

STURM RUGER & CO INC  
Form DEF 14A  
March 26, 2015

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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

Filed by a Party other than the Registrant

Check the appropriate box:

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| <input type="checkbox"/>            | Preliminary Proxy Statement   | <input type="checkbox"/> | Soliciting Material Under Rule 14a-12 |
| <input type="checkbox"/>            | Confidential, For Use of the<br>Commission Only (as permitted<br>by Rule 14a-6(e)(2)) |                          |                                       |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement  |                          |                                       |
| <input type="checkbox"/>            | Definitive Additional Materials   |                          |                                       |

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

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

Payment of Filing Fee (Check the appropriate box):

- |                                     |   |
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| <input checked="" type="checkbox"/> | No fee required.  |
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**STURM, RUGER & COMPANY, Inc.**

LACEY PLACE, SOUTHPORT, CT 06890 U.S.A. | 203-259-7843 | [WWW.RUGER.COM](http://WWW.RUGER.COM) | NYSE:RGR  
March 26, 2015

Dear Fellow Stockholders:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders of Sturm, Ruger & Company, Inc. to be held at 9:00 a.m. Eastern Daylight Time on Tuesday, May 5, 2015 at The Trumbull Marriott, 180 Hawley Lane, Trumbull, CT 06611. 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 2015 Annual Meeting.

**STURM, RUGER & COMPANY, INC.**  
Michael O. Fifer  
Chief Executive Officer

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**STURM, RUGER & COMPANY, Inc.**

LACEY PLACE, SOUTHPORT, CT 06890 U.S.A. | 203-259-7843 | [WWW.RUGER.COM](http://WWW.RUGER.COM) | NYSE:RGR

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**May 5, 2015**

**NOTICE IS HEREBY GIVEN THAT** the Annual Meeting of Stockholders of **STURM, RUGER & COMPANY, INC.** (the Company ) will be held at The Trumbull Marriott, 180 Hawley Lane, Trumbull, CT 06611 on the 5<sup>th</sup> day of May, 2015 at 9:00 a.m. Eastern Daylight Time to consider and act upon the following:

1. A proposal to elect seven (7) Directors to serve on the Board of Directors for the ensuing year;
2. A proposal to ratify the appointment of McGladrey LLP as the Company's independent auditors for the 2015 fiscal year;
3. An advisory vote on the compensation of the Company's Named Executive Officers; and
4. 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 16, 2015 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 One 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 26, 2015

**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](http://WWW.ENVISIONREPORTS.COM/RGR) OR BY CALLING 1-866-641-4276, AND MAY VOTE THEIR PROXY AT [WWW.ENVISIONREPORTS.COM/RGR](http://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](http://WWW.PROXYVOTE.COM) OR BY CALLING 1-800-579-1639, AND MAY VOTE THEIR PROXY AT [WWW.PROXYVOTE.COM](http://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 26, 2015

**PROXY STATEMENT**

Annual Meeting of Stockholders of the Company to be held on May 5, 2015

**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 2015 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 5, 2015 at The Trumbull Marriott, 180 Hawley Lane, Trumbull, CT 06611 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 (the SEC ) website at [www.sec.gov](http://www.sec.gov) and the Company's website at [www.ruger.com](http://www.ruger.com). In addition, registered stockholders may view or request the proxy materials at [www.envisionreports.com/RGR](http://www.envisionreports.com/RGR) or by calling 1-866-641-4276, and may vote their proxy at [www.envisionreports.com/RGR](http://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](http://www.proxyvote.com) or by calling 1-800-579-1639, and may vote their proxy at [www.proxyvote.com](http://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 26, 2015, 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 \$60,000, 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, 2014, including financial statements, is enclosed herewith and has been posted and is available on the SEC website at [www.sec.gov](http://www.sec.gov) and the Company's website at [www.ruger.com](http://www.ruger.com).

Only holders of Common Stock, \$1.00 par value, of the Company (the Common Stock ) of record at the close of business on March 16, 2015 will be entitled to vote at the Meeting. Each holder of record of the issued and outstanding shares of voting Common Stock is entitled to one vote per share. As of March 16, 2015, 18,655,000 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 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 seven 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 No. 2. 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 Proposals 2 and 3, the affirmative vote of shares representing a majority of the shares present and entitled to vote is required to ratify the appointment of McGladrey LLP as the Company's independent auditors for the 2015 fiscal year, and to approve the advisory vote on executive compensation. This also applies to any other matters properly presented at the Meeting, whereby stockholder voting will indicate the relative preference 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**

Seven Directors will be elected at the Meeting, each to hold office until the next Annual Meeting of Stockholders or until his 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**

McGladrey 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 McGladrey LLP as the Company's independent auditors for the 2015 fiscal year.

**Board of Directors Recommendation**

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

**PROPOSAL NO. 3 SAY ON PAY**

The Company shall seek an advisory vote on executive compensation.

**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.



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**PROPOSAL NO. 1 ELECTION OF DIRECTORS**

Seven Directors will be elected at the Meeting, each to hold office until the next Annual Meeting of Stockholders or until his 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 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 their individual careers and service on other public boards and board committees, as applicable.

Six of the nominees for Director listed below were elected at last year's Annual Meeting. Terrence G. O Connor was appointed to the Board of Directors on September 22, 2014. 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, Age, First Became A Director	Business Experience During the Past Five Years, Other Directorships, Current Committee Memberships and Board Qualifications
<p><b>John A. Cosentino, Jr.</b> Age 65 Director since August, 2005</p>	<p>Mr. Cosentino has been a partner of Ironwood Manufacturing Fund, LP since 2002, a Director of Simonds Industries, Inc. since 2003, a Director of the Bilco Company since 2010, and a Director of Whitcraft LLC since 2011 and Chairman of the Board of Habco Industries LLC since 2012, He was the Chairman of North American Specialty Glass, LLC from 2005 to 2012, the Vice Chairman of Primary Steel, LLC from 2005 to 2007, a partner of Capital Resource Partners, LP from 2000 to 2001, 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, WPT, 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., Rau Fastener, LLC, and Otis Elevator-North America division of United Technologies, former Group Executive of the Danaher Corporation, and former Director of Integrated Electrical Services, Olympic Manufacturing Company, and the Wiremold Company. Mr. Cosentino is currently the Vice Chairman of the Board, Chairman of the Company's Compensation Committee and a member of the Company's Audit Committee. The Board believes that Mr. Cosentino's extensive executive management, investment management and board experience qualify him to serve on the Board of Directors.</p>

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<b>Name, Age, First Became A Director</b>	<b>Business Experience During the Past Five Years, Other Directorships, Current Committee Memberships and Board Qualifications</b>
<b>Michael O. Fifer</b> Age 58 Director since October, 2006	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, 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.
<b>C. Michael Jacobi</b> Age 73 Director since June, 2006	Mr. Jacobi has been the non-executive Chairman of the Board of Directors since 2010. Mr. Jacobi has been the President of Stable House 1, LLC, a private real estate development company, since 1999. Mr. Jacobi has been a member of the Board of Directors and Chairman of the Audit Committee of the Corrections Corporation of America since 2000. He has been a member of the Board of Directors of Webster Financial Corporation since 1993, served as a member of its Audit Committee from 1993 (including as Audit Committee chair from 1996 to 2011), and became a member of its Compensation Committee in 2011. He has been a member of the Board of Directors and Audit Committee of KCAP Financial Corporation since 2006. Mr. Jacobi became a member of the Board of Directors of Performance Sports Group Ltd. (formerly Bauer Performance Sports Ltd.) and its Audit, Compensation and Corporate Governance committees in 2012. 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 is a Certified Public Accountant. Mr. Jacobi is currently the Chairman of the Board 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.
<b>Terrence G. O'Connor</b> Age 59 Director since September, 2014	Mr. O'Connor has spent over 30 years in the financial services industry. Currently he is the Chairman of the Executive Committee of Bald Eagle Partners, a private real estate investment firm. 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 in various capacities. Before that, Mr. O'Connor served as an Advertising Account Executive with Ogilvy & Mather. Mr. O'Connor is currently a member of the Company's Nominating and Corporate Governance Committee and Risk Oversight Committee. 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.

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<b>Name, Age, First Became A Director</b>	<b>Business Experience During the Past Five Years, Other Directorships, Current Committee Memberships and Board Qualifications</b>
<b>Amir P. Rosenthal</b> Age 53 Director since January, 2010	<p>Mr. Rosenthal has been the Chief Financial Officer and Executive Vice President of Finance and Administration of Performance Sports Group Ltd. (formerly Bauer Performance Sports Ltd.) since 2012. From 2008 to 2011, he served as its Chief Financial Officer. From 2001 to 2008, he 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 is currently Chairman of the Company's Risk Oversight Committee and a member of the Company's Audit Committee and Nominating and Corporate Governance Committee. The Board believes that Mr. Rosenthal's comprehensive business, legal and financial expertise qualifies him to serve on the Board of Directors.</p>
<b>Phillip C. Widman</b> Age 60 Director since January, 2010	<p>Mr. Widman was the Senior Vice President and Chief Financial Officer of Terex Corporation from 2002 until his retirement in March 2013. In 2014, Mr. Widman joined the Board of Directors of Harsco Corporation and serves as a member of its Audit Committee. In 2014, Mr. Widman joined the Board of Directors of Vectrus, Inc. and serves as a member of its Audit Committee and Compensation Committee. 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 is currently Chairman of the Company's Audit Committee and a member of the Risk Oversight Committee. The Board believes that Mr. Widman's extensive business management, board and audit committee experience, financial expertise and knowledge of shooting sports qualify him to serve on the Board of Directors.</p>
<b>Ronald C. Whitaker</b> Age 67 Director since June, 2006	<p>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 April of 2013, he joined the Board of Payne &amp; Dolan, a family owned road construction business based in Wisconsin, and serves as a member of the 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 chair of its Compensation Committee and as a member of its Audit Committee. Mr. Whitaker has been a Board member of Panghorn Corporation since 2006 and serves as the chair of its Compensation Committee. He was a member of the Board and 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 Nominating and Corporate Governance Committee and a member of the Company's Audit Committee and Risk Oversight 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.</p>

**Board of Directors Recommendation**

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

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### **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 NYSE.

#### **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](http://www.ruger.com) and are available in print to any stockholder who requests it by contacting the Corporate Secretary as set forth in STOCKHOLDER COMMUNICATIONS 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](http://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, management and 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 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 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, nonmanagement 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, nonmanagement 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

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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.

**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 75<sup>th</sup> 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 2014, following the 2014 Annual Meeting of Stockholders, the members of the Board were C. Michael Jacobi, John A. Cosentino, Jr., Amir P. Rosenthal, Ronald C. Whitaker, Phillip C. Widman and Michael O. Fifer. In November 2014, the Board appointed Terrence G. O Connor as a Director.

The Board of Directors held four meetings during 2014. Each Director attended at least 75% of the meetings of the Board and of the Committees on which he served that were held during his 2014 tenure. In addition, all members of the Board attended the 2014 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 the 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 2014 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 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](http://www.ruger.com), and is available in print to any stockholder who requests it by contacting the Corporate Secretary as set forth in STOCKHOLDER COMMUNICATIONS below.

**MEMBERSHIP AND MEETINGS OF THE BOARD AND ITS COMMITTEES TABLE FOR YEAR 2014**

<u>Name</u>	<u>Board of Directors</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Nominating and Corporate Governance Committee</u>	<u>Risk Oversight Committee</u>
<b>C. Michael Jacobi</b>	Chairman		Member		
<b>John A. Cosentino, Jr.</b>	Vice Chairman	Member	Chair		
<b>James E. Service (1)</b>	Chairman Emeritus		Member	Member	
<b>Amir P. Rosenthal</b>	Member	Member		Member	Chair
<b>Ronald C. Whitaker</b>	Member	Member		Chair	Member
<b>Phillip C. Widman</b>	Member	Chair			Member
<b>Terrence G. O Connor</b>	Member			Member	Member
<b>Michael O. Fifer</b>	Member				
<b>Total Number of Meetings</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>4</b>

**Notes to Membership and Meetings of the Board Table**

(1) James E. Service retired from the Board on May 6, 2014.



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**COMMITTEES OF THE BOARD**

**Audit Committee**

In 2014, the members of the Audit Committee of the Board were Phillip C. Widman, John A. Cosentino, Jr., Amir P. Rosenthal and Ronald C. Whitaker. Mr. Widman serves as Chairman of the Audit Committee. All members of the Audit Committee are considered independent for purposes of service on the Audit Committee under the rules of the NYSE, including Rule 303A thereof, and Rule 10A-3 of the Securities and Exchange Act of 1934, as amended (the Exchange Act). All members of the Audit Committee are financially literate and have a working familiarity with basic finance and accounting practices. In addition, the Company has determined that each of Messrs. Cosentino, Rosenthal, Whitaker and Widman are audit committee financial experts as defined by the SEC rules and regulations.

The purpose of the Audit Committee is to provide assistance to the Board in fulfilling its responsibility with respect to its oversight of: (i) the quality and integrity of the Company's financial statements; (ii) the Company's compliance with legal and regulatory requirements; (iii) the independent auditor's qualifications and independence; and (iv) the performance of the Company's internal audit function and independent auditors. In addition, the Audit Committee prepares the report required by the SEC rules included in this Proxy Statement.

The Audit Committee held four meetings during 2014. All members of the Audit Committee attended all meetings of the committee during their 2014 tenure. The Annual Report of the Audit Committee is included in this Proxy Statement.

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**Report of the Audit Committee\***

Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited financial statements in the Annual Report with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the audited financial statements.

McGladrey LLP is the independent registered public accounting firm appointed by the Company, and ratified by the Company's stockholders on May 6, 2014, to serve as the Company's independent auditors for the 2014 fiscal year. The Audit Committee reviewed with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Committee by PCAOB Auditing Standard 16 (Communication with Audit Committees). In addition, the Committee has discussed with the independent auditors the auditors' independence from management and the Company, and has received the written disclosures and the letter from the independent auditors as required by PCAOB Ethics and Independence Rule 3526, *Communication with Audit Committees Concerning Independence* and McGladrey LLP's report regarding its internal controls as required by NYSE Rule 303A.07. The Audit Committee also has considered whether McGladrey LLP's provision of non-audit services to the Company is compatible with the independent registered public accounting firm's independence.

The Committee discussed with the independent auditors the overall scope and plans for their audit. The Committee met with the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Committee held four meetings during fiscal year 2014.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the Securities and Exchange Commission.

The Audit Committee's responsibility is to monitor and oversee the audit and financial reporting processes. However, the members of the Audit Committee are not practicing certified public accountants or professional auditors and rely, without independent verification, on the information provided to them and on the representations made by management, and the report issued by McGladrey LLP.

AUDIT COMMITTEE

Phillip C. Widman, Chairman  
John A. Cosentino, Jr.  
Amir P. Rosenthal  
Ronald C. Whitaker

February 23, 2015

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\*The report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under either the Securities Act of 1933, as amended, or the Exchange Act (together, the "Acts"), except to the extent that the Company specifically incorporates such report by reference; and further, such report shall not otherwise be deemed to be "soliciting material" or "filed" under the Acts.



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**Compensation Committee**

In 2014, the members of the Compensation Committee of the Board were John A. Cosentino, Jr., C. Michael Jacobi, and Ronald C. Whitaker. Mr. Cosentino serves as Chairman of the Compensation Committee. All members of the Compensation Committee are considered independent for purposes of service on the Compensation Committee under the rules of the NYSE, including Rule 303A thereof.

The purposes of the Compensation Committee are: (i) discharging the responsibilities of the Board with respect to the compensation of the Chief Executive Officer of the Company, the other executive officers of the Company and members of the Board; (ii) establishing and administering the Company's cash-based and equity-based incentive programs; and (iii) producing an annual report on executive compensation to be included in the Company's annual Proxy Statement, in accordance with the rules and regulations of the NYSE and the SEC, and any other applicable rules or regulations. The Compensation Committee has the authority to form and delegate authority to one or more subcommittees, made up of one or more of its members, as it deems appropriate.