

REMINGTON ARMS COMPANY, INC.
Product Team Meeting Minutes
9/5/00 (Mayfield, KY)

Future Meetings:

October 10 (Day Trip) E-Town; NAS Shoot
December 17 (Conference Call, 1 p.m. EST Start Time)

Present: Larry Kipp; Ron Bristol; Stu Brower; Al Russo; Matt Golemboski; Danny Diaz;
John Trull; Dale Danner; Todd Cook; Mike Keeney

Ilion Topics

Current Projects

Owner's Manual Update

- Market's bid planned for October. Five major books are written. They are in the editing and layout stages with new agency, Campbell LaCoste.
- **Action: Russo to make sure that Dawn (new buyer) at plant is involved with the FreeMarkets call.**
- EtronX Owner's Manual to be updated to include VEC Certificate for RF compliance.

Parts Commonality

- Lock change on 1100/870 to incorporate the long screw only is not doable because of the multiple stocks that utilize the different screws.

Cost Saving Efforts

- Replace Choke Tube Wrench; \$110,000 opportunity. **Action: Russo to review guns utilizing the speed wrench and determine whether the express wrench is possible across the board.**
- Alter secondary ISS Key; \$120,000 opportunity. This was agreed upon. Only outstanding concern is possibility of scratching the stock and/or gun.
- Substitute inexpensive lock on Police guns; \$23,000 opportunity was passed on.
- Substitute Synthetic Trigger Plate Assembly on super mags; \$34,000 opportunity. Pending a successful test, make a running change on this.
- Remove Checkering from Model 700 VL Stock; \$20,000 opportunity. Marketing has agreed to this change. Cost savings of approximately \$6.00 per gun. This will be a running change with no RAMAC change intended.
- To remove the action bar sleeve sticker; \$12,000 opportunity. Marketing has agreed. Running change.
- Eliminate all nickel-plated studs and all studs to be black on all guns. TBD opportunity. Marketing agreed to this change. Can be phased in. No RAMAC changes.
- Beech stock replacement. Reviewed samples and Marketing agreed the samples were acceptable and that we should proceed. Each stock with figure coding is a net neutral change to avoid a cost increase. Marketing agreed with the concept and the plant was to proceed.
- Eliminate port cover on 870 Super Mags. **Action: Russo to review with Marketing and Sales folks to determine whether this can be accomplished. Decision by next Product Team Meeting.**

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Cost Saving Efforts (Continued)

- Utilization of application graphics to simulate "high-end" wood. Potential cost savings of \$10/gun. **Action: Kipp to pursue and obtain additional information.**
- Alternative Synthetic Stock Material. **Action: Brower to evaluate polypropylene material in Model Seven mold. Cook to revisit and confirm financial opportunity.**

Gel Recoil Pad Update

- Negotiation in progress continues with EDI. May be a cost impairment of 25 cents per gun. \$1.85 vs. \$2.10 per pad. **Action: Trull to supply Brower a list of synthetic guns that we desire the gel pad on. Samples will sent to Russo for the Writers Seminar. Action: Russo and plant to determine the rollout strategy for these products. It will be a running change. We need to mark the guns and boxes so we can identify the old from the new. No RAMAC change anticipated for this addition.**

Mouse Pad Giveaway for Sales Meeting and Writers Seminar

- Quantity of 250 needed. Put "www.Remington.com" on the bottom and body cushion across the top. Determine if we want to give away 20,000 Shot Show coasters. Again, I would use the "R" in the middle and "www.Remington.com" around the edge.

Quality Concerns

- EtronX. Still awaiting return of the defective product. **Action: Russo to follow up to get this moving.**
- 300 Ideal Max Gap Example. Marketing accepted the 20-mil sample as the Max Gap.
- 11-87 Police Discussion on a 20-gun return coming back to the plant. **Action: Russo, get a copy of the report from Foster and forward to Brower by next Product Team Meeting.**

Discontinued Project Sheet Update

- Summary of the Ilion conference call of 8/24/00 noted the following five items:
 - 79 Red-dot scopes in stock
 - 36 SP-10 23" extra barrels stranded
 - 200 stocks for the 700 ML youth \$3,000 value stranded
 - 500 short ramrods from 700 MD youth \$900 value – stranded
 - 900 870 Police folding stocks. Still in stock. Will utilize over the next few years for Secret Service and Arms Service orders.

Baron – 300 Ideal Ducks Unlimited Project Update

- Al Russo spoke with Dave Baron. Will send a sample of the gun to them so they can prepare a photo sample for Ducks Unlimited. Expect to sell approximately 200 guns next calendar year. Will work off existing stocks for this project.

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Inventory of Scopes in Ilion Update

- Approximately 600 World Class Tasco scopes are in stock. Will use these for customer specials on a 7400 and 7600. No immediate action required for these inventoried items.

Shot Show Specials

NPP for Busch Distributors

2001 New Products

Commercial

- Review and refer to new product offering sheet on the networks.
- Writer's Seminar SAP order in
 - Sample order is in SAP. Proto-samples have been shipped. All other new products for 2001 as outlined on our master sheet appear under control at this time.
- Photo Sample orders are in
- 11-87 12/14/Mod./RS.

Shot Show 2001

- Russo asked Brower to evaluate a low cost wood 1100 off-rank much like our special last year. **Action: Russo to develop NPP for this product. Decision by next Product Team Meeting**

Wilson Combat Ghost Ring Sight Update

- Firm quotes received and not as good as expected. Wilson quoted \$75.00 versus our current supplier's cost of \$42.75. Current vendor is shaky and will not make a change or move at this current time.

11-87 Premier NPP-2000-22

- Product is doable. We still need photo sample. **Action: Brower to produce photo sample ASAP.**

7600-300 Win Mag NPP 2000-24

- Decision for this product by November Product Team Meeting.

MetGar Box Magazine

- Still having trouble with the short action version. Long action version is equal to our current supplier. Engineering continues to work with the vendor on this project.

Cardboard Box Program Update

- Project still under evaluation. Plan to send Russo most current version of box for customer review and marketing review. New design is back at drop test for evaluation. January completion date is expected.

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2001 Customer Specials

- AccuSport 200 700 Varmint LS, 26" Stainless, no flutes, 223
- 300 700 Varmint LS, 26" Stainless, no flutes, 22-250
- Zanders, 500 700 Varmint Synthetic, stainless, 26" barrel, no flutes, .17 REM
- Sports South, 1,000 700 Brown Laminate Sendero, Blue Stainless, 300 RUM
- Grice, 1,000 870 Express, Brown Laminate, 12/28 Mod, RC/Vent
- **Action: Russo to develop NPPs for this product ASAP**

2002 New Products

Commercial Product

- 671 Guide Gun.
- 700 Classic 221 Fireball
- 700 EtronX Hunting, A-6 Design
- 7400 2-shot, non-detachable box. **Action: Diaz to see if Revolier has a patent on the 2-shot design by next Product Team Meeting.**
- 7600 300 Win. Mag. NPP2000-24

Mayfield Topics

New products

Model 710 Update

- DAT build by 9/9/00. 16 days for testing. Monday, 9/18/00 conference call for update on preliminary test results 9 a.m. EST.
- TNP gun build by 10/9/00. Production expected to start in November approximately 50-75 guns a day. December's production approximately 100 guns a day. Capacity approximately 240 barrels a day.

Service Manual and Owner's Manual

- Harry Campbell, Al Russo, Mike Keeney continue to work on this project. Expected completion date 9/30/00. **Action: Russo – follow up with Sanita and Longo on service manual outcome.**

Model 597 Grey Stock Samples Update

- Stocks to follow after the introduction of the 710.

597 Galyan's Realtree Advantage – Tru-Glo Sight Remington Racing Logo

- New sample being delivered to Cullerton's next week.

597 Earnhardt Specials

- New cost for colored stocks is \$23.68 vs. the \$17.43 for the first production run. Baron's etching is \$12.57 unchanged. These new costs mean that we will sell the gun at a loss. **Action: Russo/Bristol to determine whether we continue to build the 2560 guns. An approximate \$15,000 loss from standard.**

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597/M-1 Project

- Action: Golemboski to determine stock price @ 5,000 units and re-confirm price @ 10,000 units.

R & D Topics

New Generation Bolt Action Rifles

- No Report

597 Synthetic Magazine Box

- Project complete

597 Metal Box

- Cost estimate of \$4.09 versus cost of \$1.03. 78,000 clips a year; 325,000 clips manufactured total-to-date. Action: Russo/Bristol to determine whether the 108,000 capital should be spent for the tool. Decision ASAP.

NAS Update

- Product prepared and ready for the 10/10/00 shoot
- Line extensions to follow
- Line of clay-target guns
- Spring Guns
- Winter Guns
- No discussion around these products in general took place

700 Titanium Update

- Current cost estimates for cast blanks are \$370-\$400; for a wrought receiver \$460
- 15 guns are on their way to E-Town for testing. These guns were built in Ilion last week.
- Action: Russo to review the NPP and evaluate whether the new market price for this gun is to be \$999 or \$899. Review volume requirements for this gun.
- Action: Russo and Bristol for conference call on Monday. View the effects of a 700 KS Mountain

597 Aftermarket Support Update

- No Report

General Topics

Update on the 870 Wood

Discussion on the "700 Firing Pin Spring" Update

- Marketing will address the issue. Engineering reported a \$42,000 cost to develop a new spring

Competitive Product Master Database (Awaiting Input From Ilion)

- Ilion needs approximately 2 more months. Currently reviewing an inventory in excess of 1,000 guns.