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Chimec S.p.A.

Organisation, management and control Model
pursuant to Legislative Decree 231/2001

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SPECIAL SECTION “H”

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1. – Copyright offences (article 25-*novies* of the Decree)

The offences covered by this Special Section are all criminal offences and are therefore punished as such.

1.1. – Disclosing a copyrighted work, in whole or in part, to the public, through a system of online networks (article 171, first paragraph, letter *a-bis*), and third paragraph of Law 633/1941)

The part of the provision of interest here (i.e. first paragraph, letter *a-bis*) and third paragraph) sets out the penalties applicable to whosoever discloses to the public, for any purpose or in any way, a copyrighted work or intellectual property, in whole or in part (first paragraph letter *a-bis*), without being entitled to, through a system of online networks, except as otherwise provided in article 171-*bis* and article 171-*ter*.

Paragraph 3 of article 171 of Law 633/1941 provides for an increased penalty if the above mentioned offences are committed with regard to the work of a third party not destined for publication, or by appropriating the ownership of the work, or featuring the deformation, mutilation or alteration of the work itself, if this damages the author's honour or reputation.

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The first case, which concerns disclosing a copyrighted work to the public through the web, aims to protect the proprietary interests of the author, which could be damaged by the free dissemination of the work via the Internet.

The case described in paragraph 3 of the provision, instead, aims to protect the honour and reputation of the author of the work.

1.2. - Unauthorised duplication for profit of computer software; importation, distribution, sale or possession for commercial or other business purpose or renting of software recorded on media not marked by the SIAE; development of means allowing or facilitating the unauthorised removal or functional avoidance of devices protecting computer software (article 171-*bis* Law 633/1941).

Paragraph 1 of article 171-*bis* of Law 633/1941 sanctions the unauthorised duplication – for profit – of computer software, or for importing, distributing, selling, possessing for commercial or other purposes or renting software recorded on media not marked by the Italian Association of Authors and Publishers (SIAE). The same penalty applies to the development of any means aimed at allowing or facilitating the unauthorised removal or functional avoidance of devices for protecting computer software. Aggravating circumstances are applied in particularly serious cases.

Paragraph 2 of the above provision concerns whosoever reproduces, transfers, distributes, communicates, presents or demonstrates in public the contents of a database, using media without a SIAE marking and for the purpose of obtaining a profit, in violation of articles 64-*quinquies* and 64-*sexies*, or extracts or reutilises the database in breach of articles 102-*bis* and 102-*ter* of the same law, or distributes, sells or rents out a database.

Here too, the aggravating circumstances are applied in particularly serious cases.

This provision provides a legal protection for software. The initial part of paragraph 1 sets out penalties for the unauthorised duplication of software, while the second part lists the potential ways in which the illegal conduct may be carried out. Instead, with regard to the scope of the provision, paragraph 1 requires that the reproduction must be “unauthorised”: therefore, the malicious intent of the perpetrator must include knowledge of the rules (including the non-criminal rules) applicable to the subject matter.

1.3. – Unauthorised duplication, reproduction, transmission or public dissemination by any means of all or part of intellectual properties developed for television or movie theatre use; sale or rental of records, tapes or analogue or other media containing sounds or images from musical works, films or similar audiovisual works or sequences of moving image (article 171-*ter* of Law 633/1941)

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If the offence is committed not for personal use, paragraph 1 of article 171-*ter* of Law 633/1941 sanctions whosoever:

a) duplicates, reproduces, transmits or disseminates in public, in an unauthorised manner and by any means, all or part of any intellectual property developed for television or movie theatres, or otherwise sells or rents out records, tapes or analogue or other media containing sounds or images from musical works, films or similar audiovisual works or sequences of moving images;

b) reproduces, transmits or disseminates in public, in an unauthorised manner and by any means, all or part of any literary, dramatic, scientific or teaching, musical or dramatic-musical or multimedia works, even if they are part of collective or composite works or databases;

c) without having aided and abetted the duplication or reproduction of any work(s), nevertheless introduces into Italy, possesses for sale or distribution, or otherwise distributes, sells, rents out or otherwise transfers in any way, screens in public, broadcasts on TV or radio, by any method, plays to a public audience the illegal duplications or reproductions referred to in letters a) and b) above;

d) possesses for sale or distribution, markets, sells, rents out, transfers in any way, screens in public, broadcasts on TV or the radio by any method, video/music tapes and any other medium containing sounds or images from musical works, films or similar audiovisual works or sequences of

moving image, or other media that require a SIAE marking under the law (by the Italian Society of Authors and Publishers) and which lack the said marking or feature counterfeited or altered markings;

e) transmits or broadcasts an encrypted service using any equipment, or parts thereof, capable of decoding transmissions subject to conditional access, lacking an agreement with the lawful distributor;

f) introduces into Italy, possesses for sale or distribution, distributes, sells, rents out, transfers in any capacity, commercially promotes or installs devices or items for special decoding purposes and allowing access to an encrypted service without paying the relevant subscription;

f-bis) manufactures, imports, distributes, sells, hires, transfers for whatever reason, advertises for sale or for hire or possesses for commercial purposes equipment, products or components or provides services which have the prevalent purpose or commercial use of avoiding the effective technological measures set out under Article 102-quater or are mainly designed, manufactured, adapted or produced with the aim of enabling or facilitating the avoidance of the foregoing measures. The technological measures include those applied, or which remain after the removal of the measures concerned, consequent to the voluntary initiative of the holders of the rights or agreements between the latter and the beneficiaries of exemptions, or following the enforcement of provisions issued by the administrative or judicial authorities;

h) illegally removes or modifies the electronic information referred to in article 102-quinquies, or distributes, imports for purposes of distribution, broadcasts on the radio or television, communicates or makes available to the general public any protected works or other materials from which the electronic information concerned has been removed or modified..

Paragraph two of article 171-*ter* of Law 633/1941 imposes a penalty on whosoever:

a) illegally reproduces, duplicates, transmits or broadcasts, sells or otherwise puts up for sale, transfers for whatever reason or illegally imports more than fifty copies or specimens of works protected by copyright and by related rights;

a-bis) communicates intellectual property protected by copyright, or a part thereof to the general public by uploading to a system of online networks, using links of any kind, in order to make a profit, in breach of article 16;

b) commits the acts envisaged under paragraph 1 when reproducing, distributing, selling, or trading, importing works protected by copyright and any related rights in a business capacity;

c) promotes or organises the illegal activities referred to in paragraph 1.

The penalty is reduced if the act is of very limited gravity.

The amounts arising from the application of the fines provided for in the preceding paragraphs shall be paid to the *Ente nazionale di previdenza ed assistenza per i pittori and scultori, musicisti, scrittori ed autori drammatici* (National social security body for painters and sculptors, musicians, writers and playwrights).

1.4. – Failure to notify the SIAE of the data for identifying media not subject to marking or misrepresentation (article 171-*septies* of Law 633/1941)

Pursuant to article 171-*septies* of Law 633/1941, the penalty referred to in article 171-*ter*, paragraph 1, also applies to:

- a) the producers and importers of media not subject to marking pursuant to article 181-*bis*, who fail to disclose to the SIAE – within thirty days from the date of placing on the market in Italy or of import – the necessary data for their unequivocal identification;
- b) unless the fact constitutes a more serious offence, whosoever falsely declares to have met the obligations referred to article 181-*bis*, paragraph 2, hereof.

1.5. – Illegal production, sale, import, promotion, installation, alteration, public/private use of equipment, or parts thereof, capable of decoding audiovisual broadcasts subject to conditional access over the air or via satellite or cable, in either analogue or digital format (article 171-*octies* of Law 633/1941)

Unless the fact constitutes a more serious offence, breach of this provision shall entail a prison sentence of between 6 months and 3 years and a fine of between 5 and 50 million lire for whosoever illegally produces, puts up for sale, imports, promotes, installs, alters, uses for public/private purposes any equipment, or parts thereof, capable of decoding audiovisual broadcasts subject to conditional access over the air or via satellite or cable, in either analogue or digital format. Subject to conditional access means all audiovisual signals transmitted by Italian or foreign-based broadcasters in such a manner that they may be viewed exclusively by restricted groups of users selected by the broadcasting entity, regardless of whether or not a subscription is required for the service.

The penalty shall be increased if the offence is particularly serious.

2. – Penalties applicable to the offences referred to in article 25-*novies* of the Decree

If the Entity is found liable for any of the offences referred to in this Special Section, a fine of up to 500 quotas shall apply to the Company.

If the entity is found guilty, the disqualification penalty pursuant to article 9, paragraph 2, shall apply, for no more than 1 year.

3. – Risk areas

The above mentioned offences are based on the use of copyrighted works.

Regarding, in particular, the offences of illegal duplication and public distribution of software for a profit, via online networks, and of protected intellectual property or parts thereof, it should be highlighted how these instruments may theoretically be abused by the members and employees of the Company, since they have access to online networks made available to them by the Company itself.

By way of example only, following are some of the ways in which the offence herein may be committed:

- by making available, via online networks, audio/video files, software, copyrighted industrial designs, for the purpose of assisting the operations of undertakings;
- by illegally duplicating software for their distribution to other parties, either inside or outside the Company, for use in their day-to-day operations;
- by illegally using images taken from outside sources to be used in corporate publications or in the organisation of institutional events;
- by illegally using intellectual property (such as industrial designs), unlawfully acquired from a competitor, for enhancing the efficiency of production.

4. – General rules of conduct and implementation

The rules of conduct apply to all the Recipients of the Model and, in particular to all those who operate in the risk areas defined above.

The Recipients are expected to know and abide by the rules set out herein, as well as the:

- Code of Conduct;
- disciplinary system.

The Recipients and all external collaborators – duly informed by means of dedicated contractual clauses – are prohibited from adopting any kind of conduct capable of fostering the commission of copyright offences.

It is also forbidden to:

- use the IT resources (such as PCs and laptops) assigned to the Company for purposes other than work;
- illegally download or transmit to this parties any copyrighted contents.

The Board of Directors may provide for other measures aimed at protecting the identified risk areas, in addition to the obligations and requirements mentioned above.