

PRODUCT RECALL PROCEDURE

I. DETERMINATION OF WHETHER TO RECALL

Any report of a safety problem with respect to a Company product that could cause personal injury shall be brought immediately to the attention of the Director of Supporting Research, or in his or her absence, to the attention of any other member of the Product Safety Subcommittee, who shall, within 48 hours, hold a meeting of the Subcommittee for evaluation. If it is determined by the Subcommittee that there may be a substantial safety hazard, the Subcommittee shall observe the following procedures in determining whether a product recall should be recommended.

The Director of Production shall immediately direct the termination of further shipment of the suspect product. The Quality Manager and the Manager of Field and Consumer Services (in the case of firearms, ammunition, traps and targets) or the Manager of Abrasive Products Marketing (in the case of abrasive products) shall immediately begin to develop the following information: the quantity of suspect product involved, the date and location of the first discovery of the problem, the dates of production and shipment of the suspect product, the present location of the suspect product and whether it can be isolated, and an estimate of the quantities of suspect product in the hands of consumers. In addition, the Manager of Field and Consumer Services, with assistance from the Product Manager for the product involved (firearms, ammunition, traps and targets) or the Manager of Abrasive Products Marketing (abrasive products), shall obtain as soon as possible a representative sample of the suspect product for evaluation.

Once a representative sample has been retrieved, the Quality Manager and the Superintendent of Product Engineering and Control for the product involved (or the Manager of Abrasive Products) shall determine the cause of the problem, and estimate the severity and potential frequency of the consequences of any hazard. The Director of Supporting Research shall provide assistance as necessary. Within 48 hours after the determination has been made, the findings and analysis shall be reported to the Subcommittee, which shall determine whether there is a defect either in design or manufacture and shall determine the nature and the extent of the danger involved. The Subcommittee's recommendation with respect to the necessity of recall shall be immediately given by the Chairman of the Subcommittee to the President and General Manager. The decision on whether to recall shall be the responsibility of the President and General Manager, or in his or her absence, the Vice President and Assistant General Manager, and shall be made within 24 hours of receipt of the Subcommittee's recommendation.

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In the event the determination is to recall, the Subcommittee shall be so informed. If the products involved are consumer products other than fire-arms or ammunition (exempt from the provisions of the Consumer Product Safety Act), then certain notification requirements set forth in Section III must be followed.

The Director of Production shall direct and have documented the termination of current production of defective product, the destruction or re-processing of defective product held in storage, and the correction of any faulty manufacturing processes contributing to the defect. The Director of Supporting Research shall direct and have documented the correction of any design defects in the product. Corrective actions shall be reported periodically to the Subcommittee.

II. RECALL

The Director of Marketing, with assistance from the Director of Product and Market Planning, the Product Manager for the product involved (or the Manager of Abrasive Products Marketing), and the Manager of Field and Consumer Services, shall be responsible for recalling the defective product. Recall procedures shall include any or all of the following:

- (1) Telephone or personal contact with distributors, retail outlets, gunsmiths, the Company's field force and consumers (assistance from Legal Department and Director of Sales).
- (2) Letter or telegram communication to distributors, retail outlets, gunsmiths, the Company's field force and consumers (assistance from Legal Department and from Director of Sales).
- (3) News releases to radio, television, newspapers, and appropriate agencies (assistance from Legal Department and Public Relations Department).

There shall be periodic recall progress reports from the Product Manager involved (or Manager of Abrasive Products Marketing) to the Subcommittee. The Director of Production, with assistance from the Quality Manager (and the Manager of Abrasive Products), shall make arrangements

for the examination and disposition of the returned product. Return of the repaired or replaced product, or the refund of the purchase price, shall be coordinated by the Product Manager involved or the Manager of Abrasive Products Marketing.

The Chairman of the Subcommittee shall report to the President and General Manager on the results of the recall program and shall submit the Subcommittee's recommendation as to the termination of the recall effort. The decision to terminate shall be made by the President and General Manager, or in his or her absence, the Vice President and Assistant General Manager.

III. COMPLIANCE WITH CONSUMER PRODUCT SAFETY ACT

In 1972, Congress enacted into law the Consumer Product Safety Act (CPSA), the purpose of which is to protect the public against unreasonable risks of injury from consumer products. Congress also established the Consumer Product Safety Commission (CPSC) with broad powers to enforce the Consumer Product Safety Act. Firearms and ammunition are exempt from the provisions of the CPSA, but all other Remington consumer products are subject to the Act.

Section 15 of the Act specifies that when the Commission determines that a consumer product presents a "substantial product hazard," appropriate action will be taken to protect the public. A product that fails to conform to a safety standard, or that contains a defect of design or manufacture that exposes the public to a substantial risk of injury, presents a "substantial product hazard."

When it is discovered by the manufacturer of a consumer product that a hazard exists, the manufacturer is required to notify the Commission within 24 hours of discovery of that fact. The 24-hour period begins to run when the defect is brought to the attention of management and confirmed as presenting a potential product hazard. If the initial notification is by any means other than in writing, it must be confirmed in writing within 48 hours. The notice must identify the product and specify the nature and extent of the defect. The notice must be signed by the manufacturer's chief executive officer, unless such officer has delegated the authority to sign such notices, and so notifies the Commission in advance. Remington's chief executive officer has delegated this authority to the Vice President and Assistant General Manager, and alternatively to the Director of Supporting Research, to be exercised when the chief executive officer is absent or otherwise unavailable, and the CPSC has been so notified.

A detailed description of the Company's proposed recall program, including the plan to locate the product and remove it from distribution, and the steps to be taken to protect the consumer, should be submitted to the Commission in writing at the time of the Company's initial written notification or as soon thereafter as possible. (See Section II.) The CPSC should also be informed of the Company's action to correct the design or manufacturing defect involved. The Commission must be kept advised of the progress of the recall program, and the Commission's concurrence must be obtained before the program can be terminated.

It shall be the responsibility of the Product Manager for Traps and Targets, or the Manager of Abrasive Products Marketing (in the case of abrasive products), with the assistance of the Legal Department and Public Relations Department, to have prepared for appropriate signature all written communications to the CPSC. (President and General Manager, Vice President and Assistant General Manager or Director of Supporting Research must sign the initial CPSC notification.) In addition, it shall be their responsibility to keep the CPSC advised of any corrective measures undertaken with respect to the design or manufacture of the product involved, report to the Commission the progress of the recall, and obtain CPSC approval for recall termination.

The Company is to direct all communications with respect to substantial product hazards and recall programs to the Director, Bureau of Compliance, Consumer Product Safety Commission, Washington, D.C. 20207 (Telephone: (301) 496-7631).