

A TRANSPARENCY PROGRAM FOR THE NUTRITIONAL RAW MATERIALS FACTORY-DIRECT MARKETPLACE

THE INGREDIENTSONLINE.COM TRANSPARENCY PROGRAM (IOTP)

As the leader in creating a global factory-direct e-commerce marketplace for nutritional raw materials, ingredientsonline.com is furthering its commitment to product quality and customer satisfaction by establishing a comprehensive Transparency Program that includes testing and analysis, review, redundancy and disclosure.

The ingredientsonline.com Transparency Program (IOTP) starts with the fundamental premise of our factory-direct online platform: to create the best possible value for customers by connecting them directly to manufacturers. Ingredientsonline.com is a service provider: we earn a service fee from manufacturers on each transaction; we do not represent suppliers or earn a profit from the sale of their products. As detailed below, our business begins with a rigorous review of prospective factory partners and the Global Marketplace we have created through our website is designed to enable customers to know as much as possible about suppliers and their products. And, as outlined below, we also facilitate face-to-face interaction between customers and manufacturers at the buyer's request.

CONTINUOUS IMPROVEMENT

Ingredientsonline.com is committed to continuous improvement and, therefore, the Transparency Program is designed as an ongoing, evolving set of processes and controls that are updated, modified and refined as we continue to develop the factory-direct online platform and share industry best practices. According, several elements of the program detailed below are in development and will implemented as they are completed.

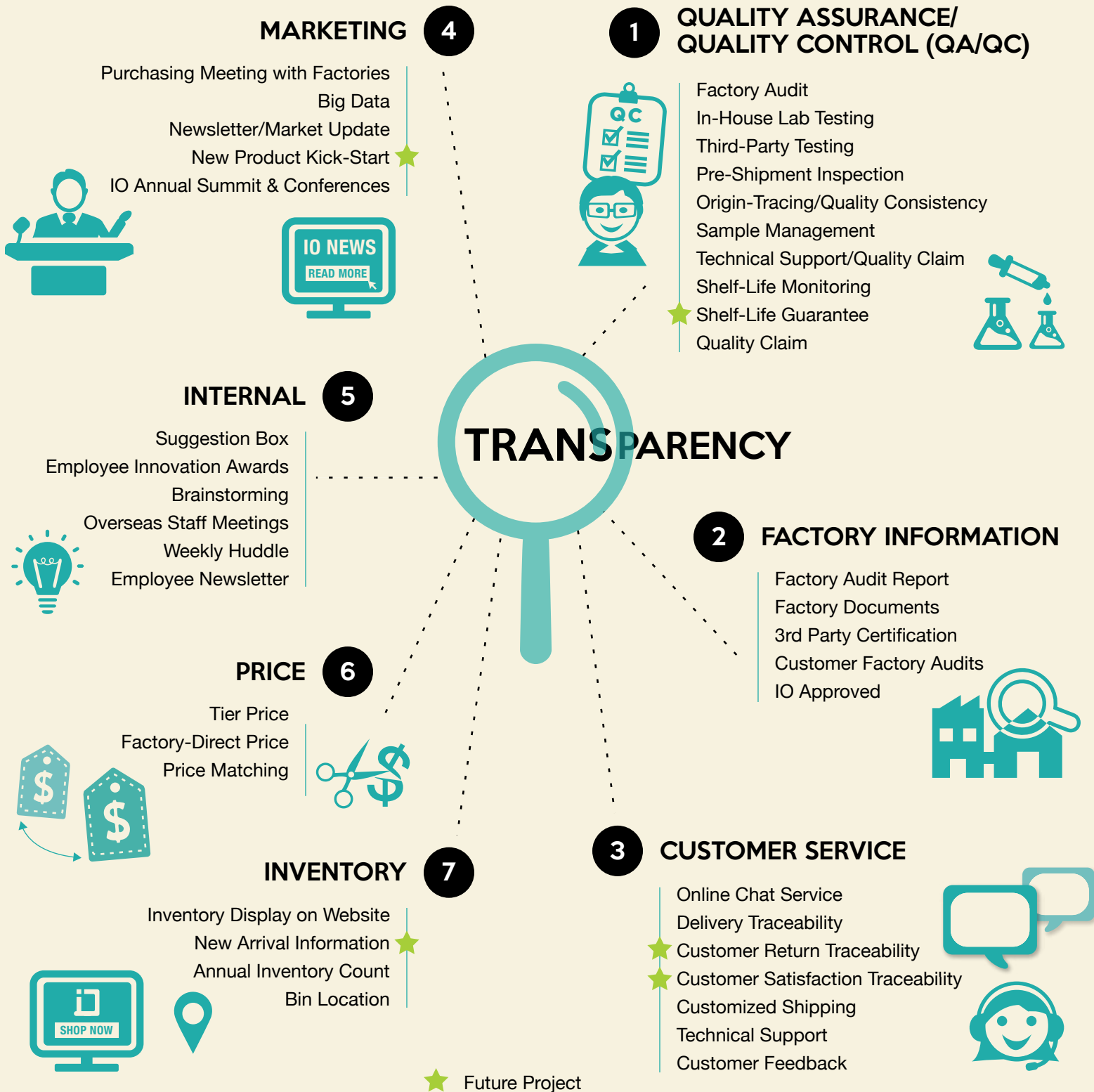
Moreover, as part of this commitment to continuous improvement, ingredientsonline.com will establish an Independent Advisory Board comprised of leading industry and academic experts to regularly evaluate and recommend improvements to the IOTP. Further, the company is committed to playing a leadership role in industry efforts to advance transparency by developing and sharing best practices and implementing new standards, guidelines and processes as they become available and accepted. For example, Ingredientsonline.com supports inclusion under industry-accepted standards for purity and quality of products currently not covered by such conventions, with the goal that, as the nutritional raw materials industry grows, customers have optimal information with which to make decisions.

TRANSPARENCY PROGRAM CHART

Ingredientsonline.com's Transparency Program relies on all company departments working together, with key personnel for its effective operation and reporting to IO President Sherry Wang.

The IO Transparency Program is comprised of the following

- SEVEN AREAS OF FOCUS -



1

QUALITY ASSURANCE/ QUALITY CONTROL - ALICE CHIN, *Director of QA/QC*

A FACTORY AUDIT - Quality Assurance begins with our process for selecting Factory Partners, which includes checking the company's credit and financial assets, working conditions (compliance with labor laws and human rights conventions), environmental protection and emissions reduction standards, and state of R&D and product innovation.

As part of this selection process, we conduct a factory audit, which begins with the physical inspection of the plant, onsite interviews and includes documentation of business licenses; **GMP, ISO 9001, ISO 22000, HACCP, HALAL**, and other certifications; and adherence to USP-NF monographs and Food Chemical Codex, among other requirements. It also includes the physical inspection of products to be purchased through ingredientsonline.com and the taking of samples for analysis by the IO QA/QC team.

B IN-HOUSE LAB TESTING - Product samples are sent to our U.S. facility for testing to meet industry established potency requirements. And product testing, analysis and inspection is conducted by our lab in Shanghai, China, led by Lab Manager Martin Fan and staff, and which includes:

1. Near Infrared Spectroscopy Analysis to identify appropriate consistency and composition according to reference standards.
2. Microbial Analysis by our trained staff who grows microorganisms in Agar plate culture media, incubates the plates and performs the colonies count.

At the foundation of the Transparency Program is Quality Assurance and Quality Control, which is under the direction of Director of QA/QC Alice Chin, who holds a Master's Degree in Chemistry from Northeastern University. QA/QC includes the following:

C THIRD-PARTY TESTING - Product samples are sent to a third party U.S lab for Assay, Heavy Metal (lead, arsenic, cadmium and mercury) and microbial testing for total plate count, yeast and mold, E.Coli, Salmonella, Staphylococcus Aureas and Coliforms.

D PRE-SHIPMENT INSPECTION - Visual inspections are conducted onsite at the factory for color, caking, foreign materials and consistency.

E ORIGIN-TRACING/QUALITY CONSISTENCY - The customer may specify a particular and designate their preference on the purchase order or notify their sales representative or customer service needs a specific manufacturer, they will either put it on their PO or inform their sales representative or customer service.

F SAMPLE MANAGEMENT - Samples are requested from the manufacturers for testing to verify the accuracy of the specifications, and also sent it to the customers for a qualification process. Retained samples are kept one year past shelf life after finishing the QC process.

G SHELF-LIFE GUARANTEE - Ingredientsonline.com is planning to invest in an industry-leading testing program in the U.S. that will ensure that manufacturing claims of product shelf life and extensions of product shelf life are accurate and current.

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H SHELF-LIFE MONITORING - QA/QC staff monitor product shelf life to maintain quality and accurate product information for customers.

I TECHNICAL SUPPORT/QUALITY CLAIM - Customers with product related questions, QA/QC issues and queries can contact the staff directly to address their concerns.

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FACTORY INFORMATION

A FACTORY AUDIT REPORT - Audits are conducted annually and results are compiled in a Vendor Assessment list.

B FACTORY DOCUMENTS/3RD PARTY CERTIFICATION - Certification documentation, such as GMP, ISO 9001, ISO 22000, HACCP, HALAL, and certifications, as well as other relevant reports and audit data are compiled and posted on our website.

C CUSTOMER FACTORY AUDITS - Our staff facilitates face-to-face meetings between customers and manufacturers.

D IO APPROVED - Approved partners are so designated by the IO seal recognizing them as "IO QA Approved Partner."

3

CUSTOMER SERVICE

Just as we require transparency from our manufacturer partners, so too do we require transparency from our customer service, deliver and support operations. This includes:

A ONLINE CHAT SERVICE - Our Customer Service team monitors and responds to customer input through our website chat service.

B DELIVERY TRACEABILITY - We track delivery performance and on-time efficiency.

C CUSTOMER RETURN TRACEABILITY - A program is in development to add a return function to our website so that customers can create a return request and trace the progress of our review status, view the Return Merchandise Authorization, print shipping labels and perform other functions.

D CUSTOMER SATISFACTION TRACEABILITY - A program is in development to create a ticketing system that will log all customer feedback, complaints and requests, and respond to customers in a timely manner, and then enable customers to rate the service so that satisfaction can be measured.

F TECHNICAL SUPPORT - Just as with technical questions about quality, our Customer Service team provides solutions to website and other technical issues.

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G CUSTOMER FEEDBACK - We publish testimonials of customer satisfaction but also complaints, which are important for continuous improvement of our Customer Service operation.

E CUSTOMIZED SHIPPING - Customers can specify custom shipping requirements, and we track performance.

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MARKETING

Transparency in our Marketing operations includes the following:

B BIG DATA - We share industry data and marketing intelligence with customers in a variety of ways—on the website, in newsletters and other channels.

C NEWSLETTER/MARKET UPDATE - In November 2015 we will launch IO Times, a monthly online newsletter to help keep customers informed about the business, the market and the industry.

A PURCHASING MEETING WITH FACTORIES - Similar to our facilitation of direct factory audits by customers, we arrange for meetings between customers and factories over purchasing questions and issues.

D NEW PRODUCT KICK-START - Plans are underway to create a program to help creators of innovative products raise start-up funding and find potential buyers. Also, the buyers can use the opportunity, ala Kickstarter, to buy new products for lower prices at an early stage.

F IO ANNUAL SUMMIT & CONFERENCES - We will continue to expand our IO Annual Summit to include more and varied conferences with manufacturers, customers, industry representatives and the media.



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INTERNAL

We believe transparency must include our staff as well as manufacturers and buyers, and is critical for creating a corporate culture of openness and collaboration. Internal transparency measures include:

- A SUGGESTION BOX** - Employees submit their ideas and issues for prompt review and action.
- B EMPLOYEE INNOVATION AWARDS** - To encourage new ideas and out-of-the-box thinking, we select the best employee ideas and will post the results on our website.
- C EMPLOYEE NEWSLETTER** - Our monthly Employee Newsletter chronicles staff developments and feedback. These will be posted online.

- D BRAINSTORMING, OVERSEAS STAFF MEETINGS & WEEKLY HUDDLE** - To promote transparency with staff across the organization, we engage in regular Brainstorming sessions to share company developments, best practices and new ideas; in Regular Meetings with Overseas Staff to keep them apprised of company, product and industry developments; and a Weekly Huddle at our La Mirada headquarters, with our New Jersey office and other remote staffers conferenced in by phone, in which employees and executive staff share latest information.

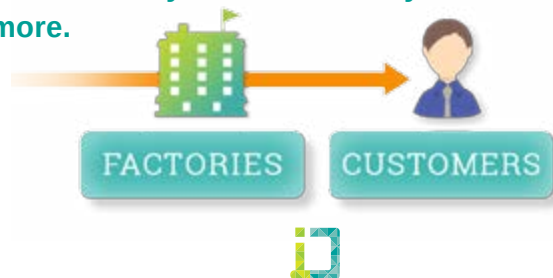
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PRICE

Every customer regardless of size of purchase should have access to current and transparent costs and prices for their products. So everyone sees the same, most current information online.

- A TIER PRICE** - We offer customers volume discounts so that the more they buy, the more they save and, importantly, display the price so the customer clearly knows what they paid. And if they buy more, they'll see exactly what the new price will be. This is a departure from common industry practice in which companies quote different prices to different customers depending on their relationship. Companies normally quote the lowest price and then mark it up from that, so that a customer can get the same product for, say, \$5/kg from one company and \$8/kg from another.

- B FACTORY-DIRECT PRICE** - By partnering with factories and consolidating resources, we are able to cut out the middle man and reduce costs. **Pricing on the website is transparent so that each customer knows the lowest cost for their products. The only constant is: buy more and save more.**



- C PRICE MATCHING** - We allow the customer to give us feedback on what they paid elsewhere and will match that price, plus give them additional reward points toward future discounts.

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INVENTORY

Customers and manufacturing partners have the right to know that the inventory of products they are buying and selling is accurate and transparent. Therefore, we include the following measures:

A INVENTORY DISPLAY ON WEBSITE -

Our website show product availability by unit size, quantity, price and location.

B NEW ARRIVAL INFORMATION -

Plans are underway to display online product delivery ETA, which is our best estimate, within 3-5 days accuracy.

C ANNUAL INVENTORY COUNT -

We will post results of our Annual Inventory Count.

D BIN LOCATION -

Our warehouses are deployed with bin locations designated, so we can trace the location of every product and even every lot. The order ticket indicates the location to pick up the product so that the order can be prepared faster and inventory can be better managed.



IO TRANSPARENCY PROGRAM