



INFORMATION STATEMENT

This Information Statement, dated as of May 20, 2019, is intended to provide members (“Council Members”) of the Los Angeles World Affairs Council (the “Council”) with information concerning the proposed merger (the “Merger”) of the Council with Town Hall Los Angeles (“Town Hall”).

This Information Statement is supplemented with copies of the Agreement and Plan of Merger (the “Merger Agreement”) that was unanimously approved by the Board of Directors of the Council (the “Council Board”) and the Board of Directors of Town Hall (the “Town Hall Board”). **In addition to approval by the Council Board and the Town Hall Board, the Merger must be approved by the affirmative vote of a majority of the Council memberships (the “Council Memberships”) entitled to vote.** The Merger Agreement includes all exhibits, including copies of the proposed Articles of Incorporation (the “Proposed Articles”) and proposed Bylaws (the “Proposed Bylaws”) of the resulting entity (the “Merged Entity”), as they have been unanimously approved by the Council Board and the Town Hall Board.

AS DESCRIBED IN FURTHER DETAIL BELOW, THE COUNCIL BOARD BELIEVES THE MERGER IS IN THE BEST INTEREST OF THE COUNCIL AND COUNCIL MEMBERS, AND RECOMMENDS THAT YOU VOTE IN FAVOR OF THE MERGER. A “yes” vote will include a vote in favor of the Proposed Articles and the Proposed Bylaws, which will, among other things, eliminate the existing voting rights of Council Members.

A ballot and postage prepaid return envelope have been provided for you to vote. If you prefer to vote electronically, you may do so by visiting <https://eballot4.votenet.com/lawac> and following the instructions listed there. Alternatively, you may email your ballot to merger@lawac.org.

If you have any questions or would like additional information concerning the Merger, please call the Council at (424) 258-6160.

The Organizations and Their Backgrounds

Los Angeles World Affairs Council

The Los Angeles World Affairs Council, a California nonprofit public benefit corporation, was founded in 1953 as an international speakers' forum. Over more than six decades, the Council has hosted heads of state and government leaders from nearly every country in the world. These programs have helped to fulfil the Council's mission of providing the broad and diverse Southern California community with a forum for open exchanges on vital global issues. Membership in the Council is open to the public, with annual membership dues ranging from \$75 to \$6,000.

The Council currently serves approximately 1,025 dues-paying Council Members and hosts 60 to 75 programs a year, ranging from breakfast, luncheon and dinner programs to foreign film screenings, private salon events and conferences. The Council also conducts a travel program twice a year that is exclusive to Council Members.

Town Hall Los Angeles

Town Hall Los Angeles, a California nonprofit public benefit corporation, was founded in 1937. As with the Council, Town Hall is a nonpartisan speakers' forum, providing a platform for the discussion of local, national and international issues impacting Los Angeles and the surrounding communities. During its more than 80 years of existence, Town Hall has hosted many illustrious speakers at its podium. Membership in Town Hall is open to the public, with annual membership dues ranging from \$75 to \$800 for individuals and \$1,000 to \$7,500 for corporations.

Town Hall has approximately 190 individual members and 700 corporate members. The organization convenes an average of 24 events annually, covering a range of topics including public policy and politics, the economy, education, arts and entertainment and infrastructure.

The Merger

Over the past two years, the Council and Town Hall have collaborated on a number of programs, including events with the US Treasury Secretary, the UN Secretary General and a US Senator from California. In more recent months, each organization has promoted the other's events on its website. This collaboration has increased overall attendance at events and allowed each organization's members to view the other organization as a partner and collaborator.

After careful consideration and extended discussions, each of the Council Board and the Town Hall Board unanimously determined that it is in the best interest of each organization and each organization's members to merge Town Hall with and into the Council, with the Council surviving the Merger under the name "Los Angeles World Affairs Council and Town Hall."

The Merger is intended to combine the strength of both organizations, programmatically and financially, to create an even stronger organization in the following ways:

- The Merger will result in a single organization with an enhanced ability to attract high level domestic and foreign affairs leaders and experts and will help eliminate the duplication of efforts to attract such speakers.
- The Merged Entity is expected to be financially stronger than either organization on its own and is expected to have more financial resources to serve its members (“Merged Entity Members”) through robust programming and networking opportunities.
- With a broader membership base, the Merged Entity would more fully represent the diversity of Los Angeles, strengthening the voice and influence of the organization at large.

Reasons for the Merger

The Council Board believes that, as a result of the Merger, a much stronger organization will emerge that remains consistent with the values of the Council and that is anticipated to bring national and international issues to a higher level of presentation and discussion in Los Angeles.

A key factor driving the Merger is the recognition that the Council and Town Hall share a common vision: One strong public forum that can ensure the financial sustainability of all of its programmatic activities through economies of scale. A combined organization is expected to offer members of each organization improved quality of service and better ensure long-term sustainability. The Council Board and the Town Hall Board believe it is important to provide a single organization focused on national and international issues around which Southern California can rally.

Membership in the Council following the Merger will continue to be open to the public. Town Hall Members will be integrated into the membership tiers of the Council. The Los Angeles World Affairs Council and Town Hall will remain focused on preserving the culture and passionate commitment to its members that have made both merging organizations successful.

Cautionary Note Regarding Forward-Looking Statements

Statements that include the words “expect,” “intend,” “believe,” “will,” “would” and similar statements of a future or forward-looking nature address matters that involve risks and uncertainties, many of which are beyond the Council’s control. Accordingly, you should not place undue reliance on any such statements.

Proposed Bylaws, Proposed Articles, Elimination of Statutory Memberships and Voting Rights

The Council Board voted unanimously to approve the Merger on March 11, 2019, subject to the approval of the Council Members. The Town Hall Board voted unanimously to approve the Merger on March 1, 2019. Both Boards approved the Proposed Bylaws and the Proposed Articles under which Los Angeles World Affairs Council and Town Hall will operate as the Merged Entity after the Merger.

The Proposed Bylaws and the Proposed Articles eliminate the Council's existing statutory membership structure and thereby change the voting rights of the Council Members. The current Council Articles of Incorporation, which were originally adopted in 1953 and have not been amended in the six decades following their adoption, contemplate the existence of statutory members and provide Council Members with the right to vote on any amendment to the Council Articles of Incorporation. The current Council Bylaws provide Council Members with the right to vote on certain issues relating to the Council, including director elections and certain extraordinary transactions involving the Council. Following the consummation of the Merger, the Merged Entity will have no statutory members within the meaning of relevant state law, although the Merged Entity will continue to use the term "members" to refer to the dues-paying members of the Merged Entity, including the current Council Members.

It is unusual for a California nonprofit public benefit corporation today to provide voting rights to its dues-paying members. The Council Board believes that eliminating the Council's existing statutory membership structure will allow for more efficient governance of the Merged Entity following the consummation of the Merger by reducing the administrative burdens and expense associated with providing voting rights to a membership of the Merged Entity's anticipated size. As the Council Board believes is more typical of California nonprofit public benefit corporations today, Town Hall does not have statutory members with voting rights.

If the Merger is approved by the Council Members and the Merger is consummated, the Merged Entity will have no statutory members and, accordingly, Council Members' voting rights described above will be extinguished in their entirety. The Board of Directors of the Merged Entity (the "Merged Entity Board") will exclusively control the business and affairs of the Merged Entity, which the Council Board believes is a more typical governance structure for California nonprofit public benefit corporations today. The Merged Entity Board will endeavor to operate in accordance with best governance practices for nonprofit organizations.

These changes to the governance structure were carefully considered by the Council Board. The Council Board believes that the vast majority of Council Members are concerned primarily about issues addressed at the various meetings, programs and other activities conducted by the Council and that the Merger will serve to enhance access to such programs and activities. Additionally, the Council Board considered the

very low historical response rate for annual voting matters from Council Members, averaging 5% of Council Members over the past 3 years.

The Board of Directors and Management of the Merged Entity

The members of the Town Hall Board and the members of the Council Board will become members of the Merged Entity Board and will jointly govern the Merged Entity. For a period of eighteen months, the Merged Entity Board will have two Co-Chairs, one Council designee and one Town Hall designee. During that eighteen month period, the Secretary of the Merged Entity Board will be a member of the former Town Hall Board and the Treasurer of the Merged Entity Board will be a member of the former Council Board.

The current President of Town Hall, Kim McCleary, will become President and CEO of the Merged Entity. Town Hall's employees as well as all current Council employees will become employees of the Merged Entity.

Town Hall will close its downtown Los Angeles office and relocate to the Council's office in Culver City.

Voting Procedure, Votes Required for Approval

Each Council Member, irrespective of his or her level of membership, is entitled to vote on the Merger. Memberships in the names of two individuals (e.g., spouses) are entitled to one vote. The quorum for an effective vote is 50 valid, returned ballots. As of the record date, there are 827 Council Memberships, and therefore 414 Council Memberships must vote in favor of the Merger in order for the Merger to be approved.

The Council Board set a record date for membership of May 3, 2019. In order for a Council Member to be treated as a voting member on the record date, and therefore be eligible to vote, the Council Membership must be in good standing as of May 3, 2019 or be within the 60 day grace period if the Council Member's dues are past due as of such date.

In order for a Council Member's vote to be counted, the ballot must be received no later than 11:59 PM PT on July 8, 2019. Please return your ballot by mail using the postage prepaid return envelope provided, email the ballot to merger@lawac.org, or visit <https://eballot4.votenet.com/lawac> to vote electronically.

Until 11:59 PM PT on July 8, 2019, the Council may periodically report the progress of the vote to the Council Members and the public. At the close of business on July 9, 2019, the votes will be counted in the office of the Council and the result of the vote will be promptly reported to the Council Members and the public via a posting on the web site of the Council.

Recommendation to Members

THE COUNCIL BOARD BELIEVES THAT THE MERGER IS IN YOUR BEST INTEREST AS A COUNCIL MEMBER AND RECOMMENDS THAT YOU VOTE YES IN FAVOR OF THE MERGER. YOUR VOTE IN FAVOR OF THE MERGER INCLUDES A VOTE IN FAVOR OF THE PROPOSED BYLAWS AND THE PROPOSED ARTICLES.