Table of Contents

| 1. | Legal | l Framework: Employment Laws | 1 |
|----|-------|---|---------------------------------|
| 2. | 2.1. | Written Employment Contracts Oral Contracts Employee Handbooks Job Descriptions Offer Letters | 4 5 5 6 6 7 9 |
| 3. | Recru | uiting, Interviewing, Screening and Hiring Employees | 9 |
| | 3.1. | | 9 |
| | 3.2. | Recruiting | 9 |
| | 3.3. | Employment Applications | 10 |
| | 3.4. | Pre-employment Inquiries | 11 |
| | 3.5. | Pre-employment Tests and Examinations | 12 |
| | 3.6. | Background, Reference, and Credit Checks | 12 |
| | 3.7. | | 12 |
| | 3.8. | 6 | 12 |
| | 3.9. | | 13 |
| | 3.10. | Checklist of Dos and Don'ts | 13 |
| 4. | Mana | aging Performance/Conduct | 13 |
| | 4.1. | 0 0 | 13 |
| | 4.2. | Coaching and Counseling | 14 |
| | | Written Evaluations | 14 |
| | 4.4. | Warnings and Suspensions | 14 |
| | 4.5. | Checklist of Dos and Don'ts | 15 |
| 5. | Term | ination of Employees For Performance or | |
| | | plinary Reasons | 15 |
| | 5.1. | Overview | 15 |
| | | | |

| | 5.2. | Separation/Severance Pay | 18 |
|-----|-------|--|----|
| | 5.3. | Fines and Penalties | 19 |
| | 5.4. | Checklist of Dos and Don'ts | 21 |
| 6. | Layo | ffs, Reductions in Force, and/or Redundancies as a | |
| | | It of Job Eliminations or Other Restructuring | 22 |
| | 6.1. | Overview | 22 |
| | 6.2. | Reductions in Force/Layoffs/Job Eliminations | 22 |
| | 6.3. | Fines and Penalties | 25 |
| | 6.4. | Checklist of Dos and Don'ts | 26 |
| 7. | Labo | ur and Employment Law Ramifications Upon | |
| | | isition or Sale of a Business | 26 |
| | 7.1. | | 26 |
| | 7.2. | Acquisition of a Business | 26 |
| | | Acquisition Checklist | 27 |
| | 7.4. | Sale of a Business | 28 |
| 8. | Use o | of Alternative Workforces: Independen Contractors, | |
| | Cont | ract Employees, and Temporary or Leased Workers | 29 |
| | 8.1. | Overview | 29 |
| | 8.2. | Independent Contractors | 29 |
| | | a. Definition | 29 |
| | | b. Creating the Relationship | 29 |
| | | c. Compensation | 30 |
| | | d. Other Terms and Conditions | 30 |
| | 8.3. | Contract Workers | 31 |
| | 8.4. | Leased Workers | 32 |
| | 8.5. | Checklist of Dos and Don'ts | 33 |
| 9. | Oblig | ations to Bargain Collectively With Trade Unions: | |
| | | loyees' kight to Strike and Company's Right to | |
| | | inue Business Operations | 34 |
| | 9.1. | Overview of Unions' Right to Organize | 34 |
| | 9.2. | Right of Employees to Join Unions | 34 |
| | 9.3. | | 35 |
| | 9.4. | | 35 |
| | 9.5. | Unfair Labour Practices Relocation of Work/Shutdown of Business | 36 |
| | | | 37 |
| | 9.7. | Checklist of Dos and Don'ts | 37 |
| 10. | | sing Conditions: Hours of Work and Payment of | |
| | | es – By Statute or Collective Agreements | 38 |
| | 10.1. | Overview of Wage and Hour Laws in Italy | 38 |
| | 10.2. | Minimum Wage | 39 |
| | 10.3. | Overtime | 40 |

| | 10.4. Meal and Rest Periods | 40 |
|-----|--|----|
| | 10.5. Deductions from Wages | 41 |
| | 10.6. Garnishment | 41 |
| | 10.7. Exemptions to Wage and Hour Laws | 42 |
| | 10.8. Child Labour | 42 |
| | 10.9. Recordkeeping Requirements | 42 |
| | a. Information that Must Be Maintained | 42 |
| | b. Records that Must Be Retained | 42 |
| | c. Failure to Maintain Required Records | 43 |
| | 10.10. Reductions in Compensation Caused by Economic | |
| | Downturn | 43 |
| | 10.11. Checklist of Dos and Don'ts | 44 |
| 11. | Other Working Conditions And Benefits – By Statute, | |
| | Collective Agreements or Company Policy | 44 |
| | 11.1. Health and Other Insurance | 44 |
| | 11.2. Pension and Retirement Benefits | 45 |
| | 11.3. Vacation and Holiday Payments on Termination | 46 |
| | 11.4. Leaves of Absence | 47 |
| | a. Personal Leave | 47 |
| | b. Medical or Sick Leave | 47 |
| | c. Bereavement Leave | 48 |
| | d. Family Leave | 48 |
| | e. Maternity Leave | 49 |
| | f. Parental Leave | 49 |
| | g. Injury at Work | 50 |
| | 11.5. Checklist of Dos and Don'ts | 52 |
| 12. | Workers' Compensation | 52 |
| | 12.1. Overview | 52 |
| | 12.2. Checklist of Dos and Don'ts | 53 |
| 13. | Company's Obligation to Provide Safe and Healthy | |
| | Workplace | 55 |
| | 13.1. Overview of Safety and Environmental Laws and | |
| | Regulations | 55 |
| | 13.2. Requirements | 55 |
| | 13.3. Rights of Employees | 56 |
| | 13.4. Rights of Employer | 57 |
| | 13.5. Specific Standards | 57 |
| | 13.6. Injury or Accident at Work | 58 |
| | 13.7. Workplace Violence | 58 |
| | 13.8. Fines and Penalties | 59 |
| | 13.9. Checklist of Dos and Don'ts | 59 |

| 14. | Immigration, Secondment and Foreign Assignment | 60 |
|-----|--|----|
| | 14.1. Overview of Laws Controlling Immigration | 60 |
| | 14.2. Recruiting, Screening and Hiring Process | 60 |
| | 14.3. Obligation of Employer to Enforce Immigration Laws | 60 |
| | 14.4. Fines and Penalties | 60 |
| | 14.5. Secondment/Foreign Assignment | 60 |
| | 14.6. Checklist of Do's and Don'ts | 61 |
| 15. | Restrictive Covenants and Protection of Trade Secrets and | |
| | Confidential Information | 61 |
| | 15.1. Overview | 61 |
| | 15.2. The Law of Trade Secrets | 62 |
| | 15.3. Restrictive Covenants and Non-compete Agreements | 63 |
| | 15.4. Checklist of Do's and Don'ts | 64 |
| 16. | Protection of Whistleblowing Claims | 64 |
| | 16.1. Overview | 64 |
| | Protection of Whistleblowing Claims16.1. Overview16.2. Checklist of Dos and Don'ts | 65 |
| 17. | Prohibition of Discrimination in the Workplace | 65 |
| | 17.1. Overview of Anti-discrimination Laws | 65 |
| | 17.2. Age Discrimination | 67 |
| | 17.3. Race Discrimination | 67 |
| | 17.4. Sex Discrimination/Sexual Plarassment | 68 |
| | 17.5. Handicap and Disability Discrimination | 69 |
| | 17.6. National Origin Discrimination | 70 |
| | 17.7. Religious Discrimination | 70 |
| | 17.8. Military Status Discrimination | 70 |
| | 17.9. Pregnancy Discrimination | 71 |
| | 17.10. Marital Status Discrimination | 71 |
| | 17.11. Sexual Orientation Discrimination | 71 |
| | 17.12. Retainion | 71 |
| | 17.13. Constructive Dismissal | 72 |
| | 17.14. Checklist of Dos and Don'ts | 72 |
| 18. | Smoking in the Workplace | 72 |
| | 18.1. Overview | 72 |
| | 18.2. Checklist of Dos and Don'ts | 74 |
| 19. | Use of Drugs and Alcohol in the Workplace | 74 |
| | 19.1. Overview of Laws and Regulations in Italy | 74 |
| | 19.2. Checklist of Dos and Don'ts | 75 |
| 20. | AIDS, HIV, SARS, Bloodborne Pathogens | 75 |
| | 20.1. Overview | 75 |
| | 20.2. Checklist of Dos and Don'ts | 76 |
| | | |

| 21. | Dress and Grooming Requirements21.1. Overview21.2. Checklist of Dos and Don'ts | 76 76 76 |
|-----|--|--|
| 22. | Privacy, Technology and Transfer of Personal Data22.1. Privacy Rights of Employees22.2. Checklist of Dos and Don'ts | 77 77 77 |
| 23. | Workplace Investigations for Complaints of Discrimination, Harassment, Fraud, Theft and Whistleblowing 23.1. Overview 23.2. Checklist of Dos and Don'ts | 78 78 78 |
| 24. | Affirmative Action/Non-Discrimination Requirements24.1. Overview24.2. Checklist of Dos and Don'ts | 78 78 79 |
| 25. | Resolution of Labour, Discrimination and Employment Disputes: Litigation, Arbitration, Mediation and Conciliation25.1. Internal Dispute Resolution Process25.2. Mediation and Conciliation25.3. Arbitration25.4. Litigation25.5. Fines, Penalties and Damages25.6. Checklist of Dos and Don'ts | 79 79 79 81 82 83 84 |
| 26. | Employer Records ceping Data Protection and Employee Access to Personnel Files and Records 26.1. Overview 26.2. Personnel Files 26.3. Confidentiality Rules 26.4. Employee Access | 84 84 87 87 |
| 27. | Required Notices and Postings 27.1. Overview 27.2. Checklist of Dos and Don'ts | 92 92 92 |