**ANALYSIS OF AGREEMENT CONTAINING
CONSENT ORDER TO AID PUBLIC COMMENT**
In the Matter of Beretta Holding S.A.
File No. 261-0091

I. Introduction

The Federal Trade Commission ("Commission") has accepted for public comment, subject to final approval, an Agreement Containing Consent Order ("Consent Agreement") from Beretta Holding S.A. ("Respondent"), a subsidiary of Upifra S.A. Pursuant to a Cooperation Agreement dated May 2, 2026, Beretta may acquire up to 25% of the outstanding shares of Sturm, Ruger & Company, Inc. ("Ruger") for $44.80 per share, for a total transaction value of approximately $167 million ("Proposed Transaction"). In addition to this consideration, Beretta gained the right to "source" two members to be appointed and thereafter nominated to Ruger's Board of Directors. The Consent Agreement is designed to be a prophylactic safeguard against any anticompetitive effects that may result from Beretta's agreement with its direct competitor, Ruger. The Commission alleges in its Complaint that the Proposed Transaction, if consummated, would violate Section 8 of the Clayton Act, as amended, 15 U.S.C. § 19, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

The Proposed Transaction raises Section 8 concerns. Specifically, Ruger's obligation to facilitate the appointment of two Beretta-sourced directors to Ruger's board raises concerns that Beretta could have access to Ruger's competitively significant, nonpublic information and could participate in, or have influence over, competitive decision-making at Ruger. The agreement expressly provides that the parties could waive any restrictions on Beretta officers, employees, agents, representatives, or directors from serving as Ruger directors. Under Section 8 of the Clayton Act, it is illegal for directors and officers to serve, whether directly or indirectly, on the boards of competitors (subject to limited safe harbors), as would occur here because of Beretta's right to source two of its designees to the board of its competitor, Ruger.

The Consent Agreement is designed to remedy allegations in the Commission's Complaint that Beretta's proposed acquisition would provide the right to source two Beretta designees to appoint and nominate for a seat on the Ruger Board of Directors. This would result in an illegal interlocking directorate in violation of Section 8 of the Clayton Act, 15 U.S.C. § 19, and an unfair method of competition in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45 due to the potential exchange of confidential, competitively sensitive information.

The proposed settlement provides significant relief for this concern. The Consent Agreement and proposed Decision and Order ("D&O") prohibit Beretta from appointing, sourcing, nominating, or occupying any director position on Ruger's Board unless that director is independent of Beretta.

The proposed D&O imposes effective relief, while continuing to set important Commission precedent on the application of Section 8 of the Clayton Act and Section 5 of the FTC Act. By restricting future opportunities for the parties to engage in conduct that would result in Section 8 violations, the proposed D&O signals the antitrust risks of excessive influence and anticompetitive information exchange.

The Commission has placed the Consent Agreement on the public record for thirty days to solicit comments from interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will review the comments received and decide whether it should withdraw, modify, or make the proposed Order final.

II. The Respondent

Respondent Beretta is the largest firearms manufacturer in the world. Beretta's headquarters are in Luxembourg, and its primary corporate offices in the United States are in Accokeek, Maryland.

III. The Cooperation Agreement

On May 2, 2026, Beretta and Ruger entered into a Cooperation Agreement, under which Beretta seeks to acquire up to 25% of Ruger's outstanding shares at $44.80 per share, for a total transaction value of approximately $167 million. Beretta already owns 9.96% of Ruger's shares. The Proposed Transaction would make Beretta one of Ruger's largest shareholders. Additionally, the Ruger Board of Directors "shall" "take such actions as are necessary to appoint two directors sourced by Beretta Holding" and renominate the Beretta directors at the 2027 and 2028 annual board meetings. The Cooperation Agreement refers to these appointments as the "Beretta Holding Director Appointments" and the directors are the "Beretta Holding Directors."

The Commission's Complaint alleges that the Proposed Transaction, as structured, would violate Section 8 of the Clayton Act, 15 U.S.C. § 19, as an illegal interlocking directorate, and that the Proposed Transaction also constitutes an unfair method of competition in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45 due to the risk of the exchange of competitively sensitive, nonpublic information.

IV. Line of Commerce

The production and sale of firearms, including pistols, shotguns, and rifles, are the relevant lines of commerce. Firearms serve a wide range of uses in the United States, including personal protection, sport shooting, hunting, law enforcement, and collecting. Buyers of firearms typically cannot substitute other products for these purposes without significant compromises in functionality.

The firearms market is characterized by a large set of established manufacturers. Major competitors include companies such as Smith & Wesson, SIG Sauer, Glock, Springfield Armory, and Browning Arms Company, among others, with each offering broad portfolios of firearms across price points and performance categories. Beretta is recognized as a premium, globally established manufacturer, with particular historical strength in shotguns and semiautomatic pistols, while Ruger is known as a purely U.S. manufacturer with significant share in rifles and handguns. Both companies sell to overlapping customer groups, including recreational shooters, hunters, sports shooters, and law-enforcement agencies.

V. Effects of the Agreement

The Commission's Complaint addresses the theory of harm that interlocking directorates can present opportunities or temptations for anticompetitive conduct. Beretta's placement of a director or officer on Ruger's board—in violation of Section 8 of the Clayton Act—would make Beretta a direct participant in Ruger's corporate governance. This interlocking directorate arrangement would provide Beretta with the ability to sway or influence Ruger's competitive decision-making and to access Ruger's competitively sensitive information. As an interlocked director or officer, Beretta's representative would have the opportunity to communicate directly within Ruger's highest levels of leadership and could discuss confidential business information or direct or otherwise influence Ruger's competitive actions or strategies. Knowledge gained via this prohibited interlocking relationship could also influence Beretta's own competitive decisions or development of new businesses involved in the production and sale of firearms.

VI. The Proposed Order

The proposed Order imposes several obligations designed to address the competitive concerns arising from Beretta's proposed acquisition of voting securities of Ruger and the potential for interlocking directorates or improper access to competitively sensitive information.

First, the proposed Order limits Beretta's ability to place representatives or agents on Ruger's board of directors. Beretta may not, directly or indirectly, including through its parent, appoint, nominate, or otherwise cause any person to serve on Ruger's board unless that person qualifies as independent from Beretta, i.e., an "Independent Director" as defined in the Order. The proposed Order defines an Independent Director as a person who is not affiliated with Beretta, Upifra, or their controlled entities; has not recently served as an employee, officer, director, representative, or agent of a relevant person; has not recently received compensation from a relevant person; and does not have a material relationship that would reasonably be expected to impair the objectivity of the director's judgment when serving on Ruger's board.

Second, the proposed Order requires Beretta to provide the Commission with advance written notice at least 15 days before appointing, designating, nominating, electing, or otherwise causing any person to become a member of Ruger's board of directors.

Third, the proposed Order restricts Beretta's relationships with any Independent Director it nominates to Ruger's board. Beretta may not, directly or indirectly, including through its parent, hire or enter into any financial or other relationship with such Independent Director that would involve violating the Independent Director's fiduciary duties or involve the exchange of Ruger's nonpublic information with Beretta, Upifra, or their affiliates. These restrictions remain in place until one year after the Independent Director has ceased serving on Ruger's board.

Fourth, the proposed Order prohibits Beretta from directly or indirectly seeking, receiving, or attempting to receive Ruger's nonpublic information from any Independent Director appointed pursuant to the Order. The Order defines nonpublic information broadly to include information not in the public domain, such as customer lists, price lists, strategic plans, contracts, expansion projects, cost information, marketing methods, competitively sensitive data or information, and other nonpublic information.

Fifth, the proposed Order requires Beretta to distribute the Order to each of its respective board members, officers, and directors, and to design, maintain, and operate an antitrust compliance program.

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The purpose of this analysis is to facilitate public comment on the Consent Agreement and proposed Order to aid the Commission in determining whether it should make the proposed Order final. This analysis is not an official interpretation of the proposed Order and does not modify its terms in any way.