

Code of Ethics

1 Premises

This Code of Ethics (hereinafter “Code”) identifies and draws together the ethical principles and the values of Meccanica del Sarca S.p.A. (hereinafter the “Company”) which must of necessity inspire, further to and independently from that which is provided for by law, the conduct and behaviour of those operating in the interests of the Company, both within and outside the company organisation.

The Code is an essential element of the organisation, management and control model that was adopted by the Company in accordance with Legislative Decree no. 231/2001, insofar as the Code integrates such model under the aspect of the expression and communication of those values and behaviour regulations that are considered imperative by the Company. The duty of ensuring that the Code of Ethics is observed, diffusing its ethical principles and values, and clarifying any doubts in its interpretation, lies with the Supervisory Board which was established by the Company in accordance with Legislative Decree 231/2001.

2 The objectives of Meccanica del Sarca S.p.A.

Meccanica del Sarca S.p.A. is part of the oldest and most prestigious arms manufacturers in existence and sector global leader, the Beretta Group.

The competitive strength of the Company is to improve its economic efficiency while continually maximising client satisfaction, with the aim of maintaining and enhancing the value of the company.

The stated objectives are pursued by adopting a logic of efficiency and openness to the market, in a context of fair competition with other operators, and by attributing a high priority to the continual improvement in product quality and offered services.

Being aware that an enterprise is valued not only on the basis of the economic results it achieves and the quality of its production, but also on the basis of its ability to produce value and increase wellbeing for the community, with this Code Meccanica del Sarca S.p.A. intends:

- to define and state expressly the values and principles that shape its activity and its relations with employees, collaborators, business partners, shareholders, institutions, and stakeholders in general;
- to outline the behavioural principles to which the recipients of this Code are bound;
- to render those operating within the action sphere of Meccanica del Sarca S.p.A. responsible for the observance of said principles, employing a suitable penalty system which ensures the effectiveness and efficacy of this Code.

Meccanica del Sarca S.p.A. hopes that the Code, which was strongly desired by Company management, expresses – irrespective of any compulsion and/or company directive – the shared feelings of the community, and respond to the need to communicate the Company values both inside and outside the Company.

The Company undertakes to adopt every prevention and control measure which is considered suitable for guaranteeing the full compliance with applicable laws and regulations, supervisory legislation, sector self-regulation procedures, and internal rules and regulations in every geographical context and at all decisional and executive levels.

The recipients, who are already bound to respect the law and applicable rules and regulations, are further obliged to adapt their actions and behaviour to the principles, objectives and commitments specified by this Code.

This Code represents the application of measures relevant to article 6 of Legislative Decree 8th June 2001 no. 231, integrating the regulatory framework to which the Company is subject.

3 The values of Meccanica del Sarca S.p.A.

Meccanica del Sarca S.p.A. and all those involved, for any reason, in the activities of the Company, are called to observe the following operational values and principles:

- *Legality*: the scrupulous observance of all the laws, regulations, administrative measures, and, more generally, all legislative measures which may be directly applicable to the Company activity or that have a more general application;
- *Economic efficiency*: the efficiency and practicality of management systems for the continual improvement of the profit levels and competitiveness of the Company;
- *Development of human resources*: through respect for the physical and cultural integrity of the individual and his/her involvement in professional enhancement courses, and participation in the Company aims;
- *Respect for and protection of the environment*: awareness of the crucial importance of minimising the environmental impact of production activities and of ensuring that employees and collaborators may work in a healthy and safe place;
- *Correctness and transparency*: the adoption of a management system which conforms to the regulations and conventions in force, with regard to both the internal and external components of the Company;
- *Sense of responsibility*: grounded on the correctness of actions, the transparency of responsibilities, and the continuity of relations with all stakeholders (clients, shareholders, employees, and the community in general), which are guaranteed by due observance of regulations and of correctness in operation, as well as by dialogue and clarity, which constitute the foundation of long-lasting relations;
- *Fairness and integrity of relations with the Public Administration*: in the management of any relations or contact with representatives of the Public Administration, both fair treatment and honest conduct must be guaranteed while fully respecting institutional functions. Meccanica del Sarca S.p.A. dismisses any form of pressure, favouritism or "special" treatment aimed at the attainment of free or undue benefits in the personal interest of operators, public actor and/or Meccanica del Sarca S.p.A. itself;
- *Impartiality*: in its relations with all those with whom it operates, the Company will avoid any and every form of discrimination based on age, sex, health conditions, nationality, race, sexual preference, religion or political beliefs.

4 The Recipients

This Code of Ethics concerns the behaviour of all the members of the Company Bodies, employees and collaborators, as well as all those working towards the achievement of the Company objectives. The recipients are bound to protect, through their behaviour, the respectability and image of Meccanica del Sarca S.p.A. and the Company assets.

It falls to the managerial company bodies to give a concrete substance to the values and principles contained in the Code, being responsible toward both the inside and the outside of the Company, reinforcing trust, cohesion and group spirit.

The principles contained in this Code integrate the rules of behaviour which each recipient is bound to observe, both in deference to the general obligations of diligence, correctness, and loyalty which must always characterise operational performance as provided by articles 2104 and 2105 of the Italian Civil Code, and the collective bargaining or company regulations, with reference to any further codes adopted by the Company to regulate particular aspects, or for the addition of sector-related behaviour regulations.

The Code shall be communicated to all its recipients via suitable means of communication. In particular, each employee is obliged to make himself/herself familiar with the Code, to contribute in an active way to its implementation, and report any possible lack in it.

All those establishing any form of collaborative relation with the Company are obliged to observe the regulations and principles determined by this Code.

Under no circumstances does the claim of acting in the interests of the Company justify the adoption of a behaviour which is in contrast with that which is stated in the Code of Ethics of Meccanica del Sarca S.p.A..

The Code also applies to activities performed by the Company abroad, though differences from a legislative, social, economic and cultural point of view must be taken into consideration.

Violation of this Code will damage the trust relation established with the Company, and may result in disciplinary actions and compensation for damages, without prejudice to the procedures specified in article 7 of Law 300/1970 regarding collective work contracts and disciplinary codes adopted by the Company for its employees.

5 Relations with employees and collaborators

5.1 Employed staff

Human resources are considered a fundamental element for the Company.

The dedication and professionalism of employees are values and conditions which are decisive for achieving the objectives of Meccanica del Sarca S.p.A.

The Company therefore undertakes to develop the abilities and proficiency of each employee so that the energy and creativity of the individual may find expression, allowing for each member of the staff to express his/her potential.

For this purpose, the Company offers all its employees the same opportunity for professional development, doing so in such a way so that each may enjoy a treatment which is equal, based on meritocracy, void of any form of discrimination based on sex, age, disability, religion, nationality or racial origins, political views and union affiliation.

The Company at the same time expects employees on all levels to collaborate in order to maintain an atmosphere of reciprocal respect for the dignity, honour, and reputation of everyone within the Company.

If anyone while operating in the interest of the Company believes that they have been subject to molestation or discrimination for any reason, or have witnessed it, they may report the event to the Supervisory Board.

Any act of retaliation against an employee who refuses complains about, or reports such facts is prohibited.

5.2. Staff selection

Meccanica del Sarca S.p.A. offers the same work and/or professional development opportunities without discriminating in any way.

The assessment of candidates participating in the selection process is centred on checking that the candidate fulfils the professional and psycho-aptitude requirements of the role, while respecting his/her dignity, personality, private life and opinions.

Favouritism and forms of clientelism are not permitted.

5.3 Formation of labour relations

Candidates are hired by way of a regular labour contract which fully conforms to the relevant laws and to the applied C.C.N.L. [*National Collective Labour Agreement*], facilitating the insertion of young people into the work environment.

5.4 Staff management

Meccanica del Sarca S.p.A. offers the same career opportunities to those who possess the characteristics required for accessing higher departments, roles, and/or profits. This is carried out on a meritocratic basis and without any form of discrimination, taking professional expertise into account and, in all cases, on the basis of strictly professional parameters.

The Company considers staff training and ongoing refresher training according to specific topics to be an incontrovertible necessity for the Company.

Meccanica del Sarca S.p.A. promotes team spirit and reciprocal collaboration.

5.5. Health and safety

Meccanica del Sarca S.p.A. undertakes to diffuse and consolidate a culture of safety by fostering risk awareness and promoting the responsible behaviour of all employees and collaborators; in addition, it takes actions, above all through preventative actions, to ensure the health and safety of employees.

The objective of Meccanica del Sarca S.p.A. is to protect the human, capital and financial resources of the Company by constantly seeking for the necessary synergies, not only from within, but also with the suppliers, enterprises and clients involved in its activities, while fully respecting the applicable regulations regarding prevention and protection.

5.6 Privacy

Meccanica del Sarca S.p.A. conforms to the applicable legal regulations regarding the treatment of personal information. With particular reference to the treatment of the employees' personal information, Meccanica del Sarca S.p.A. takes special care to inform each employee about the nature of the personal data to be processed by the Company, the way it will be processed, the information disclosure policies, and all other information relative to him/her in general.

5.7 Employee commitments

Every employee must act loyally and in good faith, respecting the obligations signed in the labour contract and ensuring the required performance, as well as being familiar with and observing the deontological regulations contained within this Code, imbuing his/her conduct with reciprocal respect, cooperation, and reciprocal collaboration.

All the actions, operations, negotiations, and behaviour in general which are carried out during the implementation of operational activities must be characterised by the principles of honesty, correctness, integrity, transparency, legitimacy, clarity, and reciprocal respect, as well as being open to checks and controls in accordance with the applicable regulations and internal procedures.

All activities must be carried out with professional commitment and rigour.

Each individual must supply adequate professional contributions to the duties and responsibilities assigned to them and must act in such a way as to protect the prestige of the Company.

The staff of Meccanica del Sarca S.p.A., aside from the function exercised and/or level of responsibility assumed, must be familiar with and implement what has been put forward by the Company concerning environmental protection, safety and privacy protection.

5.8 Conflict of interest

The employees of Meccanica del Sarca S.p.A. must abstain from carrying out activities which may be in conflict with the interests of Meccanica del Sarca S.p.A.

It is forbidden to benefit personally from business opportunities, or to do so vicariously, when these opportunities were discovered while carrying out one's own duties and tasks within the Company.

Before accepting a consultant, managerial, administrative or other role for another subject, or should the employee encounter a situation of a potential or real conflict of interests, he/she is obliged to communicate this to his superior, who, according to the procedures in place, shall inform the Supervisory Body.

5.9 Use of Company facilities and IT systems

Employees shall use and take care of the facilities made available to them for work or office purposes.

Facilities and resources belonging to the Company are not allowed to be used for purposes that differ from the above.

Each employee is directly and personally responsible for the protection and legitimate use of the facilities and resources entrusted to him/her for carrying out his/her duties and tasks. The Company adopts the necessary measures in order to prevent other forms of use, according to the laws in force.

With regard to the use of IT systems, each employee is responsible for the safety of the systems used and is subject to the legislative regulations in force and to the conditions of the license contracts.

Without prejudice to that which is provided for by the civil and penal law, the use of internet connections for purposes that differ from those linked to work duties, or to send offensive messages, or that that may bring harm the image of the Company, will always be considered as an improper use of Company facilities and resources.

Each employee is furthermore bound to help preventing possible crimes being committed through the use of IT systems.

5.10 Image protection

The good reputation and image of Meccanica del Sarca S.p.A. represent an essential and immaterial resource.

Employees of Meccanica del Sarca S.p.A. must undertake to act in conformity to the principles outlined in this Code with regard to relations with colleagues, clients, suppliers, and third parties in general, properly obeying the common standards of high-ranking, medium-large companies like Meccanica del Sarca S.p.A..

5.11 Accounting and documentation

Those who have been assigned the role of keeping accounting records are obliged to carry out each registration in an accurate, compete, truthful and transparent way and to allow for any checks by the internal or external subjects in charge.

Financial records must be based on precise and verifiable information and must completely respect internal accounting procedures.

Each employee must collaborate in order to ensure the correct accounting of every management act and take care of the supporting documentation for activities performed according to the correct criteria, in order to ensure that they are easily available.

What precedes is aimed at preserving the reliability of the Company's communications, to protect a correct and truthful representation of the economic, capital and financial results of Meccanica del Sarca S.p.A., and to guarantee that the overall activity undertaken is coherent with the organisational structure and the internal delegation system, as well as conforming to supervisory laws, regulations and norms.

5.12 Gifts, gratuities and other concessions

It is forbidden for any employee or collaborator to request or accept gratuities, gifts and other concessions for him or for others, from whoever may gain or has gained advantage from the activity of Meccanica del Sarca S.p.A., or who intends to enter into contact with it.

Gratuities, gifts or concessions of modest value which conform to commercial and social uses and practices are exempt from this regulation.

Gratuities, gifts or concessions offered to an employee or collaborator which exceed this modest value must be reported by the employee or collaborator to their supervisor and then, taking the circumstances into consideration, to the Supervisory Board.

It is forbidden for any employee or collaborator to offer or propose gratuities, gifts and other concessions to any subject from which favourable treatment may be obtained in the execution of any activity which is ascribable to Meccanica del Sarca S.p.A.

Illicit advantages may not be offered or attributed to public or private clients and suppliers.

5.13 Commitments of external collaborators

The behaviour of all external collaborators must be imbued with the same obligations of correctness, good faith and respect for the applicable laws and regulations. Signing of the terms contained in this Code may be requested from these collaborators based upon the existing procedures and on the type of activity provided by the competent company bodies.

6 Client relations

With regard to client relations, Meccanica del Sarca S.p.A. tailors its conduct to the principles of transparency, reliability, responsibility and quality.

The employees and collaborators of Meccanica del Sarca S.p.A. must therefore:

- scrupulously observe the terms set out in this Code and the internal procedures relevant to the management of client relations;
- ensure the quality and reliability of the products or any services offered by monitoring that the services provided by third-party suppliers conform entirely to the quality standards of Meccanica del Sarca S.p.A.;
- supply all information regarding the conditions and contractual terms relative to the sale of company products to the client in order that the client is completely aware when improving the agreement;
- be entirely truthful with regard to publicity communications, avoiding any form of misleading practice;
- adopt a behaviour which is focused towards availability, respect and courtesy, and is in line with the standards of Meccanica del Sarca S.p.A., which are characterised by the utmost level of professionalism;
- take special care over consumer satisfaction activities in order to facilitate the continual improvement in the quality of products offered, courteously gathering any suggestions or complaints made by clients and making use of them to improve the suitability and rapidity of communication systems.

7 Supplier relations

7.1 The purchasing process

The purchasing processes seek to find the greatest competitive advantage, operating under the criteria of loyalty, correctness and impartiality towards potential suppliers in such a way that no supplier, in possession of the required requisites, is blocked from competing in the stipulation of contracts.

The selection of suppliers and the determination of purchasing conditions are based on objective and documented criteria which take into account the price and the ability to supply and ensure services of a suitable level quickly.

Each business agreement must be in writing and must clearly state the services and products object of the supply, the timetable for that supply, the applicable price and fee, and the payment conditions and methods.

7.2 Accepting and giving gifts, favours and invitations

With regard to relations with third parties, it is forbidden to pay out, offer, request or solicit payment in money or material benefits of any sort or size which are not owed by the Company.

Acts of commercial courtesy such as gratuities or forms of hospitality are permitted when they are of modest value and do not compromise the integrity or reputation of one of the parties, and when they cannot be perceived as having been carried out in order to gain advantage in an improper way.

In any case, this type of initiative must always be authorised and documented.

The acceptance of occasional gifts or invitations may be permissible if carried out for the purpose of developing business relations or promoting the business interests of the Company and if they are not excessive relative to business norms.

It is appropriate to report these situations to a superior.

Employees receiving gratuities or favourable treatment which are not directly ascribable to normal courteous relations, must inform their superiors and return the gifts with a letter explaining the company code of conduct, or send the gifts to charitable organisations.

8 Relations with the Public Administration

The relations between Meccanica del Sarca S.p.A. and the Public Administration, or relations involving publicity in general, must aim for the most rigorous observance of the applicable legal and regulatory measures and may not in any way compromise the integrity or reputation of Meccanica del Sarca S.p.A..

The assumption of commitments and the management of relations of any type with the Public Administration and/or relations which are involved with publicity are assigned exclusively to the regularly authorised company departments in charge.

Meccanica del Sarca S.p.A. must not seek to influence the decisions of the institution concerned when working with the Public Administration.

In any case, in the course of business negotiations or relations with the Public Administration, in Italy or abroad, as well as in the case of occasional checks/inspections/verifications by the competent Authority, Meccanica del Sarca S.p.A. undertakes:

- not to offer job and/or business opportunities to the staff of the Public Administration involved in the negotiations, relation or controls/inspections/verifications, or to their families;
- not to offer gratuities, gifts or any form of amenity to the Public Administration or to their families, except when referring to acts of commercial courtesy of modest value and respecting the value limits specified by the relevant procedure;
- to behave in a way which conforms with the ethical principal and values adopted in this Code;
- not to solicit or obtain confidential information which could compromise the integrity or the reputation of both parties.

With regard to relations with the Public Administration in Italy or abroad, representatives and/or employees of Meccanica del Sarca S.p.A. are not permitted to pay out or offer sums of money or gifts of any type or size directly or via third parties to public officials or those in the public sector, government representatives, public employees and private citizens, both in Italy and in other countries, with whom Meccanica del Sarca S.p.A. has business relations, in order to compensate or repay them for an act carried out by their office, or to achieve an act which goes against the duties of their office.

Acts of commercial courtesy including gratuities, forms of hospitality or any other form of benefit (including concessions) are permitted only when they are of modest value, contained within the limits specified by the relevant procedure (which will also list the goods categories

which constitute gifts), and such that they do not compromise the integrity and reputation of the parties, as well as conforming to norms.
Such acts must always be authorised and suitably documented.

9 Relations with audit committees and company bodies

Employees of the Company are obliged to guarantee the maximum level of collaboration and transparency in relations which may be called to consult with the Board of Auditors, independent auditors and partners, relative to the auditing activity performed by them.
In particular, Company employees must abstain from any commissive or omissive behaviour which may result in a denial to auditors or partners, or that may lead to the obstruction of research or avert the attention of auditors or partners during the course of their respective auditing activities.

10 Relations with supervisory authorities

Meccanica del Sarca S.p.A. undertakes to observe the regulations set out by national, municipal and international supervisory authorities regarding the current legislation applicable to the Company in a full and scrupulous manner, offering maximum collaboration and transparency.

The Company does not deny, hide or block any information requested by the supervisory authorities in their role as inspectors, and actively collaborates during the course of preliminary procedures.

In order to guarantee maximum transparency, Meccanica del Sarca S.p.A. undertakes not to find itself in a conflict of interests with the employees and families of any supervisory authority.

The Company recognises that, at times, some doubts may arise regarding the correct interpretation of rules and regulations: in this case, employees and collaborators may request the opinion of the supervisor of the legal department of Meccanica del Sarca S.p.A. using the suitable channels.

11 Relations with third parties

11.1 Competing companies

Meccanica del Sarca S.p.A. rigorously respects the legal regulations regarding competition and abstains from engaging in deceptive or collusive behaviour, or any behaviour which may constitute unfair competition.

11.2 The press and mass media

Meccanica del Sarca S.p.A. only communicates with the press and organisations of mass communication via the company bodies to which it is delegated, in an expression of utmost correctness, availability and transparency, respecting the communication policy defined by the Company.

Employees of Meccanica del Sarca S.p.A. cannot therefore supply information of any nature to representatives of the press and the media in general; neither can they have any form of contact aimed at the diffusion of company information without the authorisation of the competent company body.

In the case of participation in conferences, congresses, seminars and other events, as well as in case of the publishing of articles, essays and publications, information supplied which refers to the Company's activities, results, positions or strategies may only be divulged if previously made public or if authorised by the direct supervisor regarding the text of any document to be reported.

11.3 Contributions

Meccanica del Sarca S.p.A. may grant contribution requests but only when these proposals originate from non-profit organisations or those that have a high cultural or charitable value. In any case, when choosing which proposals to grant, Meccanica del Sarca S.p.A. pays particular attention to possible conflicts of interest.