



# VBC Holding Corp Inc's Risk Management Strategy

## Overview

VBCHC is committed to maintaining robust risk management practices to safeguard our shareholders' interests and ensure sustainable growth. Our risk management framework is built on the principles of transparency, accountability, and ethical conduct, aligning with our mission to deliver exceptional value and our vision to lead in the private capital markets.

## Governance and Oversight

**Audit & Risk Oversight Committee:** This committee is responsible for overseeing the company's risk management policies and practices. It ensures that risk exposures are identified, measured, managed, and mitigated effectively.

**Risk Assessment and Monitoring:** Regular risk assessments are conducted to identify potential risks across all areas of our business. This proactive approach enables us to implement timely measures to manage these risks.

## Key Risk Areas and Mitigation Strategies

### 1. Financial Risk:

- **Policy Adherence:** Strict adherence to our Financial Risk Policy helps in managing liquidity, credit, and market risks.
- **Monitoring:** Continuous monitoring of financial performance and market conditions to anticipate and mitigate potential financial threats.

### 2. Operational Risk:

- **Process Optimization:** Regular review and optimization of operational processes to enhance efficiency and reduce exposure to operational risks.
- **Technology Utilization:** Leveraging advanced technologies to improve operational resilience and reliability.

### 3. Compliance and Legal Risk:

- **Regulatory Compliance:** Adhering to all relevant laws and regulations to mitigate legal risks.
- **Ethical Standards:** Enforcing a strong code of conduct and ethical standards to maintain compliance and integrity.

#### 4. Strategic Risk:

- **Strategic Planning:** Comprehensive strategic planning to align with market trends and mitigate risks associated with business strategy.
- **Stakeholder Engagement:** Active engagement with stakeholders to ensure alignment of interests and mitigate reputational risks.

#### 5. Market Risk:

- **Diversification:** Diversifying our investment portfolio to spread risk and minimize the impact of market volatility.
- **Market Analysis:** Continuous market analysis to identify and respond to emerging risks and opportunities.

#### Insurance Coverage

VBCHC carries comprehensive insurance coverage to protect against various risks, including:

- **Directors & Officers Insurance:** Protects our leaders from personal losses due to legal actions taken against them for their decisions and actions.
- **Cyber Crime Insurance:** Safeguards against financial losses from cyber attacks, ensuring our data and operations are secure.
- **Employment Practices Liability Insurance:** Covers claims related to employment issues such as wrongful termination, discrimination, and harassment.
- **Errors & Omissions Insurance:** Provides protection against claims of inadequate work or negligent actions by the company.
- **Crime Insurance:** Protects against losses from criminal activities such as fraud and theft.
- **General Liability Insurance:** Covers third-party claims for bodily injury, property damage, and personal injury.
- **Business Property Insurance:** Protects our physical assets against damage or loss from various perils.

These insurances help mitigate downside risks, ensuring that our shareholders and investors are protected from potential financial losses arising from unforeseen events.

#### Leadership and Risk Management

**C-Suite:** Our executive team plays a crucial role in implementing and overseeing risk management strategies. Their leadership ensures that risk management is integrated into all levels of decision-making.



**Board of Directors:** The Board provides oversight and direction, ensuring that our risk management framework is robust and aligned with our strategic goals. They regularly review risk assessments and mitigation strategies to ensure effectiveness.

**Advisory Board:** Comprising industry experts and thought leaders, the Advisory Board offers valuable insights and recommendations on risk management practices. Their expertise helps us navigate complex risk landscapes and implement best practices.

### **Continuous Improvement**

VBCHC is dedicated to continuously improving its risk management framework. We actively seek feedback from stakeholders and incorporate best practices to enhance our risk management processes. Our commitment to transparency ensures that we keep our investors informed about the risks we face and the measures we take to manage them.

For more detailed information, please refer to our [Corporate Governance Documents](#).

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