

STURM RUGER & CO INC
Form DEF 14A
March 27, 2017

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

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Sturm, Ruger & Company, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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STURM, RUGER & COMPANY, Inc.

1 LACEY PLACE, SOUTHPORT, CT 06890 U.S.A. | 203-259-7843 | WWW.RUGER.COM | NYSE:RGR

March 27, 2017

Dear Fellow Stockholders:

You are cordially invited to attend the 2017 Annual Meeting of Stockholders of Sturm, Ruger & Company, Inc. to be held at 9:00 a.m. Eastern Daylight Time on Tuesday, May 9, 2017 at The Norwalk Inn & Conference Center, 99 East Avenue, Norwalk, Connecticut 06851. Details of the business to be conducted at the meeting are given in the attached Notice of Annual Meeting and Proxy Statement.

The Board of Directors looks forward to joining you at the 2017 Annual Meeting.

STURM, RUGER & COMPANY, INC.

Michael O. Fifer
Chief Executive Officer

STURM, RUGER & COMPANY, Inc.

1 LACEY PLACE, SOUTHPORT, CT 06890 U.S.A. | 203-259-7843 | WWW.RUGER.COM | NYSE:RGR

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 9, 2017

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of Stockholders of **STURM, RUGER & COMPANY, INC.** (the “Company”) will be held at The Norwalk Inn & Conference Center, 99 East Avenue, Norwalk, CT 06851 on the 9th day of May, 2017 at 9:00 a.m. Eastern Daylight Time to consider and act upon the following:

1. A proposal to elect nine (9) Directors to serve on the Board of Directors for the ensuing year;
2. A proposal to ratify the appointment of RSM US LLP as the Company’s independent auditors for the 2017 fiscal year;
3. A proposal to approve The Sturm, Ruger & Company, Inc. 2017 Stock Incentive Plan;
4. An advisory vote on the compensation of the Company’s Named Executive Officers;
5. An advisory vote on the frequency of future advisory votes on the compensation of the Company’s Named Executive Officers; and
6. Any other business as may properly come before the Annual Meeting or any adjournment or postponement thereof. Only holders of record of Common Stock at the close of business on March 15, 2017 will be entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof. The complete list of stockholders entitled to vote at the Annual Meeting shall be open to the examination of any stockholder, for any purpose germane to the Annual Meeting, during ordinary business hours, for a period of 10 days prior to the Annual Meeting, at the Company’s offices located at 1 Lacey Place, Southport, CT 06890.

The Company’s Proxy Statement is attached hereto.

By Order of the Board of Directors

Kevin B. Reid, Sr.
Corporate Secretary
Southport, Connecticut

March 27, 2017

ALL STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING. YOUR VOTE IS IMPORTANT. TO ENSURE THAT YOUR VOTE IS RECORDED PROMPTLY, PLEASE VOTE YOUR PROXY AS SOON AS POSSIBLE, EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING. MOST SHAREHOLDERS HAVE THREE OPTIONS FOR SUBMITTING THEIR VOTES PRIOR TO THE ANNUAL MEETING: (1) VIA THE INTERNET, (2) BY TELEPHONE OR (3) BY REQUESTING AND RETURNING A PAPER PROXY USING THE POSTAGE-PAID ENVELOPE PROVIDED. REGISTERED STOCKHOLDERS MAY VIEW OR REQUEST THE PROXY MATERIALS AT WWW.ENVISIONREPORTS.COM/RGR OR BY CALLING 1-866-641-4276, AND MAY VOTE THEIR PROXY AT WWW.ENVISIONREPORTS.COM/RGR OR BY CALLING 1-800-652-8683. STOCKHOLDERS WHO HOLD THEIR SHARES THROUGH A BROKERAGE ACCOUNT MAY VIEW OR REQUEST THE PROXY MATERIALS AT WWW.PROXYVOTE.COM OR BY CALLING 1-800-579-1639, AND MAY VOTE

THEIR PROXY AT WWW.PROXYVOTE.COM OR BY CALLING 1-800-454-8683. PLEASE REVIEW THE PROXY MATERIALS BEFORE VOTING YOUR SHARES.

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Sturm, Ruger & Company, Inc.

March 27, 2017

PROXY STATEMENT

Annual Meeting of Stockholders of the Company to be held on May 9, 2017

proxy solicitation and voting information

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the “Board” or the “Board of Directors”) of Sturm, Ruger & Company, Inc. (the “Company”) for use at the 2017 Annual Meeting of Stockholders (the “Meeting” or the “Annual Meeting of Stockholders”) of the Company to be held at 9:00 a.m. Eastern Daylight Time on May 9, 2017 at The Norwalk Inn & Conference Center, 99 East Avenue, Norwalk, Connecticut 06851 or at any adjournment or postponement thereof for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. This Proxy Statement has been posted and is available on the Securities and Exchange Commission’s (the “SEC”) website at www.sec.gov and the Company’s website at www.ruger.com. In addition, registered stockholders may view or request the proxy materials at www.envisionreports.com/RGR or by calling 1-866-641-4276, and may vote their proxy at www.envisionreports.com/RGR or by calling 1-800-652-8683. Stockholders who hold their shares through a brokerage account may view or request the proxy materials at www.proxyvote.com or by calling 1-800-579-1639, and may vote their proxy at www.proxyvote.com or by calling 1-800-454-8683. Please review the proxy materials before voting your shares.

The mailing address of the principal executive office of the Company is One Lacey Place, Southport, Connecticut 06890.

In accordance with rules established by the SEC that allow companies to furnish their proxy materials over the Internet, on March 27, 2017, we are mailing a Notice of Internet Availability of Proxy Materials instead of a paper copy of our Proxy Statement and Annual Report on Form 10-K to our stockholders who have not specified that they wish to receive paper copies of our proxy materials. The Notice of Availability of Proxy Materials also contains instructions on how to request a paper copy of our proxy materials, including our Proxy Statement, Annual Report on Form 10-K and a form of proxy card. We believe this process will allow us to provide our stockholders with the information they need in a more timely, environmentally friendly and cost-effective manner. All expenses in connection with the solicitation of these proxies, which are estimated to be \$100,000, will be borne by the Company. We encourage our stockholders to contact the Company’s transfer agent, Computershare Investor Services, LLC, or their stockbrokers to sign up for electronic delivery of proxy materials in order to reduce printing, mailing and environmental costs.

If your proxy is signed and returned, it will be voted in accordance with its terms. However, a stockholder of record may revoke his or her proxy before it is exercised by: (i) giving written notice to the Company's Secretary at the Company's address indicated above, (ii) duly executing a subsequent proxy relating to the same shares and delivering it to the Company's Secretary at or before the Meeting or (iii) attending the Meeting and voting in person (although attendance at the Meeting will not, in and of itself, constitute revocation of a proxy).

The Company's Annual Report on Form 10-K for the year ended December 31, 2016, including financial statements, is enclosed herewith and has been posted and is available on the SEC's website at www.sec.gov and the Company's website at www.ruger.com.

Only holders of shares of Common Stock, \$1.00 par value, of the Company (the "Common Stock") of record at the close of business on March 15, 2017 will be entitled to vote at the Meeting. Each holder of record of the issued and outstanding shares of Common Stock is entitled to one vote per share. As of March 15, 2017, 17,664,248 shares of Common Stock were issued and outstanding and there were no outstanding shares of any other class of stock. The stockholders holding a majority of the issued and outstanding Common Stock, either present in person or represented by proxy, will constitute a quorum for the transaction of business at the Meeting.

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In accordance with the Company's By-Laws and applicable law, with respect to Proposal No. 1, the election of Directors will be determined by a plurality of the votes cast by the holders of shares present in person or by proxy at the Meeting and entitled to vote. Consequently, the nine nominees who receive the greatest number of votes cast for election as Directors will be elected. Shares present, which are properly withheld as to voting with respect to any one or more nominees, and shares present with respect to which a broker indicates that it does not have authority to vote ("broker non-votes"), will be counted as being present at the Meeting only with respect to Proposal Nos. 2-5. These shares will not be counted as voting on the election of Directors, with the result that such abstentions and broker non-votes will have no effect as votes on the election of Directors. With respect to Proposal Nos. 2, 3 and 4, the affirmative vote of shares representing a majority of the shares present and entitled to vote is required to ratify the appointment of RSM US LLP as the Company's independent auditors for the 2017 fiscal year, to approve the 2017 Stock Incentive Plan and to approve the advisory vote on executive compensation. This also applies to any other matters properly presented at the Meeting, with the exception of Proposal No. 5, whereby stockholder voting will indicate the relative preferences of the stockholders among the choices presented on an advisory basis. Shares which are voted to abstain on these matters and broker non-votes will be considered present at the Meeting but will not be counted as voting for these matters, with the result that abstention and broker non-votes will have the same effect as votes against the proposal.

LIST OF PROPOSALS AND RECOMMENDATIONS OF THE BOARD OF DIRECTORS

proposal no. 1 – election of directors

Nine Directors will be elected at the Meeting, each to hold office until the next Annual Meeting of Stockholders or until his or her successor is elected and has qualified.

Board of Directors Recommendation

The Board of Directors recommends a vote "**FOR**" each of the named nominees.

Proposal no. 2 - ratification of independent auditors

RSM US LLP has served as the Company's independent auditors since 2005. Subject to the ratification of the Company's stockholders, the Board of Directors has reappointed RSM US LLP as the Company's independent auditors for the 2017 fiscal year.

Board of Directors Recommendation

The Board of Directors recommends a vote "**FOR**" the ratification of RSM US LLP as the Company's independent auditors.

Proposal no. 3 – 2017 Stock incentive plan

The Company shall seek approval of The Sturm, Ruger & Company, Inc. 2017 Stock Incentive Plan, which will enable the Company to continue to offer equity-based incentive compensation and retention awards to key members of its management team following the expiration of The Sturm, Ruger & Company, Inc. 2007 Stock Incentive Plan.

Board of Directors Recommendation

The Board of Directors recommends a vote “**FOR**” approval of The Sturm, Ruger & Company, Inc. 2017 Stock Incentive Plan, which is described in detail in this Proxy Statement.

Proposal no. 4 – Say On Pay

The Company shall seek an advisory vote on executive compensation.

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Board of Directors Recommendation

The Board of Directors recommends a vote “**FOR**” approval of the pay-for-performance compensation policies and practices employed by the Compensation Committee, as described in the Compensation Discussion and Analysis and the tabular disclosure regarding Named Executive Officer compensation in this Proxy Statement.

Proposal no. 5 – FREQUENCY OF Say On Pay VOTES

The Company shall seek an advisory vote on executive compensation every year, every 2 years or every 3 years.

Board of Directors Recommendation

The Board of Directors recommends a vote of “**1 YEAR**” for the frequency of the stockholder vote to approve the compensation of the Named Executive Officers.

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proposal no. 1 – election of directors

Nine Directors will be elected at the Meeting, each to hold office until the next Annual Meeting of Stockholders or until his or her successor is elected and has qualified.

Board of Directors Recommendation

The Board of Directors recommends a vote “**FOR**” each of the nominees named below.

director NOMINEES

The following table lists each nominee for Director and sets forth certain information concerning each nominee’s age, business experience, other directorships and committee memberships in publicly held corporations, current Board committee assignments, and qualifications to serve on the Board as of the date of this Proxy Statement. In addition to the information presented below regarding each nominee’s specific experience, qualifications, attributes and skills which led the Board to conclude that he or she should serve as a Director, the Board also believes that all of our Director nominees have established reputations of integrity, honesty and adherence to high ethical standards, and have demonstrated a commitment of service to the Company, an appreciation of its products and the Constitutional rights of American citizens to keep and bear arms. Each nominee has effectively demonstrated business acumen and the ability to exercise sound judgment in his or her individual careers and service on other public boards and board committees, as applicable.

All of the nominees for Director listed below were elected at last year’s Annual Meeting, other than Christopher J. Killoy, who was appointed to the Board of Directors on August 1, 2016. Should any of the said nominees for Director not remain a candidate at the time of the Meeting (a condition which is not now anticipated), proxies solicited hereunder will be voted in favor of those nominees for Director selected by the Board of Directors.

Name,	Business Experience
Age,	During the Past Five Years,
First	Other Directorships, Current Committee Memberships and Board Qualifications
Became	
A Director	

John A. Cosentino, Jr.	Mr. Cosentino has been a partner of Ironwood Manufacturing Fund, LP since 2002, a Director of Simonds International, Inc. since 2001, a Director of the Bilco Company since 2007, a Director of Whitcraft LLC since 2011, a Director of Addaero LLC since 2014, and Chairman of the Board of Habco Industries LLC since 2012. He was the Chairman of North American Specialty Glass, LLC from 2005 to
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Age 67 2012, the Vice Chairman of Primary Steel, LLC from 2005 to 2007, and a Director of the Wiremold Company from 1991-2000. Mr. Cosentino was a partner of Capital Resource Partners, LP from 1999 to 2000, and a Director in the following Capital Resource Partners, LP portfolio companies: Spirit Brands from 1998 to 2006, Pro Group, Inc. from 1999 to 2002, World Power Technologies, Inc. from 1998 to 2001, and Todd Combustion, Inc. from 1997 to 1999. Mr. Cosentino is the former Vice President-Operations of the Stanley Works, former President of PCI Group, Inc., former CEO and Co-owner of Rau Fastener, LLC, former President of the Otis Elevator-North America division of United Technologies, and former Group Executive of the Danaher Corporation. Mr. Cosentino was named as the Company's Vice-Chairman (which function encompasses the duties of Lead Director) on April 28, 2010, having served as Lead Director beginning in April, 2007. He currently is Co-Chairman of the Executive Operations Committee, Chairman of the Nominating and Corporate Governance Committee, and a member of the Compensation and Audit Committees of the Company. The Board believes that Mr. Cosentino's extensive executive management, investment management and board experience qualify him to serve on the Board of Directors.

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Name,

Age,

First

Became

A

Director

Business Experience**During the Past Five Years,****Other Directorships, Current Committee Memberships and Board Qualifications****Michael**

O. Fifer Mr. Fifer has been Chief Executive Officer of the Company since September 25, 2006, and additionally served as President of the Company from April 23, 2008 to January 1, 2014. He was the Executive Vice President and President of Engineered Products of Mueller Industries, Inc. from 2003 to 2006, President of North American Operations of Watts Industries, Inc. from 1998 to 2002, President of various Watts Industries divisions from 1994 to 1998, and a member of the Board of Directors and Audit, Compensation and Special Committees of Conbraco Industries from 2003 to 2006. Mr. Fifer is a member of the Board of Governors of the National Shooting Sports Foundation. The Board believes that Mr. Fifer's executive leadership and management experience and skills, including his service as the CEO and President of the Company, and his deep understanding of the Company and its products and the firearms industry qualify him to serve on the Board of Directors.

Sandra S. Froman

Age 67

Director since

December, 2015

Ms. Froman is an attorney in private civil law practice with the Law and Mediation Office of Sandra S. Froman, P.L.C. She is a former partner of Snell & Wilmer, LLP, a former shareholder of Bilby & Shoenhair, PC, and a former partner of Loeb & Loeb, LLP. Ms. Froman is a former President and board member of the Arizona Bar Foundation. She taught at Santa Clara University Law School from 1983 – 1985. Ms. Froman has been a member of the Board of Directors of the National Rifle Association (“NRA”) since 1992. She served as a Vice President of the NRA from 1998 – 2005 and as NRA President from 2005 – 2007. She has chaired a number of NRA committees, including the Executive Committee, the Legislative Policy Committee, the Grassroots Development Committee and the Industry Relations Task Force. She holds a lifetime position on the NRA Executive Council. She is also a former President and Trustee of the NRA Foundation and a former Trustee of the NRA Civil Rights Defense Fund. Ms. Froman is a member of the Board of the Joe Foss Institute, having previously served as its Chairman. She is President of the Mzuri Wildlife Foundation and serves on its Board. Ms. Froman currently is a member of the Nominating and Corporate Governance, Compensation, and Risk Oversight Committees of the Company. The Board believes that Ms. Froman's experience as an attorney and deep knowledge of, and involvement with, the firearms industry qualify her to serve on the Board of Directors.

C. Mr. Jacobi has been the President of Stable House 1, LLC, a private real estate development company, since 1999. He has been a member of the Board of Directors of CoreCivic (formerly Corrections Corporation of America) since 2000, and serves as a member of its Audit Committee. Mr. Jacobi has been a member of the Board of Directors of Webster Financial Corporation since 1993, served as a member of its Audit Committee since 1993 (including as Audit Committee chair from 1996 to 2011), served as a member of its Compensation Committee from 2011 to 2015, and has been a member of its Risk Committee since 2010. He has been a member of the Board of Directors and Audit Committee of KCAP Financial Corporation since 2006, and has served as a member of its Nominating and Corporate Governance Committee since 2012. In 2012, Mr. Jacobi became a member of the Board of Directors of Performance Sports Group Ltd. (formerly Bauer Performance Sports Ltd.) and served on various committees, both as a member and as Chairman, until his retirement in 2017. He is the former President, CEO and Board member of Katy Industries, Inc. and the former President, CEO and Board member of Timex Corporation. Mr. Jacobi also is a Certified Public Accountant. He has been the non-executive Chairman of the Company Board of Directors since 2010, and is Co-Chairman of the Executive Operations Committee and a member of the Compensation Committee. The Board believes that Mr. Jacobi's extensive business, investment management, board experience and financial expertise qualify him to serve on the Board of Directors.

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Name,
Age,
First
Became
A Director

Business Experience
During the Past Five Years,
Other Directorships, Current Committee Memberships and Board Qualifications

<p>Christopher J. Killoy</p> <p>Age 58</p> <p>Director since August, 2016</p>	<p>Mr. Killoy was named President and COO of the Company on January 1, 2014. Prior to that, Mr. Killoy served as Vice President of Sales and Marketing beginning in November 2006. Mr. Killoy originally joined the Company in 2003 as Executive Director of Sales and Marketing, and subsequently as Vice President of Sales and Marketing from 2004 to 2005. From 2005 to 2006, Mr. Killoy served as Vice President and General Manager of Savage Range Systems. Prior to joining Ruger, Mr. Killoy was Vice President of Sales and Marketing for Smith & Wesson. He is a member of the Board of Directors of the Sporting Arms and Ammunition Manufacturers' Institute (SAAMI) and the International Hunter Education Association Foundation (IHEAF). Mr. Killoy is a 1981 graduate of the United States Military Academy at West Point and subsequently served in a variety of Armor and Infantry assignments in the U.S. Army. The Board believes that Mr. Killoy's intimate knowledge of the Company and his extensive business and management experience in the firearms industry qualify him to serve on the Board of Directors.</p>
<p>Terrence G. O'Connor</p> <p>Age 61</p> <p>Director since September, 2014</p>	<p>Mr. O'Connor has spent over 30 years in the financial services industry. Mr. O'Connor has been a principal of High Rise Capital Partners, LLC, a private real estate investment firm, since 2010 (including its predecessor company). He previously served as the Managing Partner of Cedar Creek Management, LLC, a private investment partnership, and as Partner at HPB Associates, also a private investment firm. Between 1990 and 1992, Mr. O'Connor served as an analyst with Feshbach Brothers. Prior to that, Mr. O'Connor spent 10 years at Kidder Peabody as a principal in equity sales and investment banking. Mr. O'Connor served as a Board Member of Covenant House New Jersey and on the Finance and Investment Committees of Covenant House International. He also served on the Compliance, Audit and Special Committees of SRV Bancorp. Mr. O'Connor is the Chairman of the Company Capital Policy Committee, and a member of the Company's Nominating and Corporate Governance and Risk Oversight Committees. The Board believes that Mr. O'Connor's financial insight and extensive knowledge of the firearms industry qualify him to serve on the Board of Directors.</p>
<p>Amir P. Rosenthal</p> <p>Age 55</p> <p>Director since</p>	<p>Mr. Rosenthal was the President of Performance Sports Group Ltd. (formerly Bauer Performance Sports Ltd.) from 2015 to 2016. He served as its Chief Financial Officer and Executive Vice President of Finance and Administration from 2012-2015, and Chief Financial Officer from 2008 to 2012. From 2001 to 2008, Mr. Rosenthal served in a variety of positions at Katy Industries, Inc., including Vice President, Chief Financial Officer, General Counsel and Secretary. From 1989 to 2001, Mr. Rosenthal served in a variety of positions at Timex Corporation, including Treasurer, Counsel and Senior Counsel, as well as Director and Chairman of Timex Watches Ltd. Mr. Rosenthal currently is the Chairman of the</p>

January,
2010

Company's Risk Oversight Committee, and a member of the Company's Executive Operations, Audit, Nominating and Corporate Governance, and Capital Policy Committees. The Board believes that Mr. Rosenthal's comprehensive business, legal and financial expertise qualifies him to serve on the Board of Directors. On October 31, 2016, Performance Sports Group Ltd. and its affiliates filed for reorganization under Chapter 11 of Title 11 of the U.S. Code and the Companies' Creditors Arrangement Act of Canada. In connection with such filings, Mr. Rosenthal resigned from Performance Sports Group Ltd. The Nominating and Corporate Governance Committee does not believe that such proceedings are material to an evaluation of Mr. Rosenthal's ability to serve as a Director.

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Name,

Age,

First

Became

A

Director

Business Experience**During the Past Five Years,****Other Directorships, Current Committee Memberships and Board Qualifications**

Ronald C. Whitaker Mr. Whitaker served as the President and CEO of Hyco International from 2003 and as a member of its Board from 2001 until his retirement in 2011. In 2013, he joined the Board of Payne & Dolan (now Walbec Group), a family owned road construction business based in Wisconsin, and he currently serves as a member of its Compensation Committee and is the Chairman of the Special Litigation Committee. Mr. Whitaker has been a Board member of Global Brass and Copper Company, Inc. since 2011, and serves as the Chairman of its Compensation Committee and as a member of its Audit and Nominating and Corporate Governance Committees. Mr. Whitaker was a Board member of Pangborn Corporation from 2006 to 2015 and served as the chair of its Compensation Committee. He was a member of the Board and the Executive Committee of Strategic Distribution, Inc., and was its President and CEO from 2000 to 2003. Mr. Whitaker was the President and CEO of Johnson Outdoors from 1996 to 2000, and CEO, President and Chairman of the Board of Colt's Manufacturing Co., Inc. from 1992 to 1995. He is a former Board member of Firearms Training Systems, Group Decco, Michigan Seamless Tube, Precision Navigation, Inc., Weirton Steel Corporation and Code Alarm, and a former Trustee of the College of Wooster. Mr. Whitaker is currently the Chairman of the Company's Compensation Committee and a member of the Audit Committee. The Board believes that Mr. Whitaker's significant executive, board and firearms industry experience, and his knowledge of the Company's products qualify him to serve on the Board of Directors.

Phillip C. Widman Mr. Widman was the Senior Vice President and Chief Financial Officer of Terex Corporation from 2002 until his retirement in 2013. In 2014, Mr. Widman joined the Board of Directors of Harsco Corporation, where he serves as the Chairman of its Audit Committee, and a member of its Management Development and Compensation Committees. Also in 2014, Mr. Widman joined the Board of Directors of Vectrus, Inc. and serves as a member of its Audit and Compensation Committees. He served as a Board and Nominating and Governance Committee member, and as Audit Committee chair, of Lubrizol Corp from November 2008 until September 2011. Mr. Widman was the Executive Vice President and Chief Financial Officer of Philip Services Corporation from 1998 to 2001. Mr. Widman currently is Chairman of the Company's Audit Committee, and a member of the Risk Oversight and Capital Policy Committees. The Board believes that Mr. Widman's extensive business management, board and audit committee experience, financial expertise and personal experience in the shooting sports qualify him to serve on the Board of Directors.

Board of Directors Recommendation

The Board of Directors recommends a vote “**FOR**” each of the nominees named above.

the board of directors and its committees

The Board of Directors is committed to good business practice, transparency in financial reporting and the highest level of corporate governance. To that end, the Board of Directors and its Committees continually review the Company’s governance policies and practices as they relate to the practices of other public companies, specialists in corporate governance, the rules and regulations of the SEC, Delaware law (the state in which the Company is incorporated) and the listing standards of the New York Stock Exchange (“NYSE”).

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Corporate Board Governance Guidelines and Code of Business Conduct and Ethics

The Company's corporate governance practices are embodied in the Corporate Board Governance Guidelines. In addition, the Company has adopted a Code of Business Conduct and Ethics which governs the obligation of all employees, executive officers and Directors of the Company to conform their business conduct to be in compliance with all applicable laws and regulations, among other things. Copies of the Corporate Board Governance Guidelines and Code of Business Conduct and Ethics are posted on the Company's website at www.ruger.com and are available in print to any stockholder who requests them by contacting the Corporate Secretary as set forth in "STOCKHOLDER AND INTERESTED PARTY COMMUNICATIONS WITH THE BOARD OF DIRECTORS" below.

Political Contributions Policy

In February 2014, the Board of Directors established a Political Contributions Policy providing for the disclosure of political contributions, if any, as defined in the Political Contributions Policy, in excess of \$50,000 in the aggregate. A copy of the Political Contributions Policy is posted on the Company's website at www.ruger.com.

The Board's Role in Risk Oversight

The Board's role in the oversight of risk management includes receiving regular reports from the Risk Oversight Committee and senior management in areas of material risk to the Company, including operational, financial, legal and regulatory, strategic, reputational and industry-related risks. The Risk Oversight Committee and the full Board review and discuss these reports with the goal of overseeing the identification and management of, and the development of mitigation strategies for these risks.

Independent, Non-Management Directors

More than a majority of the current Directors, including each member that serves on any committee of the Board, are "independent" under the rules of the New York Stock Exchange, Inc. ("NYSE"). The Board has affirmatively determined that none of Messrs. Cosentino, Jacobi, O'Connor, Rosenthal, Widman, and Whitaker or Ms. Froman, has or had a material relationship with the Company or any affiliate of the Company, either directly or indirectly, as a partner, shareholder or officer of an organization (including a charitable organization) that has a relationship with the Company, and are therefore "independent" for such purposes under the rules of the NYSE, including Rule 303A thereof.

The Company contracts with the National Rifle Association ("NRA") for some of its promotional and advertising activities. Ms. Froman serves on the board of directors of the NRA.

The independent, non-management members of the Board meet regularly in executive sessions and each such meeting is led by the independent, non-executive Chairman of the Board, or in his absence, the independent, non-management Vice-Chairman and Lead Director. C. Michael Jacobi has served as the non-executive Chairman of the Board since April 28, 2010, and John A. Cosentino, Jr. has served as the Vice Chairman since April 28, 2010 and as the Lead Director since April 24, 2007.

Board Leadership Structure

On April 24, 2007, the By-Laws were amended to require the Chairman of the Board to be an independent, non-management Director who would preside at all meetings of the Board, including meetings of the independent, non-management Directors in executive session, which would generally occur as part of each regularly scheduled Board meeting. The separation of Chairman and Chief Executive Officer duties recognizes the difference in the two roles: the Chairman of the Board leads the Board of Directors as it provides guidance to and oversight of the CEO, while the CEO is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company. The April 24, 2007 By-Laws amendment also provided that an independent, non-management Lead Director would be named to preside at stockholder, Board and executive session meetings and to act as an intermediary between the non-management Directors and management of the Company when special circumstances exist or communication out of the ordinary course is necessary, such as the absence or disability of the non-executive Chairman of the Board. On April 28, 2010, the Board amended the By-Laws to create the position of Vice-Chairman, who assumes the duties of Lead Director as outlined above.

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Director Mandatory Retirement

In 2014, the Board of Directors established a policy whereby members of the Board are subject to mandatory retirement upon the later of their 75th birthday or February 11, 2019, if age 70 or older on the date the policy was adopted.

Director Resignation Policy

In 2008, the Board of Directors established a policy whereby any Director who experiences a change in employment must submit his or her resignation to the Board for its consideration.

Membership and Meetings of the Board and Its Committees

In May 2016, following the 2016 Annual Meeting of Stockholders, the members of the Board were C. Michael Jacobi, John A. Cosentino, Jr., Terrence G. O'Connor, Amir P. Rosenthal, Ronald C. Whitaker, Phillip C. Widman, Sandra S. Froman, and Michael O. Fifer. In August 2016, the Board appointed Christopher J. Killoy to the Board. The Board of Directors held four meetings during 2016. Each Director attended at least 75% of the meetings of the Board and of the Committees on which he or she served that were held during his or her 2016 tenure. In addition, all members of the Board attended the 2016 Annual Meeting of Stockholders. It is the policy of the Company that attendance at all meetings of the Board, all Committee meetings, and the Annual Meeting of Stockholders is expected, unless a Director has previously been excused by the Chairman of the Board for good cause. Committee memberships and the number of meetings of the full Board and its Committees held during the fiscal year 2016 are set forth in the table below. When feasible and appropriate, it is the practice of the Board to hold its regular Committee meetings in conjunction with the regular meetings of the Board of Directors.

Each Committee (other than the Executive Operations Committee) is governed by a written charter that has been adopted by the Board. A copy of each Committee's charter is posted on the Company's website at www.ruger.com, and is available in print to any stockholder who requests it by contacting the Corporate Secretary as set forth in "STOCKHOLDER AND INTERESTED PARTY COMMUNICATIONS WITH THE BOARD OF DIRECTORS" below.

Membership and Meetings of the Board and its Committees Table For Year 2016

Name Board of Audit
Directors Committee