

Sturm, Ruger & Company, Inc.
Corporate Board Governance Guidelines

The primary responsibility of the Board of Directors (the “Board”) of Sturm, Ruger & Company, Inc. (the “Company”), is to oversee the management of the Company and guide the long-term success of the Company, consistent with the Board’s fiduciary responsibility to the Company shareholders. Accordingly, the Board has adopted the following guidelines, which, together with the charters of the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, the Capital Policy Committee, the Risk Oversight Committee, and any other committee of the Board, provide the framework for the governance of the Company:

A. Board of Directors Structure and Operations

Board Responsibility

The first guideline of the Board is that every Director owes a duty of loyalty to the Company, and is expected to exercise his or her independent business judgment to act in what he or she reasonably believes to be in the best interests of the Company and its shareholders as a whole, and not in his or her own personal interest. In fulfilling that responsibility, Directors should be able to rely on the honesty and integrity of the Company’s senior management and expert legal, accounting, financial, and other advisors.

Board Selection and Qualifications

The members of the Board, which, pursuant to the rules of the New York Stock Exchange (“NYSE”), is composed of a majority of independent, outside Directors, are selected by the Board based on the recommendations of the Nominating and Corporate Governance Committee. All Directors stand for election by the Company’s shareholders every year. All Directors, and all Board candidates considered by the Nominating and Corporate Governance Committee, must have the highest personal and professional ethics, strength of character, integrity, and values. They must be accustomed to successfully dealing with complex problems or have obtained and excelled in a position of leadership. They must have sufficient education, experience, intelligence, independence, fairness, reasoning ability, practicality, wisdom, and vision to exercise sound and mature judgment. They must have the stature and capability to represent the Company before the public and the Company’s shareholders and possess the personality, confidence, and independence to undertake full and frank discussion of the Company’s business assumptions. They must be willing to learn the business of the Company, to understand all Company policies, and to make themselves aware of the Company’s finances. All Directors must also be loyal to the Company, not self-deal, and preserve and protect corporate assets, at all times in accordance with the Company’s Corporate Compliance Program, including the Company’s Code of Business Conduct and Ethics. In identifying potential new Board members, the Nominating and Corporate Governance Committee considers, among other things, career specialization, technical skills, strength of character, independent thought, practical wisdom, mature judgment and cultural, gender, and ethnic diversity.

Any Director who experiences a change in his or her principal employment during the term of his or her service on the Board must submit his or her resignation to the Board for the Board's consideration.

Board Committees

The current standing committees of the Board are the Audit Committee, the Compensation Committee, the Risk Oversight Committee, the Capital Policy Committee, and the Nominating and Corporate Governance Committee. As required by NYSE Committee Rules, the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee will be composed solely of independent, outside Directors appointed by the Board unless otherwise determined by the Board. Each member of the Audit Committee and the Compensation Committee must also satisfy the additional independence requirements specified by the NYSE's rules. Each Board committee has adopted a charter which governs its activities and the committee charters are publicly available on the Company's website.

Committee memberships will be considered for rotation periodically at approximately 5-year intervals; but this periodic rotation is not mandatory, as good reasons may exist, including the continuity of membership or leadership, for longer retention of qualified individuals as committee members.

Director Independence

In accordance with the NYSE rules, the Board must affirmatively determine that a Director has no material relationship with the Company (either directly or indirectly, as a partner, shareholder, or officer of an organization that has a relationship with the Company) for such Director to qualify as an independent, outside Director. The Board has established the following guidelines to assist it in determining the independence of each of the Directors in accordance with the NYSE rules. No Director can be independent if:

1. He or she is, or has been within the last 3 years, an employee of the Company or if an immediate family member of such Director is, or has been within the past 3 years, an executive officer of the Company.
2. He or she has received, or has an immediate family member who has received, during any 12 month period within the last 3 years, more than \$120,000 in direct compensation from the Company, other than Director and committee fees and pension or other forms of deferred compensation paid for prior service.
3. He or she is a current partner or employee of the Company's independent auditors or has an immediate family member who is a current partner of the Company's independent auditors or an employee of the Company's independent auditors who works on the Company's audit.
4. He or she or an immediate family member was within the last 3 years a partner or employee of the Company's independent auditors who worked on the Company's audit.

5. He or she or an immediate family member is, or has been within the past 3 years, employed as an executive officer of another company where any of the Company's current executive officers contemporaneously serve or served on such company's compensation committee.
6. He or she is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments or contributions from, the Company for property or services or charitable purposes in an amount which, in any of the last 3 fiscal years, exceeds the greater of \$1 million or 2% of such company's consolidated gross revenues.

The foregoing guidelines will be updated to reflect current NYSE rules as and when such rules are revised. For purposes of the foregoing guidelines, the references to the Company include the Company and any parent or subsidiary in a consolidated group with the Company.

In selecting independent Directors to serve on the Compensation Committee, the Audit Committee or any other Board committee subject to additional independence or other standards, the Board must also consider whether each such Director meets the additional independence and other standards established by the NYSE for serving on those committees.

The Board will review all commercial, charitable, and other relationships between the Company and any of its Directors and all Board determinations regarding the independence of the Directors will be disclosed in the Company's annual proxy statement.

Director Access to Management and Independent Advisors

All Directors will have complete access to Company management, who will cooperate with the Board to the best of their ability. The Board and its committees shall have the right, in accordance with the committee bylaws and the rules of the NYSE, at any time to retain independent outside financial, legal, or other advisors at the Company's expense.

Director Orientation and Continuing Education

New Board members will receive a comprehensive orientation by the Company's General Counsel and other members of the Company's management. All Directors will be encouraged to obtain continuing education and will be given access to current materials of interest to Directors on an ongoing basis.

All Board members will be furnished by the Corporate Secretary with copies of all relevant Company policies relating to the conduct of business, significant appropriations of funds or expenditures, conflicts of interest, insider trading, required disclosures, and any other Company policy over which the Board has oversight, including the Company's Compliance Program.

Director Compensation

The Compensation Committee shall have the responsibility for determining the compensation of the non-employee Directors and reviewing the compensation of such Directors

on an annual basis. In determining the compensation of the non-employee Directors, the Compensation Committee shall ensure that such compensation (a) is competitive and fairly compensates such Directors for their time commitment to the Board and its committees, (b) aligns such Directors' interests with the long-term interests of the Company's shareholders and (c) does not exceed customary directors' fees paid by other comparable companies. Director compensation will consist of a combination of cash and equity-based compensation. Reasonable travel expenses incurred as a result of travel to and from meetings will also be reimbursed by the Company. Directors who serve as members of the Company's current management team will not receive any compensation for their service as Directors.

Management and Board Succession

Management succession and Board membership will be a topic of discussion at the final Board meeting of each calendar year. The Board will, in an executive session, annually evaluate the performance of the Company's CEO based upon criteria which specifically include the performance of the Company, its prospects for future performance and growth, and the CEO's responsiveness to Board directions. The Board will, further, develop plans for the succession of the CEO and other key members of the Company's management, including a succession plan for the CEO in the event of an emergency or the retirement of the CEO.

Annual Board Performance Evaluation

On an annual basis, the Nominating and Corporate Governance Committee will evaluate the effectiveness of the Board as a whole, and of each committee of the Board, and will share the results and recommendations with the entire Board. The Board and each committee will also perform an annual self-evaluation. This process should identify, among other things, recommendations for improved Board and committee practices and processes. All Board members are expected to consider the following questions as part of such evaluation:

- a) Is the Board constructively engaged with management to determine corporate strategy?
- b) Is the Board providing necessary strategic thinking, oversight, and advice?
- c) Is the Board effectively monitoring and supporting management's execution of Board strategy?
- d) Is the Board timely responding to needed changes in strategy?
- e) Does the Board possess the right skills?
- f) Are the committees of the Board structured correctly?
- g) Are the Board meetings being run correctly?
- h) Do the Board materials prepare the Board adequately?
- i) Is there sufficient time to:
 - 1. Digest Board materials before discussion, and
 - 2. Discuss the matters fully at Board meetings?
- j) Are Board members satisfied with the Company's CEO and the other officers of the Company?
- k) How can each Board member improve his or her individual effectiveness?
- l) Are needed Board changes being implemented?

B. Board Meetings

The Board will meet at least 4 times each year in regular session. The Board shall convene a meeting (regular or special) as soon as practicable following the Annual Meeting of the Company's Stockholders. The Chairman has the discretion to call additional meetings of the Board, after providing actual notice to each Board member, at times and places to be specified by the Chairman, and meetings may also be called in such manner as is provided in the Company's Bylaws. All Board members will be furnished with materials to review in advance of each Board meeting. Board members are expected to rigorously prepare for all meetings, which preparation shall include a review of all such materials. Agendas for each meeting will be prepared in advance by the Company's Secretary, and will be used to guide the discussion at each meeting. Board members may suggest items to be included in meeting agendas. Minutes of Board meetings will be kept by the Secretary or other designee of the Chairman. All Board members are required to attend all Board meetings and all meetings of each committee on which they serve unless specifically excused by the Chairman or the chairman of the applicable committee. If circumstances make a Board member's physical presence at a Board or committee meeting impossible, the member will endeavor to be present via telephone or electronic means. If this cannot be done, the Board member will contact the Chairman at his or her earliest convenience for a briefing concerning all Board proceedings and votes taken.

Non-management Directors will meet in regularly scheduled executive sessions outside the presence of management Directors in accordance with NYSE rules for the purpose of full and frank discussion of the Company's affairs. An executive session will generally be held as part of each regularly scheduled Board meeting.

C. Strategic Planning

The Board will discuss an overall strategic plan for each of the Company's businesses at least annually.

D. Fiduciary Duties and the Role of the Audit Committee

The Board recognizes its primary duty to exercise its fiduciary duty in the best interest of the Company and its shareholders. The Board expects and encourages a corporate environment of strong internal controls, fiscal accountability, high ethical standards, and compliance with applicable laws and regulations. The Board's Audit Committee will select an independent auditing firm to conduct periodic audits of the Company, which will report to the Audit Committee as required by the NYSE and SEC.

E. Management Compensation

The Compensation Committee will make annual determinations and evaluations of the soundness and reasonableness of compensation levels for the Company's officers in accordance with its charter and will not recommend excessive compensation. In determining the reasonableness of executive compensation, factors to be considered include professional qualifications and experience, job responsibilities and actual performance, competitive salaries in industry peer groups, the then-current financial condition of the Company, current shareholder dividends and employee salaries, stock options, stock awards, incentive bonuses and payments,

and annual performance reviews. Total compensation should be adequate to attract, motivate, and retain quality talent. Executive compensation will be disclosed annually in the Company's annual proxy statement.

F. Corporate Responsibility

The Board is committed, consistent with the Company's long-standing motto of "Arms Makers for Responsible Citizens®", to comply with all applicable federal, state, and local laws and regulations regarding the production, sale, and distribution of its products. All applicable licenses and permits for the lawful conduct of its business will be obtained and maintained as required. Product safety shall be a priority for the Board and management. In addition to its recognized responsibilities for the conduct of its firearms business, the Board is committed to see that the Company is also in compliance with all federal, state, and local laws and regulations that govern the conduct of manufacturers generally. These include environmental, equal opportunity, labor, intellectual property, safety and security, securities trading, political activity, antitrust, and import and export laws and regulations. The Board has enacted a Corporate Compliance Program to help ensure that all members of the Board and all Company employees continually meet their legal responsibilities. The Company's General Counsel serves as the Corporate Compliance Officer, and all personnel are encouraged to report any suspected violations of the law immediately to the General Counsel.