



NAI COMPLIANCE PROGRAM CONSUMER COMPLAINT PROCESS

Last updated: 17 February 2009

To carry out its obligations under Section IV of the 2008 NAI Principles Self-Regulatory Code of Conduct, the Board of Directors adopts the following policies and procedures for its consumer complaint process:

Step 1: Receipt and staff determination of eligibility

NAI compliance staff shall be charged with investigating any complaints that allege non-compliance with the NAI Principles. A consumer complaint mechanism shall be provided on the NAI website that clarifies what information is required of consumers to properly evaluate the legitimacy of complaints, including:

- Ensuring that a complaint is about an NAI member
- Ensuring that a complaint relates to an alleged breach of the 2008 NAI Principles Self-Regulatory Code of Conduct
- Ensuring that the complaint contains adequate information to assess the allegation, and to engage in meaningful dialogue with the consumer to help address and resolve the concern raised

NAI compliance staff shall review all complaints; however, the staff is under no obligation to pursue any complaint that it deems to be frivolous or to constitute harassment of the NAI or an NAI member. A frivolous complaint is one that is not based on observable facts or alleged facts, or is based on facts that do not relate to specific obligations imposed by the NAI Principles program. A credible, actionable complaint will be one that provides enough detail to indicate, if true, that a compliance defect may be occurring with respect to one or several members.

Step 2: Consumer<->Staff Issue Resolution

When a credible complaint is identified by NAI staff, the staff shall first seek to determine whether the complaint can be resolved directly with the consumer, by clarifying program requirements or assisting to ensure that all technology implementing program requirements is functioning properly on the NAI website, and on the consumer's computer.

Step 3: Consumer<->Member Issue Resolution

If a credible complaint cannot be resolved directly by NAI staff working with the consumer, the matter shall be referred by NAI staff to the NAI member that is the object of the complaint for resolution. From the date of referral, the NAI member shall have 10 business days to confirm back to NAI staff in writing that the matter has been resolved either directly with the consumer, or has been resolved pursuant to NAI staff advice. NAI staff may, at its discretion, extend this deadline to accommodate technical difficulties or unavoidable delays.



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Step 4: Opportunity to Cure

If the matter has not been resolved within the initial 10-business day period, NAI staff shall provide notice to the member in writing that it must submit an action plan to redress the compliance defect within 30-business days from the date of notice by NAI staff. NAI staff may, at its discretion, extend this deadline to accommodate technical difficulties or unavoidable delays.

Step 5: Board Referral & Sanctions

If a member either fails to respond to staff notice of non-compliance, fails to provide an action plan to redress the defect within 30-business days, or fails to accomplish its action plan within 30-business days from the date of notice by NAI staff, the matter shall be referred to the NAI Board of Directors for review, with a recommendation by staff for sanctions. The member will have the opportunity to address the Board as part of this review, and, if desired, rebut the recommendation of the staff. The Board shall, at its discretion, determine whether: a) additional information is required or additional time to cure the defect should be permitted, or b) whether interim or final sanctions are appropriate. Available sanctions include:

- Temporary suspension of membership status for a fixed or indefinite term, subject to further opportunity to cure
- Permanent termination of membership
- Publication of termination by press release
- Referral of evidence of non-compliance as deceptive trade practices violation to the U.S. Federal Trade Commission's Consumer Protection Division, or to state attorneys general or other enforcement bodies.

Step 6: Annual Compliance Report

Beginning in 2009, the NAI staff shall produce an annual summary of the nature and number of consumer complaints received, the nature and number of complaints that were escalated to membership and the nature and number of matters referred to the Board, specifying the name of companies, if any, that were sanctioned for failure to remedy compliance defects. The annual report shall be made available to the public on the NAI consumer website, www.networkadvertising.org.