

**CHARTER OF THE
COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF
STURM, RUGER & COMPANY, INC.**

I. Purpose

The Board of Directors (the "Board") of Sturm, Ruger & Company, Inc. (the "Company") has established the Compensation Committee of the Board (the "Committee") for the purpose of (i) discharging the responsibilities of the Board with respect to (A) the compensation of the Chief Executive Officer of the Company (the "CEO"), the other executive officers of the Company and members of the Board, and (B) the oversight and administration of the Company's incentive and equity-based plans and awards and (ii) producing an annual report on executive compensation to be included in the Company's annual proxy statement (the "Committee Report"), in accordance with the rules and regulations of the New York Stock Exchange, Inc. (the "NYSE"), the Securities and Exchange Commission (the "SEC"), Regulation S-K and any other applicable rules or regulations.

II. Structure and Operations

A. *Composition and Qualifications*

(1) The Committee shall be comprised of three or more members of the Board, each of whom is (i) determined by the Board to be "independent" for such purposes under Section 952 of the Dodd-Frank Wall Street Reform and Consumer Protection Act as well as the rules of the NYSE, including Rule 303A thereof and its subsections (including Sections 303A.02(a)(ii) and 303A.05(a)), and (ii) a "non-employee director" under Rule 16b-3 promulgated under Section 6 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act").

(2) No member of the Committee shall receive compensation other than (i) director's fees for service as a director of the Company, including reasonable compensation for serving on (or as the chairman of) the Committee or any other Board committee as well as regular benefits that other directors receive (including equity-based awards) and (ii) if applicable, a pension or similar compensation for past performance as a Company director, provided that such compensation is not contingent on continued or future service to the Company. Upon the recommendation by the Compensation Committee of the Board, the chairman of the Committee (the "Chairman") shall be entitled to receive additional, reasonable compensation commensurate with the duties of the position.

(3) The Committee may form and delegate authority to one or more subcommittees made up of one or more of its members, as it deems appropriate from time to time.

B. *Appointment and Removal*

The members of the Committee shall be appointed by the Board, upon recommendation from the Nominating and Corporate Governance Committee, and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

C. *Chairman*

Unless a Chairman is elected by the full Board, the members of the Committee shall designate a Chairman by the majority vote of the Committee. The Chairman shall be entitled to cast a vote to resolve any ties. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

III. Meetings

The Committee shall meet at least annually, or more frequently as circumstances dictate. When necessary and appropriate, telephone meetings may be held. The presence of a majority of the Committee members will constitute a quorum for the transaction of business. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held at which a quorum is present; provided, however, that any decision or determination of the Committee reduced to writing and signed by a majority of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

IV. Duties and Responsibilities

The following functions shall be the common recurring activities and guiding principles of the Committee in carrying out its responsibilities outlined in Article I of this Charter. These functions should serve as a guide. The Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other duties and responsibilities delegated to it by the Board.

The Committee is empowered to evaluate or investigate any matter of interest or concern that the Committee deems appropriate. The Committee shall have the sole authority to retain and oversee outside compensation consultants, independent legal counsel and other advisors for this purpose, including the sole authority to approve the fees payable to such advisors and any other terms of retention. The Company shall also provide funding, as determined by the Committee, for payment of ordinary administrative expenses of the Committee.

A. *CEO Compensation*

- (1) Review and approve corporate goals and objectives relevant to CEO compensation.
- (2) Evaluate the performance of the CEO in light of such corporate goals and objectives.
- (3) Based on the Committee's evaluation, recommend to the "independent" directors of the Board (as determined by the rules of the NYSE) for approval the compensation level of the CEO, including salary, benefits, stock awards and any other compensation. The Committee may perform its evaluation as the Committee or in consultation with other "independent" directors, and nothing herein shall preclude members of the Committee from discussing these matters with the Board. In evaluating and recommending the CEO's compensation, the Committee shall consider the results of the most recent stockholder advisory vote on

executive compensation required by Section 14A of the Exchange Act (“Say on Pay Vote”).

B. Non-CEO Executive and Director Compensation; Say on Pay Votes

- (1) Recommend to the Board for approval the compensation levels for each non-CEO executive officer, including the salary, benefits, stock awards and any other compensation. In evaluating and determining such compensation levels, the Committee shall consider the results of the most recent Say on Pay Vote.
- (2) Recommend to the Board for approval the compensation levels for the members of the Board and the committees thereof, including payment schedules and equity grants.
- (3) Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

C. Principles of Compensation

- (1) Ensure that all compensation paid by the Company, whether in the form of salaries, benefits, stock awards or any other compensation, are internally equitable and externally competitive.
- (2) Ensure that all compensation packages shall include both salary and performance components, and recommended compensation levels have a reasonable relationship to salaries in industry peer groups, if ascertainable.
- (3) Ensure that the Committee is diligent in ascertaining that its compensation recommendations will be adequate to attract, motivate, and retain quality talent, linked to actual performance and responsibilities.

D. Company Plans; Employment Agreements

- (1) Exercise all rights, authority and functions of the Board under all of the Company's incentive-compensation plans and equity-based plans, including without limitation, the authority to interpret the terms thereof, and to make awards and grant options thereunder; *provided, however*, that except as otherwise expressly authorized to do so by a plan or resolution of the Board, the Committee shall not be authorized to amend any such plan. To the extent permitted by applicable law and the provisions of a given incentive-compensation or equity-based plan, and consistent with the requirements of applicable law and such incentive-compensation or equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to make stock awards and grant options pursuant to such incentive-compensation or equity-based plan to

employees of the Company who are not directors or executive officers of the Company.

- (2) Review and recommend changes to the Company's incentive-compensation plans and equity-based plans (or amendments thereto), and review and recommend any other incentive-compensation or equity-based plans (or amendments thereto) that are not otherwise subject to the approval of the Company's shareholders.
- (3) Review, and approve and, when appropriate, recommend to the Board for approval, any employment agreements and any severance arrangements or plans for the CEO and other executive officers, including any benefits to be provided in connection with a change in control.

E. Investigations, Studies and Reports

- (1) Conduct or authorize investigations into any matters within the scope of its responsibilities as the Committee shall deem appropriate, including by requesting any officer, employee, compensation consultant or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.
- (2) Evaluate on a periodic basis whether any compensation consultant or advisor retained or to be retained by the Committee has a conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.
- (3) Prepare any studies, as the Committee deems necessary, in order to determine adequate and reasonable compensation for the CEO, the other executive officers of the Company and the members of the Board.
- (4) Prepare the Committee Report and other reports required to be included in the Company's proxy statement, in accordance with applicable NYSE and SEC rules and regulations, and any other reports required by applicable rules or regulations.
- (5) Report regularly to the full Board and prepare or cause to be prepared any report requested by the Board.
- (6) Maintain minutes of meetings and other activities of the Committee.

V. Reliance on Information Provided

In adopting this Charter, the Board acknowledges that the Committee members are not employees of the Company, and are not providing any expert or special assurance as to the Company's compensation packages. Each member of the Committee shall be entitled to rely on the integrity of those persons and organizations within and outside the Company that provide information to the Committee absent actual knowledge to the contrary.

VI. Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of its performance and that of its members, including, but not limited to, a review of the Committee's compliance with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter.