



CONFINDUSTRIA BERGAMO

**Executives of industries producing goods and services  
Collective Agreement**



**Contracting parties:** Confindustria, Federmanager

**Date of signing:** 30.12.2014

**Effective date:** 01.01.2015

**Expiry date:** 31.12.2018

## **1. Qualification and establishment of the employment relationship**

The executive qualification pertains to those employees characterized by subordination pursuant to art. 2094 of the Italian civil code and covering a role that requires a high level of professionalism, autonomy and decision-making powers, and carry out their responsibilities in order to promote, coordinate and manage the implementation of corporate goals (e.g., managers, deputy managers, individuals in charge of important services or offices with extensive executive powers, proxies, and attorneys to whom the power of attorney confers continuously powers of representation and decision-making for the whole or for a substantial part of the company).

The hiring or the promotion as executive must be done in writing indicating the assigned functions, the economic treatment and possible more favorable conditions.

The possible probationary period can be provided exclusively with regard to new-hiring executives, and should not exceed six months; it must be agreed by the parties and must result in a written document.



## 2. Minimum overall warranty treatment

**For executives hired or promoted since 1.1.2015, or for those who have a length of service equal or lower than 12 months at that date:** € 66.000 gross per year.

**For executives with a length of service higher than 12 months on 1.1.2015:** € 63.000 gross per year + 1/72 of € 17.000 (approximated to € 236) for each month of length of service acquired until 1.1.2015<sup>1</sup>. For executives with at least six years of length of service on 1.1.2015, the minimum overall warranty treatment may not exceed the amount of € 80.000.

**Treatments comparison:** the comparison between the gross annual economic treatment of the executive and the "minimum overall warranty treatment" must be carried out by December 31 of each year<sup>2</sup>. Any differences shall be attributed to the executive up to the level of the minimum overall warranty treatment, through the payment of a *una tantum* amount, to be paid by way of "adjustment to minimum overall warranty treatment", with the salary of December. Such amount shall be considered for the purposes of termination allowances. In addition, from the month of January of the following year, the executive's annual economic treatment, divided by the number of payable monthly installments, shall be increased by the monthly amount necessary to ensure, on an annual basis, the achievement of the overall minimum warranty treatment.

**Hiring, promotion or termination of the employment relationship during the year:** in these cases, the minimum overall warranty treatment due during the year shall be proportioned in relation to the months of provided activity, computing the fraction of month higher than 15 days as a whole month, in addition to the payment of the *una tantum* amount, if due. In case of termination of the employment relationship, the *una tantum* amount shall be relevant for the purposes of the indemnity in lieu of notice.

**Items composing the salary:** from 1.1.2015, items composing the salary shall continue having the current description except those related to the minimum contractual amount including the former automatic adjustment mechanism amount, the former increase element amount, seniority increases, super minimum, over minimum and *ad personam* checks, that shall be combined under a sole item named "individual economic treatment".

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<sup>1</sup>The length of service is calculated pursuant to art. 26, c. 2, of NCBA (National Collective Bargaining Agreement), which states that "*For the purposes of determining length of service every started year is computed pro rata in relation to the months of service, computing as a whole month the fraction of month higher than 15 days*".

<sup>2</sup> For the purposes of the comparison, the gross annual treatment must be taken into account (minimum contractual amount including the former automatic adjustment mechanism amount, former increase element amount, seniority increases, super minimum and/or over minimum and/or *ad personam* checks as well as all elements of the monthly salary, including those paid in kind, continuously or not), with the only exception of the variable compensation amount linked to indices and/or individually and/or collectively agreed results, *una tantum* bonuses and the additional amount for reimbursement of not documented expenses.



### 3. Other contractual elements

#### 3a. Remunerative elements

**Monthly installments:** 13 or the different higher number provided on a company basis.

**Variable bonuses related to indexes and/or results:** if the annual economic gross treatment is proportioned to the current level of minimum overall warranty treatment, companies shall adopt systems of variable bonuses related to indexes or results<sup>3</sup>.

**Travel allowance:** in addition to the refund of documented travel, room and board expenses, within normal limits, to the travelling executive an additional fixed amount equal to € 85 for reimbursement of not documented expenses shall be recognized for each travel period not lesser than 12 hours over a period of 24 hours from the departure. This amount is not part of the salary for any purposes, including the Employment termination payment.

**Seniority increases:** they have been abolished and a transitional discipline has been agreed, under which during the validity of the 2015/2018 national collective agreement, to the executive already in service on 24 November 2004, and who has not already gained the maximum of ten seniority increases, a gross monthly fixed amount equal to € 129.11 shall continue to be paid upon the completion of each two-year period of service with that qualification and with effect from the first day of the month following the biennium. The maximum number of seniority increases is equal to ten and this shall be highlighted in a special box in the allowances prospectus. The amounts due as seniority increases can be absorbed by structural economic increases recognized to the executive on a corporate basis from 1 January 2009.

**Economic treatment in case of transfer:** to the transferred executive a reimbursement of the expenses incurred for himself and for his family in relation to the transfer shall be paid in addition to the possible higher expense effectively incurred for an accommodation similar to the one occupied in the origin site, for a period agreed between the parties and, in any case, not less than two years. The executive is also entitled to receive a *una tantum* amount equal to 3,5 monthly installments for the executives with dependent relatives, and to 2,5 monthly installments for those without dependent relatives. The sums paid on that basis are not counted for the Employment termination payment purpose.

**Employment termination payment:** it is calculated pursuant to art. 2120 c.c. (salary, elements of the salary paid on a continuous basis, including commissions, production bonuses and any compensation and indemnity, also without fixed amount, the equivalent of room and board, the profit-sharing, not consuetudinary bonuses, not consuetudinary bonus increases, paid in accordance with the favorable business trend. Expenses reimbursement and occasional fees are excluded).

**Indemnity related to the executive death:** in this case, the company shall pay the indemnity in lieu of notice and the Employment termination payment to the entitled subjects.

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<sup>3</sup> Companies shall inform the executives RSA (Workplace Union Structure), where present, about the application of these and of other pay systems by objectives, with regard to criteria and modalities of implementation and normally on an annual basis.



### 3b. Absences

**Holidays:** for each year of service, the executive is entitled to a holiday period not lesser than 35 days, excluding Sundays and midweek holidays considered as such by law<sup>4-5</sup>. The holidays period must be enjoyed for at least two weeks in the year of maturation and a further two weeks in the 24 months following the end of accrual<sup>6</sup>.

**Illness:** the executive is entitled to a protected period equal to 12 months, in which the job remains open and he receives the whole salary. If the executive exceeds this period, upon his request, he is entitled to another leave period no longer than six months, in which the salary is not due but which is considered for the purposes of the length of service to the effects of the notice period.

**Exceeding of the protected period:** in this case, if due to the illness continuation the employment relationship is terminated by one of its parties, the Employment termination payment and the indemnity in lieu of notice must be paid to the employee. If, instead, no one of the parties terminates the employment relationship, the relationship itself is suspended except for the effect of the length of service for the notice period purposes.

**Injury at work:** the company shall maintain the executive job positions until the assessed recovery or until the assessment of a total or partial permanent disability.

**Economic treatment:** until the assessed recovery or until the assessment of a total or partial permanent disability, and in any case for a period no longer than two years and six months from the injury, the company shall pay the executive the whole salary, integrating the amount paid by INAIL as total temporary disability indemnity.

**Maternity:** for the periods corresponding to maternity and paternity leave provided by the current law, the company anticipates the economic treatment due by the social security Institute and provides to its integration in order to pay the whole net monthly salary.

As to leave periods, rests and permits provided by Legislative Decree n. 151/2001, the company anticipates the corresponding economic treatment due by the social security Institute.

**Leave of absence:** for justified reasons, a period of leave of absence can be requested, during which the salary is not due but the length of service is considered to the effects of the notice period.

In case of election as a member of the national Parliament, of Regional assembly, and to other public functions or provincial, regional or national trade union offices, the executive is entitled to ask for a leave of absence period for the whole duration of the office.

**Calculation of the leave of absence period for social security purposes:** the executive is entitled to ask leave of absence periods to be considered for the purposes of the right's recognition of the pension due by Social Security Institutes and of its quantification.

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<sup>4</sup> The executive retains the possible longer vacation period accrued as an employee.

<sup>5</sup> Confindustria understands the exclusions as referring only to Sundays and to public holidays and not to Saturdays. Therefore, in the event of articulation of the performance over five days a week, for each day of leave the company must apply the coefficient 1.2.

<sup>6</sup> If, exceptionally, the period exceeding four weeks is not enjoyed, fully or in part, within the first half of the next year, compensation

shall be paid for the not enjoyed period, equal to the remuneration, to be paid within the first month of the second half of the year.



In case of illness during the leave of absence periods, the executive maintains the right to the treatment due by the competent Institutes.



## 4. Administration and execution of the employment relationship

**Transfer of undertaking:** in case of transfer of undertaking (including the cases of concentrations, mergers and demergers) the rights acquired by the executive must not be impaired.

In those cases, the executive which is not going to continue his employment relationship is entitled to terminate the relationship itself within 180 days from the legal date of the occurred change, without any obligation of notice and with the recognition of a treatment equal to a third part of the indemnity in lieu of notice due in case of dismissal in addition to the Employment termination payment.

**Executive transfer:** the executive can be transferred for proved technical, organizational and productive reasons and the transfer shall be communicated in writing with a notice not lesser than three months or four months, for the executive with dependent relatives. In case, because of particular urgency, it is not possible to observe those terms, the executive shall be considered as travelling until their expiration.

**Economic treatment:** see point 3a, Economic treatment in case of transfer.

**Non-acceptance of the transfer:** the executive whose employment relationship is terminated because of the non-acceptance of the transfer, is entitled to receive the Employment termination payment and the indemnity in lieu of notice.

The executive terminating his employment relationship within 60 days from the transfer communication, and for the reason of non-acceptance of the transfer itself, is entitled to receive a treatment equal to the indemnity in lieu of notice due in case of dismissal, and a supplementary indemnity equal to a third part of the indemnity in lieu of notice due in case of dismissal in addition to the Employment termination payment.

**Civil and/or penal responsibility related to the job performance:** each civil responsibility towards third parties related to facts carried out by the executive in performing his functions, is borne by the company.

The executive indictment for facts directly pertinent to the execution of his functions is not a justified reason of dismissal; in case of deprivation of liberty, the executive shall be entitled to maintain his job position and receive the salary.

**Termination of the employment relationship following the indictment:** the executive which terminates the employment relationship because of indictment is entitled to receive a treatment equal to the indemnity in lieu of notice due in case of dismissal and a supplementary indemnity equal to the accrued indemnity in lieu of notice in addition to the Employment termination payment, as long as he has formally and promptly communicated to the employer the notification of the offense notice after which he has been indicted.

In case of starting of a penal proceeding towards the executive for facts directly related to the performance of his functions, each expense is borne by the company, including the legal assistance rendered by a lawyer chosen by the executive. This guarantee is applied also after the termination of the employment relationship, as long as the facts occurred during the employment relationship itself.

**Change of job position:** the executive which terminates the employment relationship due to a change of his activity that substantially influences his job position and within 60 days from the



change itself, is entitled to receive a treatment equal to the indemnity in lieu of notice due in case of dismissal in addition to the Employment termination payment.





## 5. Labor protections

### Arbitration board:

**Composition, functioning and assignments:** it is established by the competent local Unions that adhere to the stipulating parties of the NCBA (National Collective Bargaining Agreement) and it has the assignment to pronounce upon the claims introduced pursuant to art. 22 NCBA (claims towards dismissals).

It is in charge for the NCBA duration, renewable and composed by three members: one appointed by each competent local company Unions stipulating the NCBA, one by the territorial competent National Federation Union of industrial executives and one, with President functions, appointed by the respective Unions under mutually agreement<sup>7</sup>.

Unless otherwise agreed between the Unions of the two territorially competent parties, the board is based at the Territorial Labor Office and the Secretariat shall be conducted by one of the competent local Unions.

**Procedure:** the arbitration board shall be appointed to the claim upon request, by registered letter with return receipt, of the competent local Union of Federmanager, which shall send the claim act to the board, signed by the executive, within 30 days from its receipt. Copy of the request and of the claim act shall be transmitted by the competent local Union of Federmanager to the competent local company Union and to the interested company as well.

Unless otherwise agreed between the parties, the local jurisdiction is determined taking in to account the executive's most recent place of work.

The board, which shall have to meet within 30 days from the receipt of the request, preliminarily shall make a conciliation attempt.

If the conciliation of the claim is not successful, the board shall issue its ruling within 60 days from the first meeting, notwithstanding the right of the President to request an extension up to a maximum of 30 days due to necessities inherent the proceeding execution.

**Not justified dismissal and supplementary indemnity:** in case of the executive claim's acceptance, the arbitration board provides the payment of a supplementary indemnity by the company, according to the following parameters:

<b>Length of service</b>	<b>Supplementary indemnity</b>
until 2 years	2 monthly installments equal to the indemnity in lieu of notice
Over 2 and until 6 years	From 4 to 8 monthly installments equal to the indemnity in lieu of notice
Over 6 and until 10 years	From 8 to 12 monthly installments equal to the indemnity in lieu of notice
Over 10 and until 15 years	From 12 to 18 monthly installments equal to the indemnity in lieu of notice
Over 15 years	From 18 to 24 monthly installments equal to the indemnity in lieu of notice

### Executives information and consultation:

**Union representatives:** the competent local executives' trade Unions that adhere to Federmanager are allowed to establish union representatives within the companies. In this case, they shall

<sup>7</sup> In the absence of agreement on the appointment of the third member, the latter shall be selected within a special list previously agreed and not exceeding the number of six or, failing that, he shall be appointed - upon request of one or both Unions - by the President of the competent Court.



communicate the names of the appointed executives to Federmanager, to the companies and to the competent local company Union.

Union representatives are entitled to examine in first instance any matter regarding the application of contractual clauses.

**Information:** companies and union representatives shall meet at least twice a year to discuss about the recent and expected company performance and activities, about its economic situation, management policies (including policies on salaries) and decisions that may involve substantial changes in the work organization.

**Disputes:** possible disputes on the contract interpretation shall be examined by the stipulating parties while possible issues about law, contractual clauses or individual agreements' application are devolved to the competent local Unions for the conciliation attempt that must be completed within 60 days from the receipt of the convocation request.



## 6. Employment relationship termination

**Employment relationship termination:** the party that terminates the employment relationship must communicate it to the other party in writing. If the executive considers the motivation not justified, or if the motivation itself is not provided simultaneously with the termination letter, the executive is allowed to appoint the arbitration board (see point 5) within 30 days from the receipt of the termination letter.

These disposals are not applicable to the executive entitled to receive the retirement pension or older than 67, except for the obligation of the communication's delivery in writing.

**Notice period:** in case of employment relationship termination communicated by the employer, the notice period is calculated as follows<sup>8</sup>

Length of service	Notice periods
until 6 years	6 months
until 10 years	8 months
until 15 years	10 months
Over 15 years	12 months

In case of the executive's resignation, the notice period terms are equal to a third part of those provided above.

The notice period is considered as length of service for the purposes of the Employment termination payment.

**Indemnity in lieu of notice:** the party that does not observe those terms must pay to the other one, for the period of not given notice, an indemnity equal to the salary that the executive would have received during the period itself, that is subject to social contribution.

The executive receiving the termination letter is entitled to immediately terminate the employment relationship both at the beginning or during the notice period, without any duty to pay the indemnity for the period of not worked notice.

**Length of service:** the length of service is calculated considering the whole period of employment with the company, also with other qualifications and the possible conventional length of service to which the executive is entitled to. Every year is calculated pro rata according to the months of service<sup>9</sup>.

<sup>8</sup> For industrial executives the notice period starts from the receipt of the termination letter and not from the half or the end of the month, because this provision is applicable only to employees (see Cass. 9 August 1990, n. 8103).

<sup>9</sup> The month fraction higher than 15 days is calculated as entire month.



## 7. Social security and assistance

### 7a. Complementary social security

**Complementary social security fund:** “Previndai”.

**Ceiling for the minimum contractual contribution:** € 150.000 per year.

**Contribution calculation basis:** the gross overall salary actually received, for the determination of which reference is made to all items considered useful, according to the law and the contract, for Employment termination payment, with the exception of the remuneration and/or compensation received as a result of the dislocation in foreign location.

**Contributions with effect from 1 January 2010:**

On the company		On the executive	
Minimal contractual measure	Additional measure	Minimal contractual measure	Additional measure
4%	Free and without ceiling	4%	Free and without ceiling

Always with effect from 1 January 2010, for executives registered to the Fund with payment also of the installment at his expense and with managerial length of service in the company higher than six years, the minimal contractual measure on the company expense cannot be lower than € 4.000. That minimum level is established as € 4.500 for 2012 and as € 4.800 with effect from 2013.

For executives whose employment relationship has been terminated during the year, that minimum contribution shall be proportioned in relation to the months of service rendered during the year, calculating as entire month the fraction equal or higher than 15 days.

The comparison between minimal contributions must be done within 31 December of every year or at the moment of the employment relationship termination, if prior, as long as at that time the executive has accrued seniority higher than six years in the qualification within the same company.



## 7b. Welfare assistance

**Welfare assistance fund: “Fasi”.**

### Contributions with effect from 1 January 2015:

<b>On the company</b>	<b>On the registered executive</b>
For each working registered executive, € 1.872	Individual contribution for working executives, € 960
For each working executive, even if not registered, € 1.272	Annual contribution for executives retired after 1987, € 1.152
	Annual contribution for executives retired before 1988, € 1.044
	Individual contribution for those registered on a conventional basis, € 2.832

### **Income support fund for unemployed executives – Fasi separate administration:**

#### Contributions on the company expenses:

- € 100,00 per year for each working executive;
- € 200,00 per year for each working executive, with effect from 2016.

The parties are entitled to agree, with effect not earlier than 2016, also a contribution on the executive expenses, not higher than 50% compared to the expenses to be charged to the company.

#### Fundable initiatives with those contributions:

- the establishment of a health coverage and an insurance coverage for death or permanent disability (such as to reduce by more than 2/3 the specific executive working capacity), for a sum not exceeding € 100.000, to be managed through Fasi, for the dismissed executive who has not become entitled to pension benefit, until his relocation, and in any case for a period not exceeding 12 months.
- the provision of active policy initiatives, as well as guidance, training and placement policies, to be sustained in a rewarding logic "by objectives."



## 7c. Accident insurance

The company must stipulate in favor of the executive an insurance, which indemnifies case of accident occurred even not job related and in case of professional illness:

- a) in addition to the regular liquidation treatment, in case of permanent disability, such as to reduce by more than  $2/3$  the specific executive working capacity, a sum equal to six annual installments of the overall de facto salary;
- b) in the case of permanent partial disability, a sum which, referring to the amount of the sum insured under point a), is proportional to the degree of disability determined according to the table attached to T.U. approved by Presidential Decree n. 1124 dated June 30, 1965 and in force until 24 July 2000;
- c) in addition to normal liquidation treatment, in case of death, a sum in favor of the entitled subjects, equal to five annual installments of the overall de facto salary.



## **7d. Life insurance policies**

The company shall stipulate in favor of the executive an insurance assuring, in case of death or permanent disability such as to reduce by more than 2/3 the specific executive working capacity, for causes different from the professional accident and illness, an amount in addition to normal liquidation treatment, equal to:

- € 150.000 with effect from 1 July 2010, when the executive does not have dependent children or spouse;
- € 220.000, when the family of the executive is composed by one or more dependent children and/or spouse.

The executive shall contribute to the cost of the respective premium with the amount of € 150 per year, which shall be retained by the company upon his salary.

