

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported)  
February 20, 2025**

**STURM, RUGER & COMPANY, INC.**

(Exact Name of Registrant as Specified in its Charter)

<b>DELAWARE</b> (State or Other Jurisdiction of Incorporation)	<b>001-10435</b> (Commission File Number)	<b>06-0633559</b> (IRS Employer Identification Number)
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<b>ONE LACEY PLACE, SOUTHPORT, CONNECTICUT</b> (Address of Principal Executive Offices)	<b>06890</b> (Zip Code)
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**(203) 259-7843**  
Registrant's telephone number, including area code

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	RGR	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## **Item 1.01           Entry into a Material Definitive Agreement.**

### Agreement with Christopher J. Killoy

On February 20, 2025, Sturm, Ruger & Company, Inc. (the “Company”) entered into a Second Amended and Restated Severance Agreement (“Killoy Agreement”) with Christopher J. Killoy, the Chief Executive Officer of the Company.

The Killoy Agreement provides for (i) Mr. Killoy to continue to serve as Chief Executive Officer of the Company until March 1, 2025, and to resign from such position on such date, (ii) Mr. Killoy to be employed as Special Advisor to the CEO and Board of Directors following such resignation until March 1, 2028, (iii) the Company to compensate Mr. Killoy for such services at the rate of \$275,000 per annum, (iv) the continued vesting of Mr. Killoy’s restricted stock unit awards as if Mr. Killoy remained employed as the CEO of the Company and (v) a prohibition against Mr. Killoy engaging in certain activities that compete or interfere with the Company during the period he is providing services under the Killoy Agreement.

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

### Agreement with Kevin B Reid, Sr.

On February 20, 2025, the Company entered into a transition agreement (the “Reid Agreement”), effective as of June 30, 2025, with Kevin B. Reid, Sr. , who will resign as Vice President, General Counsel and Corporate Secretary of the Company effective as of June 30, 2025.

The Reid Agreement provides for (i) Mr. Reid to continue working for the Company as Senior Counsel until his retirement on June 30, 2026, and (ii) the Company to compensate Mr. Reid at the rate of \$400,000 per annum from June 30, 2025 through June 30, 2026.

The foregoing description of the Reid Agreement is qualified in its entirety by reference to the complete terms and conditions of the Reid Agreement, which is attached as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

## **Item 5.02           Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

### Transition of Chief Executive Officer Role; Killoy Agreement

As described in Item 1.01 (above), Mr. Killoy will resign as the Chief Executive Officer of the Company on March 1, 2025, at which time Mr. Todd W. Seyfert will become the Chief Executive Officer of the Company (as described more fully below). The disclosure set forth in Item 1.01 (above) concerning the terms and conditions of the Killoy Agreement are hereby incorporated by reference herein (qualified, with respect to the description of the Killoy Agreement, in its entirety by reference to the complete terms and conditions of the Killoy Agreement, which is attached hereto as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference).

## Reid Agreement;

As described in Item 1.01 (above), Mr. Reid will resign as Vice President, General Counsel and Corporate Secretary of the Company effective as of June 30, 2025. The disclosure set forth in Item 1.01 (above) concerning the terms and conditions of the Reid Agreement are hereby incorporated by reference herein (qualified, with respect to the description of the Reid Agreement, in its entirety by reference to the complete terms and conditions of the Reid Agreement, which is attached hereto as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference).

## Employment Agreement with Todd W. Seyfert

The disclosure set forth in the Current Report on Form 8-K filed by the Company on January 17, 2025 concerning the appointment of Mr. Todd W. Seyfert as President and Chief Executive Officer of the Company, effective as of March 1, 2025, and concerning the terms and conditions of the Employment Agreement, dated as of January 15, 2025, by and between Mr. Seyfert and the Company, is hereby incorporated by reference herein.

Mr. Seyfert, 55, has served as the President of Segment Land Vehicles Americas at Dometic Group AB since January 2024. Prior to that Mr. Seyfert served as the Chief Executive Officer of FeraDyne Outdoors, LLC, a leading manufacturer of premium archery and hunting products, from February 2016 through May 2023.

There were no arrangements or understandings between Mr. Seyfert and any other person pursuant to which Mr. Seyfert was selected as President and Chief Executive Officer of the Company and there are no family relationships between Mr. Seyfert and any director or executive officer of the Company. Mr. Seyfert has no direct or indirect material interest in any related party transaction required to be disclosed under Item 404(a) of Regulation S-K.

## **Item 9.01 Financial Statements and Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
10.1	Second Amended and Restated Agreement, dated as of February 20, 2025, by and between Sturm, Ruger & Company, Inc. and Christopher J. Killoy
10.2	Transition Agreement, dated as of February 20, 2025, by and between Sturm, Ruger & Company, Inc. and Kevin B. Reid, Sr.

## 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,  
Principal Accounting Officer,  
Vice President, Treasurer and  
Chief Financial Officer

Dated: February 24, 2025

**SECOND AMENDED AND RESTATED AGREEMENT**

This SECOND AMENDED AND RESTATED AGREEMENT (this "Agreement") is made and entered into as of February 20, 2025 by and between Sturm, Ruger & Company, Inc., a Delaware corporation with its principal place of business at One Lacey Place, Southport, Connecticut 06890 (the "Company"), and Christopher J. Killoy, an individual ("Employee").

WITNESSETH:

WHEREAS, the Company and Employee are parties to an Amended and Restated Agreement, dated as of November 10, 2020, (the "Original Agreement"), which sets forth the terms and conditions pursuant to which Employee is employed by the Company, the terms and conditions concerning the transition of Employee's responsibilities to his successor upon the conclusion of Employee's employment as the Chief Executive Officer of the Company and Employee's agreement to provide consulting services for the benefit of the Company following the conclusion of his employment with the Company; and

WHEREAS, the Company and Employee desire to amend the Original Agreement to ensure that, upon the conclusion of Employee's employment with the Company, which the Company and Employee anticipate will occur in connection with the 2025 annual meeting of the Company's stockholders, there will be a smooth transition of Employee's responsibilities to his successor, and that the Company will continue to build upon the success achieved during Employee's tenure as Chief Executive Officer of the Company; and

WHEREAS, the Company recognizes that Employee has gained extensive knowledge and formed many valuable relationships in his career, and that such knowledge and relationships have significant value to the Company; and

WHEREAS, the Company and Employee desire that Employee continue to provide consulting services for the benefit of the Company following the conclusion of his employment as with the Company, subject to the provisions set forth herein;

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Company and Employee hereby agree to amend and restate the Original Agreement to read in full as follows:

**Section 1. Definitions.**

(a) "Accrued Obligations" shall mean (i) all accrued but unpaid Base Salary through the date of termination of Employee's employment and (ii) any unpaid or unreimbursed expenses incurred in accordance with Section 6 below.

(b) "Annual Compensation" shall mean, at any time, an amount equal to Employee's Base Salary, plus 100% of the target cash bonus or other cash incentive that

Employee is eligible to earn in such year pursuant to each plan or program (whether or not such plan or program has been formalized or is in written form) of the Company in effect for such year that provides for cash bonuses or other cash incentives, or if no such plan or program has been adopted with respect to such year, 100% of the target cash bonus or other cash incentive that Employee is eligible to earn in the most recent year in which such a plan or program was in effect.

(c) "Base Salary" shall mean the salary provided for in Section 3(a) below or any increased salary granted to Employee pursuant to Section 3(a).

(d) "Board" shall mean the Board of Directors of the Company.

(e) "Cause" shall mean (i) a breach of Employee's fiduciary duties to the Company including, but not limited to, his failure to obey any lawful directive of the Board, (ii) Employee's personal dishonesty or willful misconduct or (iii) Employee's willful violation of any law, rule or regulation (other than traffic violations or similar offenses) or final cease-and-desist order.

(f) "CEO" shall mean the Chief Executive Officer of the Company.

(g) "Change in Control" shall be deemed to have the same meaning as defined in the Plan.

(h) "Change in Control Termination" shall have the meaning set forth in Section 7(e).

(i) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(j) "Company" shall have the meaning set forth in the preamble hereto.

(k) "Competitive Activities" shall mean any business activities involving, or related to, (i) the design, manufacture or sale of firearms or firearms accessories or (ii) any other products or services which the Company or its subsidiaries manufacture, sell, distribute or provide (or have committed plans to manufacture, sell, distribute or provide) during the term of Employee's employment with the Company.

(l) "Confidential Information" shall mean confidential or proprietary trade secrets, customer lists, customer identities and information, information regarding service providers, manufacturing processes, product designs or other intellectual property, marketing data or plans, sales data or plans, management organization information, operating policies or manuals, business plans, operations or techniques, financial records or data, or other financial, commercial, business or technical information (i) of or relating to the Company or any of its subsidiaries, or (ii) that the Company or any of its subsidiaries may receive belonging to suppliers, customers or other Persons who do business with the Company or its subsidiaries, but shall exclude any information that is in the public domain or hereafter enters the public domain, in each case, without the breach by Employee of his obligations under this Agreement.

(m) "Consulting Period" shall have the meaning set forth in Section 10.

- (n) "Consulting Services" shall have the meaning set forth in Section 10(a).
- (o) "Developments" shall have the meaning set forth in Section 8.
- (p) "Effective Date" shall mean the date of this Agreement.
- (q) "Employee" shall have the meaning set forth in the preamble hereto.
- (r) "Existing RSU Agreements" shall have the meaning set forth in Section 10(f).

(s) "Good Reason" shall mean, without Employee's consent, (i) a substantial and material diminution in Employee's title, duties or responsibilities (provided that Employee's transition to the role of Special Advisor to the CEO and Board of Directors as contemplated herein during the Term of Employment shall not constitute a substantial and material diminution of Employee's title, duties or responsibilities within the meaning of this clause (i)) or (ii) a breach by the Company of any material provision of this Agreement.

(t) "Interfering Activities" shall mean directly or indirectly (i) encouraging, soliciting, or inducing, or in any manner attempting to encourage, solicit, or induce, any Person employed by, or Person providing consulting services to, the Company or any of its subsidiaries to terminate such employment or consulting services; provided, that the foregoing shall not be violated by a general advertising not targeted at employees or consultants of the Company or its subsidiaries; (ii) hiring any Person who was employed by the Company or any of its subsidiaries at any time during the twelve (12) month period preceding the date of such hiring; or (iii) encouraging, soliciting or inducing, or in any manner attempting to encourage, solicit or induce any customer, distributor, insurer, supplier, licensee or other business relation of the Company or any of its subsidiaries to cease doing business with or reduce the amount of business conducted with the Company or its subsidiaries, or interfering in any way with the relationship between any such customer, distributor, insurer, supplier, licensee or business relation and the Company or its subsidiaries.

(u) "Parachute Payment" shall have the meaning set forth in Section 14(b).

(v) "Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust (charitable or non-charitable), unincorporated organization or other form of business entity.

(w) "Plan" means the Company's 2023 Stock Incentive Plan, as amended, modified, supplemented or superseded after the date of this Agreement (for the avoidance of doubt, such term shall include any successor plan of the Company that replaces the Plan).

(x) "Release Expiration Date" shall mean the date which is twenty-one (21) days following Employee's termination of employment, or, in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967), the date which is forty-five (45) days following Employee's termination of employment.

(y) "Release" shall mean a release made by Employee in favor of the Company and its affiliates, in form and content acceptable to the Company, which shall include, but not be limited to, appropriate non-disparagement provisions.

(z) "Restricted Area" shall have the meaning set forth in Section 11.

(aa) "Restricted Period" shall have the meaning set forth in Section 11.

(bb) "RSUs" shall have the meaning set forth in Section 10(f).

(cc) "Term of Employment" shall have the meaning set forth in Section 2(a) below.

(dd) "Transition Date" shall have the meaning set forth in Section 9.

**Section 2. Acceptance of Employment; Position, Duties and Responsibilities; Place of Performance.**

(a) Term of Employment; Employment Status. The Company agrees to employ Employee and Employee agrees to serve the Company on the terms and conditions set forth herein. This Agreement shall commence on the Effective Date and shall continue until the termination of Employee's employment for any reason (such period, the "Term of Employment"). Notwithstanding the foregoing, or anything to the contrary herein, nothing in this Agreement (i) confers upon the Employee the right to continue in the employment of the Company or to the right to hold any particular office or position with the Company, (ii) except as set forth herein, entitles Employee to receive any specified annual salary or bonus or other compensation or (iii) interferes with or restricts in any way the right of the Company to terminate Employee's employment at any time, with or without Cause.

(b) Position. From the Effective Date until March 1, 2025, Employee shall be employed as the CEO of the Company (together with such other position or positions consistent with Employee's title as the Board shall specify from time to time) and shall have such duties typically associated with such title and such additional duties as may be specified by the Board from time to time. On March 1, 2025, Employee shall cease to serve as the CEO, and during the remainder of the Term of Employment hereunder Employee shall be employed as Special Advisor to the CEO and Board of Directors (together with such other position or positions consistent with Employee's title as the Board shall specify from time to time) and shall have such duties typically associated with such title and such additional duties as may be specified by the Board from time to time. Employee also agrees to serve as an officer and/or director of the Company and/or any parent or subsidiary of the Company if requested by the Board, in each case, without additional compensation.

(c) Employment Duties; Conflicting Activities. During the Term of Employment Employee shall devote his full business time, attention, skill and best efforts to the performance of his duties under this Agreement and shall not engage in any other business or occupation during the Term of Employment, including, without limitation, any activity that (x) conflicts with the interests of the Company or its subsidiaries, (y) interferes with the proper and efficient performance of his duties for the Company or (z) interferes with the exercise of his



judgment in the Company's best interests. Notwithstanding the foregoing, nothing herein shall preclude Employee from (i) serving, with the prior written consent of the Board, as a member of the board of directors or advisory boards (or their equivalents in the case of a non-corporate entity) of non-competing businesses and charitable organizations, (ii) engaging in charitable activities and community affairs and (iii) managing his personal investments and affairs; provided, however, that the activities set out in clauses (i), (ii) and (iii) shall be limited by Employee so as not to materially interfere, individually or in the aggregate, with the performance of his duties and responsibilities hereunder. Employee has been given permission from the Board to serve as a member of the Board of Directors of Velocity Outdoor, a subsidiary of Compass Diversified Holdings.

(d) Place of Employment. During the Term of Employment Employee's principal place of employment shall be in Southport, Connecticut or such other location as may be designated as the Company's corporate headquarters by the Board from time to time, although Employee understands and agrees that he will be required to travel from time to time for business reasons.

Section 3. **Compensation.** During the Term of Employment Employee shall be entitled to the following compensation:

(a) Base Salary. Employee shall be paid an annualized Base Salary, payable in accordance with the regular payroll practices of the Company, of not less than \$700,000, with increases, if any, as may be approved by the Board.

(b) Annual Bonus and Equity Compensation. During the Term of Employment Employee shall be eligible to receive an annual target cash bonus and awards of restricted stock units or other equity-based incentive compensation consistent with his position(s) with the Company, in each case, as determined by the Board and the Compensation Committee of the Board; provided that Employee's (i) annual target cash bonus based on 100% of Base Salary (it being understood that Employee's target cash bonus for 2025 will be based on Employee's full per annum Base Salary for such year, and not subject to proration), (ii) annual performance-based equity incentive compensation and (iii) annual time-based equity incentive compensation, each equity award equal to 125% of his Base Salary for the applicable period (all subject, in each case, to adjustment by the Board and the Compensation Committee of the Board from time to time during the Term of Employment in connection with changes to the compensation structure of Company executives adopted thereby).

Section 4. **Employee Benefits.**

During the Term of Employment Employee shall be entitled to participate in health, insurance, retirement and other benefits provided to other senior executives of the Company. During the Term of Employment Employee shall also be entitled to the same number of holidays, vacation days, sick days and other benefits as are generally allowed to senior executives of the Company in accordance with the Company's policies in effect from time to time.

Section 5. **Key-Man Insurance.**

At any time during the Term of Employment the Company shall have the right to insure the life of Employee for the sole benefit of the Company, in such amounts, and with such terms, as it may determine. All premiums payable thereon shall be the obligation of the Company. Employee shall have no interest in any such policy, but agrees to cooperate with the Company in taking out such insurance by submitting to physical examinations, supplying all information required by each insurance company, and executing all necessary documents, provided that no financial obligation is imposed on Employee by any such documents.

Section 6. **Reimbursement of Business Expenses.**

During the Term of Employment Employee is authorized to incur reasonable business expenses in carrying out his duties and responsibilities under this Agreement and the Company shall promptly reimburse him for all such reasonable business expenses incurred in connection with carrying out the business of the Company, subject to documentation in accordance with the Company's policies, as in effect from time to time.

Section 7. **Termination of Employment.**

(a) General. Notwithstanding Section 2, or anything to the contrary herein, the Term of Employment shall terminate upon the earliest to occur of (i) Employee's death, (ii) a termination of Employee's employment by the Company with or without Cause and (iii) a termination by Employee. Upon any termination of Employee's employment for any reason, except as may otherwise be requested by the Company in writing, Employee shall resign from any and all directorships, committee memberships or any other positions Employee holds with the Company or any of its subsidiaries or affiliates.

(b) Termination due to Death. Employee's employment shall terminate automatically upon his death. In the event Employee's employment is terminated due to his death, Employee's estate or beneficiaries, as the case may be, shall be entitled to the Accrued Obligations. Following such termination of Employee's employment by the reason of death, except as set forth in this Section 7(b), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(c) Termination by the Company for Cause. The Company may terminate Employee's employment at any time for Cause. In the event the Company terminates Employee's employment for Cause, he shall be entitled only to the Accrued Obligations. Following such termination of Employee's employment for Cause, except as set forth in this Section 7(c), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(d) Termination by the Company without Cause. The Company may terminate Employee's employment at any time without Cause. In the event Employee's employment is terminated by the Company without Cause (other than due to death) during the Term of Employment, Employee shall be entitled to receive:

- (i) The Accrued Obligations; and

(ii) Subject to the limitations set forth in Section 14(b), within thirty (30) days (or forty-five (45) days in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967)) after the date that Employee executes and delivers a Release to the Company, or, to the extent required by Section 409A of Code, on the first day of the seventh month following such date, as a severance payment for services previously rendered to the Company, a lump sum equal to twenty four (24) months of Base Salary (at the rate in effect immediately prior to the date Employee's employment terminates).

Following such termination of Employee's employment without Cause, except as set forth in this Section 7(d) and Section 7(h), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(e) Change in Control Termination. If (i) a Change in Control occurs during the Term of Employment, (ii) within twenty four (24) months after the effective date of such Change in Control the Company reduces Employee's Base Salary or makes a material change in the nature and scope of Employee's duties to a level below that in effect immediately prior to the effective date of such Change in Control and (iii) within ninety (90) days thereafter Employee or the Company terminates Employee's employment (an employment termination that satisfies the foregoing conditions, a "Change in Control Termination"), then Employee shall be entitled to receive:

(i) The Accrued Obligations; and

(ii) Subject to the limitations set forth in Section 14(b), within thirty (30) days (or forty-five (45) days in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967)) after the date that Employee executes and delivers a Release to the Company or, to the extent required by Section 409A of the Code, on the first day of the seventh month following such date, a lump sum equal to twenty four (24) months of Employee's Annual Compensation in effect immediately prior to the date Employee's employment terminates (without regard to any decrease in the rate of Employee's Annual Compensation made after such Change in Control).

Following such termination of Employee's employment, except as set forth in this Section 7(e) and Section 7(h), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(f) Termination by Employee With Good Reason. Employee may terminate his employment with the Company for Good Reason by providing the Company thirty (30) days' written notice setting forth in reasonable specificity the event that constitutes Good Reason, which written notice, to be effective, must be provided to the Company within sixty (60) days of the occurrence of such event. During such thirty (30) day notice period, the Company shall have a cure right (if such event is curable), and if such event is not reasonably cured within such period, Employee's termination will be effective upon the expiration of such cure period, and

Employee shall be entitled to the same payments and benefits as provided in Section 7(d) above for a termination of Employee's employment by the Company without Cause, subject to the same conditions on payment and benefits as described in Section 7(d) above. Following such termination by Employee, except as set forth in this Section 7(f) and Section 7(h), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(g) Termination by Employee Without Good Reason. Employee may terminate his employment with the Company at any time. In the event of a termination of employment by Employee, other than a termination of employment by Employee that qualifies as a Change in Control Termination or a termination with Good Reason pursuant to Section 7(f), Employee shall be entitled only to the Accrued Obligations. Following such termination by Employee, except as set forth in this Section 7(g), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(h) Benefits. Upon the occurrence of a termination of Employee's employment pursuant to Sections 7(d), (e) or (f), the Company shall also cause to be continued, for a period of time equal to the number of months of severance pay due to Employee, such life, medical and dental insurance coverage as is otherwise maintained by the Company for full-time employees (based on the Base Salary in effect immediately prior to the date Employee's employment terminates), subject to the limitations set forth in such plans, programs or policies, provided that Employee shall continue to pay all amounts in respect of such coverage that an employee receiving the same level of coverage is or would be required to pay (the employee contribution).

(i) Release. Notwithstanding any provision herein to the contrary, the Company may require that, prior to payment of any amount or provision of any benefit pursuant to Sections 7(d), (e), (f) or (h) (other than the Accrued Obligations), Employee shall have executed, on or prior to the Release Expiration Date, a Release, which Release and any waiting periods contained in such Release shall have expired. In the event that Employee fails to execute a Release in favor of the Company and its subsidiaries and affiliates and their respective related parties on or prior to the Release Expiration Date, Employee shall not be entitled to any payments or benefits pursuant to Sections 7(d), (e), (f) or (h) (other than the Accrued Obligations).

(j) Exclusive Rights. The severance benefits specified in this Section 7 (i) shall be in lieu of any severance pay or other severance benefit that the Company may provide to terminated employees pursuant to policies of the Company that may at that time be in effect and (ii) shall not in any way affect Employee's entitlement to the receipt of a pro-rated cash bonus or other cash incentive that Employee is otherwise eligible to earn in the ordinary course, during the partial year prior to date of termination, pursuant to each plan or program (whether or not such plan or program has been formalized or is in written form) of the Company in effect for such year that provides for cash bonuses or other cash incentives (provided that the Company goals that trigger the obligation of the Company to pay any such cash bonus or other cash incentives are satisfied).

Section 8. **Works for Hire.** Employee agrees that the Company shall own all right, title and interest throughout the world in and to any and all inventions, original works of

authorship, developments, concepts, know-how, improvements or trade secrets, whether or not patentable or registerable under copyright or similar laws, which Employee may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice during the Term of Employment, whether or not during regular working hours, provided such inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets (i) relate at the time of conception or development to the actual or demonstrably proposed business or research and development activities of the Company or its subsidiaries; (ii) result from or relate to any work performed for the Company or its subsidiaries; or (iii) are developed through the use of Confidential Information and/or Company resources or in consultation with Company personnel (such inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets are collectively referred to herein as "Developments"). Employee hereby assigns all right, title and interest in and to any and all of these Developments to the Company. Employee agrees to assist the Company, at the Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Employee hereby irrevocably designates and appoints the Company and its agents as attorneys-in-fact to act for and on Employee's behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Employee. In addition, and not in contravention of any of the foregoing, Employee acknowledges that all original works of authorship which are made by him (solely or jointly with others) within the scope of employment and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act (17 USC Sec. 101). To the extent allowed by law, this includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights." To the extent Employee retains any such moral rights under applicable law, Employee hereby waives such moral rights and consents to any action consistent with the terms of this Agreement with respect to such moral rights, in each case, to the full extent of such applicable law. Employee will confirm any such waivers and consents from time to time as requested by the Company.

#### **Section 9. Transition.**

(a) The Company and Employee presently anticipate that Employee shall continue to serve as an employee of the Company until the date of the 2025 annual meeting of the Company's stockholders (the "Transition Date"). During the period beginning on the date of this Agreement and ending on the Transition Date, Employee shall work with the Company's executive team and the Board to facilitate the transition process. Employee hereby agrees that he shall resign from his position as Special Advisor to the CEO and Board of Directors on the Transition Date.

(b) Upon Employee's resignation as Special Advisor to the CEO and Board of Directors of the Company, the Company and Employee anticipate that Employee shall continue to serve as a member of the Board, subject to the approval of the Company's stockholders and applicable law and the regulations of the New York Stock Exchange.

(c) Nothing in this Section 9 confers upon Employee the right to continue in the employment of the Company through the Transition Date or the right to hold any particular office or position with the Company or interferes with or restricts in any way the right of the

Company to terminate Employee's employment as the CEO of the Company or Special Advisor to the CEO and Board of Directors at any time, for any reason.

**Section 10. Consulting Services.**

Employee shall perform the Consulting Services (as defined below) during the period beginning on the Transition Date and ending on the thirty-six (36) month anniversary of the Transition Date (such period, the "Consulting Period").

(a) Employee shall provide consulting, advisory and other services (collectively, the "Consulting Services") to the Company at the request of the Company, including making recommendations on strategy and helping to ensure a smooth transition of the Company's leadership. The Consulting Services shall include, without limitation, the following:

(i) Employee shall make himself available to the Company's CEO and the other members of the Company's executive team upon the request thereof to advise on strategic and other executive matters.

(ii) Employee shall work with the Board and the Company's CEO to formulate plans which will help to facilitate the transitional requirements of the Company's new CEO.

(iii) Employee shall work with the Company's executive team to maintain the Company's relationships with its shareholders and customers, including distributors and retailers of the Company's products, firearms industry groups and media organizations and participate in meetings and outreach events with such Persons.

(b) Employee agrees to perform the Consulting Services contemplated during the Consulting Period in a good and competent manner and to exercise his professional skill and judgment in accordance with good business practices.

(c) Subject to the provisions of Section 11 below, during the Consulting Period Employee shall be entitled to pursue other business activities in addition to his Consulting Services hereunder and his services as a member of the Board, including, but not limited to, serving on corporate and charitable boards for other entities.

(d) As consideration for the performance of the Consulting Services during the Consulting Period, the Company shall pay to Employee Two Hundred Seventy-Five Thousand Dollars (\$275,000) per annum, payable monthly.

(e) The Company shall reimburse Employee for all reasonable out-of-pocket travel expenses and other direct out-of-pocket expenses incurred by Employee in performing the Consulting Services for the Company during the Consulting Period with the prior consent of the Company, subject to Employee's submission of appropriate documentation therefor. Reimbursements shall be payable to Employee in accordance with the Company's travel and expense policies, as in effect from time to time.

(f) The Company shall, subject to the approval of the Compensation Committee of the Board and Employee's continued engagement with the Company in accordance with the terms of this Agreement, make an annual grant to Employee in the spring of 2025 of time-based and performance-based restricted stock units ("RSUs") for the Company's common stock, par value \$1.00 per share, at a level consistent with the time-based and performance-based RSU grants made to Employee in 2024. The terms applicable to the RSUs granted to Employee in 2025 shall be consistent in all material respects with the terms applicable to the RSUs granted to Employee in 2024 and shall be subject to such other standard terms and conditions as apply to executive RSU awards made by the Company pursuant to the Plan, as determined by the Compensation Committee of the Board; provided, however, that if the Compensation Committee of the Board changes the performance criteria for all executive level performance-based RSU awards, Employee's 2025 performance-based RSU award shall include the same criteria. Further, all RSU awards previously made to Employee by the Company shall continue to vest as if Employee remained employed as the CEO of the Company, and the Company and Employee shall amend Employee's existing RSU award agreements (the "Existing RSU Agreements") to reflect the foregoing.

(g) It is understood and agreed that Employee shall be an independent contractor in the performance of any and all Consulting Services during the Consulting Period, and that nothing in this Agreement shall in any way be construed to give rise to an employment relationship between the Company and Employee during the Consulting Period. Employee understands and agrees that, during the Consulting Period, as an independent contractor, any amounts remitted by the Company to Employee for Consulting Services rendered are not subject to withholding for federal, state, or social security taxes. All such taxes and other legally required payments and any insurance required by law (other than health insurance) shall be Employee's sole responsibility. Employee agrees and understands that, during the Consulting Period, as an independent contractor, Employee shall not be eligible to participate in, and shall not be eligible for benefits under, any of the Company's employee benefit plans or programs, provided that during the Consulting Period Employee shall be eligible to participate in any benefit plan arrangements offered by the Company to the Company's directors, as in effect from time to time. During the Consulting Period Employee shall be solely responsible for his compliance with all economic, operational, safety, insurance and other requirements imposed by federal, state or local law with respect to the Consulting Services. Upon termination of the Consulting Period for any reason, the Company shall have no further obligation or liability to Employee pursuant to this Agreement, other than the payment of any amounts due through the date of termination of the Consulting Period.

(h) Notwithstanding anything to the contrary herein, the Company shall have the right to terminate the Consulting Period, in its discretion, in the event that:

(i) Employee fails to perform or is negligent in the performance of the Consulting Services due to the Company pursuant to this Agreement;

(ii) Employee breaches any material provision of this Agreement, which breach has not been cured to the satisfaction of the Board within fifteen (15) days after the Board receives notice of such breach;

(iii) Employee is convicted of a crime involving moral turpitude, dishonesty, theft, fraud, embezzlement, unethical business conduct, or conduct that materially impairs or injures the reputation of or harms the Company;

(iv) Employee is convicted of or pleads nolo contendere to a felony or any other crime involving moral turpitude;

(v) Employee engages in willful misconduct in connection with the performance of any of Employee's duties under this Agreement, including, but not limited to, misappropriation of funds or property of the Company, securing or attempting to secure personally any profit in connection with any transaction entered into on behalf of the Company, or any violation of law or regulations on Company premises or to which the Company is subject; or

(vi) Prior to the Transition Date, Employee's employment as the CEO of the Company is terminated by (A) Employee, for any reason, or (B) by the Company, for Cause.

Section 11. **Confidentiality; Restricted Activities.** Employee agrees that some restrictions on his activities are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its affiliates:

(a) From and after the date of this Agreement, Employee shall not disclose Confidential Information to, or use Confidential Information for the benefit of, any Person, except (i) to the extent required by an order of a court having jurisdiction over Employee or under subpoena from an appropriate government agency, in which event, Employee shall use his good faith efforts to consult with the General Counsel of the Company prior to responding to any such order or subpoena, or (ii) as required in the performance of Employee's obligations under this Agreement.

(b) Employee agrees that, during the period commencing on the date of this Agreement and ending on the two (2) year anniversary of the (i) termination of Employee's employment for any reason prior to the Transition Date or (ii) if Employee's employment is not terminated prior to the Transition Date, termination or expiration of the Consulting Period (such period, the "Restricted Period"), Employee shall not, directly or indirectly, individually or jointly, own any interest in, operate, join, control or participate as a partner, director, principal, officer, or agent of, enter into the employment of, act as a consultant to, or perform any services for any Person (other than the Company or its subsidiaries), that engages in any Competitive Activities within the United States of America or any other jurisdiction in which the Company or its subsidiaries are engaged (or have committed plans to engage) in business during the Consulting Period (the "Restricted Area"). Notwithstanding anything herein to the contrary, this Section 11 shall not prevent Employee from acquiring or holding as an investment securities (x) of the Company or (y) representing not more than three percent (3%) of the outstanding voting securities of any other publicly-held corporation.



(c) During the Restricted Period, Employee shall not, for his own account or for the account of any other Person (other than the Company or its subsidiaries), engage in Interfering Activities.

(d) Without limiting the remedies available to the Company, Employee acknowledges that a breach of any of the covenants contained in this Section 11 may result in material irreparable injury to the Company or its subsidiaries for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company shall be entitled to seek a temporary restraining order and/or a preliminary or permanent injunction, without the necessity of proving irreparable harm or injury as a result of such breach or threatened breach of this Section 11, restraining Employee from engaging in activities prohibited by this Section 11 or such other relief as may be required specifically to enforce any of the covenants in this Section 11. Notwithstanding any other provision herein to the contrary, the Restricted Period shall be tolled during any period of violation of Sections 11(b) or (c) and during any other period required for litigation during which the Company seeks to enforce such covenants against Employee if it is ultimately determined that Employee was in breach of such covenants.

(e) If any court of competent jurisdiction shall at any time determine that any covenant or agreement contained in this Section 11 exceeds the temporal, geographic or other limitations permitted by applicable law in any jurisdiction and renders such covenant or agreement unenforceable, the other provisions of this Section 11 shall nevertheless remain in effect and such covenant or agreement shall be deemed to be reformed and modified to the maximum temporal, geographic or other limitation permitted by law under the circumstances, and the Company and Employee each agree that any such court shall be expressly empowered to so reform and modify such covenant or agreement.

(f) Employee acknowledges and agrees that (A) the agreements and covenants contained in this Section 11 (i) are reasonable and valid in geographical and temporal scope and in all other respects, (ii) are essential to protect the value of the business, assets and confidential information of the Company and its subsidiaries and (iii) will not impose any undue hardship on Employee, (B) Employee has and will obtain valuable knowledge (including knowledge of the Company's trade secrets, customer relationships and other confidential information), contacts, know-how, training and experience and such knowledge, know-how, contacts, training and experience could be used to the substantial detriment of the Company and its subsidiaries, and (C) the markets served by the Company and its subsidiaries include each state within the Restricted Area and are not dependent on the geographical location of the Company's offices or its employees. Employee further acknowledges that the Company's agreement to enter into the Agreement and to make the payments and take the actions contemplated herein is conditioned upon Employee's agreement to the terms set forth in this Section 11 and the Company's agreement to enter into the Agreement constitutes good and valuable consideration for Employee's agreement to the restrictions set forth in this Section 11.

(g) Unless otherwise agreed by the Company and Employee, in the event that the Company terminates Employee's employment as the CEO of the Company or Special Advisor to the CEO and Board of Directors prior to the Transition Date without Cause,

Employee shall, from and after the date of such termination, no longer be subject to the provisions of Section 11(b).

(h) In the event of the termination of Employee's employment or Consulting Services for any reason, Employee shall deliver to the Company all of (i) the property of the Company and (ii) the documents and data of any nature and in whatever medium of the Company, and he shall not take with him any such property, documents or data or any reproduction thereof, or any documents containing or pertaining to any Confidential Information.

#### Section 12. **Injunctive Relief.**

Without limiting the remedies available to the Company, Employee acknowledges that a breach of any of the covenants contained in Section 11 hereof may result in material irreparable injury to the Company or its subsidiaries or affiliates for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction, without the necessity of proving irreparable harm or injury as a result of such breach or threatened breach of Section 11 hereof, restraining Employee from engaging in activities prohibited by Section 11 hereof or such other relief as may be required specifically to enforce any of the covenants in Section 11 hereof. Notwithstanding any other provision to the contrary, the Restricted Period shall be tolled during any period of violation of any of the covenants in Section 11(b) or (c) hereof and during any other period required for litigation during which the Company seeks to enforce such covenants against Employee if it is ultimately determined that Employee was in breach of such covenants.

#### Section 13. **Representations and Warranties of Employee.**

Employee represents and warrants to the Company that:

(a) Employee is entering into this Agreement voluntarily and that his employment hereunder and compliance with the terms and conditions hereof will not conflict with or result in the breach by him of any agreement to which he is a party or by which he may be bound;

(b) He has not, and in connection with his employment with the Company will not, violate any non-solicitation or other similar covenant or agreement by which he is or may be bound; and

(c) In connection with his employment with the Company he will not use any confidential or proprietary information he may have obtained in connection with employment with any prior employer.

#### Section 14. **Taxes.**

(a) The Company may withhold from any payments made under this Agreement, including payments made pursuant to Section 7, all applicable taxes, including, but not limited to, income, employment and social insurance taxes, as shall be required by law.

Employee acknowledges and represents that the Company has not provided any tax advice to him in connection with this Agreement and that he has been advised by the Company to seek tax advice from his own tax advisors regarding this Agreement and payments that may be made to him pursuant to this Agreement, including, specifically, the application of the provisions of Sections 280G or 409A of the Code to such payments.

(b) In the event that any amount otherwise payable pursuant to Section 7 would be deemed to constitute a parachute payment (a "Parachute Payment") within the meaning of Section 280G of the Code, and if any such Parachute Payment, when added to any other payments which are deemed to constitute Parachute Payments, would otherwise result in the imposition of an excise tax under Section 4999 of the Code, the amounts payable hereunder shall be reduced by the smallest amount necessary to avoid the imposition of such excise tax. Any such limitation shall be applied to such compensation and benefit amounts, and in such order, as the Company shall determine in its sole discretion.

**Section 15. Set Off; Mitigation.**

The Company's obligation to pay Employee the amounts provided and to make the arrangements provided hereunder shall be subject to set-off, counterclaim or recoupment of amounts owed by Employee to the Company or its subsidiaries or affiliates. Employee shall not be required to mitigate the amount of any payment provided for pursuant to this Agreement by seeking other employment or otherwise and the amount of any payment provided for pursuant to this Agreement shall not be reduced by any compensation earned as a result of Employee's other employment or otherwise.

**Section 16. Delay in Payment.**

Notwithstanding any provision in this Agreement to the contrary, any payment otherwise required to be made hereunder to Employee at any date as a result of the termination of Employee's employment shall be delayed for such period of time as may be necessary to meet the requirements of section 409A(a)(2)(B)(i) of the Code. On the earliest date on which such payments can be made without violating the requirements of section 409A(a)(2)(B)(i) of the Code, there shall be paid to Employee, in a single cash lump sum, an amount equal to the aggregate amount of all payments delayed pursuant to the preceding sentence.

**Section 17. Successors and Assigns; No Third-Party Beneficiaries.**

(a) The Company. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Neither this Agreement nor any of the rights, obligations or interests arising hereunder may be assigned by the Company without Employee's prior written consent, to a Person other than a subsidiary, affiliate or parent entity of the Company, or their respective successors or assigns; provided, however, that, in the event of the merger, consolidation, transfer or sale of all or substantially all of the assets of the Company with or to any other Person, this Agreement shall, subject to the provisions hereof, be freely assignable to, and be binding upon and inure to the benefit of, each such Person, without Employee's consent, and, to the extent the Agreement has been so assigned, such Person shall

discharge and perform all the promises, covenants, duties and obligations of the Company hereunder.

(b) Employee. Employee's rights and obligations under this Agreement shall not be transferable by Employee, by assignment or otherwise, without the prior written consent of the Company; provided, however, that if Employee shall die, all amounts then payable to Employee hereunder shall be paid in accordance with the terms of this Agreement to Employee's devisee, legatee or other designee or, if there be no such designee, to Employee's estate.

(c) No Third-Party Beneficiaries. Except as otherwise set forth in Section 7(b) or this Section 17, nothing expressed or referred to in this Agreement will be construed to give any person or entity other than the Company (and its subsidiaries and affiliates) and Employee any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

**Section 18. Waiver and Amendments.**

Any waiver, alteration, amendment or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by each of the parties hereto; provided, however, that any such waiver, alteration, amendment or modification is approved by the Board. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

**Section 19. Severability.**

If any covenants or such other provisions of this Agreement are found to be invalid or unenforceable by a final determination of a court of competent jurisdiction: (i) the remaining terms and provisions hereof shall be unimpaired, and (ii) the invalid or unenforceable term or provision hereof shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision hereof.

**Section 20. Governing Law and Jurisdiction.**

This Agreement is governed by and is to be construed under the laws of the State of Connecticut without regard to conflict of laws rules. Any dispute or claim arising out of or relating to this Agreement or claim of breach hereof (other than claims for injunctive relief, which shall be governed by Section 12 hereof) shall be brought exclusively in the State or Federal courts located in Hartford, Connecticut. By execution of the Agreement, the parties hereto, and their respective affiliates, consent to the exclusive jurisdiction of such court, and waive any right to challenge jurisdiction or venue in such court with regard to any suit, action, or proceeding under or in connection with the Agreement. Each party to this Agreement also hereby waives any right to trial by jury in connection with any suit, action or proceeding under or in connection with this Agreement.

**Section 21. Notices.**

(a) Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided, provided that, unless and until some other address be so designated, all notices or communications by Employee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to Employee may be given to Employee personally or may be mailed to Employee at Employee's last known address, as reflected in the Company's records.

(b) Any notice so addressed shall be deemed to be given: (i) if delivered by hand, on the date of such delivery; (ii) if mailed by courier or by overnight mail, on the first business day following the date of such mailing; and (iii) if mailed by registered or certified mail, on the third (3<sup>rd</sup>) business day after the date of such mailing.

**Section 22. Section Headings.**

The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof, affect the meaning or interpretation of this Agreement or of any term or provision hereof.

**Section 23. Entire Agreement.**

This Agreement, together with any exhibits attached hereto, constitutes the entire understanding and agreement of the parties hereto regarding the subject matter hereof. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings and agreements between the parties hereto relating to the subject matter of this Agreement, including, without limitation, the Severance Agreement.

**Section 24. Survival of Operative Sections.**

Upon any termination of Employee's employment with the Company or Consulting Services, the provisions of Section 7 through Section 25 of this Agreement (together with any related definitions set forth in Section 1 hereof) shall survive to the extent necessary to give effect to the provisions thereof.

**Section 25. Counterparts.**

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile (including by way of PDF files) signature.

\* \* \*

[Signatures to appear on the following page.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

**COMPANY:**

STURM RUGER & COMPANY, INC.

By: /S/ KEVIN B. REID, SR.

Name: Kevin B. Reid, Sr,

Title: VP, General Counsel and  
Corporate Secretary

**EMPLOYEE:**

/S/ CHRISTOPHER J. KILLOY

Christopher J. Killoy

**TRANSITION AGREEMENT**

This TRANSITION AGREEMENT (this “Agreement”) is made and entered into as of February 20, 2025 but (except as set forth in Section 21) is effective as of June 30, 2025 (the “Transition Date”) by and between Sturm, Ruger & Company, Inc., a Delaware corporation with its principal place of business at One Lacey Place, Southport, Connecticut 06890 (the “Company”), and Kevin B. Reid, Sr., an individual (“Employee”).

W I T N E S S E T H:

WHEREAS, Employee will voluntarily step down as Vice President, General Counsel and Corporate Secretary of the Company as of the Transition Date, the Company desires to engage Employee and to enter into an agreement embodying the terms of Employee’s employment from and after the Transition Date, and Employee desires to enter into this Agreement to accept the terms of such post-Transition Date employment, subject to the terms and provisions of this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, and intending to be legally bound, the Company and Employee hereby agree as follows:

**Section 1. Definitions.**

(a) “Accrued Obligations” shall mean (i) all accrued but unpaid Base Salary through the date of termination of Employee’s employment and (ii) any unpaid or unreimbursed expenses incurred in accordance with Section 6 below.

(b) “Base Salary” shall mean the salary provided for in Section 3(a) below.

(c) “Board” shall mean the Board of Directors of the Company.

(d) “Cause” shall mean (i) a breach of Employee’s fiduciary duties or obligations to the Company including, but not limited to, his failure to obey any lawful directive of the Board or Employee’s breach of his obligations hereunder or under the Company’s policies, (ii) gross negligence in the performance of Employee’s duties, (iii) Employee’s personal dishonesty or willful misconduct, or (iv) Employee’s willful violation of any law, rule or regulation (other than minor traffic violations or similar offenses) or final cease-and-desist order, in each case as determined by the Board in good faith.

(e) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(f) “Company” shall have the meaning set forth in the preamble hereto.

(g) “Competitive Activities” shall mean any business activities involving, or related to, (i) the design, manufacture or sale of firearms or firearms accessories or (ii) any other

products or services which the Company or its subsidiaries manufacture, sell, distribute or provide (or have committed plans to manufacture, sell, distribute or provide) during the term of Employee's employment with the Company.

(h) "Confidential Information" shall mean confidential or proprietary trade secrets, customer lists, customer identities and information, information regarding service providers, manufacturing processes, product designs or other intellectual property, marketing data or plans, sales data or plans, management organization information, operating policies or manuals, personnel information, business plans, operations or techniques, financial records or data, other financial, commercial, business or technical information, or any other information treated as confidential (i) of or relating to the Company or any of its subsidiaries, or (ii) that the Company or any of its subsidiaries may receive belonging to suppliers, customers or other Persons who do business with the Company or its subsidiaries, but shall exclude any information that is in the public domain or hereafter enters the public domain, in each case, without the breach by Employee of his obligations under this Agreement.

(i) "Developments" shall have the meaning set forth in Section 8.

(j) "Disabled" shall mean Employee becoming physically or mentally disabled or incapacitated to the extent that he has been unable to perform his essential duties hereunder, with or without an accommodation, for a continuous period of four (4) months on account of such disability or incapacitation in the reasonable judgment of a physician selected by the Board.

(k) "Employee" shall have the meaning set forth in the preamble hereto.

(l) "Good Reason" shall mean the Company, without Employee's consent: (i) substantially and materially changes Employee's duties or responsibilities (it being acknowledged and agreed that the Company may reduce or eliminate Employee's duties or responsibilities and such reduction or elimination shall not constitute "Good Reason") or (ii) materially breaches this Agreement, and, in each case, the Company does not cure the event constituting Good Reason within thirty (30) days following the date of the Company's receipt of a written notice from Employee describing such breach, which written notice must be received by the Company within ninety (90) days following the occurrence of such breach.

(m) "Interfering Activities" shall mean directly or indirectly (i) encouraging, soliciting, or inducing, or in any manner attempting to encourage, solicit, or induce, any Person employed by, or Person providing consulting services to, the Company or any of its subsidiaries to terminate such employment or consulting services; provided, that the foregoing shall not be violated by a general advertising not targeted at employees or consultants of the Company or its subsidiaries; (ii) hiring any Person who was employed by the Company or any of its subsidiaries at any time during the twelve (12) month period preceding the date of such hiring; or (iii) encouraging, soliciting or inducing, or in any manner attempting to encourage, solicit or induce any customer, distributor, insurer, supplier, licensee or other business relation of the Company or any of its subsidiaries to cease doing business with or reduce the amount of business conducted with the Company or its subsidiaries, or interfering in any way with the relationship between any



such customer, distributor, insurer, supplier, licensee or business relation and the Company or its subsidiaries.

(n) “OSHA” shall have the meaning set forth in Section 9(a).

(o) “Parachute Payment” shall have the meaning set forth in Section 12(b).

(p) “Person” shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust (charitable or non-charitable), unincorporated organization or other form of business entity.

(q) “Release” shall mean a release made by Employee in favor of the Company and its affiliates, in form and content acceptable to the Company, which shall include, but not be limited to, appropriate non-disparagement provisions.

(r) “Release Delivery Date” shall mean the date on which a Release is delivered by Employee to the Company.

(s) “Release Expiration Date” shall mean the date which is twenty-one (21) days following Employee’s receipt of the Release, or, in the event that such termination of employment is “in connection with an exit incentive or other employment termination program” (as such phrase is defined in the Age Discrimination in Employment Act of 1967), the date which is forty-five (45) days following Employee’s receipt of the Release.

(t) “Restricted Area” shall have the meaning set forth in Section 9(b).

(u) “Restricted Period” shall have the meaning set forth in Section 9(b).

(v) “SEC” shall have the meaning set forth in Section 9(a).

(w) “Severance Agreement” shall mean that certain Severance Agreement, dated as of November 11, 2024, by and between the Company and Employee (as amended as set forth in Section 21).

(x) “Term of Employment” shall have the meaning set forth in Section 2(a).

## **Section 2. Acceptance of Employment; Position, Duties and Responsibilities; Place of Performance.**

(a) Term of Employment; Employment Status. Effective as of the Transition Date, and provided that Employee’s employment with the Company was not previously terminated by the Company with Cause or by reason of Employee’s death or Disability, or by Employee without Good Reason, the Company agrees to employ Employee and Employee agrees to serve the Company on the terms and conditions set forth herein. The term of Employee’s employment hereunder shall commence on the Transition Date and shall continue until the earlier of: (x) June 30, 2026; or (y) the earlier termination of Employee’s employment for any reason (such period, the “Term of Employment”). Notwithstanding the foregoing, or anything to the contrary herein, nothing in this Agreement (i) confers upon the Employee the

right to continue in the employment of the Company or to the right to hold any particular office or position with the Company, (ii) except as set forth herein, entitles Employee to receive any specified annual salary or bonus or other compensation or (iii) interferes with or restricts in any way the right of the Company to terminate Employee's employment at any time, with or without Cause.

(b) Position. From and after the Transition Date, until the end of the Term of Employment hereunder, Employee shall be employed as Senior Counsel to the Company (together with such other position or positions consistent with Employee's title as the Board shall specify from time to time) and shall have such duties as may be specified by the Company from time to time. Employee also agrees to serve as an officer and/or director of the Company and/or any parent or subsidiary of the Company if requested by the Board, in each case, without additional compensation.

(c) Employment Duties; Conflicting Activities. During the Term of Employment, Employee shall devote his full business time, attention, skill and best efforts to the performance of his duties under this Agreement and shall not engage in any other business or occupation during the Term of Employment, including, without limitation, any activity that (x) conflicts with the interests of the Company or its subsidiaries, (y) interferes with the proper and efficient performance of his duties for the Company or (z) interferes with the exercise of his judgment in the Company's best interests. Notwithstanding the foregoing, nothing herein shall preclude Employee from (i) serving, per Company policy, and with the prior written consent of the Board in each case, on (A) not more than one for-profit company's (public or private) board of directors (or equivalent in the case of a non-corporate entity) or (B) as a member of the board of directors or advisory board (or their equivalents in the case of a non-corporate entity) of one or more charitable organizations, (ii) engaging in charitable activities and community affairs and (iii) managing his personal investments and affairs; provided, however, that the activities set out in clauses (i), (ii) and (iii) shall be limited by Employee so as not to materially interfere, individually or in the aggregate, with the performance of his duties and responsibilities hereunder.

(d) Place of Employment. From and after the Transition Date until the end of the Term of Employment hereunder, Employee shall maintain a hybrid work schedule, wherein he will primarily work remotely, but shall also work from the Company's corporate headquarters as is reasonably necessary to perform his duties or as may be requested by the Company. During the entire Term of Employment hereunder, Employee furthermore understands and agrees that he will be required to travel from time to time for business reasons.

**Section 3. Compensation.** During the Term of Employment Employee shall be entitled to the following compensation:

(a) Base Salary. Employee shall be paid an annualized Base Salary, payable in accordance with the regular payroll practices of the Company, of not less than \$400,000.

(b) Annual Bonus and Equity Compensation. With respect to 2025, in addition to the annual awards of restricted stock units (consistent with his then-current positions with the Company) that Employee will receive prior to the Transition Date, Employee shall be

eligible to earn an annual cash bonus consistent with his positions with the Company prior to the Transition Date, in each case, as determined by the Board and the Compensation Committee of the Board. With respect to 2026, Employee shall not be eligible to earn an annual target cash bonus or receive awards of restricted stock units or any other equity-based incentive compensation.

**Section 4. Employee Benefits.**

During the Term of Employment, Employee shall be entitled to participate in health, insurance, retirement (including 401(k) plan participation) and other benefits provided to other senior executives of the Company. During the Term of Employment, Employee shall also be entitled to the same number of holidays, vacation days, sick days and other benefits as are generally allowed to senior executives of the Company in accordance with the Company's policies in effect from time to time. Notwithstanding the foregoing, the Company reserves the right to modify or eliminate any benefit that it offers to its senior executives and employees generally.

**Section 5. Key-Employee Insurance.**

At any time during the Term of Employment, the Company shall have the right to insure the life of Employee for the sole benefit of the Company, in such amounts, and with such terms, as it may determine. All premiums payable thereon shall be the obligation of the Company. Employee shall have no interest in any such policy, but agrees to cooperate with the Company in taking out such insurance by submitting to physical examinations, supplying all information required by each insurance company, and executing all necessary documents, provided that no financial obligation is imposed on Employee by any such documents.

**Section 6. Reimbursement of Business Expenses.**

During the Term of Employment, Employee is authorized to incur reasonable business expenses that are ordinary and necessary in carrying out his duties and responsibilities under this Agreement and the Company shall promptly reimburse him for all such reasonable business expenses incurred in connection with carrying out the business of the Company, subject to documentation in accordance with the Company's policies, as in effect from time to time.

**Section 7. Termination of Employment.**

(a) General. Notwithstanding Section 2, or anything to the contrary herein, the Term of Employment shall terminate upon the earliest to occur of (i) Employee's death or Disability, (ii) a termination of Employee's employment by the Company with or without Cause, (iii) a termination by Employee with Good Reason or without Good Reason, and (iv) expiration of the Term of Employment on June 30, 2026. Upon any termination of Employee's employment for any reason, except as may otherwise be requested by the Company in writing, Employee shall resign from any and all directorships, committee memberships or any other positions Employee holds with the Company or any of its subsidiaries or affiliates.

(b) Termination due to Death or Disability. Employee's employment shall terminate automatically upon his death or Disability. In the event Employee's employment is

terminated due to his death or Disability, Employee or Employee's estate or beneficiaries, as the case may be, shall be entitled to the Accrued Obligations. Following such termination of Employee's employment by the reason of death or Disability, except as set forth in this Section 7(b), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(c) Termination by the Company for Cause. The Company may terminate Employee's employment at any time for Cause. In the event the Company terminates Employee's employment for Cause, he shall be entitled only to the Accrued Obligations. Following such termination of Employee's employment for Cause, except as set forth in this Section 7(c), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(d) Termination by the Company without Cause. The Company may terminate Employee's employment at any time without Cause. In the event Employee's employment is terminated by the Company without Cause (other than due to death or Disability) during the Term of Employment on or after the Transition Date, Employee shall be entitled to receive: (x) the Accrued Obligations; and (y) subject to the limitations set forth in Section 12(b), within sixty (60) days after such termination date, or, to the extent required by Section 409A of the Code, on the first day of the seventh month following the Release Delivery Date, as a severance payment for services previously rendered to the Company, a lump sum equal to Employee's Base Salary that would otherwise have been payable to Employee hereunder from the date of such termination until June 30, 2026. Following such termination of Employee's employment without Cause, except as set forth in this Section 7(d) and Section 7(h), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(e) Termination by Employee With Good Reason. Employee may terminate his employment with the Company with Good Reason. If Employee's employment is terminated by Employee with Good Reason during the Term of Employment at any time on or after the Transition Date, Employee shall be entitled to receive (x) the Accrued Obligations; and (y) subject to the limitations set forth in Section 12(b), within sixty (60) days after such termination date, or, to the extent required by Section 409A of the Code, on the first day of the seventh month following the Release Delivery Date, as a severance payment for services previously rendered to the Company, a lump sum equal to Employee's Base Salary that would otherwise have been payable to Employee hereunder from the date of such termination until June 30, 2026. Following such termination by Employee, except as set forth in this Section 7(e) and Section 7(h), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(f) Termination by Employee Without Good Reason. Employee may terminate his employment with the Company at any time, but must provide at least (sixty) 60 days' notice prior to termination without Good Reason. In the event of a termination of employment by Employee, other than a termination of employment by Employee that qualifies as a termination with Good Reason pursuant to Section 7(e), Employee shall be entitled only to the Accrued Obligations. Following such termination by Employee, except as set forth in this Section 7(f), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(g) Termination upon Expiration of the Term of Employment. Unless earlier terminated hereunder, Employee's employment with the Company will automatically terminate on June 30, 2026, at which time the Term of Employment hereunder will expire. In such event, Employee shall be entitled only to the Accrued Obligations. Following such termination of Employee's employment upon expiration of the Term of Employment, except as set forth in this Section 7(g), Employee shall have no further rights to any compensation or any other benefits under this Agreement.

(h) Benefits. Upon the occurrence of a termination of Employee's employment pursuant to Section 7(d) or Section 7(e) the Company shall also cause to be continued, for a period of time equal to the number of months of Base Salary due to Employee thereunder, such life, medical and dental insurance coverage as is otherwise maintained by the Company for full-time employees—and in the case of tiered programs, at the same level of coverage previously elected by Employee and in place at the time of termination—(based on the Base Salary in effect immediately prior to the date Employee's employment terminates), subject to the limitations set forth in such plans, programs or policies, provided that Employee shall continue to pay all amounts in respect of such coverage that an employee receiving the same level of coverage is or would be required to pay (the employee contribution). The foregoing payments and benefits will not be made or may be treated as taxable income to the Employee where necessary to avoid violating applicable laws, rules, or regulations, including under the Code. This Section 7(h) does not affect the Company's right to modify or eliminate any benefits provided to its senior executives or employees generally.

(i) Release. Notwithstanding any provision herein to the contrary, the Company may require that, prior to payment of any amount or provision of any benefit pursuant to Section 7(d), Section 7(e), or Section 7(h) (other than the Accrued Obligations), Employee shall have executed, on or prior to the Release Expiration Date, a Release, and any revocation period contained in such Release shall have expired. In the event that Employee fails to execute a Release in favor of the Company and its subsidiaries and affiliates and their respective related parties on or prior to the Release Expiration Date, Employee shall not be entitled to any payments or benefits pursuant to Section 7(d), Section 7(e), or Section 7(h) (other than the Accrued Obligations).

(j) Exclusive Rights. The severance benefits specified in this Section 7 (i) shall be in lieu of any severance pay or other severance benefit that the Company may provide to terminated employees pursuant to policies of the Company that may at that time be in effect and (ii) shall not in any way affect Employee's entitlement to the receipt of a pro-rated cash bonus or other cash incentive that Employee is otherwise eligible to earn in the ordinary course, during the partial year prior to date of termination, pursuant to each plan or program (whether or not such plan or program has been formalized or is in written form) of the Company in effect for such year that provides for cash bonuses or other cash incentives (provided that the Company goals that trigger the obligation of the Company to pay any such cash bonus or other cash incentives are satisfied). Except in connection with any termination of Employee's employment by the Company with Cause or by Employee without Good Reason, in such event, provided that Employee satisfies the Release Requirement, such partial year cash bonus or other cash incentive shall be paid to Employee when cash bonuses are paid to the Company's other senior executive

with respect to such year, but no event later than seventy-five (75) days after the end of such year.

Section 8. **Works for Hire.** Employee agrees that the Company shall own all right, title and interest throughout the world in and to any and all inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets, whether or not patentable or registerable under copyright or similar laws, which Employee may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice during the Term of Employment, whether or not during regular working hours, provided such inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets (i) relate at the time of conception or development to the actual or demonstrably proposed business or research and development activities of the Company or its subsidiaries; (ii) result from or relate to any work performed for the Company or its subsidiaries; or (iii) are developed through the use of Confidential Information and/or Company resources or in consultation with Company personnel (such inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets are collectively referred to herein as “Developments”). Employee hereby assigns all right, title and interest in and to any and all of these Developments to the Company. Employee agrees to assist the Company, at the Company’s expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. Employee hereby irrevocably designates and appoints the Company and its agents as attorneys-in-fact to act for and on Employee’s behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by Employee. In addition, and not in contravention of any of the foregoing, Employee acknowledges that all original works of authorship which are made by him (solely or jointly with others) within the scope of employment and which are protectable by copyright are “works made for hire,” as that term is defined in the United States Copyright Act (17 USC Sec. 101). To the extent allowed by law, this includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as “moral rights.” To the extent Employee retains any such moral rights under applicable law, Employee hereby waives such moral rights and consents to any action consistent with the terms of this Agreement with respect to such moral rights, in each case, to the full extent of such applicable law. Employee will confirm any such waivers and consents from time to time as requested by the Company.

Section 9. **Confidentiality; Restricted Activities.** Employee agrees that some restrictions on his activities are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its affiliates:

(a) From and after the date of this Agreement, Employee shall not disclose Confidential Information to, or use Confidential Information for the benefit of, any Person, except (i) as required in the performance of Employee’s obligations under this Agreement, (ii) to the extent required by an order of a court having jurisdiction over Employee or under subpoena from an appropriate government agency, in which event, Employee shall use his good faith efforts to consult with the General Counsel of the Company prior to responding to any such order or subpoena, (iii) in initiating communications directly with, responding to any inquiry from, providing information to or testimony before, or filing a complaint with, any law enforcement agency, including but not limited to the Occupational Safety and Health Administration

(“OSHA”), the Securities and Exchange Commission (“SEC”), the United States Congress, the Department of Justice, or any agency Inspector General, about actual or potential violations of laws or regulations, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or (iv) in providing information pursuant to, or receiving and fully retaining a monetary award from, a government-administered whistleblower award program (such as, but not limited to, the SEC or Internal Revenue Service whistleblower award programs) for providing information directly to a government agency. Further, Employee is advised that pursuant to the Defend Trade Secrets Act an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (B) solely for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal. Further, an individual who files a lawsuit alleging retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding if the individual (A) files any document containing the trade secret under seal and (B) does not otherwise disclose the trade secret, except pursuant to court order. Employee understands that any disclosure by Employee of the Company’s trade secrets not done in good faith consistent with the above may subject Employee to substantial damages, including punitive damages and attorney’s fees.

(b) Employee agrees that, during the period commencing on the date of this Agreement and ending on the two (2) year anniversary of the termination of Employee’s employment with the Company for any reason (such period, the “Restricted Period”), Employee shall not, directly or indirectly, individually or jointly, own any interest in, operate, join, control or participate as a partner, director, principal, officer, or agent of, enter into the employment of, act as a consultant to, or perform any services for any Person (other than the Company or its subsidiaries), that engages in any Competitive Activities within the United States of America or any other jurisdiction in which the Company or its subsidiaries are engaged (or have committed plans to engage) in business during the Consulting Period (the “Restricted Area”). Notwithstanding anything herein to the contrary, this Section 9 shall not prevent Employee from acquiring or holding as an investment securities (x) of the Company or (y) representing not more than three percent (3%) of the outstanding voting securities of any other publicly-held corporation.

(c) During the Restricted Period, Employee shall not, for his own account or for the account of any other Person (other than the Company or its subsidiaries), engage in Interfering Activities.

(d) Without limiting the remedies available to the Company, Employee acknowledges that a breach of any of the covenants contained in this Section 9 may result in material irreparable injury to the Company or its subsidiaries for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company shall be entitled to seek a temporary restraining order and/or a preliminary or permanent injunction, without the necessity of proving irreparable harm or injury as a result of such breach or threatened breach of this Section 9, restraining Employee from engaging in activities prohibited by this Section 9 or such

other relief as may be required specifically to enforce any of the covenants in this Section 9. Notwithstanding any other provision herein to the contrary, the Restricted Period shall be tolled during any period of violation of Section 9(b) or Section 9(c) and during any other period required for litigation during which the Company seeks to enforce such covenants against Employee if it is ultimately determined that Employee was in breach of such covenants.

(e) If any court of competent jurisdiction shall at any time determine that any covenant or agreement contained in this Section 9 exceeds the temporal, geographic or other limitations permitted by applicable law in any jurisdiction and renders such covenant or agreement unenforceable, the other provisions of this Section 9 shall nevertheless remain in effect and such covenant or agreement shall be deemed to be reformed and modified to the maximum temporal, geographic or other limitation permitted by law under the circumstances, and the Company and Employee each agree that any such court shall be expressly empowered to so reform and modify such covenant or agreement.

(f) Employee acknowledges and agrees that (A) the agreements and covenants contained in this Section 9 (i) are reasonable and valid in geographical and temporal scope and in all other respects, (ii) are essential to protect the value of the business, assets and confidential information of the Company and its subsidiaries and (iii) will not impose any undue hardship on Employee, (B) Employee has and will obtain valuable knowledge (including knowledge of the Company's trade secrets, customer relationships and other confidential information), contacts, know-how, training and experience and such knowledge, know-how, contacts, training and experience could be used to the substantial detriment of the Company and its subsidiaries, and (C) the markets served by the Company and its subsidiaries include each state within the Restricted Area and are not dependent on the geographical location of the Company's offices or its employees. Employee further acknowledges that the Company's agreement to enter into the Agreement and to make the payments and take the actions contemplated herein is conditioned upon Employee's agreement to the terms set forth in this Section 9 and the Company's agreement to enter into the Agreement constitutes good and valuable consideration for Employee's agreement to the restrictions set forth in this Section 9.

(g) In the event of the termination of Employee's employment for any reason, Employee shall deliver to the Company all of (i) the property of the Company and (ii) the documents and data of any nature and in whatever medium of the Company, and he shall not take with him any such property, documents or data or any reproduction thereof, or any documents containing or pertaining to any Confidential Information.

#### Section 10. **Injunctive Relief.**

Without limiting the remedies available to the Company, Employee acknowledges that a breach of any of the covenants contained in Section 9 hereof may result in material irreparable injury to the Company or its subsidiaries or affiliates for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company shall be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction, without the necessity of proving irreparable harm or injury as a result of such breach or threatened breach of Section 9 hereof, restraining Employee from engaging in activities prohibited by Section 9 hereof or such



other relief as may be required specifically to enforce any of the covenants in Section 9 hereof. Notwithstanding any other provision to the contrary, the Restricted Period shall be tolled during any period of violation of any of the covenants in Section 9(b) or Section 9(c) hereof and during any other period required for litigation during which the Company seeks to enforce such covenants against Employee if it is ultimately determined that Employee was in breach of such covenants.

**Section 11. Representations and Warranties of Employee.**

Employee represents and warrants to the Company that:

(a) Employee is entering into this Agreement voluntarily and that his employment hereunder and compliance with the terms and conditions hereof will not conflict with or result in the breach by him of any agreement to which he is a party or by which he may be bound;

(b) He has not, and in connection with his employment with the Company will not, violate any non-solicitation or other similar covenant or agreement by which he is or may be bound; and

(c) In connection with his employment with the Company he will not use any confidential or proprietary information he may have obtained in connection with employment with any prior employer.

**Section 12. Taxes.**

(a) The Company may withhold from any payments made under this Agreement, including payments made pursuant to Section 7, all applicable taxes, including, but not limited to, income, employment and social insurance taxes, as shall be required by law. Employee acknowledges and represents that the Company has not provided any tax advice to him in connection with this Agreement and that he has been advised by the Company to seek tax advice from his own tax advisors regarding this Agreement and payments that may be made to him pursuant to this Agreement, including, specifically, the application of the provisions of Sections 280G or 409A of the Code to such payments.

(b) In the event that any amount otherwise payable pursuant to Section 7 would be deemed to constitute a parachute payment (a "Parachute Payment") within the meaning of Section 280G of the Code, and if any such Parachute Payment, when added to any other payments which are deemed to constitute Parachute Payments, would otherwise result in the imposition of an excise tax under Section 4999 of the Code, the amounts payable hereunder shall be reduced by the smallest amount necessary to avoid the imposition of such excise tax. Any such limitation shall be applied to such compensation and benefit amounts, and in such order, as the Company shall determine in its sole discretion.

**Section 13. Set Off.**

The Company's obligation to pay Employee the amounts provided and to make the arrangements provided hereunder shall be subject to set-off, counterclaim or recoupment of

amounts owed by Employee to the Company or its subsidiaries or affiliates to the greatest extent permitted by applicable law.

**Section 14. Delay in Payment.**

Notwithstanding any provision in this Agreement to the contrary, any payment otherwise required to be made hereunder to Employee at any date as a result of the termination of Employee's employment shall be delayed for such period of time as may be necessary to meet the requirements of section 409A(a)(2)(B)(i) of the Code. On the earliest date on which such payments can be made without violating the requirements of section 409A(a)(2)(B)(i) of the Code, there shall be paid to Employee, in a single cash lump sum, an amount equal to the aggregate amount of all payments delayed pursuant to the preceding sentence. Notwithstanding anything herein to the contrary, this Agreement shall be interpreted, operated and administered in a manner consistent with such intentions; provided, however, that in no event shall the Company or its agents, subsidiaries, affiliates or successors be liable for any additional tax, interest or penalty that may be imposed on Employee pursuant to Section 409A of the Code or for any damages incurred by Employee as a result of this Agreement (or the payment or benefits hereunder) failing to comply with, or be exempt from, Section 409A of the Code.

**Section 15. Successors and Assigns; No Third-Party Beneficiaries.**

(a) The Company. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Neither this Agreement nor any of the rights, obligations or interests arising hereunder may be assigned by the Company without Employee's prior written consent, to a Person other than a subsidiary, affiliate or parent entity of the Company, or their respective successors or assigns; provided, however, that, in the event of the merger, consolidation, transfer or sale of all or substantially all of the assets of the Company with or to any other Person, this Agreement shall, subject to the provisions hereof, be freely assignable to, and be binding upon and inure to the benefit of, each such Person, without Employee's consent, and, to the extent the Agreement has been so assigned, such Person shall discharge and perform all the promises, covenants, duties and obligations of the Company hereunder.

(b) Employee. Employee's rights and obligations under this Agreement shall not be transferable by Employee, by assignment or otherwise, without the prior written consent of the Company; provided, however, that if Employee shall die, all amounts then payable to Employee hereunder shall be paid in accordance with the terms of this Agreement to Employee's devisee, legatee or other designee or, if there be no such designee, to Employee's estate.

(c) No Third-Party Beneficiaries. Except as otherwise set forth in Section 7(b) or this Section 15, nothing expressed or referred to in this Agreement will be construed to give any person or entity other than the Company (and its subsidiaries and affiliates) and Employee any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

**Section 16. Waiver and Amendments.**

Any waiver, alteration, amendment or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by each of the parties hereto; provided, however, that any such waiver, alteration, amendment or modification is approved by the Board. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

**Section 17. Severability.**

If any covenants or such other provisions of this Agreement are found to be invalid or unenforceable by a final determination of a court of competent jurisdiction: (i) the remaining terms and provisions hereof shall be unimpaired, and (ii) the invalid or unenforceable term or provision hereof shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision hereof.

**Section 18. Governing Law and Jurisdiction.**

This Agreement is governed by and is to be construed under the laws of the State of Connecticut without regard to conflict of laws rules. Any dispute or claim arising out of or relating to this Agreement or claim of breach hereof (other than claims for injunctive relief, which shall be governed by Section 10 hereof) shall be brought exclusively in the State or Federal courts located in Hartford, Connecticut. By execution of the Agreement, the parties hereto, and their respective affiliates, consent to the exclusive jurisdiction of such court, and waive any right to challenge jurisdiction or venue in such court with regard to any suit, action, or proceeding under or in connection with the Agreement. Each party to this Agreement also hereby waives any right to trial by jury in connection with any suit, action or proceeding under or in connection with this Agreement.

**Section 19. Notices.**

(a) Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided, provided that, unless and until some other address be so designated, all notices or communications by Employee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to Employee may be given to Employee personally or may be mailed to Employee at Employee's last known address, as reflected in the Company's records.

(b) Any notice so addressed shall be deemed to be given: (i) if delivered by hand, on the date of such delivery; (ii) if mailed by courier or by overnight mail, on the first business day following the date of such mailing; and (iii) if mailed by registered or certified mail, on the third (3<sup>rd</sup>) business day after the date of such mailing.

**Section 20. Section Headings.**

The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof, affect the meaning or interpretation of this Agreement or of any term or provision hereof.

**Section 21. Entire Agreement.**

This Agreement, together with any exhibits attached hereto, constitutes the entire understanding and agreement of the parties hereto regarding the subject matter hereof. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings and agreements between the parties hereto relating to the subject matter of this Agreement. The Company and Employee agree that the Severance Agreement shall (i) hereby be amended by replacing the definition of “Good Reason” set forth therein with the definition of Good Reason herein, effective immediately, (ii) remain in effect (as so amended) during the period from the date of this Agreement until the Transition Date and (iii) terminate and be of no further force and effect on the Transition Date (except solely to the extent that any amounts remain due to Employee by the Company in respect thereof or obligations to Employee remained unperformed by the Company, in each case as a result of any termination of Employee’s employment by the Company without Cause or by Employee with Good Reason prior to the Transition Date).

**Section 22. Survival of Operative Sections.**

Upon any termination of Employee’s employment with the Company, the provisions of Section 7 through Section 23 of this Agreement (together with any related definitions set forth in Section 1 hereof) shall survive to the extent necessary to give effect to the provisions thereof.

**Section 23. Counterparts.**

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile (including by way of PDF files) signature.

\* \* \*

[Signatures to appear on the following page.]

IN WITNESS WHEREOF, the undersigned have executed this Transition Agreement as of the date first above written.

**COMPANY:**

STURM RUGER & COMPANY, INC.

By: /S/ CHRISTOPHER J. KILLOY

Name: Christopher J. Killoy

Title: President and CEO

**EMPLOYEE:**

/S/ KEVIN B. REID, SR.

Kevin B. Reid, Sr.