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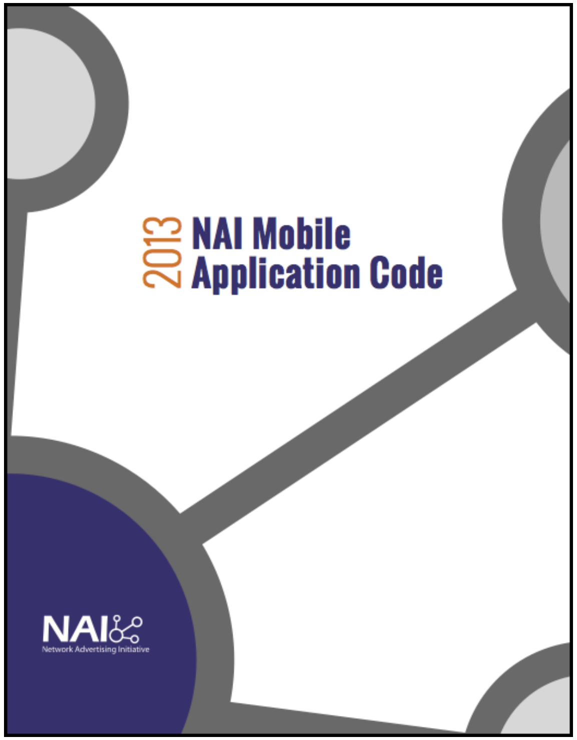
# The NAI Mobile Application Code:

## Extending Third-Party Compliance into the Mobile Ecosystem

# Why a Mobile Application Code?



2013 NAI Mobile Application Code

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- Extend the NAI compliance program into the mobile application space
- Provide extra flexibility for this rapidly developing ecosystem
- Help members develop business models, procedures, and technologies that provide consumers with adequate notice and choice

# Scope

- Governs only NAI member companies
- Does not cover all data collection by members, but is limited to Cross-App Advertising and Ad Delivery and Reporting
- Advertising data collected across unaffiliated websites in mobile browsers will be covered by the 2013 NAI Code of Conduct, with mobile-specific guidance as necessary
- Applies only to activities that (1) occur in the United States or (2) apply to U.S. users

# Member Obligations

- Education
- Notice & Transparency
- Choice/User Control
- Use Limitations
- Transfer Restrictions
- Access
- Reliable Sources
- Data Security & Retention
- Accountability

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# General Framework

- The Code identifies three broad categories of data:
  1. Personally Identifiable Information (PII)
  2. Non-PII
  3. De-Identified Data
- The Code also imposes special obligations on:
  1. Sensitive Data
  2. Precise Location Data; and
  3. Personal Directory Data

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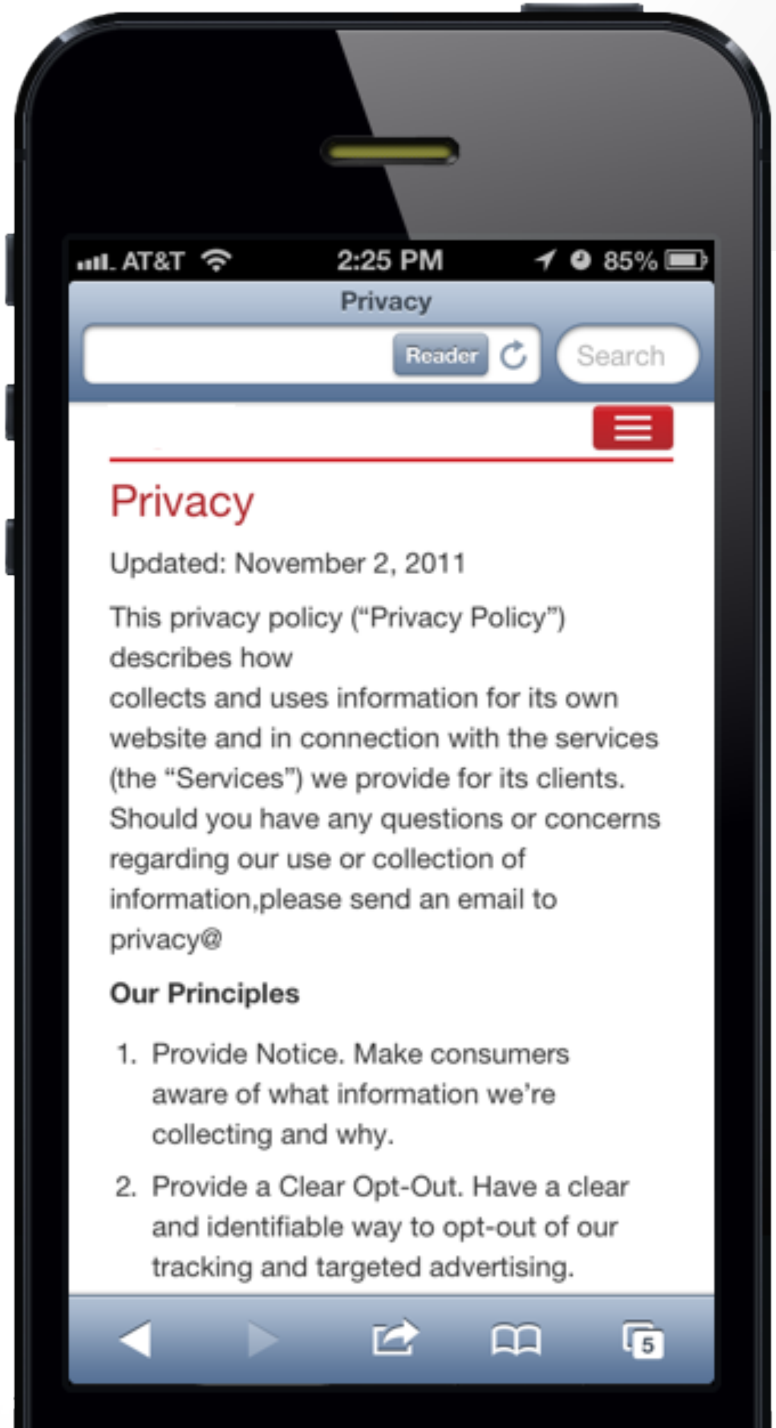
# Three Types of Notice



## Privacy

Updated: November 2, 2011

This privacy policy ("Privacy Policy") describes how
collects and uses information for its own website and in connection with the services (the "Services") we provide for its clients. Should you have any questions or concerns regarding our use or collection of information,please send an email to privacy@

**Our Principles**

1. Provide Notice. Make consumers aware of what information we're collecting and why.
2. Provide a Clear Opt-Out. Have a clear and identifiable way to opt-out of our tracking and targeted advertising.

## Website Notice:

- Describes data collection, use, and transfer for CAA & ADR
- Describes or provides access to an opt-out mechanism

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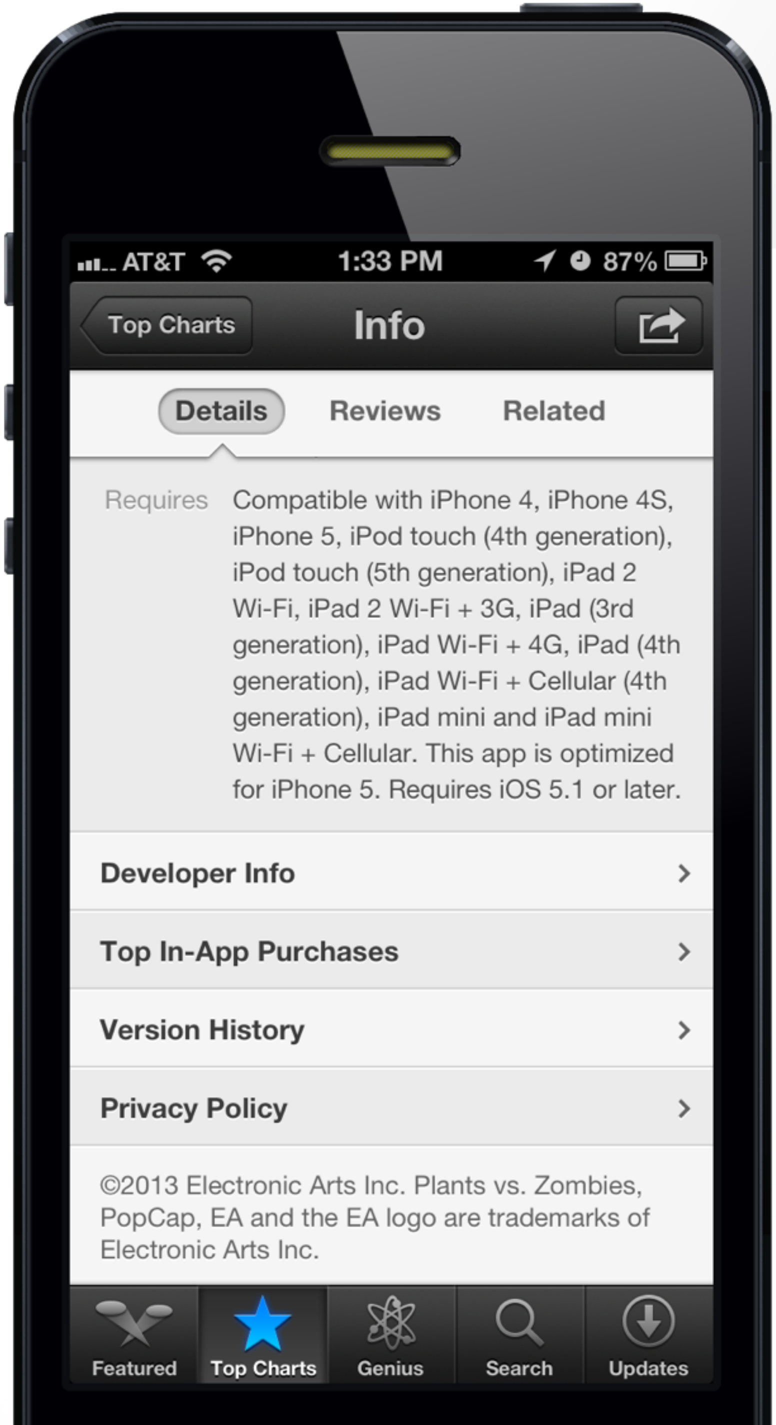
# Three Types of Notice



Requires Compatible with iPhone 4, iPhone 4S, iPhone 5, iPod touch (4th generation), iPod touch (5th generation), iPad 2 Wi-Fi, iPad 2 Wi-Fi + 3G, iPad (3rd generation), iPad Wi-Fi + 4G, iPad (4th generation), iPad Wi-Fi + Cellular (4th generation), iPad mini and iPad mini Wi-Fi + Cellular. This app is optimized for iPhone 5. Requires iOS 5.1 or later.

Developer Info ›

Top In-App Purchases ›

Version History ›

Privacy Policy ›

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## App Store Notice:

- Posted in any store *or* on any website where the app may be acquired
- Must be included in contractual agreements with individual app providers, if such contracts exist

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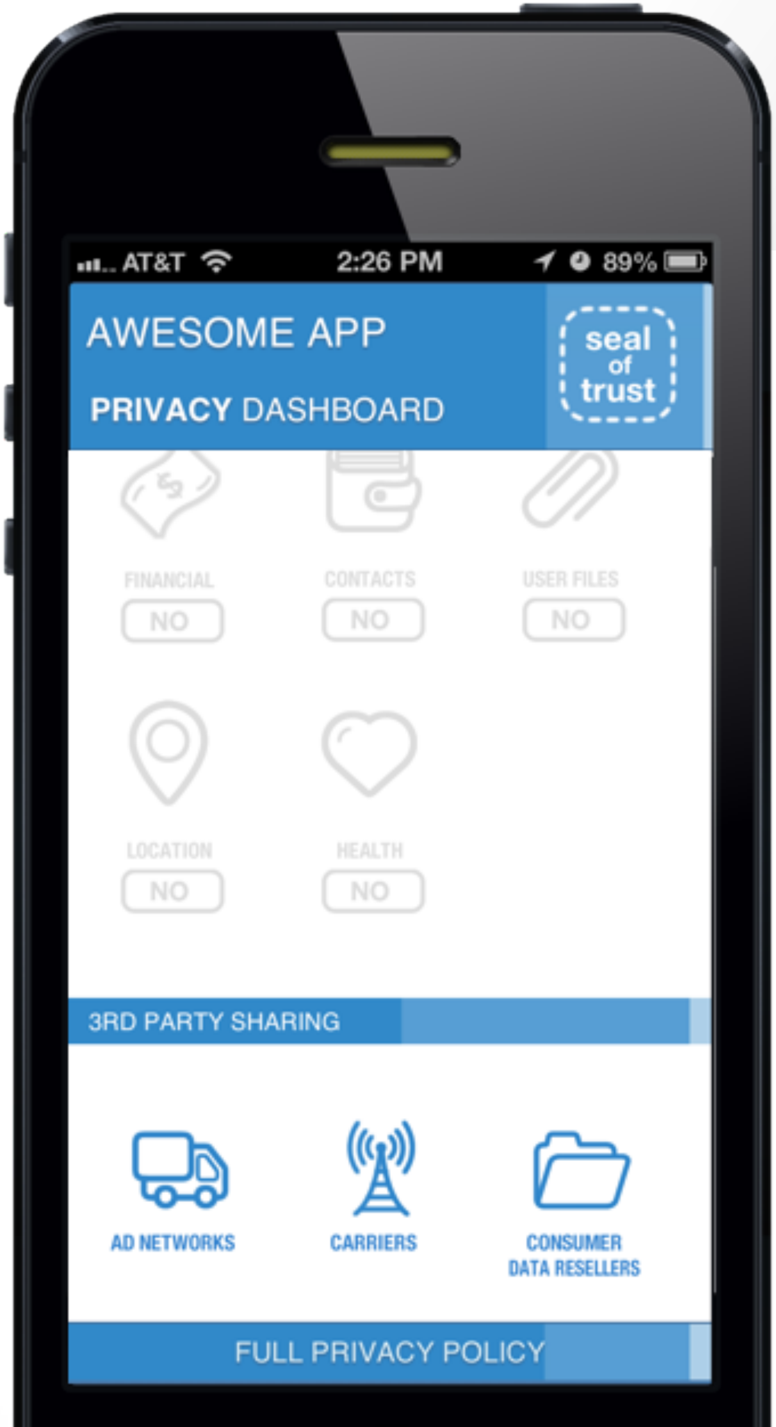
# Three Types of Notice



AT&T 2:26 PM 89%

AWESOME APP

PRIVACY DASHBOARD

seal of trust

FINANCIAL NO

CONTACTS NO

USER FILES NO

LOCATION NO

HEALTH NO

3RD PARTY SHARING

AD NETWORKS

CARRIERS

CONSUMER DATA RESELLERS

FULL PRIVACY POLICY

## Enhanced Notice:

- Notice in or around ads informed by Cross-App Data *or*
- In the app settings *and* at download or first use.

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# Health Transparency

- Members that use standard interest segments based on health-related data must disclose those segments on their websites.
- Health-related data is anything related to the body, including:
  - Health & wellness;
  - Diet & fitness;
  - Migraines
  - Etc.

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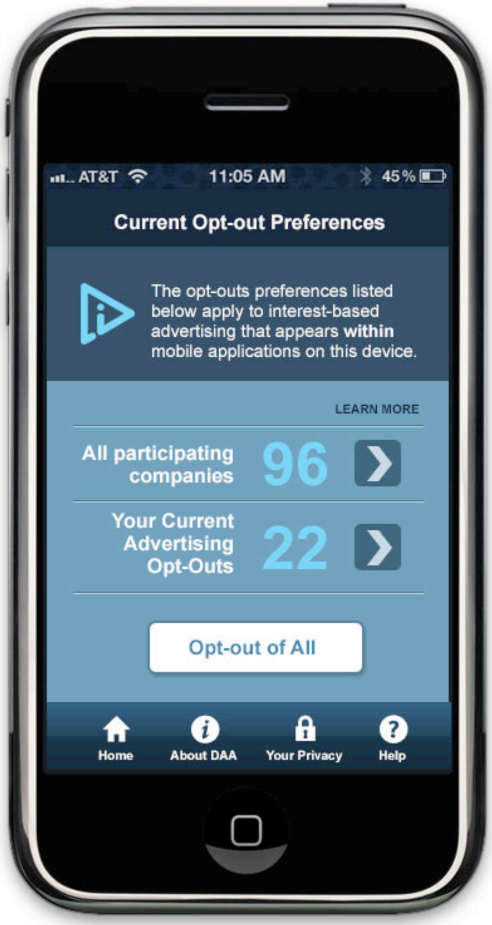
# User Control for Cross-App Advertising

- Use of Non-PII for CAA requires access to an Opt-Out Mechanism.
- Prospective merger requires access to an Opt-Out Mechanism and robust notice.
- Retrospective merger and use of Sensitive or Precise Location Data requires Opt-In Consent.
- May not access a device to obtain Personal Directory Data without user authorization.



Current Opt-out Preferences

The opt-outs preferences listed below apply to interest-based advertising that appears **within** mobile applications on this device.

All participating companies 96

Your Current Advertising Opt-Outs 22

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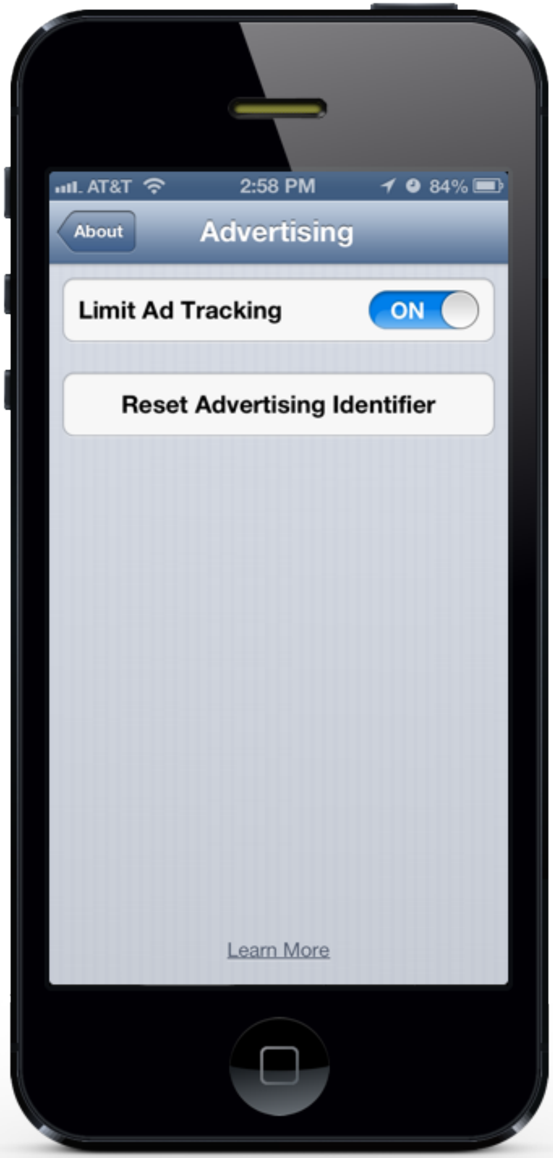
# Opt-Out Mechanism



Limit Ad Tracking ON

- No industry-wide mechanism (yet)
- Code requires that any Opt-Out Mechanism be: (1) reasonably easy to use and (2) durable.
- Platform-provided tools (like iOS's Limit Ad Tracking feature) may meet this requirement.
- Individual member mechanisms will be evaluated during pre-certification.

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# Use Limitations

- Members may not create Cross-App Advertising segments targeting children under 13 without obtaining verifiable parental consent.
- Members may not use or allow the use of Cross-App or ADR data for:

  1. Employment Eligibility
  2. Credit Eligibility
  3. Health Care Eligibility
  4. Insurance Eligibility and Underwriting and Pricing

- Material changes require Opt-In Consent

# Transfer Restrictions

- When transferring PII to an unaffiliated party for Cross-App Advertising or Ad Delivery & Reporting, must contractually require that the unaffiliated party will adhere to the applicable provisions of the code.
- When transferring Non-PII collected across applications, the unaffiliated entity must not attempt to merge that Non-PII with PII or attempt to re-identify the individual. This does not apply if the Non-PII is proprietary to the receiving party.

# Data Access, Quality, Security & Retention

Members must:

- Provide reasonable access to PII;
- Conduct due diligence to ensure the obtain Cross-App Data from reliable sources (notice & choice);
- Provide reasonable security for ad data; and
- Only hold data as long as necessary to fulfill a legitimate business need, or as required by law.

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# Accountability

- Members must represent that their business practices are in compliance with the NAI Mobile Application Code.

- Members are required to undergo annual compliance reviews. The aggregate results of the annual compliance process are published.

- Members must provide a mechanism to receive consumer complaints and inquiries and make reasonable efforts to timely respond to concerns regarding compliance with the NAI Code.

# DIFFERENCES BETWEEN THE NAI & DAA MOBILE CODES

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# Difference between DAA & NAI Codes

- NAI always requires notice on member website.
- NAI notice requires:
  - A general description of the technologies used for data collection;
  - Data retention practices/limits; or
  - Standard interest segments based on health-related information.
- NAI requires app store notice.
- NAI distinguishes between PII and Non-PII.

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# Q&A

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