

**CODE OF CONDUCT**  
**(Conditions of Employment, 1 January 2006)**

**ARTICLE 28**  
**STANDARDS OF CONDUCT**

1. Each employee is expected to maintain conduct which is free of discrimination towards co-workers, subordinates, supervisors, job applicants, actual and potential customers, and the general public, that is based on race, color, religion, sex, age, national origin, or physical or mental disability. In addition, employees must refrain from conduct of a sexual harassment nature.
2. Each employee is expected to:
  - a. Report promptly for work in a condition that will permit the proper performance of assigned duties and adhere to established work schedules.
  - b. Comply with supervisor instructions and perform assigned duties with diligence. In positions involving customer contact, exercise tact and courtesy.
  - c. Safeguard information that is only for official use.
  - d. Not remove official documents or records for unauthorized reasons.
  - e. Use and maintain property of the employer appropriately.
  - f. Observe safety regulations.
  - g. Conform to special standards and requirements as established and made known to employees and unions.
  - h. Refrain from abuse of intoxicants during duty hours.
  - i. Comply with rules governing notification and justification of absences as stipulated in this document (articles 21 and 23).
  - j. Promptly inform the employer of changes in address.
  - k. Refrain from making a gift or present (other than nominal gifts in recognition of special occasions); or if in a superior position refrain from accepting such a gift or present from lower graded or lesser paid personnel.
3. Employees will not:
  - a. Engage in any private business or professional activity which will result in a conflict between his/her private interests and the interests of the employer or which involve the use of inside information, gained through his/her official position, to further a private interest, or which may reasonably be expected to bring discredit upon the employer.
  - b. Solicit, accept, or agree to accept any favor or anything of value in return for performing or failing to perform an official act.
  - c. Directly or indirectly use or allow the use of employer owned or leased property of any kind for other than officially approved activities.
  - d. Engage in sexual harassment, or persist in behavior perceived as such by the recipient(s) after the latter have made their perception known to the offender.
  - e. Fail to report or correct cases of sexual harassment, or other situations of prohibited discrimination in general, found to exist in own areas of responsibility, if in a supervisory position.
4. For the purpose of applying the provisions cited in paragraphs d. and e. above, management and the unions, within the scope of their respective responsibility, are committed to ensuring a work environment aimed at protecting the freedom and dignity of the workers and fairness of interpersonal relationships. For this purpose, action will be taken to prevent and/or correct violations of such behavior. In cases of sexual harassment, the parties are committed to provide timely, adequate, and impartial assistance to those who have been subjected to harassment, in accordance with the procedures set forth in article 33, with due respect to the privacy of the individuals involved, and ensuring protection from direct or indirect reprisal against the individual subject to harassment or whoever wishes to render testimony. Disciplinary action is warranted in cases of sexual harassment in the work environment and/or however connected with work; as well as any act of reprisal against the complainant, individuals rendering testimony, and members of the commission provided for by article 33. Corrective action will be proportionate to the seriousness of the offense and will serve to protect employees, as well as to maintain order and discipline. Disciplinary action will be taken in accordance with attachment 6.

**ARTICLE 30**  
**DISCIPLINARY ACTION**

1. The employee is required to meet the obligations inherent in assigned duties in the most diligent manner. Non-compliance with employee obligations may result in one of the following actions which the employer will take based on the gravity of the offense and surrounding circumstances:
  - a. Verbal reprimand.
  - b. Written reprimand.
  - c. Suspension from work without pay for a period of one to ten days.
2. Attachment 6 represents general categories of offenses and penalties for which disciplinary action is appropriate.
3. In case of written reprimand or suspension, the employee will be advised in writing of the charges and of the proposed disciplinary action and will be provided an opportunity to respond in writing within five (5) workdays of receipt of the notice. A copy of the proposed action will be provided to the union representatives. A union representative may assist the employee. If the employee contests the charges and the reasons given in his/her response are acceptable to the command, the proposed action will be either modified or withdrawn. If the action taken is not acceptable to the employee, he/she may request and the Command will convene the Disciplinary Action Review Board.
  - a. Such board will be established within the command and shall consist of two (2) representatives from management and one (1) from each of the two (2) unions. The board must, within 15 workdays of convening, issue a decision concerning the disciplinary action. Such decision must be formally recorded and signed by all board members, and will be binding on both parties. In the event of disagreement each party is free to pursue appropriate action.
  - b. When reviewing sexual harassment cases, the Disciplinary Action Review Board shall consist of mixed representation (one female and one male on each side). The accused and the victim shall have the right to be heard by the board, and to produce any documentary evidence not already included in the case file.

**ARTICLE 56**  
**SEPARATION FOR JUSTIFIED REASON**

Employees who remain absent from work without justification for more than four (4) consecutive workdays may be separated, with entitlement to advance notice or payment in lieu of notice not given. The same action applies in case of other notable violations of contractual obligations, or for reasons pertaining to production, work organization or regular work activity. Attachment 6 presents general categories of offenses and penalties including offenses for which separation for justified reasons is appropriate.

**ARTICLE 59**  
**SEPARATION FOR CAUSE**

Separation for cause without advance notice, and without payment in lieu thereof, applies when the offense is incompatible with continued employment even on a temporary basis. Attachment 6 presents general categories of offenses and penalties including offenses for which separation for cause is appropriate.

ATTACHMENT 6  
GENERAL CATEGORIES OF OFFENSES

The following, not necessarily an all-inclusive listing, represents general categories of offenses. Action will be taken with a view toward correcting the behavior of the offending employee. Actions will be processed in accordance with the appropriate provisions of Article 30, or Article 56, or Article 59 of the COE. Any offense not covered must be dealt with appropriately. The penalties represent the norm. When there are mitigating circumstances, a penalty may be lessened. When there are aggravating circumstances, a penalty may be increased. The reckoning period for each offense is two years.

NATURE OF OFFENSE	FIRST	SECOND	THIRD
1. Failure to report or leaving work without authority , provided that this does not jeopardize the safety of equipment or persons.	Documented Verbal Reprimand	Written Reprimand	Up to 3 Days Suspension
2. Failure to provide notice or required certification of absences by the time limitations prescribed by Articles 21 and 23.	Documented Verbal Reprimand	Written Reprimand	Up to 10 Days Suspension
3. Unexcused tardiness.	Documented Verbal Reprimand	Written Reprimand	1 Day Suspension
4. Disrespect toward supervisors or co-workers, intentional disobedience of appropriate supervisory authority.	Written Reprimand	Up to 5 Days Suspension	Up to 10 Days Suspension
5. Serious insubordination causing grave disruption of order or discipline.	Suspension or Removal Without Notice		
6. Physical violence or threats which cause bodily injury or grave disruption to operation.	Suspension or Removal without Notice		
7. Any act committed in connection with employer's work which constitutes a felony under Italian law.	Suspension or Removal without Notice		
8. Loafing, willful idleness, sleeping, deliberate negligence or excessive delay in carrying out work assignments.	Documented Verbal	Written Reprimand	Up to 5 Days Suspension
9. Negligent workmanship resulting in work spoilage, waste of material, production delays, or damage to the employer's property or equipment.	Documented Verbal Reprimand	1 to 5 Days Suspension	Up to 10 Days Suspension or Removal with Notice
10. Failure to give prompt notice of breakdown of machinery or flow of production in own area of responsibility.	Written Reprimand	Up to 10 Days Suspension	Removal with Notice
11. Intoxication during duty hours, provided this does not jeopardize the safety of others.	Written Reprimand	Up to 5 Days Suspension	Up to 10 Days Suspension or Removal with Notice
12. As above, but with prejudice to the safety of others	Up to 5 Days Suspension	Up to 10 Days Suspension	Removal with Notice
13. Violation of internal regulations or work procedures when safety or persons or employer's property may be endangered provided the employee has been informed of such rules and procedures.	Up to 5 Days Suspension	Up to 10 Days Suspension	Removal with Notice
14. Use of machinery and facilities of the employer in the in the manufacture of items for personal use or gain when such work is performed outside working hours and without authorization, employer's materials are not used, or manufactured items are not of considerable value.	Documented Verbal Reprimand	Written Reprimand	1 Day Suspension
15. As above, but during working hours, or employer's materials are used or items are of considerable value.	Written Reprimand	Up to 3 Days Suspension	10 Days Suspension or Removal with Notice
16. Failure to safeguard information that is only for official use. Removal of official documents or records for unauthorized reasons, with exception of cases in 24.	Written Reprimand	Up to 5 Days Suspension	Up to 10 Days Suspension or Removal with Notice
17. Influencing, offering to influence or threatening the career, pay, job, or work assignments of another person in exchange for sexual favors; or deliberate, offensive or unwelcome comments, gestures or physical contact of a sexual nature:			

NATURE OF OFFENSE	FIRST	SECOND	THIRD
A. Involving a subordinate	1 Day Suspension to Removal with or without Notice	10 Days Suspension to Removal with or without Notice	
B. Not involving a subordinate:	Written Reprimand, Suspension to Removal with or without Notice	Suspension to Removal with without Notice	
18. Soliciting, accepting or agreeing to accept any favor or anything of value in return for performing or failing to perform an official act.	Removal without Notice		
19. Direct or indirect use or allowed use of employer owned or leased property of any kind for other than officially approved activities.	Written Reprimand	Up to 3 Days Suspension	Removal with Notice
20. Unauthorized absence for more than 4 consecutive working days.	Suspension or Removal with Notice		
21. Malicious damage of employer owned property	Removal without Notice		
22. Theft or attempted theft of employer owned property	Suspension or Removal without Notice		
23. Deliberate falsification of claim or other official document with the intent to defraud the employer.	Removal without Notice		
24. Disclosing information or documents to unauthorized persons, with the intent to harm the employer or in violation of military classification requirements.	Removal without Notice		