



Proposal for Consideration by Active Members – Merger of IFPA and AFCP

The Board is asking the IFPA Active Members to vote on a proposal to adopt and approve the Merger Agreement and consummation of the proposed Merger. For a summary of the Merger Agreement and the Merger, see the information about the Merger Agreement and the Merger throughout this Information Statement. A copy of the Merger Agreement is attached also to the email accompanying this Information Statement and is incorporated in this Information Statement by reference.

Note that, in addition to the Merger Agreement, IFPA also attached a set of Bylaws and Articles of Incorporation to the email accompanying this Information Statement. The Merger Agreement provides that these Bylaws and Articles of Incorporation will become the Bylaws and Articles of Incorporation of the Combined Entity, effective immediately upon the consummation of the Merger. For additional information regarding the Combined Entity's Bylaws and Articles of Incorporation, please see the information in this Information Statement under the heading "Governance of the Combined Entity." If the Merger is consummated, no further action will be required to approve and ratify the Bylaws and Articles of Incorporation attached to the email accompanying this Information Statement as the Bylaws and Articles of Incorporation of the Combined Entity.

The Board recommends that you vote "FOR" the proposal to adopt and approve the Merger Agreement and the Merger. See the information under the heading "Reasons for the Merger" for more information about the Board's recommendation.

Approval of this proposal by the Active Members of IFPA requires the affirmative vote of a majority of the Active Members of IFPA voting on the proposal. For informational purposes, the Board is providing this Information Statement to all classes

of Members (i.e., Active, Associate and Honorary Members); however, only the vote of Active Members will be counted for purposes of determining whether the threshold for approval of the proposal has been met.

Summary of the Merger and Merger Agreement

The following is a description of certain material aspects of the Merger and the Merger Agreement. While IFPA believes that the following description covers most of the material terms of the Merger and the Merger Agreement, the description may not contain all of the information that is important to you. IFPA encourages you to read carefully this Information Statement and the rest of the email that IFPA sent to you regarding the Merger (including the copies of the Merger Agreement, Bylaws and Articles of Incorporation attached thereto) for more information about the Merger and the Merger Agreement.

a. Parties

Independent Free Papers of America, Inc. IFPA is a 501(c)(6) nonprofit corporation organized under the laws of the State of Indiana. It is the second largest association representing publishers of free community papers in the North America, second only behind AFCP. IFPA currently has 89 Active Members. In addition to Active Members, IFPA has two other classes of membership: Associate and Honorary. As of the date hereof, there are 15 Associate Members and 21 Honorary Members of IFPA. The Executive Director of IFPA is Douglas Fry, the President is Rick Wamre and the Vice President is Joyce Frericks.

Association of Free Community Papers, Inc. AFCP is a 501(c)(6) nonprofit corporation organized under the laws of the State of Wisconsin. It is the largest association representing publishers of free community papers in North America, with an Active membership of 109 as of the date hereof. Active membership is open to any publisher of a free community publication who agrees to uphold and support the purposes of AFCP and meet such

other requirements as may be established by AFCP's board of directors. In addition to Active Members, AFCP has three other classes of membership: Associate, Sustaining and Honorary. As of the date hereof, there are 41 Associate Members, 2 Sustaining Members and 0 Honorary Members of AFCP. The Executive Director of AFCP is Loren Colburn and the Associate Executive Director is Cassey Recore. AFCP is the sole owner of National Advertising Network, Inc. ("NANI"), a for-profit Virginia corporation. NANI is a classified advertising network available to AFCP Members. AFCP Members provide space in their publications for ads sourced by the NANI network in exchange for reduced AFCP membership costs and other benefits.

b. The Merger

Subject to approval by the IFPA and AFCP Active Members and the satisfaction of certain other conditions more fully described in the section of this Information Statement titled "The Merger Agreement," IFPA will merge with and into AFCP. The surviving Combined Entity will be a Wisconsin nonstock corporation. Effective automatically upon the consummation of the Merger:

- i. Each Active Member of IFPA or AFCP immediately prior to the Merger shall become an Active Member of the Combined Entity, with all of the rights and privileges reserved for Active Members under the Bylaws of the Combined Entity.
- ii. Each Associate Member of IFPA or AFCP immediately prior to the Merger shall become an Associate Member of the Combined Entity, with all of the rights and privileges reserved for Associate Members under the Bylaws of the Combined Entity.
- iii. Each Honorary Member of IFPA or AFCP immediately prior to the Merger shall become an Honorary Member of the Combined Entity, with all of the rights and privileges reserved for Honorary Members under the Bylaws of the Combined Entity.
- iv. Each Sustaining Member of AFCP immediately prior to the Merger shall become a Sustaining Member of the Combined Entity, with all of the rights and privileges reserved for Sustaining Members under the Bylaws of the Combined

Entity.

A summary of the rights and privileges of the Active, Associate, Honorary and Sustaining Members under the Bylaws and Articles of Incorporation of the Combined Entity is set forth in the section of this Information Statement titled "Governance of the Combined Entity." The Board also encourages you to carefully read the Bylaws and Articles of Incorporation of the Combined Entity, which are attached to the email from IFPA accompanying this Information Statement.

The Board recognizes that some community publications are currently members of both IFPA and AFCP. In the event that any publication is a member of both IFPA and AFCP immediately prior to the Merger, such publication will be entitled to only one (1) membership interest in the Combined Entity. Any publication that is an Active Member of either IFPA or AFCP and an Associate, Honorary or Sustaining Member of the other organization shall only be an Active Member of the Combined Entity. Any publication that is an Associate Member of either IFPA or AFCP and is an Honorary or Sustaining Member of the other organization shall only be an Associate Member of the Combined Entity.

As a result of the Merger, title to all property owned by IFPA or AFCP immediately prior to the Merger (including any cash reserves held by either entity) will be vested in the Combined Entity. None of the property owned by IFPA or AFCP prior to the Merger will be distributed to the members of either organization as a result of the Merger. The Combined Entity will, however, honor any obligations that IFPA and AFCP have to their members under their respective rebate programs, to the extent that such rebates have not already been issued by IFPA or AFCP prior to the consummation of the Merger. By law, the debts and obligations of IFPA and AFCP prior to the Merger will also become the debts and obligations of the Combined Entity; however, based on the due diligence conducted by the Board and the representations and warranties provided by IFPA and AFCP in the Merger Agreement, the Board believes that any debts and obligations inherited by the Combined Entity from IFPA or AFCP will be minimal and will not impair the operation of the Combined Entity post-Merger. NANI will continue its existence as a separate entity post-Merger as a wholly-owned subsidiary of the Combined Entity.

The board of directors of the Combined Entity will meet to appoint the directors and officers of NAN1 following the consummation of the Merger.

c. The Merger Agreement

IFPA and AFCP entered into the Merger Agreement on November 30, 2020 and the Merger Agreement was ratified by the IFPA Board on November 30, 2020 and the board of directors of AFCP on November 24, 2020. Both IFPA and AFCP provide customary representations and warranties in the Merger Agreement that, among other things, their respective organizations are in material compliance with applicable laws, are qualified and in good standing in the State of their incorporation (or will be at the time that the Merger is consummated), and have filed all required tax returns.

The closing of the Merger Agreement and the consummation of the Merger are contingent upon (i) the Active Members of IFPA and AFCP separately approving and adopting the Merger, (ii) the representations and warranties made by IFPA and AFCP in the Merger Agreement being true and correct in all material respects as of the date on which the Merger is consummated (the "Closing Date"), (iii) IFPA and AFCP having performed in all material respects the covenants required to be performed by them under the Merger Agreement on or prior to the Closing Date, and (iv) IFPA reinstating itself as a nonprofit corporation in good standing with the Indiana Secretary of State. IFPA's registration with the Indiana Secretary of State lapsed on September 5, 2017 due to its failure to file required annual reports, and the Indiana Secretary of State administratively dissolved the entity thereafter. In order to reinstate itself as a corporation in good standing in Indiana, IFPA will need to (i) obtain a tax clearance certificate from the Indiana Department of Revenue and (ii) file for reinstatement with the Indiana Secretary of State.

The Merger will occur once the above-mentioned conditions have been satisfied; provided, that the consummation of the Merger will not occur earlier than January 1, 2021. If the conditions are satisfied prior to January 1, 2021, then the Merger will occur on January 1, 2021. In the event all of the conditions to consummation of the Merger cannot be satisfied prior to January 1, 2021 (in particular, the reinstatement of IFPA with the Indiana Secretary of State), the parties have agreed to

diligently work to satisfy the conditions so that the Merger can be consummated as soon as possible after January 1, 2021.

If any of the conditions to closing remain unsatisfied as of 12:00 p.m. Central Time on January 31, 2021 (the "Cut-Off Time"), or if a Material Adverse Effect has occurred with respect to either IFPA or AFCP that cannot be cured prior to the Cut-Off Time, then either party may terminate the Merger Agreement. Additionally, the Merger Agreement may be terminated by the mutual consent of IFPA and AFCP, if and to the extent authorized by their respective board of directors. For purposes of the Merger Agreement, a "Material Adverse Effect" means any event, change or occurrence that either (i) has or could reasonably be expected to have a material adverse effect on the business, assets, liabilities, condition (financial or otherwise), or results of operations of either AFCP or IFPA or (ii) would reasonably be expected to impair the ability of either AFCP or IFPA to perform its obligations under the Merger Agreement or prevent the consummation of the Merger. Certain events, changes and occurrences are specifically carved out of the definition of "Material Adverse Effect," including events arising from general business, political or economic conditions and events affecting the free community publications industry generally. If the Merger Agreement is terminated prior to closing (whether by mutual consent of the parties, because of the occurrence of a Material Adverse Effect, or because either party has failed to satisfy the closing conditions by the Cut-Off Time), the Merger of IFPA and AFCP will not occur and the Merger Agreement will be of no further force or effect.

The Merger Agreement may only be amended by the written agreement of both IFPA and AFCP. The Board does not anticipate at this time that any amendments will be made to the Merger Agreement; however, it will keep the IFPA Members abreast of any changes or amendments that are proposed. The Merger Agreement is governed by the laws of the State of Wisconsin.

3. Background of the Merger

IFPA and AFCP are the two largest associations representing publishers of free community papers in North America. Both organizations originated from the National Association of Advertising Publishers, Inc. ("NAAP"), which was founded as a

nonprofit corporation in Wisconsin in 1954. NAAP formally changed its name to Association of Free Community Papers, Inc. in 1987. Many of the founders of the free community publications industry were involved in both IFPA and AFCP throughout the years, including Vic Jose, who served as the President of NAAP in 1968 and later served as the president of IFPA after its founding.

In 2019, the boards of directors of IFPA and AFCP began discussing possible synergies that could be derived from combining the two entities. In June of 2020, AFCP engaged the law firm of Mayer Brown LLP (“Mayer Brown”) to represent it with respect to the potential Merger, and IFPA engaged the law firm of Winston & Strawn LLP (“Winston”). The boards of IFPA and AFCP also formed a “Unification Committee” consisting of board members from both entities to discuss issues relating to the potential Merger. The Unification Committee convened several times throughout the third and fourth calendar quarters of 2020 to discuss the Merger and to review drafts of the documents relating to the Merger.

Mayer Brown prepared initial drafts of the Merger Agreement, the Bylaws and Articles of Incorporation of the Combined Entity in late October and early November 2020. The documents were reviewed by Winston, the Unification Committee, as well as the boards of directors of both entities. Based on input from IFPA’s Executive Director Douglas Fry and Board President Rick Wamre, Winston prepared revised drafts of the Merger Agreement, the Bylaws and Articles of Incorporation of the Combined Entity. Mayer Brown further revised the documents and Winston had subsequent discussions with Mr. Fry and Mr. Wamre prior to finalizing the documents.

The Board reviewed the Merger Agreement, the Bylaws and the Articles of Incorporation for a final time on November 30, 2020. On November 30, 2020, the Board met and adopted resolutions to (i) approve and ratify the Merger and the Merger Agreement (including the Bylaws and Articles of Incorporation attached thereto), (ii) submit the Merger and Merger Agreement to a vote of the Active Members by mail and (iii) recommend that the Active Members vote “FOR” the Merger and adoption of the Merger Agreement. Rick Wamre executed the Merger Agreement on November 30, 2020 in his capacity as President of IFPA.

4. Reasons for the Merger

The Board believes that a Merger of IFPA and AFCP would bring numerous benefits to the IFPA Members. Among them:

- For Members who are currently active with both IFPA and AFCP, the Merger will save you money because you will only be required to make one annual dues payment. You will also save space in your publication by only needing to run one consolidated set of network ads.
- The Merger will allow IFPA members to access a wider range of member benefits. The Board anticipates that many AFCP member benefits and initiatives, such as the Leadership Institute and Rising Stars initiative, will continue under the Combined Entity.
- You will have access to a larger group of industry peers and associate members who can help grow your publication’s footprint.
- IFPA and AFCP events will be consolidated into one entity, saving you time and money. Rather than attending both the IFPA Annual Publishers Summit and the AFCP Annual Conference, you will be able to attend one event with access to the same speakers, vendors, training courses and networking opportunities that you would get if you had attended both the IFPA and AFCP events.
- Combining IFPA and AFCP into one entity will allow publishers of free community papers to speak with a much larger, stronger and more unified voice on the issues affecting the future of our industry.

5. Governance of the Combined Entity

As discussed above, the Bylaws and Articles of Incorporation of the Combined Entity are attached as Exhibits to the Merger Agreement. Upon the consummation of the Merger, (i) the Bylaws will become the Bylaws of the Combined Entity without any further actions of the members or board of directors of the Combined Entity (the “Combined Entity Board”) and (ii) the Articles of Incorporation will be filed with the Wisconsin Department of Financial Institutions and will become the Articles of Incorporation of the Combined Entity. In addition to reviewing the information below

regarding the governance of the Combined Entity, the Board encourages you to also carefully read the Bylaws and Articles of Incorporation of the Combined Entity, both of which are attached to the email accompanying this Information Statement.

a. Members

There will be four (4) classes of members of the Combined Entity: Active, Associate, Honorary and Sustaining. Active membership will be open to publishers of free community publications. Associate membership will be open to individuals or entities that do not otherwise qualify for Active membership, but are engaged in performing services or providing products to Active members (i.e., vendors). Honorary membership will be granted only to those individuals or entities nominated by the Combined Entity Board and elected by a majority of the Active Members. Sustaining membership will be granted, in the discretion of the Combined Entity Board, to those individuals or entities who have been, but no longer are, affiliated with an Active or Associate member and wish to maintain a continuing relationship with the Combined Entity.

There will be an annual meeting of the members of the Combined Entity to elect officers and directors and to conduct any other business that may be brought before the members at the meeting. Additionally, special meetings of the members may be called by a majority of the Combined Entity Board or one-fifth (1/5) of the Active Members. Finally, the Active Members may also vote on matters via written ballot. Only Active members will be entitled to vote on any matters involving the Combined Entity (whether at a meeting or via written ballot).

The Combined Entity Board may, in its discretion, establish certain "sub-classifications" of Active membership. The purpose of the sub-classes would be to provide different privileges or benefits to different sub-classes of Active members. All members of the same sub-class would receive the same rights and privileges from the Combined Entity. Regardless of any sub-classification established by the Combined Entity Board, the Active Members will all vote as one class. Each Active Member will be entitled to one vote on all matters requiring the approval of the Active Members of the Combined Entity.

b. Board of Directors and Officers

The Combined Entity Board will consist of the Executive Director and twelve (12) voting members. The Executive Director will not be entitled to vote on any matters considered by the Combined Entity Board. The initial voting members of the Combined Entity Board will consist of six (6) directors appointed by the IFPA Board and six (6) directors appointed by the AFCP board of directors. The IFPA appointees are Joyce Frericks, Shane Goodman, Manuel Karam, Joe Nicastro, Jane Quairoli, and Rick Wamre. The AFCP appointees are Greg Birkett, Charlie Delatorre, John Draper, Lisa Miller, Barb Perry, and Farris Robinson. The Executive Director has not yet been identified, but will be selected by the Combined Entity Board following the consummation of the Merger. The directors will be divided into two (2) categories: "Officer-Directors," who will serve as both members of the Combined Entity Board and officers of the Combined Entity, and "At-large Directors," who will serve only as members of the Combined Entity Board. After the consummation of the Merger, the initial twelve (12) members appointed by IFPA and AFCP (the "Initial Directors") will meet in order to (i) elect six (6) of the Initial Directors to serve as Officer-Directors, (ii) appoint the remaining six (6) Initial Directors to serve as At-large Directors and (iii) appoint the Executive Director, who shall not be drawn from the Initial Directors. The initial At-large Directors will serve for a term of one (1) year, and the initial Officer-Directors will serve for a term of two (2) years. Thereafter, all directors of the Combined Entity Board (other than the Executive Director) will serve for a term of two (2) years. The Executive Director will serve as a member of the Combined Entity Board until he or she is removed and replaced by the Combined Entity Board.

In addition to the Executive Director, the Combined Entity will have six (6) other officers: the President, Immediate Past President, First Vice President, Second Vice President, Secretary and Treasurer. The Executive Director will always be selected by the Combined Entity Board. The other officers will be elected by the Active Members at an annual meeting, except that the initial slate of officers will be selected by the Initial Directors as discussed in the immediately preceding paragraph. Each officer shall be a member of the Combined Entity Board. Each officer (other than the Executive Director) will serve for a term of two (2) years,

which shall run concurrently to such officer's term as a member of the Combined Entity Board. Notwithstanding the foregoing, following the expiration of the President's two (2)-year term, he or she shall automatically become the Immediate Past President without any further action required by the Combined Entity Board or the members of the Combined Entity.

6. Instructions for Voting By Email

As mentioned above, only Active Members of IFPA are entitled to vote on the proposal to approve and adopt the Merger Agreement and the Merger. Honorary and Associate Members are not entitled to vote. The email from IFPA accompanying this Information Statement contains a "Vote Now" button. In order to vote, click on the "Vote Now" button. An email will automatically be generated for you to send your vote to IFPA. In the automatically-generated email, type the word "vote" in the subject line and then type the word "yes" if you are voting in favor of the Merger and the Merger Agreement, or the "no" if you are voting against the Merger and the Merger Agreement. If you intend to abstain, you may register your abstention by typing the word "abstain." You may vote only once as an IFPA Active Member on the proposed Merger and Merger Agreement.

For Members who are active with both IFPA and AFCP, please note that you will need to vote separately as an Active Member of IFPA and an Active Member of AFCP. Casting your vote as an Active Member of IFPA in accordance with the instructions set forth in this Information Statement will not count as having cast your vote as a member of AFCP, nor will casting your vote with AFCP count as having cast your vote as a member of IFPA. For instructions for casting your vote as an AFCP Active Member, please see the separate information statement that will be delivered to you by the AFCP board of directors.