

Edgar Filing: STURM RUGER & CO INC - Form 8-K

in Mr. Reid's salary or a diminution of his duties and thereafter he terminates his employment.

The Agreement provide for severance benefits consisting of the following primary components:

- o a lump sum cash payment (payable within 30 days of termination unless such payment is subject to the six-month deferral required by Internal Revenue Code Section 409A) equal to (i) 12 months of Base Annual Salary (as defined in each agreement) if employed less than 5 years by the Company or (ii) 18 months of Base Annual Salary if employed more than 5 years by the Company; and
- o continued insurance benefits for the period not to exceed 18 months from the date that the officer's employment with the Company terminates.

The Agreement has a one-year term, subject to automatic extension for additional one-year periods on each anniversary of its date unless either side gives notice of intent not to renew at least one year in advance.

The foregoing description of the Agreement is qualified in its entirety by reference to the complete terms and conditions of the Agreement, which is attached as Exhibits 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

Exhibit No. Description

10.1 Severance Agreement, dated as of May 2, 2008 by and between Sturm, Ruger, & Co., Inc. and Kevin B. Reid, Sr.

2

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STURM, RUGER & COMPANY, INC.

By: /s/ Thomas A. Dineen

Name: Thomas A. Dineen
Title: Principal Financial Officer,
Treasurer and Chief Financial Officer

Dated: May 2, 2008

3