



**RISK & FORWARD LOOKING STATEMENTS DISCLOSURES  
OF  
VBC HOLDING CORP INC.**

**(As Amended February 19<sup>th</sup>, 2024)**

In the effort and spirit of transparency, accountability, clarity, and disclosure, the Board of Directors of VBC Holding Corp Inc. (“**VBCHC**” or the “**Company**”) feel it important that the following disclosures regarding forward-looking statements and further, disclosures related to certain risks associated with VBCHC, its executive officers and directors be disclosed. The disclosure below is provided for general informational purposes only and it does not include every item which may be of interest, nor does it purport to present full and fair disclosure with respect to the Company or its operational or financial information. The Company expressly disclaims any current intention to update any forward-looking statements contained herein as a result of new information or future events or developments or otherwise, except as required by law. The following disclosures are not an offer for sale of the Company’s securities in the United States or in any other jurisdiction where such offer is prohibited, and such Company securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act of 1933, as amended.

**I. Forward Looking Statements**

- 1.** Currently, VBCHC has one member on its Board of Directors and the officers as set forth below. The current member of VBCHC’s Board of Directors is Fredrick D. Scott and the current Chief Executive Officer is Fredrick D. Scott. Shellon Blanchard Clarke serves as the Company’s Chief Human Resources Officer, Patrick Petit serves as the Company’s Chief Product Officer and Yolanda Lindsay serves as the Company’s Chief Marketing Officer.
- 2.** Following the close of VBCHC’s current financing round of sales of convertible notes in an aggregate amount not to exceed \$50,000,000 (the “Seed Round”), the VBCHC Board of Directors and executive officer team intends to implement the following policies and procedures:
  - Corporate Governance Guidelines
  - Code of Conduct
  - Audit & Risk Oversight Committee Charter
  - Compensation, Nominating & Governance Committee Charter
  - Privacy Committee Charter
  - Financial Risk Policy
  - Stock Ownership Guidelines
  - Our Approach to Tax Policy



3. If VBCHC is unable to successfully reach its target raise threshold during its Seed Round, there is a high probability that it will not be able to effectively implement the corporate governance practices and strategies outlined in the above referenced documents in point 2 of this disclosure document. As such, VBCHC's corporate governance strategies, practices and implementation plans may change drastically and materially in comparison to what has been outlined in the above referenced documents in point 2 of this disclosure document.
4. The implementation of the above referenced documents in point 2 of this disclosure document is HIGHLY dependent on VBCHC's ability to successfully attract and retain qualified talent for its Board of Directors and Executive Officer staff. If VBCHC is unable to successfully attract and retain qualified talent for its Board of Directors and Executive Officer staff, there is a high probability that it will not be able to effectively implement the corporate governance practices and strategies outlined in the above referenced documents in point 2 of this disclosure document. As such, VBCHC's corporate governance strategies, practices and implementation plans may change drastically and materially in comparison to what has been outlined in the above referenced documents in point 2 of this disclosure document.
5. The implementation of the above referenced documents in point 2 of this disclosure document is HIGHLY dependent on VBCHC's ability to successfully attract and retain qualified third-party support via consultants and advisors (ex. legal counsel, PCAOB auditing firm, privacy advisors, investor relations advisors, governance advisors etc.). If VBCHC is unable to successfully attract and retain qualified third-party support via consultants and advisors (ex. legal counsel, PCAOB auditing firm, privacy advisors, investor relations advisors, governance advisors, etc.), there is a high probability that it will not be able to effectively implement the corporate governance practices and strategies outlined in the above referenced documents in point 2 of this disclosure document. As such, VBCHC's corporate governance strategies, practices and implementation plans may change drastically and materially in comparison to what has been outlined in the above referenced documents in point 2 of this disclosure document.

## II. Risk Factors

1. **Risk of Loss.** An investor in VBCHC could incur substantial, or even total, losses on an investment in VBCHC. Investing in VBCHC, an early-stage company, is only suitable for persons and entities willing to accept this high level of risk.
2. **No Operating History.** VBCHC is a recently formed entity and has no operating history upon which prospective investors can evaluate its performance. There can be no assurance that VBCHC will achieve its objectives.



- 3. Pre-Revenue Start-Up.** VBCHC is an early-stage startup company and further, is currently pre-revenue. As a result of VBCHC's early-stage, pre-revenue startup company status, investing in VBCHC represents a significantly higher risk relative to similar investment opportunities in the same asset class (i.e. an early-stage startup company that is post-revenue) and therefore, an investor in VBCHC has a significantly higher likelihood of incurring substantial, or even total, losses on an investment in VBCHC.
- 4. Dependence on Key Personnel.** VBCHC is dependent on the services of its principals and key personnel. The success of VBCHC will depend to a great extent on the skills of Fredrick D. Scott. VBCHC could be adversely affected if, because of illness, resignation or other factors, the services of Mr. Scott were not available for any significant period of time.
- 5. Founder Risk.** On September 13, 2013, Fredrick D. Scott (who is the Founder, Chairman of the Board and CEO of VBCHC) was convicted of conspiracy to commit wire fraud and making a materially false statement to staff of the Securities and Exchange Commission ("SEC"). As a result of the conviction, on April 22, 2014, Mr. Scott was barred by the SEC from associating with a regulated entity. In addition, on November 12, 2015, a default judgment was entered against Mr. Scott in a matter brought by the SEC alleging securities violations. As a result of the foregoing, and given his relationship and association with VBCHC, VBCHC will not be able to rely on certain exemptions from the registration requirements of the Securities Act of 1933, as amended, set forth in Regulations A, D and CF, and it may be substantially more difficult for VBCHC to raise capital, meet the target raise threshold of its Seed Round, attract and retain qualified talent and as a result, ultimately find success as an organization.
- 6. Lack of Liquidity and Transferability.** Investors should be aware that the securities offered by VBCHC may have limited liquidity in the market. VBCHC's securities are not listed on any public exchange, and there is currently no established trading market for them. Consequently, investors should anticipate challenges in selling, purchasing, or otherwise transferring their securities, and there may be a substantial delay in finding willing buyers. Additionally, the transferability of securities issued by VBCHC may be restricted by applicable federal and state securities laws, as well as by the terms and conditions of our governing documents. In some instances, certain investors may be subject to lock-up agreements or other contractual restrictions that prevent the sale or transfer of their securities for a specified period.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in VBCHC. Prospective investors should consult with their own advisers and legal counsel before deciding whether to invest in VBCHC. In addition, as VBCHC continues to**



**operate, grow and scale, its organizational strategies, practices, programs and policies may develop, evolve and/or change over time. As a result, an investment in VBCHC may be subject to additional and different risk factors.**

The Board of Directors will periodically but no less than annually review these Risk & Forward Looking Statements Disclosures. The Board may amend these Risk & Forward Looking Statements Disclosures provided that any such modification may not be a violation of any applicable law, rule or regulation, and, provided further, that any such modification is appropriately disclosed.