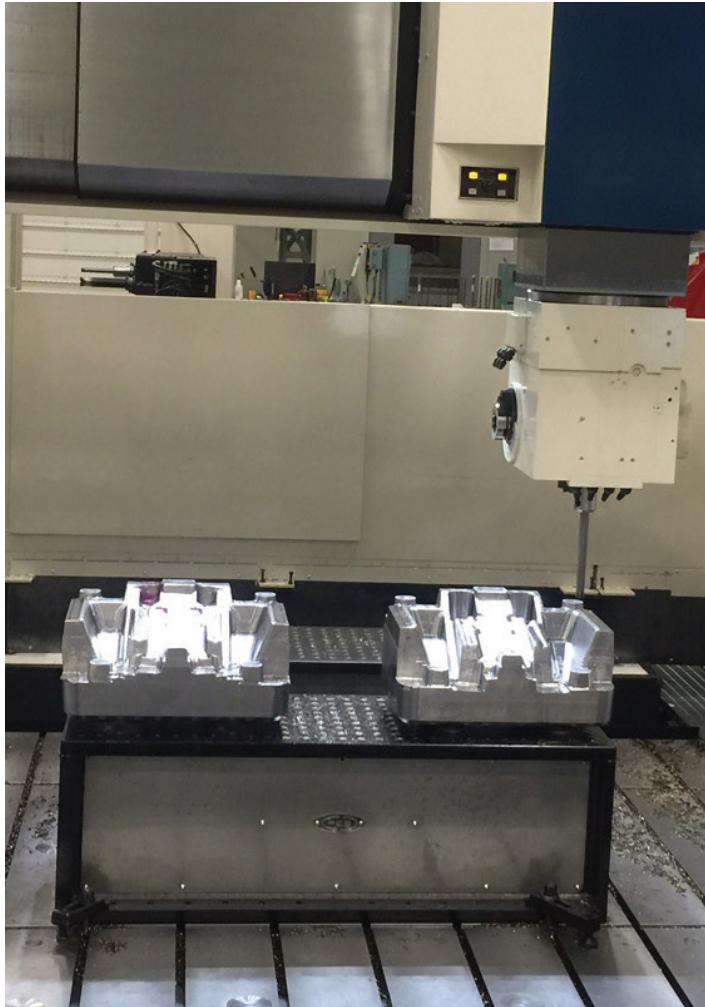
Geoff O'Brien
CEO

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PGI Machining





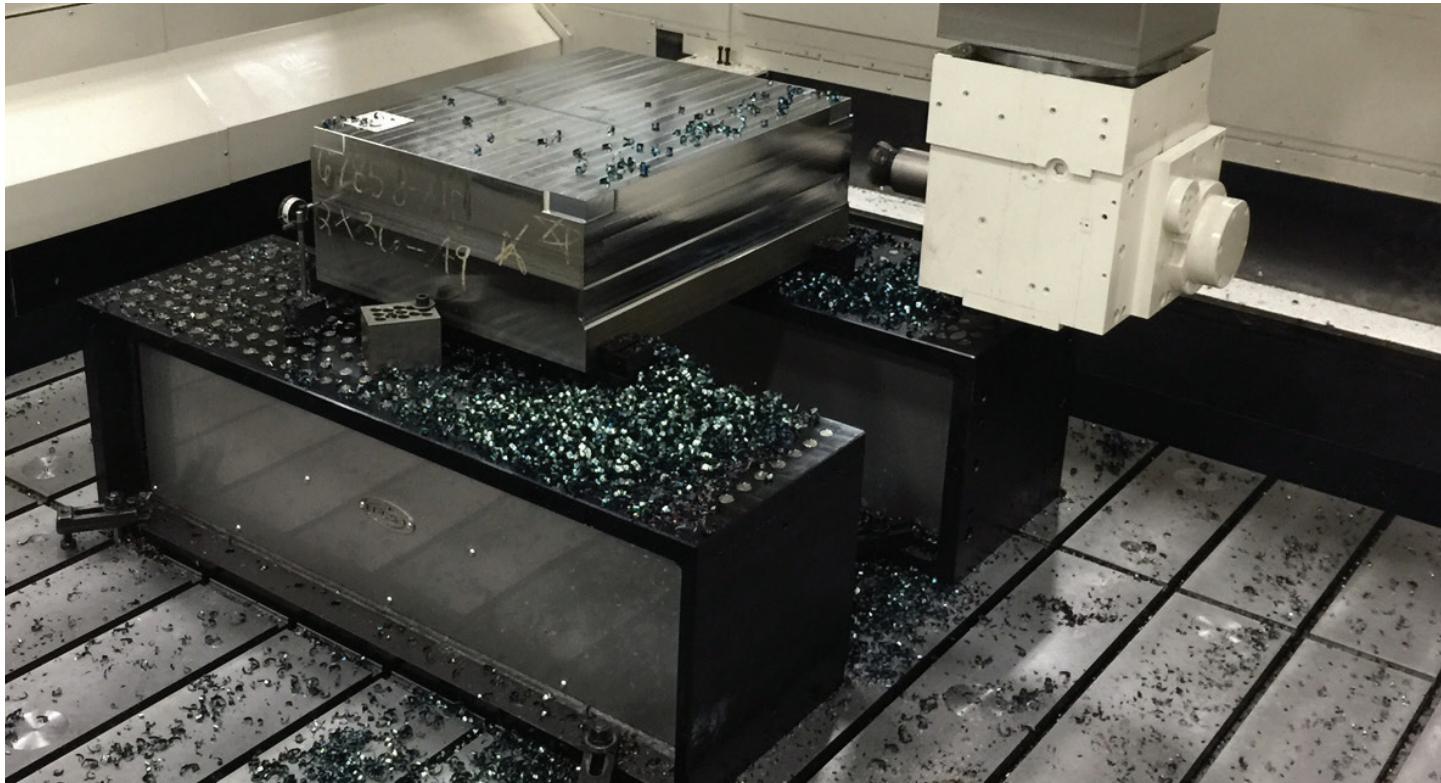
PGI Machining has been very busy over the past few months. At the IMTS Show in September, Proper purchased a new MCW Toshiba Milling Machine. It is capable of 2D and 3D machining vertically and horizontally. In November, a foundation was poured for the new machine. The machine arrived late November and was operational the first week of February.

Proper also purchased a new state of the art tool presetter for greater tool accuracy and speed. It is as accurate as any laser and is not subject to all of the damage when attached to a machine.

PGIM did well during our ISO audit and did not have any nonconformances. PGIM now has a safety team in place and we meet every other week to address any concerns to stay current. Maintenance is currently painting yellow lines on the floor as part of our safety improvement.

We recently did two unique retrofits. One was a 1998 Saturn Fender to run in IACMI's new 3000 ton Milacron Press. The other was a 12 year old Cedar Siding Stack Mold for Saint Gobain / Certainteed.

Steve Vandenberghe
General Manager



Proper polymers

Proper Polymers Pulaski

The Proper Polymers Pulaski Plant is heading into some very important launches with our key customers. With North American Lighting, we are launching a couple of programs with some high profiles. First is the 010B program which is the Toyota Camry. This vehicle is the pride of NAL business and our products range from inner light guides and lenses, to our first rear red reflex lenses. Next up to launch is the S550 Front Fog Lamp Assembly, which is for the Ford Mustang. This will be the plant's first sub-assembly part and also the plant's first "PES" product. PES is the combination of a Light Source, a metalized Reflector, and a Fresnel Lens. This is the first of many we are going to be assembling and launching over the next 12 months. With our Automotive Lighting customer, we have the new Jeep JL program for FCA. This consists of 3 Metalized Reflectors. This product is a "throwback" style headlamp and brings the Jeep Wrangler back to its glory days.

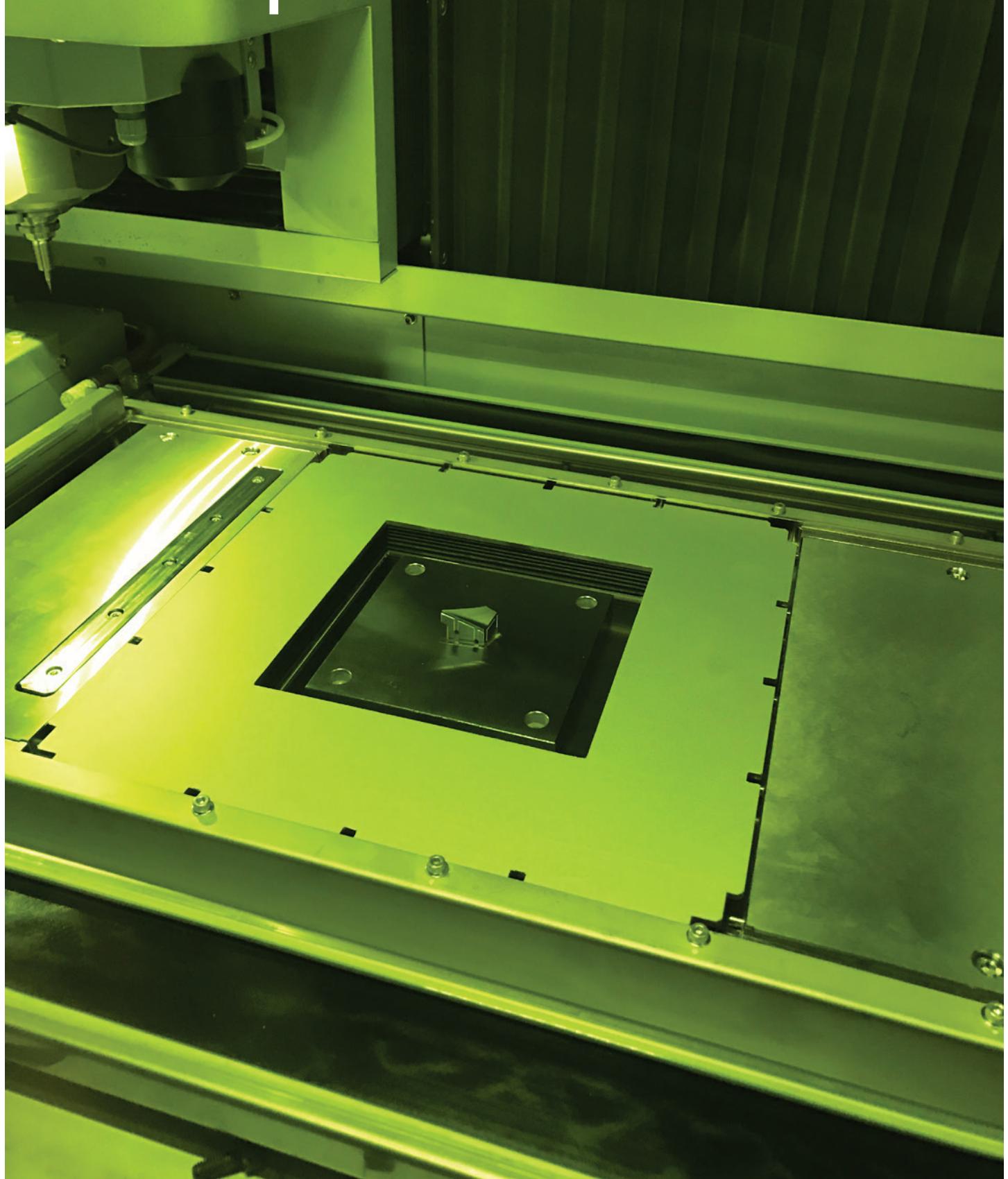




The other exciting project happening in the Pulaski Plant is the expansion of the facility. We broke ground beginning of March and have a target date of early July to take occupancy of the 38,000 square foot addition. This will house the new Hard-Coat and Base-Coat Paint Lines along with new 3 shot injection molding presses and the full assembly area. The expansion will support the 2018 launch of some bigger projects with North American Lighting, Magna Auto Systems and Automotive Lighting. The Future is Very Bright in Pulaski Tennessee.

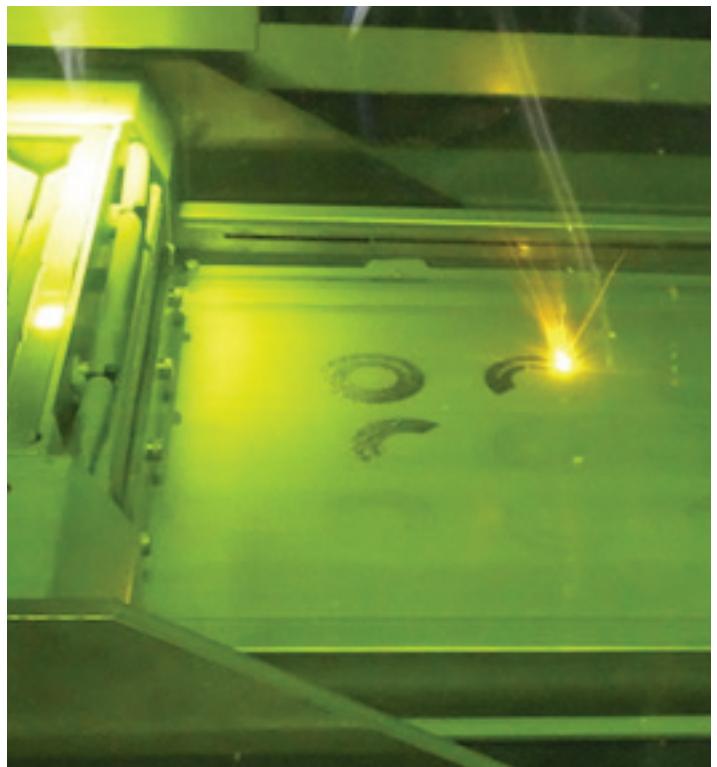
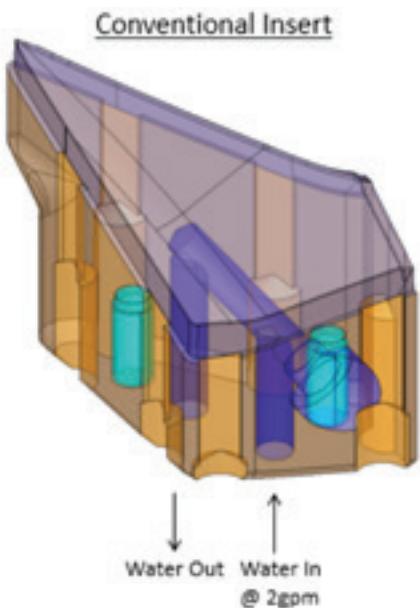
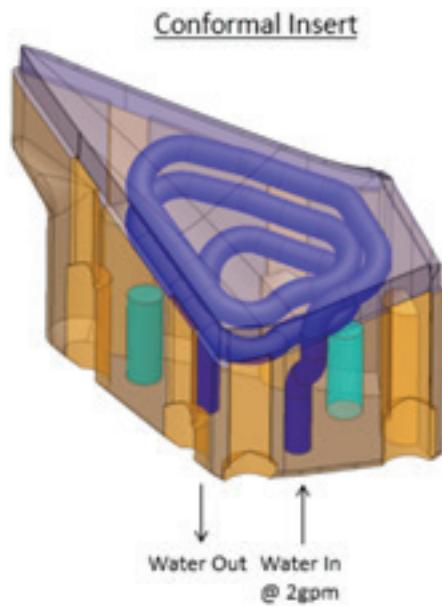
Melissa Bopp
Operations Manager

PGI Optics



The addition is complete and the machine is here. PGI has always been committed to be in front of the latest technology. With the Sodick OPM250L Metal 3D Printer, we are. I have been asked, Why a 3D printer? The first reason is, Conformal Cooling in mold inserts. Conformal Cooling can reduce cycle time in the molding machine by 50%. With the ability to get the water closer to the part in a more uniform layout, sink marks and part warpage will be greatly reduced too. The machine not only uses Laser Sintering, but has a 45,000 RPM spindle too. There are various other uses for the machine that are being researched and developed.

Brian Hoppe
Optics Leader



Proper innovation

Quarterly Update - 3D Rendering

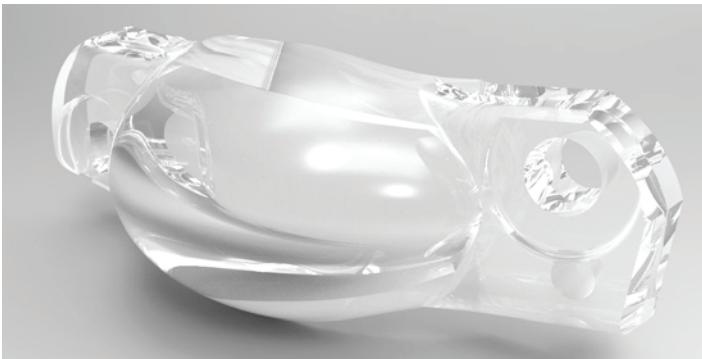
The textbook definition of 3D rendering refers to taking a 3 dimensional wireframe model and generating a 2 dimensional photographic image. Typically this is done with artistic lighting, surface representations, and shadows that enhance a simulated solid object. This technology has evolved in the past 10 years. It is being used on scales we can't even imagine in cinematography and animated movies. This artistic rendering skill has a place in the automotive and consumer product industry. Below are a few images of current and upcoming projects that make use of 3D rendering to aid in selling a product design and technical molding concept to our customers.



*Interior Application
(2K Soft Touch Armrest)*



Lighting Application (Multilayer Lens)



Optical Application (Multilayer Foglamp Lens)

Laser etching and laser texturing technology have pushed our industry to evolve in predictive analysis. Automotive design/styling engineers within our OEM's want to understand how these surfaces will harmonize when developing visible surfaces in the vehicle. One specific technical commodity where 3D rendering will be beneficial is in automotive lighting projects. Each one of these models takes several hours to import, assign material properties, establish lighting configurations, and generate the 3D image. Proper Innovation researched and demonstrated software (KeyShot 6.3) for these benchmark studies. We want to understand how specific partingline conditions are influenced by light thru a transparent Polycarbonate or Acrylic optic lens. Certain partingline or witness lines will exhibit a 'hot spot' on the 3D rendered model which will be rejected by styling groups and ultimately the consumer.

In the next quarter, we plan to have a complete process developed to give Proper Group a competitive advantage in selling our core technical commodities for tooling and production molding opportunities.

Have a great quarter.

Mike Tabbert

Innovation Group Manager



Exterior Application (2K Polyurethane Overmolded Spoiler)

Proper's American Manufacturing is guiding the way for our First Responders!



Proper has joined forces with Whelen Engineering to support our nation's first responders. Proper has been awarded the opportunity to make the latest in emergency lights for our Police, Fire and Paramedic teams.

Every part of every Whelen product is proudly designed and manufactured in America. Today, Whelen's advanced LED technology and powerful lights and sirens are trusted to keep people safe all over the world. Proper is proud to be part of another American manufacturing company's supply base, and continuing to support the growth of local manufacturing.

Proper was selected to support Whelen on their newest project because of our advanced engineering capability, and expertise in multi shot tooling and molding. Whelen will be advancing the market space by bringing the first multi shot outer lens to the emergency warning light market. Proper has been selected to support the production tooling on this project, along with the molding and hard coating of the lens. It was our understanding and capability of complex multi shot tooling, turnkey molding

and hard coating capability that supported the nomination from this new customer. Whelen will be showcasing this lamp at their OEM convention in September, with full production starting in October 2017.

Our One Proper model supported the nomination of another new customer, and allowed us to venture into yet another new market space. By continuing to leverage all of our division, and stick to the highly engineered disciplines we know, there is no product we can't excel at. We have an amazing team of people that constantly showcase their talents to our new prospective customers; and it's our people that allow us to bring in these new opportunities. Thank you for everyone's support in obtaining this new customer nomination.

Chris Churilla
Sales Manager



Proper IT

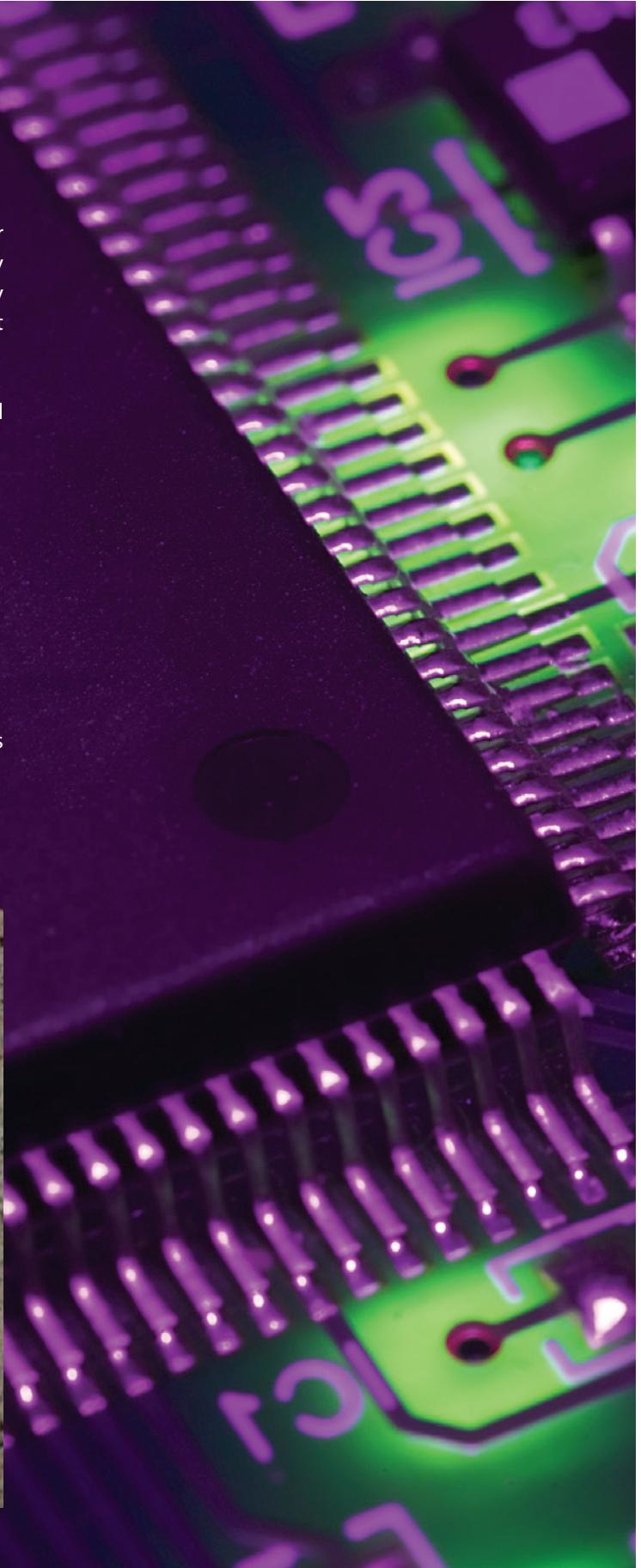
Coming this spring, we will be introducing a new door access control system that will replace the traditional key and lock system for exterior and office area doors. You may have already seen the new doors being installed throughout the Proper Tooling facility.

This new system will eventually be integrated across all sites, improving security and manageability by:

- Unique permissions per employee to allow access to all necessary areas
- Automatically locking doors after hours for extra security, and granting permissions to all who require access during these periods.
- Allow travelling employees to have access to doors at several facilities with their badge.

These new doors will utilize your existing proximity cards (same cards used on NovaTime clocks) to grant access.

Adam Fattah
IT Operations Manager





ToolStats App Gets a New Look

2017 is off to a busy start for the ToolStats team. After more than a year of planning, designing, and building; the team was excited to officially release the new version of their tool tracking and collaboration app dubbed "ToolStats 2.0". Equipped with a re-designed user interface, new security features, and upgraded collaboration tools; the new version of that app now makes tracking your tools and working with your supply chain easier than ever before.

The first stage of the launch included a closed beta period where a select group of customers were able to use the app and test out the different tracking features using live data. With any new software release, meticulous testing is required to ensure functionality and usability operates as designed. Having customers involved throughout this process not only gave the team extra resources for testing, but it also allowed for immediate feedback from the users the product was designed for. The second stage of the launch involved the training & on-boarding of existing ToolStats users onto the new site. Because some of the current customers had over 200+ tools already being managed on the old site, it was imperative that their service and workflows weren't interrupted and that it was a seamless transition to the new app. The programming team was responsible for migrating all existing files, logs, alerts, and tracking details over to the new database for over 2,000 tools as well; which was a critical process to ensure none of the customer information was lost. The 3rd & final stage of the launch was a combination of putting the final touches on system features for the new site and officially retiring the old website and mobile apps. Needless to say, the team is thrilled to put the old version behind us, and looking forward to continuing to build innovative solutions on a platform they designed in-house from the ground up. The business team will be setting up time with the appropriate Proper divisions to train employees on the new site throughout the next quarter. I want to give a special thanks to Mike Taulbee, Stan Vespie, and Agu Nwosu for their excellent work throughout this entire process. Thank you!

Product development wasn't the only exciting things happening with ToolStats. The business team added two new members to the group to increase their sales & customer service efforts. Eric Stoller joined the team in March as an account manager. Previously at iHeart Media, Eric was responsible for digital ad



Eric Stoller



Kansas Raby

sales and marketing for the company; which makes him a great fit for this type of product line. Also joining the team was Kansas Raby, who previously worked as a receptionist for Proper at their Warren headquarters. Kansas will be responsible for customer service and assist with the on-boarding of new customer accounts. Please help me with welcoming Kansas & Eric to the ToolStats team!

As we move into Q2, there will be a heavy emphasis put on sales & marketing for the team to continue to grow the business. We are excited to announce the addition of Wilbert Plastic Services to the customer roster earlier this year. The team is already working with Wilbert to roll-out ToolStats across their entire supply chain of tool shops and suppliers. With more big customers in the pipeline, the ToolStats team will be working hard to get their app into as many user's hands as possible as the product continues to spread across more and more supply chains moving forward.

Sean Brolley, Business Development Manager

ToolStats is booked to showcase their technology at the following events already in 2017, with more dates to be scheduled:

March 29th & 30th: Advanced Manufacturing & Design Show (Cleveland, OH)

May 18th: Krauss Maffei Tech Day (Brighton, MI)

June 14th & 15th: Amerimold 2017 (Chicago, IL)

Oct 5th: Krauss Maffei Open House (Florence, KY)

Files			
<input type="text" value="Search"/> Upload Files Create Folder Download Folder			
Name	Modified	Modified By	Size
01 Tool Plaques	Jan 18, 2017 10:10:10 AM	sbroolley@toolstats.com	--
02 Bill of Materials	Jan 10, 2017 11:30:57 AM	sbroolley@toolstats.com	--
03 Steel Certificates	Feb 6, 2017 11:06:38 AM	sbroolley@toolstats.com	--
04 Latest Part Data	Jan 10, 2017 11:30:38 AM	sbroolley@toolstats.com	--
05 Tool Design Files	Jan 18, 2017 10:10:02 AM	sbroolley@toolstats.com	--
06 CMM Reports	Feb 6, 2017 11:06:29 AM	sbroolley@toolstats.com	--
07 MoldFlow Report	Jan 10, 2017 11:30:44 AM	sbroolley@toolstats.com	--
08 Hot Runner System Design	Jan 18, 2017 10:09:49 AM	sbroolley@toolstats.com	--
09 Audit Files	Feb 6, 2017 11:06:14 AM	sbroolley@toolstats.com	--
10 TryOut Reports	Feb 9, 2017 9:00:26 AM	sbroolley@toolstats.com	--
11 Tool Setup	Feb 9, 2017 9:03:04 AM	sbroolley@toolstats.com	--
12 Timelines	Feb 9, 2017 9:04:25 AM	sbroolley@toolstats.com	--

Proper Digital
Files Tracker

Maintenance Log								
<input type="text" value="Search"/> Page Size: 10 + Add Log Entry								
Entry Number	Modified Date	Modified By	Status	Repair Hours	Labor Cost	Material Cost	Projected Cost	Files Uploaded
6	Feb 22, 2017 11:49:22 AM	sbroolley@toolstats.com	Open	5	\$100.00	\$75.00	\$175.00	
1	Jan 10, 2017 5:06:53 PM	sbroolley@toolstats.com	Closed	2	\$200.00	\$50.00	\$250.00	
Totals				7	\$300.00	\$125.00	\$425.00	

Proper Digital
Maintenance
Tracking Log

Project Home					
Profile View / Edit Project Profile		QR Code View QR Code		Users Add / View / Edit Project Users	
Status View / Edit Status		Request Asset Tag Request an Asset Tag		Companies Add / View / Edit Project Companies	

Proper Digital
Project Profile

Project Status					
+ Add Phase					
Phase	% to Completion	Status	Planned Milestone	Actual Milestone	Selected
Tool Kick Off	100	Complete	2017/CW03	2017/CW03	<input type="checkbox"/>
Tool Design	25	Delayed	2017/CW12	2017/CW13	<input type="checkbox"/>
Engineering Change	50	Delayed	2017/CW06	2017/CW06	<input checked="" type="checkbox"/>

Proper Digital Project
Status Tracker

Programming Department

With the upcoming release of ToolStats 2.0 the programming department has been focusing completely on ToolStats. In today's day and age security has become a huge issue. With that being said, ToolStats is leaps and bounds more secure than the previous version. The team has also worked hard to improve the user experience. We believe this new user experience will not only increase productivity, but also increase user satisfaction.

ToolStats Web App

Users

ToolStats 2.0 alleviates a lot of the user management for our sales team. It allows users to add other users and manage their access rights to projects and companies. This new management system is highly flexible and more in line with modern software.

This screenshot shows the 'Profile' section of the ToolStats web application. It includes fields for 'Email Address' (set to amanda@properprogram.com), 'First Name' (Amanda), 'Last Name' (Vogel), and password fields ('Current Password', 'New Password', 'Confirm Password'). A 'Save Changes' button is at the bottom right. The page footer indicates '© 2017 Toolstats. All Rights Reserved. Patent #123,456'.

This screenshot shows the 'Login History' section of the ToolStats web application. It lists logins for the date range Jan 10, 2017 - Jan 13, 2017. The table includes columns for 'Date', 'Email Address', 'Name', 'Companies', 'Login IP', and 'Success'. Logins are listed for amanda@properprogram.com and amanda@properprogram.com, all successful, with IP addresses 172.31.2.177 and 172.31.2.195.

Projects

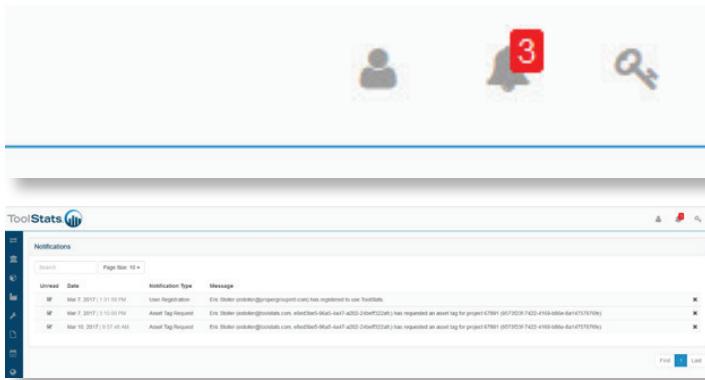
We've totally revamped the user experience for project management and navigation. This new project management is a huge improvement from ToolStats 1.0. It allows users to attach a project image, instant access to high level information, and easy filtering of information.

This screenshot shows the 'Project Home' page for 'Project Alpha'. It displays a thumbnail image of a metal rod, project details (Part Number: P-PA-1000, Program: Ford Alpha, Description: Test Part for Ford Alpha project), and creation info (Created On: Jan 13, 2017, 5:02:40 PM). Navigation links include 'Profile', 'QR Code', 'Users', 'Companies', 'Status', 'Request Asset Tag', and 'Notifications'.

This screenshot shows the 'Project Home' page for 'Project Alpha' with expanded details. It includes sections for 'Project Profile' (with a 'View / Edit Project Profile' link), 'QR Code' (with a 'View QR Code' link), 'Users' (with a 'Add / View / Edit Project Users' link), 'Companies' (with a 'Add / View / Edit Project Companies' link), 'Status' (with a 'View / Edit Status' link), 'Request Asset Tag' (with a 'Request an Asset Tag' link), and 'Notifications' (with a 'Edit Project Notifications' link).

Notifications

The old notification system in ToolStats relied heavily upon emails. This, as we all know can be cumbersome and fraught with issues, such as SPAM blockers. This can result in loss of information, and not being informed when a major issue/milestone has occurred. While we still have email notifications, we've streamlined it to include notifications inside of ToolStats itself. Some of the notifications we currently have built in involve user registrations, file modifications and many more.

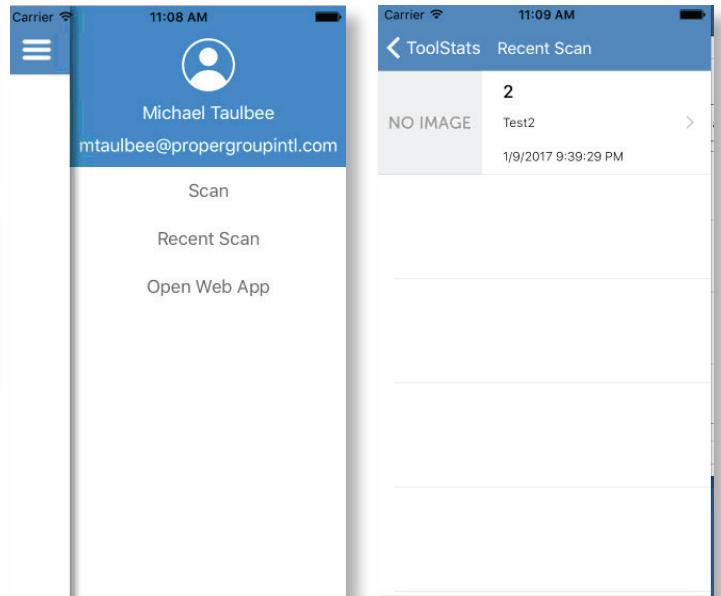


Revamped UI

The new apps use the modern features of each platform to give a more engaging and streamlined user experience. Just like the redesign of the website, we believe this will allow for increased productivity and increased user satisfaction.

Michael Taulbee

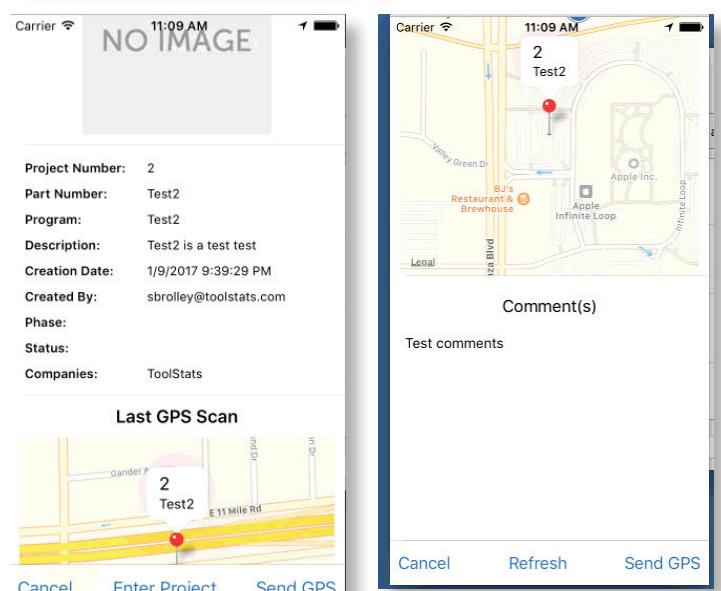
Lead Developer



ToolStats Mobile Apps

Login

Since security is such a high priority in today's day and age, we've also revamped the phone apps to make this a priority as well. In order to use the phone apps, a user must be registered and have sufficient rights to access the system.



Need an application, have an idea for an improvement to an existing application? Please contact softwaredev@propergroupintl.com with your ideas. Proper's software division can create full blown web/desktop apps, excel, word, power point add-ins and Cimatron functions to name a few.

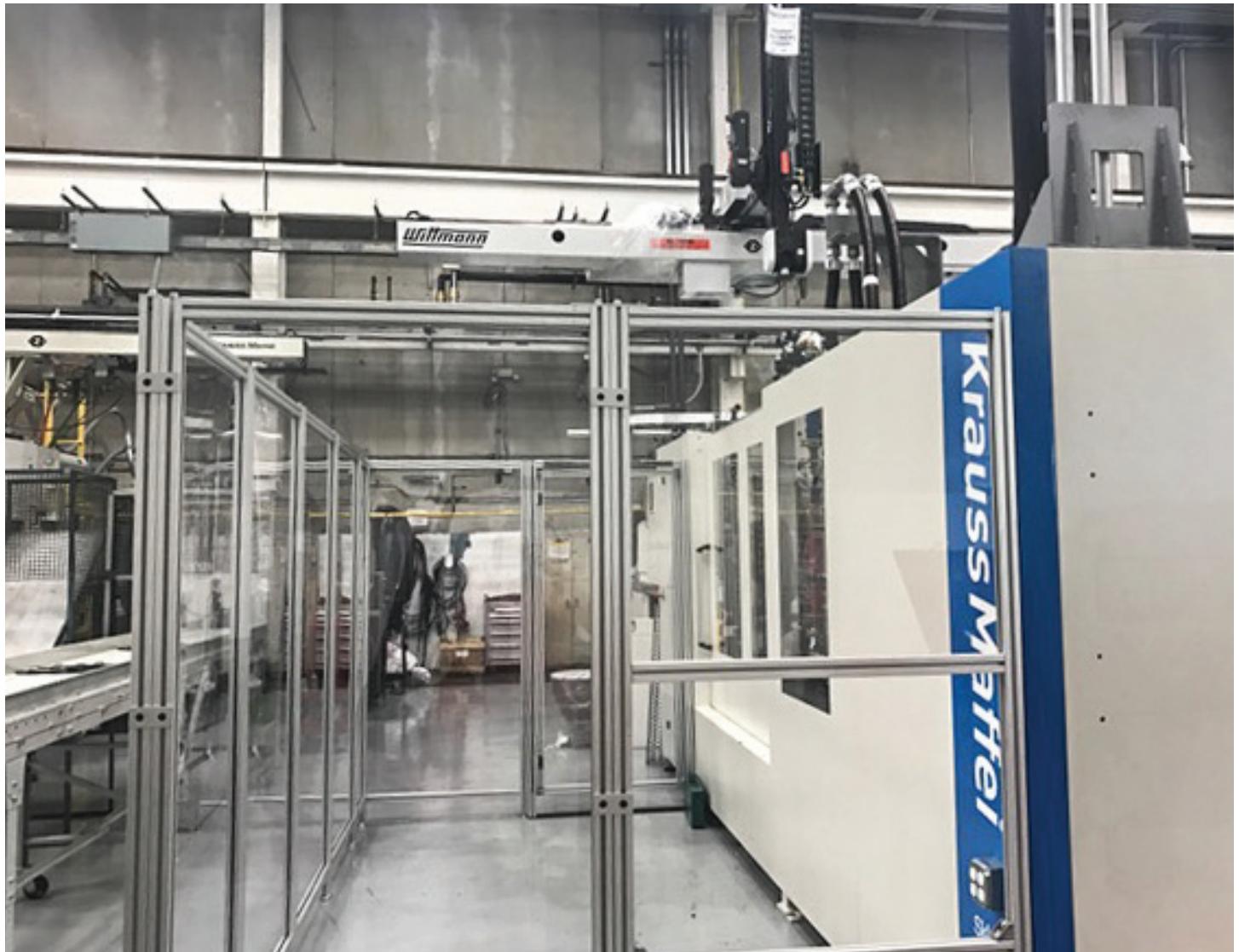
Proper polymers

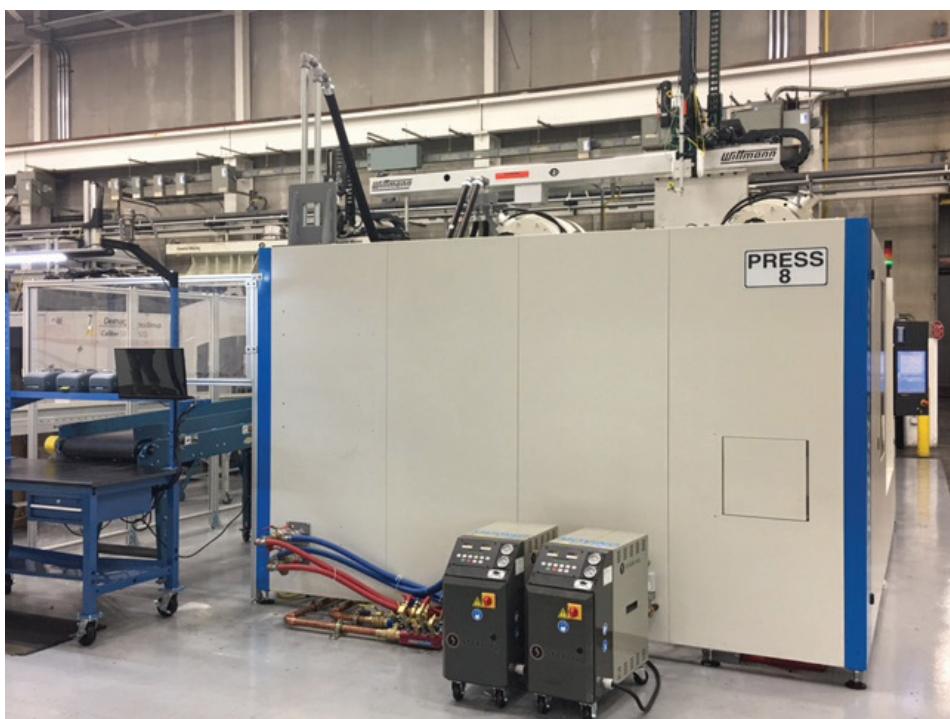
Anderson

Proper Polymers Anderson finalized the commissioning of the new 1150 ton Krauss Maffei (see pics New KM, New KM 1, New KM 2). In addition to the new press, we continue to implement quality improving technology such as camera vision systems, in-line automatic gate removal, reduction of batch label printing, and individual part traceability (see power point). These improvements enable us to eliminate the escape of typical quality defects that plague the molding industry such as short shots, gate vestige, and mis-labels resulting in improved customer satisfaction.

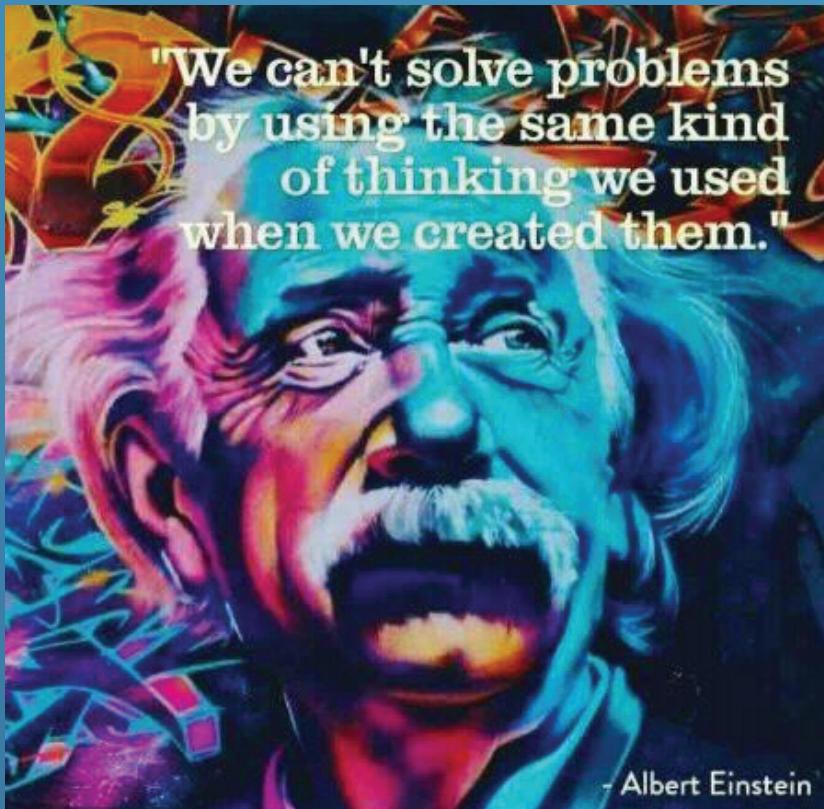
The Anderson team continues to push plant and process improvements, implementing plant uniforms, work table standardization, visual boundary boards, a quality inspection light booth, and even remodeling the break room, kitchens, and bathrooms. The continuous improvement culture continues to grow here in Anderson through the efforts of every individual, never accepting and always challenging for more. Change is the only constant!

Kyle Chittum
Plant Manager





Proper "U"



Proper "U" encompasses and signifies all of our internal training programs. "U" symbolizes the Umbrella of Training Programs, University to educate and mentor, and YOU as the Associates.

Our mission of Proper "U" is to develop, enhance, and broaden our associates' knowledge of their everyday tasks and to grow our own talent.

Proper "U" Goal and Objective: To hire, train, and educate the workforce on skilled positions starting from the basic knowledge of manufacturing or those whom have no experience in manufacturing. Coupled with the Apprenticeship Program, the Design Mentorship Program was developed to really hone in on the skill set that is difficult to find in today's job market for our technical positions.

Please contact your Human Resource Administrator for further information on the training programs Proper has to offer.

2017 Holiday Schedule

Sunday January 1

Sunday April 16

Monday May 29

Tuesday July 4

Monday Sept. 4

Thursday November 23

Sunday December 24

Monday December 25

New Years Day (Salary observe Monday January 2)

Easter (salary observe good Friday April 14)

Memorial Day

Fourth of July

Labor Day

Thanksgiving

Christmas Eve

Christmas

News and Policy Amendments from the HR Dept

Proper would like to welcome all the new associates to the team, who we have hired within the past few months!

Where has the time gone? The HR Dept. has worked diligently to perform all of our audits on the open enrollment process, we appreciate the patience and understanding as not only was it open enrollment and the end of year but we were also implementing a new software. We have implemented Paycor, effective 1/1/2017, our new Payroll and Human Resource Information System. Do not forget the multiple APPs associates can download, such as Transamerica, HAP, and Paycor. These three APPs give you all the convenience of our systems and your data at your figure tips. Should you ever need assistance please contact your local HR Dept. for further information. Employee self-service in Paycor allows you to change or add direct deposits,

change tax status, update your personnel file all electronically. We will no longer be using the Associate change form, manually updating, and filing the paperwork. As we launch new modules and implement more through this system the HR Dept. will be training and communicating to everyone.

Benefit Review:

Proper is reviewing enhancements to its current benefit packages in both the US and Canada. Some changes have already been decided and will be rolled out in the very near future. Specific changes and how they affect you will be communicated as we approach the dates that the changes become effective.

Proper tooling



Warren

In the 1st and 2nd Quarters, the Tooling Group has been battling a heavy workload. The team's commitment to working long hours is appreciated. As the team works through the schedule, improvements to our process are being implemented to address this kind of workload in the FUTURE. Although the customers are concerned with the orders delays, they recognize the commitment, professionalism, and the quality delivered by the Proper Team. This sentiment is evidenced by customer comments such as the one below from the global supply manager at Tesla.

"I have no doubt about Proper's capabilities and the commitment the whole team has shown to Tesla."

"The shop looks very busy (which speaks for Proper as a valued tooling maker) and well maintained."

"Finally, thank you for your support and please let the proper team know they should be proud of being part of this program for which we soon present the end result."

New equipment and technology has also been put into place during the first half of 2017. The Optic Lab was upgraded and a new 3D printing machine was installed. New 5 axis Kenichi and EDM machines will be coming in the next couple months. Proper continues to invest in new equipment for the tooling group. Again, a big thank you to all employees for your dedication and commitment.

Darren Mack
General Manager

One Proper



It is a very exciting time at Proper. As we look at the rest of 2017 and beyond, significant growth is forecasted. In preparation for the growth, the first Proper leadership planning meeting was held to communicate and drive the "One Proper" strategy alignment within the company. At the core of this strategy is Proper's ability to deliver growth through advanced engineering and superior technology while creating an empowered great place to work.

This is a pivotal year in terms of laying a foundation for the company's future growth. With many new projects, facility launches and expansions, every one of us plays a vital role in assuring the success of the company.

Proper's growth plans are focused on 3 key segments: Exterior parts, Lighting, and Consumer products. Proper's goal is to be dominant in each of these segments. Within these segments, the company will target fewer but more complex products and seek new product niches.

Operationally, there will be a heavy emphasis on continuous improvement in key areas, including workforce development and continued investment in modern and more efficient equipment/capital. Going forward, the one thing that will hold true is that "Change" will be the Only Constant.

In line with the "One Proper" strategy, our Tooling customers will become Polymers' customers and vice versa, all facilitated through a unified sales team. Using our tooling know how to build state of the art injection processes will create a competitive advantage for Proper.

During this period of expansion, please keep in mind Proper's expected behaviors from all associates:

Professionalism

- Do what we say we are going to do within the agreed to time period.
- Lead by example and hold ourselves and others accountable while being supportive.
- Plan before we act, make sound decisions using facts and data, be driven to deliver.
- Encourage and foster a positive attitude in yourself, others, customer and company.
- Continuous improvement is our culture across the organization.

Group

- Team first in all that we do.
- Show mutual respect and appreciation for others, while working collaboratively.
- Train and empower team members to support enterprise goals.
- Foster open, frequent, clear and honest communications.

Integrity

- Integrity is our guiding principle to make transparent, truthful and honest decisions.
- Be loyal to the enterprise and the enterprise strategy.
- Do the right thing, act responsibly and with honesty.
- Maintain the highest standards in Quality, Safety and the Environment.
- Seek technical and functional excellence in each and every situation.
- Deal with our business realities in a positive manner.

"There is no strategy without execution!"

Michael Mualem
COO



Proper Group Business Development

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 pre-production 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 experience 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



Proper polymers

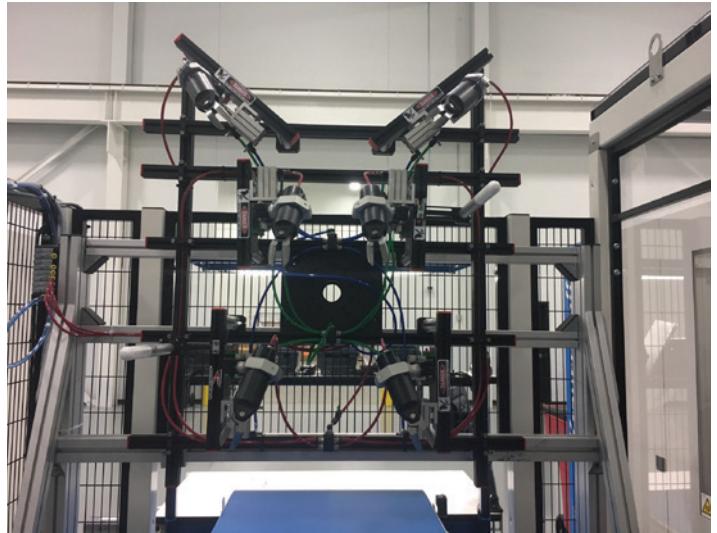


The building is in its final stages of completion. Currently we have 10 KM's fully commissioned ranging from 500 to 2300 tons with the final 1600 KM scheduled to be commissioned by 5/1/17.

Several other enhancements have been added in the 1st quarter to improve productivity and quality, including; new tool room, master part and lightning room, and adding auto-degators.



10"x54" Vectrax Milling Station, and 8"x18" Clausing Surface Grinder.



Auto-degators



14"x40" Vectrax Valumaster Lathe,



Master Retain & Lighting Room



36 Boundary Boards Built and Located Across from Machines

Currently, we are in the process of running 36 tools for approval that are on the new BMW X3 vehicles which go into production in August of 2017. This program has been a great opportunity for Proper to show our talents and capabilities to both Magna/Decostar and BMW. Craig Hillier, George Palumbo, Missy Habig, and their teams have done an outstanding job in creating a World Class Facility, with World Class desire, and a refuse to lose attitude. Great job by all. Let's Keep Climbing as we never Camp.

Stacey Byers
Plant Manager

Proper Prototype

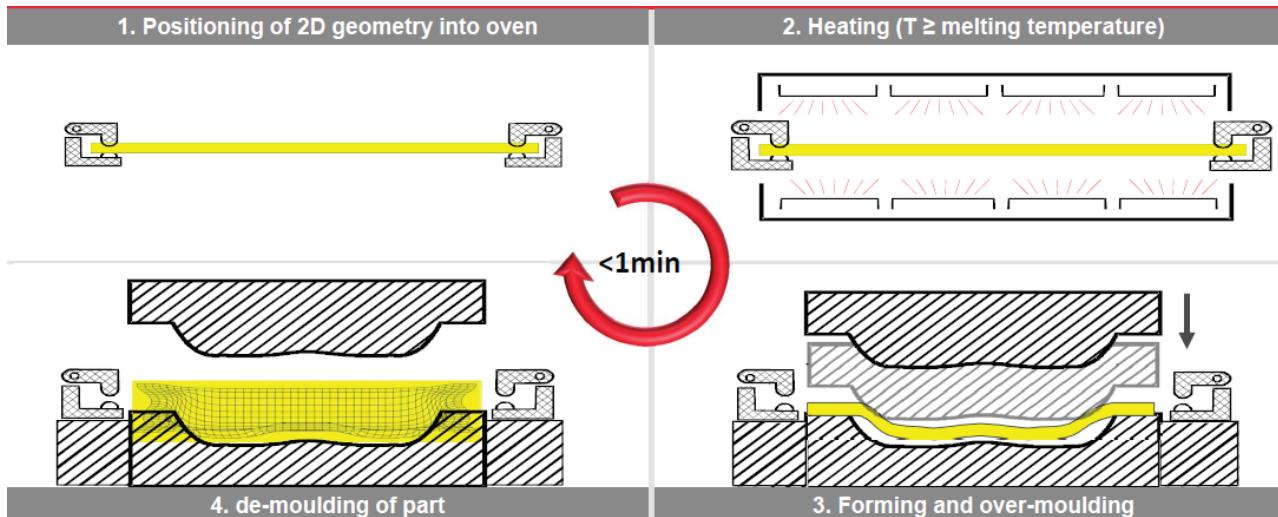
Back in late October of 2016 and taking us into the early months of 2017, Proper Tooling and Proper Tooling's Prototype division teamed up with a new customer, Hi-Lex and Bond Laminate material supplier Lanxess, to design and produce a prototype tool for a Structural Door Carrier.

This development/R&D project is an ongoing vision to a lighter vehicle without compromising structural strength or performance. The truly exciting part for Proper Tooling, as an injection mold tool shop and injection molder, that these types of technologies are replacing, normally sheet metal stamped parts with plastic injection molded parts. Light, high-performance plastics today are so stable that they can replace heavy metals in automotive construction. In addition they are rust-free and flexibly formable, which allows for the implementation of new design concepts and better integration of other components and functions.

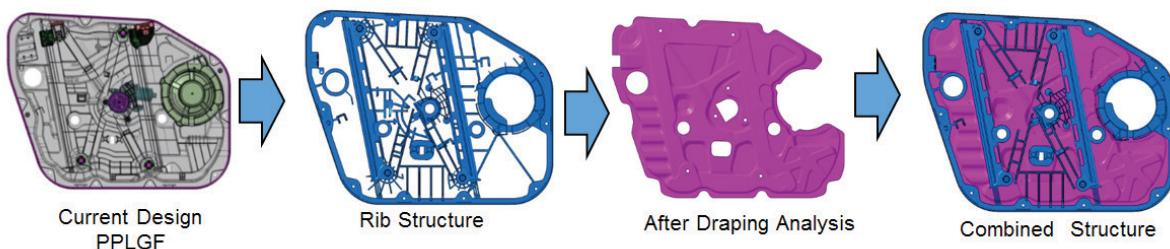
This Process is a combination of draping, forming and over mold injection molding. The sheet stock supplied by Lanxess is a woven glass -reinforced high-performance composite sandwiched between a layer of polypropylene. The sheet stock used for this application was only 0.5mm thick.

In order to obtain some measurable data in comparison to a scenario, before and after, a current Door Carrier design was used and modified to fit this process. With early measurable information, the new Door Carrier is 37% lighter and has passed the first build and structural testing performed.

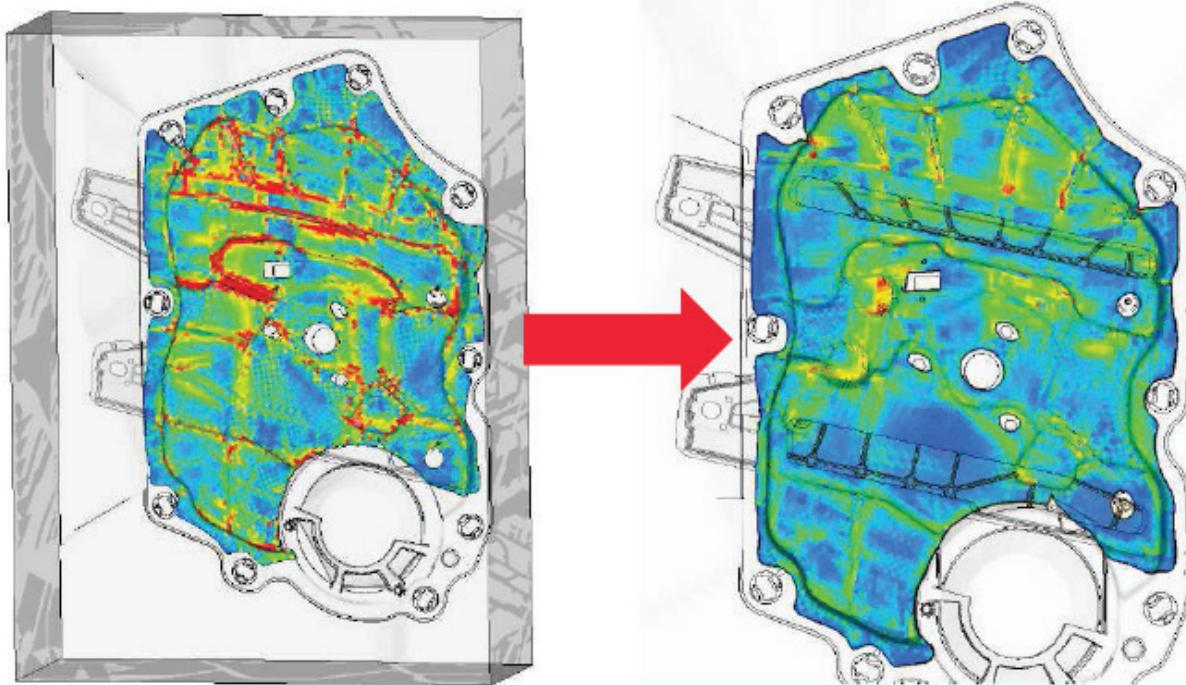
Here is the general process.



Prototype Development - Overview



There are draping / forming simulations – virtual tool optimization that are required, no different than a standard mold flow that is required for the injection mold.



The project was a success for everyone involved and we as a company look forward to continuing to be the leaders in technology and innovation.



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