

NetBooks Privacy Policy

Last revised: September 20, 2007

NetBooks respects our users' privacy and the confidentiality of their financial and business data. We have created this Privacy Policy to help you understand how we collect, use, disclose, and safeguard your sensitive information.

This Privacy Policy applies to information that we obtain in connection with your use of our website, www.netbooks.com (our "**Site**"), or any of our online products or services, including our NetBooks business management and bookkeeping application (collectively, our "**Products**"). In this Privacy Policy, the terms "you" and "your" (and related words) refer to the persons or businesses using our Site or our Products, the terms "we," "us," and "our" (and related words) refer to NetBooks, Inc., and capitalized terms have the meanings given to them in this Privacy Policy. We may update this Privacy Policy from time to time. We will notify you of any material changes by posting the new Privacy Policy on the Site. Please consult this policy regularly to stay informed of any changes.

Why Do We Collect Your Information?

In collecting information from you, our primary goals are to deliver and improve our Site and Products, to administer your account, and to enable you to enjoy and easily navigate our Site and Products. These activities are referred to below as our "**Service**." We will never rent, sell, or share your personally identifiable information with third parties without your consent, except as described in this Privacy Policy.

What Information Do We Collect, and How Is It Used?

We realize that certain kinds of information are more sensitive than others, and we want you to be confident in knowing how we treat the information that matters to you. The various types of information we collect from you, and how we use each kind of information, are explained below.

Personally Identifiable Information: If you become a registered user or subscriber of our Site or Products, we will ask you for personally identifiable information, meaning information about you that can be used to contact or identify you ("**Personal Information**"). You may also choose to submit Personal Information at other times when using our Service. Personal Information includes, for example, your name, phone number, date of birth, social security number, credit card or other billing information, email address, and home and business postal addresses.

In general, we use your Personal Information:

- to set up and provide the Service, to complete your transactions, and to respond to your inquiries and requests
- to seek feedback from you; and
- to provide you with NetBooks newsletters, marketing, or promotional materials, and to contact you with other information that may be of interest to you (unless you opt out of those communications, as described below).

If you decide at any time that you no longer wish to receive any particular communications from us, please follow the unsubscribe instructions provided in the communication or contact us at info@netbooks.com. Some aspects of our Service rely on our ability to communicate with you, however, so opting out of certain communications may limit or prevent your use of the Service.

We will never rent or sell your Personal Information, except as described in the "Business Transfers" section of this Privacy Policy. In addition, your specific billing information will be used only to bill you for our Products and related services that you choose to receive.

Please note that your Personal Information may contain certain elements (such as your zip code) that, when taken alone or when aggregated with information we receive from other users, no

longer identify you. See “Generic and Aggregated Information” below for other ways in which these elements may be used.

Financial and Business Data: Given the nature of our Products, your subscription to and use of those Products may involve your uploading or otherwise submitting confidential information about the finances, operations, customers, suppliers, employees, products, and other aspects of your business (collectively, “**Business Data**”).

We know that your Business Data is vital to your success—and treating that data properly is vital to ours. Except as otherwise described in this Privacy Policy or our Products’ applicable terms of service, or as otherwise required by law or clearly authorized by you, we will use your Business Data solely in order to provide you with the functionality of the Product(s) that you elect to use.

Please keep in mind, however, that you are responsible for maintaining the confidentiality and security of your user ID(s) and password(s) that restrict access to your Business Data stored on our system. In addition, if your Business Data includes the personally identifiable information of others, you are solely responsible for ensuring that your submission of that information to us, for use as contemplated by this Privacy Policy, does not violate any laws or the rights of others.

Generic and Aggregated Information: We may collect non-personally-identifying information about you and others as part of your registration for, or use of, our Site or Products. This information may include, for example, your individual Site preferences or general information about your organization’s industry. In addition, we may extract non-personally-identifying elements from certain Personal Information you provide (for example, the state or zip code from your home address). Finally, we may combine and aggregate any information we receive from you (including Personal Information and Business Data) with information received from other users of our Site and Products in order to obtain demographic and other statistical information that no longer identifies or pertains specifically to you. When stored, used, and/or disclosed separately from any data that could, in combination, allow others to contact or identify you, all of the information described in this paragraph is considered “**Generic Information.**”

We may use Generic Information on its own or in combination with your Personal Information and/or Business Data in order to provide you with tailored and relevant Services, and to analyze and understand how our Site and Products are used. We may also use Generic Information (particularly including aggregated, non-identifying statistical data) in order to provide our subscribers and others with statistical reports and other materials regarding business trends and general information pertaining to the use of our Site and Products.

Log Data: When you visit the Site or use our Products, our servers automatically record information that your browser sends whenever you visit a website (“**Log Data**”). This Log Data may include information such as your computer’s Internet address, browser type, the website from which you are visiting, pages of our Site that you visit, the time spent on those pages, information you search for, access times and dates, and other statistics. We use this information to monitor, analyze the use of, and administer the Site and Products, as well as to increase the functionality, user-friendliness, and relevance of the Site and Products. We also use this information to verify that visitors to the Site meet the criteria required to process their requests.

When and How Do We Share Your Information with Others?

You deserve to know how and when your information may be shared with others, which includes the circumstances outlined below.

Disclosure of Personal Information to Service Providers. To make our Products more useful to you, we have formed relationships with companies whose products or services complement our own, and those companies’ products or services may (in some cases) be integrated with ours in the form of optional product features. If you elect to use these features, or otherwise do

business with these other service providers, we may share your information with them as needed for them to fulfill your requests, and they may collect, use, and disclose your information according to their own policies and practices, which may be less protective than our own. We will, where reasonably feasible, notify you if another party's policies apply to a feature integrated into our Product so you can decide whether or not to use it, but it is ultimately your responsibility to be aware of the policies that apply to the third-party services you elect to use.

We may also work with third-party companies and individuals to facilitate the marketing, operation, administration, delivery, and improvement of our Site and Products, and to assist us in analyzing how our Site and Products are used. These third parties have access to your Personal Information only to perform these tasks on our behalf and are obligated not to disclose or use it for any other purpose. We may also provide Personal Information to our business partners or other trusted entities for the purpose of providing you with information on goods or services we believe will be of interest to you. You can, at any time, opt out of receiving such communications.

Disclosure of Generic Information and Log Data. We may share Generic Information and Log Data with third parties for industry analysis, demographic reporting, and other purposes. Any aggregated information shared in these contexts will not reveal your Personal Information or Business Data.

Compliance with Laws and Law Enforcement. We will, if needed, cooperate with government and law enforcement officials and private parties to enforce and comply with the law. We will disclose any information about you to government or law enforcement officials or private parties as we, in our sole discretion, believe is necessary or appropriate to respond to claims and legal process (including but not limited to subpoenas), to protect the property and rights of NetBooks or third parties, to protect the safety of the public or any person, or to prevent or stop any illegal, unethical or legally actionable activity.

Business Transfers. We may sell, transfer or otherwise share some or all of your Personal Information in connection with a merger, acquisition, reorganization or sale of assets or in the event of bankruptcy. In such event, we will use our reasonable efforts to require our successor to continue to protect your information as set forth in this Privacy Policy.

How Can You Access and Update Your Information?

You may review, update, correct, or delete the Personal Information in your account using our online account management tools or by contacting us (see below for our privacy contact information). Please note that a minimum amount of Personal Information is necessary in order for us to provide you with certain Services, so deletion of such Personal Information may cause those Services to cease or your account to be deactivated. If you would like us to delete your record in our system, please contact us and we will (subject to our applicable terms of service) attempt to accommodate your request if we do not have any legal obligation to retain the record.

How We Use Cookies

Like many websites, we use "cookies" to help us collect and keep track of information. A cookie is a small data file, recognizable by our system, that we transfer to your computer's hard disk when you visit our Site. We may use "persistent" cookies to save certain user preferences and (at your option) your user ID and associated authentication information for future logins to the Site or Products. We may also utilize "session" cookies to enable certain features of the Site or Products, to better understand how you interact with the Site and Products, and to monitor aggregate usage by our users and web traffic routing on the Site. Unlike persistent cookies, session cookies are deleted from your computer when you log off from the Site and Products and then close your browser. You can instruct your browser, by changing its options, to stop accepting cookies or to prompt you before accepting a cookie from the websites you visit. If you do not accept cookies, however, you may not be able to use some or all of the Site or the full functionality of the Products.

How We Store and Secure Your Data

NetBooks is very concerned with safeguarding your information. We employ administrative, physical and electronic measures designed to protect your information from unauthorized access. Our Security Policy located on our website at www.netbooks.com/legal describes these security measures in more detail.

Your information may be transferred to and stored on computers located outside of your state, province, country or other governmental jurisdiction, where the privacy laws may not be as protective as those in your jurisdiction. If you are located outside the United States and choose to provide information to us, we may transfer such Personal Information to the United States and process it there. Your submission of such information represents your agreement to that transfer.

We will make any legally required disclosures to you of any breach of the security, confidentiality, or integrity of your unencrypted, electronically stored "personal data" (as defined in applicable state statutes on security breach notification) via email or conspicuous posting on this Site without unreasonable delay, as dictated by (i) the legitimate needs of law enforcement; and (ii) any measures necessary to determine the scope of the breach and restore the reasonable integrity of our data system.

Links to Other Sites

Our Site and Products may contain links to other websites. We are not responsible for the privacy practices or the content of these other websites, and our linking to these websites does not indicate any endorsement of these websites or any affiliation with their providers. These other websites may place their own cookies or other files on your computer, collect data, and/or solicit personal information from you. You must check the privacy statements of these other websites to understand their policies for collecting and using such information.

Our Policy toward Children

This Site is not directed to children under 18. We do not knowingly collect personally identifiable information from children under 13. If a parent or guardian becomes aware that his or her child has provided us with Personal Information without their consent, he or she should contact us at info@netbooks.com. If we become aware that a child under 13 has provided us with Personal Information, we will delete such information from our files.

Privacy Errors

We strive to update and improve our Site and Products on an ongoing basis. Because certain elements of our Site or Products may be in testing phase at any particular time, we may not always catch an unintended privacy issue, despite our efforts to do so. We therefore welcome feedback on any privacy concerns you may have, and on how to improve our products generally, in all stages of release. We do not guarantee error-free performance under this Privacy Policy. We will use reasonable efforts to comply with this Privacy Policy and will take prompt corrective action when we learn of any failure to comply. We will not be liable for any incidental, consequential or punitive damages relating to this Privacy Policy. This Privacy Policy is governed by the laws of California and the United States.

Contacting Us

If you have any questions about this Privacy Policy, please contact us at info@netbooks.com or at NetBooks, Inc., 5789 State Farm Drive, Rohnert Park, California 94928.