

REMINGTON ARMS COMPANY, INC.

Product Team Meeting Minutes—

Wednesday December 12, 2007-Ilion, NY 7:30 am

Future Meetings

February 13, 2008-Ilion

March 12, 2008-Ilion

Business Review (Trull)

Ilion Topics

Update/Overview of New Union Contract (J. Gross)

New Manufacturing Operations Strategy (C. Shoemaker/ J. Pugliese)

Excellent and in-depth presentations given by Pugliese (Shotguns) and Shoemaker (Rifles)—Very Informative

CF Update

- Lead time 14 to 5.75 days rcvr
- 120 part numbers current to 15 common blanks
- Bbl 4 days reduction
- Increased capx 2-4MM
- Target 5 guns per man hr
- 95% first pass yield target is 98%
- Lead time bar stock to barrel form 10-14 to 2 days
- 135 rcvr part numbers to 15 part numbers
- Feed lip and feed ramp biggest issue
- Will reduce inv and provide better quality
- Reduce mars and bolt bind
- Reduce bbl lay left issue
- Design change flexibility
- Reduce changeover 80%
- Improve output 10%
- SS sent offsite 4 days, \$500K to bring in 09 project
- M7 proposal to 2 1/8" shorter from 2 3/8"
- Capx plan \$3,685,000
- Min plan in place june/july implementation
- Real benefits realized going into 2009

X-Mark Pro Trigger (Perniciaro/Doolittle)

- Competition & new "Industry Standards" advertising a 3-4lb range

- Ilion/E-Town to develop process for "Externally Adjustable" version
- NPP updated with Marketing requirements
- Review Capital/Ops Requirements and Timeline for Implementation

Current 2 lb range at assembly

Looking at externally adjustable-\$750cap \$150 op and 6 months

More components-more expensive FC

Need quote on std-J Doolittle will have estimate NLT 12.21

Capital not in 2008 budget for Ilion

R&D has ordered and received comp guns to check test

NPP to reflect 3-5 lb range for recommended adjustability

Primary spring must allow adjustment to 3 lb

Min amount FC can be adj to

What is realistic range of adj

Diaz to test initial samples-Ilion to complete testing

Will go through complete test

J Doolittle to test current FC with min spring to check for 3 lb adj

UPDATED NPP Posted-JF

Go to Meeting on 12-20

Model 700 VTR (Perniciaro/Haskin)

- Manufacturing on track for Spring order volume
 - 223 Remington **released**
 - 308 Win **released**
 - 204 Ruger released by 12.21
 - 22-250 Remington released
- Current Accuracy data **1.5" or better accuracy spec**
- Findings of G6697197 sample gun marring
 - Still waiting on gun
- CAR Status for new laser
 - **2008 capital plan**
- Fink to submit NPP along with product plan
 - **Post npp for hunting line by 12.21**

New Auto loading Rifle (Diaz/Stone/Wilks)

- Discuss project status and timeline
- Discuss any Manufacturing issues/concerns
- Status of Wood Quotes
- Ammo listing submitted to Ammo R&D and Marketing for review

Awating marketing/r&d ammo input-update to NPP

Get hi speed of gun firing

30 TPA assembled

30 mag boxes

30 stk assem

30 bbl assem
30 rcvr assem
Extractin/ejection is good
Mag box and feeding-shooting clean at this point with full mag
Receiver finish on both samples cosmetically good-test durability
Exit DAT 2.25.08
Project review risk analysis 2.26.08 from design/production/costs
Parts being quoted based on where we are today

Lead Time on Scopes (Fitzsimmons)

- Plan to reduce lead time based on historical need
Regal and Hunan working on logistics and legality of warehousing scopes. Mayfield also has need for scopes. Approximately 50% of scopes being flown in at \$5.00 upcharge. No upcharge from Regal. Remington scopes proprietary to Remington. Forecast is 14,000 scopes. Will establish safety stock levels.

What other purchased items should we be looking at???

Sling straps
Hard cases

Define menu of scopes currently used

105 status/update (Perniciaro/Keeney/Jeff Rooks)

- Makers and Carl Hildebrandt—outside consulting groups evaluating guns
- 16 test guns being evaluated/tested with 7 main factors a top priority
- After more comprehensive testing and cross-tabs to evaluate correlations between 7 main factors is complete, bbl issues will be thrown into the mix

Model 887 New Pump Action Shotgun (LeMay/Diaz/Wilkes)

- DAT parts and production tooling ordered
- Outer shell "wall" of receiver at rear of receiver thickened by .012" per side
- Serial # process submitted to ATF for review—longer TPA for serial # viewing on actual steel frame of receiver
- Weekly Marketing meeting scheduled for Dec. 17th
- Receiver text boxes finalized
- First production scheduled for 8-04-08
- Costing needs to be adjusted more towards original proposal
- Look at cost reduction measures such as bbl extension, chokes, recoil pad, etc
- Cost MUST not exceed \$140 in order to compete in this market—"Standard Black Synthetic gun" must not retail for more than \$299
- Competition in this arena stiff:
 - Mossberg 835—\$300-350
 - Stoeger P350-\$290-350

- Benelli Nova--\$299-389

(MPAS) New Auto loading Shotgun (Haskin/Olsen)

- Marketing reviewed initial "hands on" prototype with favorable results
- Two "shooters" currently assembled and being tested with all ammo types
- MPAS exhibits excellent initial/terminal bolt velocities with all ammo types
- EET testing with 650 rounds—26 ammo types with 6 Super Mag ammo types—Make sure we are testing with Wingmaster HD, Steel, and Lead
- Mid January scheduled to build 30 guns for DAT
- T&P scheduled for November 2008
- Production scheduled for December 2008

Shotgun front sight program (Pugliese/Perniciaro/Skinner)

- Marketing approved sample
- Will purchase from Marble Arms for same price as current bead
- Decision made to phase in immediately as soon as parts are available (March 2008)

Short Stock Program (Wilks)

- 20 Gauge fore-ends, Youth, and Jr. versions—samples due by year end
- 20 Ga version ShurShot stock—9 week tooling turnaround—\$26K investment
- Marketing NPP's in place

New Remington "SuperCell" Recoil Pad (Wilks)

- Issues with the wood shotgun pads fitting the wood shotgun stocks—are the vendors sanding to the Norbide disks??
- All molds needed have been ordered
- Durometer testing process in place at vendor and in Ilion to make sure all pads meet "softness" specs

Overmold stock Process/Vendors (Diliberto)

- First samples from OMP a failure—overmold peels off
- OMP to mask off area so it won't be camouflaged—new samples due in about a week
- Send sample to Marketing for review

Mayfield Topics

Model 770 Improved Camming Action (Lance/Vicars)

- **Progress to date**

200 parts in route to assemble into test guns by 12/21/07

Mayfield to send sample gun to fink to review

Model 770 Varmint Offerings (Lance/Vicars)

- **NPP for 22-250 Remington offering**

68 Barrels started for completion by 12/14/07

Sample guns were built with 1:14" twist due to button lead times

Correct twist of 1:12" buttons on order for production

Model 798 Synthetic Stock Tool (Lance)

- **Path forward**

Decision made to order 1500 stocks from Ardesa.

Tool will be shipped to USA to be placed online at Par 4.

Stocks and tool will ship together in 20' container.