

**CHARTER OF THE  
CAPITAL POLICY 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 Capital Policy Committee of the Board (the "Committee") to help the Board fulfill its responsibility for the Company's capital allocation oversight.

The Committee shall assist the Board in creating and adopting a rational and prudent capital management policy (the "Policy") and monitoring whether the Company's capital management actions are consistent with this Policy.

The Policy should consider internal capital investments as well as external uses of capital such as dividends, share repurchases, mergers, acquisitions and divestitures. The list is not intended to be comprehensive, and the Board recognizes that the Committee may make a variety of recommendations related to the Company's use of capital.

II. Structure and Operations

A. *Composition and Qualifications*

(1) The Committee shall be comprised of three or more members of the Board, at least two of whom are determined by the Board to be "independent" for such purposes under the rules of the New York Stock Exchange.

(2) Company employees may serve on the Committee but shall not be considered "independent".

(3) At least one member of the Committee shall have experience in finance or accounting or other relevant experience or background, including a working familiarity with basic finance and accounting practices.

B. *Chairman*

The Chairman of the Committee shall be appointed by the Board upon the recommendation of the Nominating and Governance Committee. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings. The Chairman shall be entitled to cast a vote to resolve any ties.

C. *Appointment and Removal of Members*

Each member of the Committee shall be appointed by the Board 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.

*D. Compensation*

No member of the Committee, in his or her capacity as such, shall receive compensation other than (i) director's fees for service as a director of the Company, including reasonable compensation for serving on the Committee, as well as regular benefits that other Company directors receive (including equity-based awards); (ii) a pension or similar compensation for past performance to the Company as a director, provided that such compensation is not contingent on continued or future service to the Company; and (iii) for Company employees who serve on the Committee, their regular employment compensation. Upon the recommendation by the Compensation Committee, the Chairman of the Committee shall be entitled to receive additional, reasonable compensation commensurate with the duties of the position.

*E. Annual Performance and Charter Evaluations*

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 proposed changes to this Charter.

**III. Meetings**

The Committee shall meet at least four times a year, with the authority to convene additional meetings as circumstances require.

All Committee members are expected to attend each meeting in person or via telephone or video conference unless previously excused by the Chairman. The presence of a majority of the Committee members will constitute a quorum for the transaction of business at the meeting. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held; 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.

The Committee may invite members of management, outside professionals or others to attend meetings and provide pertinent information as necessary. As part of its regular procedures, the Committee shall also meet in executive sessions attended by Committee members only.

Meeting agendas and appropriate briefing materials will be prepared and provided to Committee members in advance of each meeting. Minutes of each meeting will be prepared.

#### IV. Duties and Responsibilities

The following functions shall be the common recurring activities of the Committee in carrying out its purpose outlined in Article I of this Charter, provided, however, that the Committee need not perform a particular function if either: (1) the Committee concludes that the function is adequately being performed by another Committee of the Board; or (2) the Board has delegated the particular function to another Committee.

##### A. *Capital Management Responsibilities*

(1) The Committee shall work with management to develop and maintain a plan for its capital structure, dividend policy and share repurchases that considers future growth plans, business and financial risks, and financial and regulatory constraints.

(2) The Committee shall discuss with management the Company's major internal capital investments, and monitor the effectiveness of such investments as a whole. This shall include reviewing the financial aspects of major proposed transactions, new programs and services, as well as proposals to discontinue programs or services.

(3) The Committee shall review all significant proposed external transactions, such as mergers, acquisitions, divestitures, joint ventures and equity investments.

(4) The Committee shall recommend "for" or "against" all internal or external capital transactions that it deems, in its sole discretion, warrant such a recommendation. In order to allow timely responses to changing circumstances by management, no specific threshold is hereby established.

Any investment or other capital transaction recommended by the Committee may be disapproved by the Board in its sole discretion and the Board may in its sole discretion determine to proceed with any investment or other capital transaction recommended against by the Committee.

(5) The Committee shall work with management to ensure that share repurchases by the Company, if any, are executed pursuant to a program that complies with applicable legal requirements, including issuer tender offer rules, insider trading laws, Regulation M and the requirements of SEC's Rule 10b-18 promulgated under the Securities Act of 1934.

##### B. *Reporting Responsibilities*

(1) The Committee shall report regularly to the Board regarding Committee activities, issues and related recommendations.

(2) The Committee shall review any other reports the Company issues that relate to the Committee's responsibilities.

##### C. *Other Responsibilities; Delegation*

The Committee shall also carry out any other duties and responsibilities delegated to it by the Board, and may adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions.

In carrying out its functions, the Committee shall have the authority to retain outside legal, accounting or other advisors, including the authority to approve the fees payable to such advisors and any other terms of retention without permission from the Board or management.

The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.

The Company shall also provide funding, as determined by the Committee, for payment of ordinary administrative expenses 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 capital expenditures or financial statements or any professional certification.

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 by such persons or organizations, absent actual knowledge to the contrary.