

Product Team Meeting Minutes
December 11th, 2003 Ilion Meeting (7:30 a.m.)

Future Meetings

Jan. 15th – E-Town (2100 Field Review on 14th) Feb. 24th – Ilion

Feb. 24" – Ilion March 24th - Ilion

Future Important Dates

Feb 12-15, 2004 SHOT Show (Las Vegas, NV)

Feb. 28th Customer Early Order Qualification Period Ends

March 11th Planning Meeting — Madison.

March 31st Target Rev. 1 Forecast

<u>Business Review</u>

Jay Bunting to provide overview of current business environment

<u>ILION BASED SHOTGUN PRODUCTS</u>

2002 New Shotgun Product

Model 332

OBJECTIVE: Establish a legitimate presence in the O/U market

ACTION: Ilion to report on progress of velocity and quality improvement initiatives (Greater throughput, bring engraving in house, wood quality, etc) and production levels to date. Quality concerns that were on the last agenda that Trull would like a report on status of are:

- Bluing salt bleedout around the monoblock/barrel interface and vent rib posts.
- Rust coming out of edge of barrel at breech and between the barrels at the monoblock.
- Loosening of forends when shot 25-50 rounds.
- Side rib seam still inconsistent at braze.
- Wood still too dark.
- Failure to fire on top barrel.
- NEW ISSUE SINCE LAST MEETING: Shane Naylor's gun began shooting open at 3k rounds. It is the understanding of Marketing that Ilion responded that this was typical of what we would see on guns built to print.

ACTION: Need clarification of how we took guns to 10k rounds in T&P endurance test without shooting open, but we can expect current production guns to begin shooting open around 3k rounds.

General discussion around bluing salt bleed out relating to M332 and all other black oxide product. Short-term solutions require using Loc-tite to better seal off joints to prevent salts from penetrating in the first place. Also using an ultrasonic cleaner on M332 monoplock to aid in salt removal. Long term fix is to install a "No Bleed" oil bath as last stage of color process. This will require \$50-\$60k in capital and requires a 2-week period for installation. Earliest this could be implemented would be the July shutdown.

ACTION: Engineering to prepare CAR for Cahan to review and submit to corporate. Team concurs that this is an effort which needs to be pursued.

C:\Program Files\TCD|\CrackerLoaderREM\REMEmail\rawblob\20060107071736A00006170.docPage 1

6/12/2006