



STURM, RUGER & COMPANY, INC.

EXECUTIVE COMPENSATION CLAWBACK POLICY

Purpose; Covered Persons

The Board of Directors (the “**Board**”) of Sturm, Ruger & Company, Inc. (the “**Company**”) has adopted this Executive Compensation Clawback Policy (the “**Policy**”), which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (an “**Accounting Restatement**”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and Section 303A.14 of the NYSE Listed Company Manual. This Policy applies to (i) the Company’s current and former executive officers (including any person who served as an executive officer at any time during any applicable performance period), as determined by the Board in accordance with Section 10D of the Exchange Act and the listing standards of the New York Stock Exchange, and (ii) such other employees who may from time to time be deemed subject to the Policy by the Board (“**Covered Persons**”). For the avoidance of doubt, Covered Persons shall include each executive officer of the Company who is or was identified pursuant to Item 401(b) of Regulation S-K, as well as the Company’s principal financial officer and principal accounting officer (or, if there is no principal accounting officer, the controller).

Effective Date

This Policy, which amends and restates the Company’s Executive Compensation Clawback Policy previously adopted by the Board with respect to performance-based compensation granted or paid on or after January 1, 2014 (the “**Existing Policy**”) shall be effective as of the date it is adopted by the Board (the “**Effective Date**”) and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Persons on or after the Effective Date; provided, that, the Existing Policy shall continue to apply to all performance-based compensation that relates to periods prior to the Effective Date.

Policy Determinations

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee of the Board, in which case references herein to the Board shall be deemed to be references to the Compensation Committee. Any determinations made by the Board or the Compensation Committee (as applicable) shall be final and binding on all affected individuals.

Incentive Compensation

For purposes of this Policy, “**Incentive Compensation**” means any compensation (including annual bonuses and other short- and long-term cash incentives, stock options, stock appreciation rights, restricted stock, restricted stock units (RSUs), performance shares and performance units) that is granted, earned, or vested based wholly or in part on the attainment of any financial reporting measure(s) (as determined by the Board).

Financial reporting measures are measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, whether or not presented within Company financial statements or included in any Company filings with the U.S. Securities and Exchange Commission. Financial reporting measures include:

- Total stockholder return.
- Company stock price.
- Revenues or sales (gross or net).
- Net income (before or after taxes)
- Adjusted operating profit.
- Earnings before or after interest, taxes, depreciation, and amortization (including EBIT and EBITDA).
- Funds from operations.
- Cash flow measures (including operating cash flow, free cash flow, or cash flow return on capital).
- Return measures such as return on investment, assets, capital, employed capital, invested capital, equity, or sales.
- Earnings measures such as earnings per share and net earnings.

Excess Incentive Compensation Recoupment

In the event the Company is required to prepare an Accounting Restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, the Board will require reimbursement or forfeiture of any excess Incentive Compensation received by (as determined by the Board based on the date of attainment of the applicable financial reporting measure) any Covered Person during the three completed fiscal years immediately preceding the applicable Restatement Date. For purposes of this Policy, “**Restatement Date**” means the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, and (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

In such event, the amount to be recovered from each Covered Person will be the excess of the Incentive Compensation paid to such Covered Person over the Incentive Compensation that would have been paid to such Covered Person had such Incentive Compensation been based on the restated results, as determined by the Board.

If the Board cannot determine the amount of excess Incentive Compensation received by the Covered Person directly from the information in the Accounting Restatement, then it will make its determination based on a reasonable estimate of the effect of the Accounting Restatement. The Company shall maintain documentation of the determination of any such reasonable estimate and provide such documentation to the New York Stock Exchange.

The Board shall recover any excess Incentive Compensation reasonably promptly in accordance with this Policy unless (i) such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and the listing standards of the New York Stock Exchange, including Section 3.03A.14(iv) of the NYSE Listed Company Manual, and (ii) any of the following two conditions apply: (A) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any excess Incentive Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such excess Incentive Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the New York Stock Exchange; or (B) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

To the extent that a Covered Person fails to repay all excess Incentive Compensation to the Company when due, the applicable Covered Person shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such excess Incentive Compensation in accordance with the immediately preceding sentence.

Method of Recoupment of Excess Incentive Compensation

The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation, (a) requiring reimbursement of cash Incentive Compensation previously paid; (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards; (c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Person; (d) cancelling outstanding vested or unvested equity awards; and/or (e) taking any other remedial and recovery action permitted by law, as determined by the Board.

No Indemnification

The Company shall not indemnify any Covered Persons against the loss of any incorrectly awarded Incentive Compensation or for any related obligation to return to the Company such Incentive Compensation pursuant to this Policy. Further, the Company shall not enter into any agreement that exempts any Incentive Compensation that is granted, paid or awarded to a Covered Person from the application of this Policy or that waives the Company's right to

recovery of any excess Incentive Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date).

Interpretation; Amendment; Termination

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the U.S. Securities and Exchange Commission, the New York Stock Exchange, or any other national securities exchange on which the Company's securities are listed.

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect final regulations adopted by the U.S. Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with any rules or standards adopted by the New York Stock Exchange or any other national securities exchange on which the Company's securities are listed. The Board may terminate this Policy at any time.

Other Agreements; Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with any Covered Person on or after the Effective Date shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by such Covered Person to abide by the terms of this Policy, which shall also apply to any employment agreements, equity award agreements, or similar agreements previously entered by the Company that referenced the Existing Policy, *mutatis mutandis*. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal or equitable remedies available to the Company. For the avoidance of doubt, this Policy shall not limit the rights of the Company or the U.S. Securities and Exchange Commission under 15 U.S.C. § 7243.

Disclosure Requirements

The Company shall file all disclosures with respect to this Policy required by applicable U.S. Securities and Exchange Commission filings and rules.

Successors

This Policy shall be binding and enforceable against all Covered Persons and their beneficiaries, heirs, executors, administrators, or other legal representatives.