



ALPS CORPORATION
SHAREHOLDER INFORMATION STATEMENT
FOR
2022 STOCK REDEMPTION AND PURCHASE PROGRAM

Dated July 1, 2022

ALPS Corporation is pleased to announce the 2022 ALPS Corporation Stock Redemption and Purchase Program (the “Program”). ALPS Corporation makes this Program available for the purposes described below. This Shareholder Information Statement is being delivered and/or made available via the Company’s website at www.alpsinsurance.com/stockprogram2022 in connection with the 2022 Program. This Shareholder Information Statement is being delivered and/or made available to all holders of ALPS Corporation Class A Common Stock (occasionally referred to herein as the “Shares”), other than AXIS Group Services, Inc. (“AXIS”), as of May 31, 2022.

ALPS Corporation is a stock corporation and parent-holding company organized under Montana law. The Company owns one hundred percent (100%) of the issued and outstanding common shares of ALPS Property & Casualty Insurance Company (“ALPS P&C”). ALPS P&C is a Montana-domiciled insurance company offering professional liability, employment practices liability, and cyber liability and data breach response insurance to lawyers and law firms. ALPS P&C is licensed to transact business as an admitted insurance company in forty-seven (47) states, the District of Columbia and the U.S. Virgin Islands. ALPS Corporation and ALPS P&C are collectively referred to herein on occasion as “ALPS”.

In addition to ALPS P&C, ALPS Corporation also owns 100% of ALPS Insurance Agency, Inc., a Montana corporation that provides underwriting, claims handling, and insurance producer services to ALPS P&C and other insurance-related organizations. ALPS Corporation formerly owned The Florence Missoula, LLC, a Montana limited liability company that previously owned and operated a commercial building located in Missoula, Montana. The Florence Missoula, LLC sold the commercial building in October 2018. Following sale of the commercial building, ALPS Corporation dissolved The Florence Missoula, LLC and wound down its business and affairs in 2019. For purposes of this Shareholder Information Statement, ALPS Corporation and its wholly-owned subsidiaries are collectively referred to herein on occasion as the “Company”.

On a consolidated basis, ALPS P&C represents the Company’s principal continuing business operation. For the years-ended December 31, 2021 and 2020, ALPS P&C generated 97.1% and 97.5%, respectively, of the total consolidated revenue of the Company’s continuing operations.

PURPOSES OF THE PROGRAM

No public market or exchange exists for the outstanding Shares. Therefore, the Company introduced its initial Stock Redemption and Purchase Program in 2014 and the Program continues to serve three objectives: First, the Program provides a corporate redemption option in order to accommodate those shareholders who desire to sell Shares. Second, the Program facilitates the independent purchasing of Shares by eligible parties who desire to purchase Shares. Third, the Program continues the redemption of Shares if a shareholder ceases to be insured with ALPS P&C, but grants the shareholder the option to remain a shareholder upon the cessation of insurance coverage with ALPS P&C if the shareholder so desires.

The Program continues the redemption of Shares if a shareholder ceases to be insured with ALPS P&C because many shareholders acquired Shares during the demutualization of ALPS P&C in the year 2000. At that time, the Amended Plan of Demutualization dated September 30, 2000, and approved by the Montana Insurance Division, provided that if a shareholder ceased to be insured with ALPS P&C, the shareholder's Shares must be surrendered to the Company and must be repurchased by the Company at book value on payment terms not to exceed ten years. This mandatory redemption policy was required at the time due to ALPS P&C's then-existing status as a risk retention group ("RRG"). As discussed below (*See* Relinquishment of Risk Retention Group Status at page 2), ALPS P&C relinquished its status as an RRG during 2016 and now operates as a licensed and admitted insurance company. Consequently, the Company is no longer required to maintain the mandatory redemption policy that was necessary as an RRG. Nonetheless, the Program still provides for a redemption of Shares if a shareholder ceases to be insured with ALPS P&C, but now grants the shareholder the option to remain a shareholder upon the cessation of insurance coverage with ALPS P&C if the shareholder so desires.

Please note that the Program does not involve the Company's issuance of additional or new classes of securities.

RELINQUISHMENT OF RISK RETENTION GROUP STATUS

Commencing in 1988 when ALPS first began offering lawyers professional liability insurance and continuing until 2016, ALPS was organized, structured and operated as an RRG in compliance with the federal Liability Risk Retention Act codified at 15 U.S.C. § 3901 et. seq. (the "LRRR"). The LRRR restricts the ownership of equity interests in an RRG and requires that all insured policyholders of an RRG must also be shareholders of the RRG. Further, all shareholders of the RRG must also be policyholders of the RRG. Due to this ownership limitation under the LRRR, only ALPS P&C policyholders were eligible to be owners of ALPS Corporation and all owners of ALPS Corporation were required to be policyholders of ALPS P&C. To comply with the LRRR, all policyholders of ALPS P&C were historically required to own at least one share of either Class A Common Stock or Class B Non-Voting Stock of ALPS Corporation.

This ownership limitation created several challenges including restricting ALPS Corporation's ability to raise capital for strategic growth and limiting the types of additional insurance products ALPS P&C could offer lawyers and law firms. Further, the LRRR also provides that state insurance insolvency guarantee funds are not available for the protection of policyholders of an RRG. Ultimately, the Company determined that the lack of protection for policyholders under state insurance insolvency guarantee funds created a competitive disadvantage in the marketplace for ALPS P&C since many insurance company competitors in the marketplace enjoyed the protection of state guarantee funds.

Due to the foregoing limitations of operating as an RRG, commencing in 2012 ALPS P&C embarked on a state-by-state process of becoming a licensed and admitted insurance company. In 2016, ALPS P&C relinquished its status as an RRG and ceased issuing policies of liability insurance as an RRG in any jurisdiction. As of June 30, 2022, ALPS P&C is a licensed and admitted insurance company in forty-seven (47) states, the District of Columbia, and the U.S. Virgin Islands, and is now subject to regulatory oversight as a licensed insurer in each jurisdiction where ALPS P&C issues policies of insurance.

RESTATED ARTICLES OF INCORPORATION AND LIMITATION ON FRACTIONAL SHARES

At the Company's Annual Meeting of Shareholders held on May 26, 2016, the Company's shareholders adopted and approved Restated Articles of Incorporation ("Restated Articles") that became effective as of June 1, 2016. The Restated Articles amended the Company's previous articles of incorporation in the following material respects.

First, Article V of the Restated Articles creates two new classes of capital stock: (i) Class C Common Stock; and (ii) Class C Cumulative Convertible Preferred Stock ("Class C Preferred Stock"). The Restated Articles establish new preferences, limitations and other relative rights with respect to the Class C Preferred Stock, including dividend preferences, liquidation preferences and conversion rights, all of which are fully described in Article V of the Restated Articles. The Class A Common Stock and Class C Common Stock collectively represent the Common Stock of the Company and the two classes of Common Stock are entitled to share equally per share in the remaining net assets of the Company upon dissolution and liquidation.

Second, Article VII of the Restated Articles establishes new anti-dilution rights that allow each holder of capital stock to subscribe for and purchase such number of additional securities of capital stock that the Company may issue or propose to issue as may be necessary to maintain the same fully-diluted ownership percentage following the Company's issuance of additional securities of capital stock as the fully-diluted ownership percentage held by such holder of capital stock on the date that a subscription notice is delivered to holders of capital stock in connection with such issuance.

Third, Article VIII of the Restated Articles establishes a new range for the size of the Company's board of directors (the "Board") and establishes two different classes of directors to be voted upon by the holders of Class A Common Stock and Class C Common Stock, stating as follows:

The Corporation's Board of Directors shall consist of no fewer than five (5) directors and no more than eleven (11) directors. If, and only for so long as, the Corporation has issued and outstanding shares of Class C Common Stock, the Board of Directors shall be comprised of two classes of directors consisting of one (1) Class C director with all other directors being designated as Class A directors. Only the holders of Class A Common Stock shall be entitled to vote upon and elect Class A directors. Only the holders of Class C Common Stock shall be entitled to vote upon and elect the Class C director. The Class C director shall have all of the same rights, privileges, duties and obligations of, and shall be entitled to vote in *pari passu* with, the Class A directors.

Fourth, Article XII of the Restated Articles establishes a new article setting forth new terms and conditions governing future amendments of the Restated Articles.

Article V., paragraph B. of the Company's Restated Articles states, in part, that:

The shares of Class A Common Stock shall be issuable in either whole shares or fractional shares as may hereafter be determined by the Board of Directors in its discretion; provided, however, that no shareholder may own a fractional share of Class A Common Stock if said shareholder does not own at least one (1) whole share of Class A Common Stock. [Emphasis added].

Thus, a shareholder may not own less than one (1) whole share of Class A Common Stock. Recognizing this prohibition on fractional share ownership of less than one (1) whole Share, a Seller may not submit an Offer to Sell in the Program that would cause the Seller to own a fractional Share of less than one (1) whole Share, assuming that said Offer to Sell was satisfied in full under the Program. If a Seller submits an Offer to Sell that would cause the Seller to own a fractional Share of less than one (1) whole Share, assuming said Offer to Sell was satisfied in full under the Program, then for purposes of the Program the Seller shall be deemed to have submitted an Offer to Sell one hundred percent (100%) of said Seller's Shares.

ALPS Corporation does not issue share certificates. All ownership of ALPS Corporation's capital stock is recorded as book entries only in the Company's shareholder records. However, each shareholder receives a Shareholder Statement from the Company on an annual basis setting forth the number and class of capital stock owned by the shareholder, together with the designations, relative rights, preferences and limitations applicable to each class of capital stock.

The complete text of the Restated Articles is made available in conjunction with this Shareholder Information Statement via the Company's website at www.alpsinsurance.com/stockprogram2022.

AXIS GROUP SERVICES, INC. STOCK PURCHASE TRANSACTION

In 2016, the Board authorized the Company to enter into a definitive Stock Purchase Agreement by and between the Company and AXIS Group Services, Inc. ("AXIS"). Pursuant to the terms and conditions of the Stock Purchase Agreement, the Company sold, transferred and delivered to AXIS 5,000,000 shares of Class C Preferred Stock for \$5,000,000 and 34,786 shares of Class A Common Stock for \$829,993.96, representing an aggregate purchase price of \$5,829,993.96. The stock purchase transaction was effective as of June 1, 2016. The Company entered into the stock purchase transaction for the purpose of raising capital for future strategic growth, to provide capital for the redemption of fractional shares resulting from the 600-to-1 reverse stock split (*See* Reverse Stock Split at page 4), to

fund the payment of liabilities associated with prior automatic stock redemption payments, and for other general corporate purposes.

CONVERSION OF CLASS C PREFERRED STOCK TO CLASS C COMMON STOCK

Pursuant to the terms of the Stock Purchase Agreement between the Company and AXIS, and the terms of the Company's Restated Articles of Incorporation, the 5,000,000 shares of Class C Preferred Stock automatically converted to 240.6605 shares of Class C Common Stock on June 1, 2017 (the "Conversion Date") applying the conversion formula set forth in the Company's Restated Articles of Incorporation.

Immediately upon conversion of the Class C Preferred Stock to Class C Common Stock on June 1, 2017, only the holders of Class A Common Stock are entitled to vote upon and elect Class A directors and only the holders of Class C Common Stock are entitled to vote upon and elect the single Class C director. Except as otherwise provided in the Restated Articles, the holders of Class A Common Stock have voting rights, in *pari passu*, with the holders of Class C Common Stock.

AXIS GROUP SERVICES, INC. REINSURANCE RIGHT OF FIRST REFUSAL

As a material inducement for AXIS to enter into the Stock Purchase Agreement and purchase the Class C Preferred Stock and Class A Common Stock, ALPS P&C and AXIS entered into a Reinsurance Right of First Refusal ("ROFR"). Under the terms of the ROFR, ALPS P&C agrees to provide or cause to be provided to one or more affiliates of AXIS as designated by AXIS from time to time, the right of first refusal to provide a portion of any and all reinsurance coverage purchased by ALPS P&C for a specified period of time. Pursuant to this right of first refusal, AXIS has the option, but not the obligation, to designate one or more reinsurers to provide up to thirty three percent (33%) of any reinsurance coverage purchased by ALPS P&C, on a pro-rata basis with respect to quota share reinsurance, pro-rata on a layer-by-layer basis with respect to excess of loss reinsurance, pro-rata on a layer-by-layer basis with respect to any excess cessions reinsurance, and on a pro-rata basis with respect to any other reinsurance; provided that each such designated reinsurer shall maintain an A.M. Best rating of not less than "A-" or collateralize its obligation in an amount equal to the statutory reserves ceded to such Reinsurer. The exercise of the right of first refusal shall be at open market terms and not at terms more favorable than other reinsurance companies participating in the reinsurance program of ALPS P&C.

AMENDED AND RESTATED BYLAWS

As a condition precedent to closing the stock purchase transaction with AXIS, the Stock Purchase Agreement required the Company to adopt Amended and Restated Bylaws ("Bylaws"). At the Board meeting held on May 26, 2016, the Board adopted and approved the Bylaws to be effective as of June 1, 2016. The Bylaws incorporate the Board corporate governance structure agreed to by the Company and AXIS in conjunction with the stock purchase transaction. The complete text of the Company's current Bylaws is made available in conjunction with this Shareholder Information Statement via the Company's website at www.alpsinsurance.com/stockprogram2022.

REVERSE STOCK SPLIT

The LRRRA states that the ownership interests of members in an RRG shall be considered to be exempted securities for purposes of section 5 of the Securities Act of 1933 (the "Securities Act") and for purposes of section 12 of the Securities Exchange Act of 1934 (the "Exchange Act"). The LRRRA also provides that the ownership interests of members in an RRG shall not be considered securities for purposes of any state blue sky law. Based upon these exemptions, the Company's Class A Common Stock and Class B Non-Voting Stock were issued pursuant to the LRRRA exemption from the registration and reporting requirements under the Securities Act, the Exchange Act and state securities laws.

As discussed above (*See* Relinquishment of Risk Retention Group Status at page 2), ALPS P&C has relinquished its status and is no longer eligible to operate as an RRG. Therefore, the Company can no longer avail itself of the exemptions from federal and state securities laws that are available under the LRRRA. As a result, the Board determined that it is in the Company's best interests to qualify for exemption from registration under the Exchange Act in order avoid the expense and administrative burdens of registration of the Shares with the Securities and Exchange

Commission (“SEC”). To achieve such exemption from registration, the Board authorized a 600-to-1 reverse stock split to effectuate a reduction in the number of non-accredited shareholders of its equity securities to below 500 persons.

The 600-to-1 reverse stock split was effective as of June 1, 2016 to shareholders of record as of the close of business on May 31, 2016. The 600-to-1 reverse stock split resulted in 789 holders of Class A Common Stock owning less than one (1) whole share of Class A Common Stock. Due to the prohibition on fractional share ownership of less than one (1) whole Share as set forth in the Company’s Restated Articles, the Company delivered a redemption payment to each shareholder for the fractional share of Class A Common Stock owned by said shareholder. The redemption payment amount was determined based upon the pre-reverse stock split book value per share (“BVPS”) of \$24.38, which was determined by the Board based upon the audited consolidated financial statements of ALPS Corporation and Subsidiaries as of December 31, 2015.

In conjunction with the reverse stock split, the Company informed each redeemed shareholder that the shareholder was not required to accept the redemption payment. In the alternative, the Company offered each shareholder the opportunity to purchase the amount of a fractional share necessary to increase the shareholder’s ownership of Class A Common Stock up to one (1) whole share. Twenty-four (24) shareholders elected to purchase the additional fractional share necessary to remain a shareholder and own one (1) whole share of Class A Common Stock.

As of June 15, 2022, the Company has 301 shareholders owning Class A Common Stock and one (1) shareholder owning Class C Common Stock. With fewer than 500 non-accredited shareholders, the Company currently does not anticipate registering the Shares with the SEC or any state, and does not anticipate filing informational reports or other documents with the SEC or any state regarding the Company’s business operations, financial condition, and management. Any prospective Buyer should be aware that the Shares may not be sold or resold unless the Shares are registered with the SEC or otherwise exempt from the registration requirements under the Securities Act or Exchange Act.

CANCELLATION OF CLASS B NON-VOTING STOCK

At the time of demutualization of ALPS P&C in the year 2000, the Amended Plan of Demutualization approved by the Montana Insurance Division stated, in pertinent part, as follows:

Eligible Policyholders that elect to receive cash . . . will also receive a single share of the Company’s Class B Non-Voting Stock (a “Qualifying Share”), par value \$1.00. Other than as may be required under Montana law, holders of a Qualifying Share will have no voting rights, and will not have any rights to distributions or any rights to the net assets of the Company upon dissolution. If the holder of a Qualifying Share ceases to be a policyholder . . . the holder’s Qualifying Share will be cancelled, and the Company will not be required to repay its \$1.00 purchase price.

The Amended Plan of Demutualization and the Company’s Amended and Restated Articles of Incorporation filed in conjunction with the demutualization of ALPS P&C authorized the issuance of single Qualifying Share of Class B Non-Voting Stock (“Class B”) for the purpose of complying with the ownership requirements under the LRRRA.

As discussed above (*See* Relinquishment of Risk Retention Group Status at page 2), ALPS P&C relinquished its status as an RRG and no longer operates as an RRG in any jurisdiction. Therefore, the issuance of a single Qualifying Share of Class B Non-Voting Stock is no longer necessary for purposes of complying with the ownership requirements under the LRRRA. Accordingly, the Company’s Board determined that because the Class B Non-Voting Stock has no value, no voting rights, and would not have any rights to distributions or any rights to the net assets of the Company upon dissolution, it was in the Company’s best interests to cancel all outstanding Class B Non-Voting Stock. Therefore, commencing June 1, 2016, the Board authorized the cancellation of each Qualifying Share of Class B Non-Voting Stock as each insurance policy for a Class B shareholder is either renewed or coverage is otherwise cancelled, terminated or non-renewed. As of June 1, 2017, all Class B Non-Voting Stock has been cancelled and the Company has no outstanding shares of Class B Non-Voting Stock.

TERMINATION OF PREVIOUS REDEMPTION POLICY

Due to the previous Share ownership restrictions under the LRRRA, the Company historically maintained a mandatory stock redemption policy pursuant to the Amended Plan of Demutualization of ALPS P&C approved by the Montana Insurance Division in the year 2000. The mandatory redemption policy provided that a shareholder's Shares shall be tendered to the Company for redemption when a shareholder ceased to be insured by ALPS P&C. Under the mandatory redemption policy, the Company redeemed the Shares of a former insured policyholder and paid the former policyholder in accordance with a redemption schedule that provided for equal installment payments of up to 7 years depending upon the total book value of the Shares to be redeemed. Upon the Company's adoption of the inaugural Stock Redemption and Purchase Program in 2014, the Company terminated its previous redemption payment schedule and all Automatic Redemptions are now effectuated through this Program. In the event this Program is not offered at least once per calendar year, the Board will adopt and implement a replacement redemption policy for those shareholders who acquired Shares while ALPS operated as an RRG and who subsequently cease to be insured by ALPS P&C.

AUTOMATIC REDEMPTION OF SHARES

As discussed above (*See* Purposes of Program at page 1), at the time of demutualization of ALPS P&C in the year 2000, the Amended Plan of Demutualization approved by the Montana Insurance Division provided that if a shareholder ceased to be insured with ALPS P&C, the shareholder's Shares must be surrendered to the Company and must be repurchased by the Company at book value on payment terms not to exceed ten years. This mandatory redemption policy was required at the time due to ALPS P&C's then-existing status as an RRG.

As further discussed above (*See* Relinquishment of Risk Retention Group Status at page 2), ALPS P&C relinquished its status as an RRG during 2016 and now operates as a licensed and admitted insurance company. Consequently, the Company is no longer required to maintain the mandatory redemption policy that was necessary to ensure its status as an RRG. Nonetheless, this Program still provides for an automatic redemption of Shares if a shareholder ceases to be insured with ALPS P&C, but now grants the shareholder the option to remain a shareholder upon the cessation of insurance coverage with ALPS P&C, if the shareholder so desires.

If a shareholder does not timely elect to remain a shareholder upon the cessation of insurance coverage with ALPS P&C, then the shareholder's Shares are deemed to be Offered Shares in the ALPS Corporation Stock Redemption and Purchase Program and redemption of the shareholder's Shares proceeds pursuant to the terms and conditions of the ALPS Corporation Stock Redemption and Purchase Program. Any of the shareholder's Offered Shares not redeemed in the current Program are then re-submitted in future annual Programs, until all of the shareholder's Shares have been redeemed.

As of June 15, 2022, the Company has no shareholder who ceased insurance coverage with ALPS P&C since the conclusion of the previous Program Participation Period and who did not timely elect to remain a shareholder. Thus, the Company has no redemption obligations with respect to any such shareholders.

ELIGIBILITY TO PARTICIPATE AS A BUYER OR SELLER IN THE PROGRAM

In light of the Program's purposes and objectives, the Program is made available to any ALPS Corporation Class A Common shareholder, other than AXIS, who desires to sell and transfer some or all of the shareholder's Shares in accordance with the terms of the Program (referred to herein as a "Seller"). The Program is also available to any ALPS Corporation Class A Common shareholder, other than AXIS, who desires to purchase additional Shares in accordance with the terms of the Program (referred to herein as a "Buyer"). Please observe, however, that the Company's Bylaws prohibit any one shareholder from owning 15% or more of the outstanding Class A Common shares. Therefore, participation as a Buyer in the Program is subject to this 15% share ownership limitation.

The Company may also participate in the Program by contributing redemption funds necessary to accomplish the corporate stock redemption purposes of the Program. The amount of corporate redemption funds that the Company will contribute to the Program with respect to the current or any future Program Participation Period is described in further detail below.

Pursuant to the terms of the AXIS Stock Purchase Agreement (*See* page 3), AXIS and its affiliates and other subsidiaries have no rights to participate, either as a buyer or seller, at any time with respect to all or any part of the Company’s Stock Redemption and Purchase Program existing now or as may hereafter be amended from time to time by the Company, which the Company may offer from time to time to the Company’s Class A Common shareholders. Further, neither AXIS, nor any of its direct and indirect affiliates or subsidiaries will acquire additional Class A Common Stock or Class C Common Stock from any shareholder of the Company without the prior written consent of the Company. Any such acquisition without the prior written consent of the Company shall be null and void ab initio.

PROGRAM PARTICIPATION PERIOD

The Program Participation Period commences on July 1, 2022, and terminates on August 31, 2022. The Program is made available to all eligible participants electing to participate as a Buyer or Seller during the Program Participation Period. The Program is also utilized to redeem the Shares, if any, of a former policyholder of ALPS P&C if the former policyholder did not timely elect to remain a shareholder.

HISTORICAL BOOK VALUE PER SHARE AND PURCHASE PRICE FOR SHARES

Pursuant to the Amended Plan of Demutualization approved by the Montana Insurance Division at the time ALPS P&C demutualized in the year 2000, the Company has always paid book value per Share “(BVPS)” for any Shares that were surrendered to and redeemed by the Company. The Board determines the redemption value of Class A Common Stock utilizing the audited consolidated financial statements of ALPS Corporation and Subsidiaries for the immediately preceding calendar year-end.

Pursuant to the Company’s Restated Articles, the Class A Common Stock and Class C Common Stock are collectively referred to as the Company’s “Common Stock” and the two classes of Common Stock are entitled to share equally, in pari passu, in the remaining net assets of the Company upon dissolution and liquidation. Therefore, for purposes of calculating the BVPS of **\$37,513.38** as of December 31, 2021, the BVPS is determined based upon the aggregate number of issued and outstanding shares of all Common Stock, inclusive of both Class A Common Stock and Class C Common Stock.

The following represents the historical BVPS for the Shares during each of the preceding ten (10) years:

Year Ending December 31,	Historical Book Value Per Share ^(a)	Book Value Per Share Adjusted to Reflect Reverse Stock Split ^(a)
2012	\$20.31	\$12,186
2013	\$20.66	\$12,396
2014	\$23.86	\$14,316
2015	\$24.38	\$14,628
2016	\$27.58	\$16,549 ^(b)
2017	\$31.11	\$18,669 ^(c)
2018	\$36.48	\$21,889
2019	\$44.05	\$26,432
2020	\$55.89	\$33,531
2021	\$62.52	\$37,513

(a) As discussed above, the Company effectuated a 600-to-1 reverse stock split effective as of June 1, 2016, to shareholders of record as of the close of business on May 31, 2016. As a result of the reverse stock split, the Company’s BVPS has been proportionally adjusted to reflect the 600-to-1 reverse stock split. For informational and comparative purposes, the table above shows the historical BVPS (rounded to the nearest whole dollar) for each of the years ending December 31, 2011 through December 31, 2020, but adjusted to reflect the 600-to-1 reverse stock split effective June 1, 2016, for all years presented.

(b) The holders of both Class A Common Stock and Class C Common Stock are entitled to share in the remaining net assets of the Company in the event of liquidation of the Company.

Therefore, the BVPS as of December 31, 2016, is presented on an “as-converted” basis to reflect the conversion of 5,000,000 shares of Class C Preferred Stock to 240.6605 shares of Class C Common Stock as of December 31, 2016.

- (c) Effective June 1, 2017, the 5,000,000 shares of issued and outstanding Class C Preferred Stock converted to 240.6605 shares of Class C Common Stock. Because the holders of both Class A Common Stock and Class C Common Stock are entitled to share in the remaining net assets of the Company in the event of liquidation of the Company, the book value per share as of December 31, 2017, and each December 31 thereafter, is determined based upon the aggregate number of issued and outstanding shares of all Common Stock, inclusive of both Class A Common Stock and Class C Common Stock.

All Shares redeemed by the Company or purchased by any participating Buyer during the Program Participation Period will be purchased at a Purchase Price of **\$37,513.38** per Share. The purchase price of **\$37,513.38** per Share represents the BVPS as of December 31, 2021, as determined by the Board based upon the audited consolidated financial statements of ALPS Corporation and Subsidiaries as of December 31, 2021, and based upon the aggregate number of issued and outstanding shares of all Common Stock, inclusive of Class C Common Stock, as of December 31, 2021.

All Shares sold, purchased or redeemed under the Program will be sold, purchased or redeemed in fractional Share increments of no less than 1/10,000th of one (1) whole Share (*i.e.* 0.0001) with the total Purchase Price rounded to the nearest one cent (\$0.01). For example, if a Buyer submits an Offer to Buy 0.5565 Shares which is satisfied in full, the total purchase price for the purchased Shares is \$20,876.20 determined as follows: Book value per Share of \$37,513.38 multiplied by the number of Shares purchased (0.5565) equals the total purchase price of \$20,876.20.

The December 31, 2021 BVPS of **\$37,513.38** does not reflect any increase or decrease in the Company’s book value occurring after December 31, 2021. As of May 31, 2022, the unaudited consolidated financial statements of the Company and its subsidiaries reflect a decline in the BVPS to **\$31,420.65**, determined based upon the aggregate number of issued and outstanding shares of all Common Stock, as of May 31, 2022. The decline in BVPS is largely attributable to a decline in the fair value of investment securities occurring since December 31, 2021. Because the May 31, 2022, consolidated financial statements are unaudited and subject to adjustment, management expresses no assurances and makes no representations as to the accuracy of the May 31, 2022 BVPS.

MINIMUM AND MAXIMUM NUMBER OF SHARES TO BE SOLD BY A SELLER

The minimum number of Shares that a Seller may sell or offer to sell within the Program during this Program Participation Period is equal to is 25/100^{ths} of one (1) Share (*i.e.* 0.2500 Shares or one-quarter of one Share). The Company’s Restated Articles, effective as of June 1, 2016, state in pertinent part as follows:

The shares of Class A Common Stock shall be issuable in either whole shares or fractional shares as may hereafter be determined by the Board of Directors in its discretion; provided, however, that no shareholder may own a fractional share of Class A Common Stock if said shareholder does not own at least one (1) whole share of Class A Common Stock.

Therefore, a Seller may not submit an Offer to Sell that would cause the Seller to own a fractional Share of less than one (1) whole Share if said Offer to Sell was satisfied in full under the Program. If a Seller submits an Offer to Sell that would cause the Seller to own a fractional Share of less than one (1) whole Share if said Offer to Sell was satisfied in full under the Program, then for purposes of the Program the Seller shall be deemed to have submitted an Offer to Sell one hundred percent (100%) of said Seller’s Shares.

In addition, if the Program is Under-Subscribed and a Seller’s Offer to Sell is only partially satisfied on a pro-rata basis leaving the Seller with a fractional Share of less than one (1) whole Share, then the Seller shall be considered redeemed in full and any remaining redemption payment due and owing to the Seller shall be paid in full by the Company on or before December 31, 2022.

The maximum number of Shares that a Seller may offer to sell within the Program during this Program Participation Period is twenty (20) Shares. A Seller is not eligible to sell or offer to sell more than 20 Shares within the Program during this Program Participation Period.

So long as a Seller satisfies the minimum number of Shares that a Seller may sell or offer to sell within the Program, the Seller may offer to sell Shares in additional fractional Share increments of 1/10,000th of one (1) Share (*i.e.* 0.0001).

MINIMUM AND MAXIMUM NUMBER OF SHARES TO BE PURCHASED BY A BUYER

The minimum number of Shares that a Buyer may purchase or offer to purchase within the Program during this Program Participation Period is 25/100^{ths} of one (1) Share (*i.e.* 0.25 Shares).

The maximum number of Shares that a Buyer may purchase or offer to purchase within the Program is subject to the 15% share ownership limitation set forth in the Company's Bylaws. Thus, a Buyer may not purchase or offer to purchase any number of Shares during this Program Participation Period which would cause the Buyer to own 15% or more of the outstanding Class A Common Shares.

So long as a Buyer satisfies the minimum number of Shares that a Buyer may purchase or offer to purchase within the Program, the Buyer may offer to purchase Shares in additional fractional Share increments of 1/10,000th of one (1) a Share (*i.e.* .0001).

HOW TO PARTICIPATE AS A SELLER IN THE PROGRAM

To participate as a Seller under the Program, please complete and return to the Company both of the following documents: (i) the "Offer to Sell ALPS Corporation Class A Common Shares" (the "Offer to Sell") which is attached to this Shareholder Information Statement as Appendix A; and (ii) the Disclaimers, Terms and Conditions ("Disclaimers") which is attached to this Shareholder Information Statement as Appendix C. Please send both documents to ALPS Corporation at the following address:

ALPS CORPORATION
P.O. Box 9169
Missoula, MT 59807-9169

The Seller's Offer to Sell, together with the Disclaimers, must be received by the Company or deposited in the United States mail, with postage prepaid thereon, post-marked on or before the last day of the Program Participation Period described above, and received by the Company on or before the 15th calendar day following the close of the Program Participation Period. The Company will not accept any Offer to Sell that is not in compliance with this provision and such Offer to Seller will be returned to the prospective Seller.

The Company, and its directors, officers, employees or agents have not made and do not make any representation or recommendation to any holder of Class A Common Stock as to whether to participate or refrain from participating as a Seller in this Program.

HOW TO PARTICIPATE AS A BUYER IN THE PROGRAM

To participate as a Buyer under the Program, please complete and return to the Company both of the following documents: (i) the "Offer to Buy ALPS Corporation Class A Common Shares" (the "Offer to Buy") which is attached to this Shareholder Information Statement as Appendix B; and (ii) the Disclaimers (see Appendix C). Please send both documents to the Company at the Company's address set forth above.

The Buyer's Offer to Buy, together with the Disclaimers and subscription payment, must be received by the Company or deposited in the United States mail, with postage prepaid thereon, and post-marked on or before the last day of the Program Participation Period described above, and received by the Company on or before the 15th calendar day following the close of the Program Participation Period. The Company will not accept any Offer to Buy that is not in compliance with this provision and such Offer to Buy will be returned to the prospective Buyer.

The Company, and its directors, officers, employees or agents have not made and do not make any representation or recommendation to any holder of Class A Common Stock as to whether to participate or refrain from participating as a Buyer in this Program.

HOW THE PROGRAM OPERATES TO FACILITATE STOCK PURCHASES AND REDEMPTIONS

To accomplish the purposes of the Program, the Company will account for, record and facilitate the sale and transfer of Shares under the Program. The Company will be responsible to account for and record each Offer to Sell received from a participating Seller and each Offer to Buy received from a participating Buyer. The Company will also be responsible to hold, in a segregated account, all subscription payments received from participating Buyers during the Program Participation Period. At the conclusion of the Program Participation Period, the Company will distribute to each participating Seller the appropriate amount of sales proceeds derived from the sale and transfer of Shares by each respective Seller in accordance with the Program. At the conclusion of the Program Participation Period, the Company will provide each Seller and Buyer with an updated shareholder statement evidencing the respective sale or purchase of Shares by each respective Seller and Buyer. The Company will also be responsible to account for and record the receipt of redemption funds from the Company and the Company's redemption of Shares.

At the conclusion of the Program Participation Period, the Company will determine the total number of Shares that have been offered for sale by eligible and duly participating Sellers within the Program (the "Offered Shares") and the aggregate book value of the Offered Shares. The Company will then determine the total number of Shares that have been subscribed for purchase by eligible and duly participating Buyers within the Program (the "Subscribed Shares") and the aggregate book value of the Subscribed Shares. Finally, at the conclusion of the Program Participation Period, the Company will determine the total amount of money that the Company will contribute to the Program for purposes of redeeming Offered Shares.

If the aggregate book value of the Subscribed Shares, plus the amount of money contributed to the Program by the Company and allocated under the Program to redeem Offered Shares, exceeds the aggregate book value of the Offered Shares, then the Program is deemed to be "Over-Subscribed." If the aggregate book value of the Subscribed Shares, plus the amount of money contributed to the Program by the Company and allocated under the Program to redeem Offered Shares, is less than the aggregate book value of the Offered Shares, then the Program is deemed to be "Under-Subscribed."

The following table provides a summary of the aggregate book value of Subscribed Shares, aggregate book value of Offered Shares, the amount of money contributed to the Program by the Company, and the total funding percentage of the Program for each year since inception of the Program in 2014:

Program Year	Aggregate Book Value of Subscribed Shares	Amount Contributed by Company	Total Funds Available	Aggregate Book Value of Offered Shares	Total Funding Percentage
2014	\$672,917	\$754,090	\$1,427,007	\$2,335,406	61.1%
2015	\$42,948	\$750,000	\$792,948	\$2,454,653	31.6%
2016	\$787,638	\$1,650,000	\$2,437,638	\$3,146,586	71.1%
2017	\$230,959	\$612,491	\$843,450	\$2,909,095	29.0%
2018	\$750,805	\$1,250,000	\$2,000,805	\$3,606,653	52.8%
2019	\$286,100	\$1,343,767	\$1,629,867	\$3,630,689	44.9%
2020	\$138,107	\$1,400,000	\$1,538,107	\$3,331,860	46.2%
2021	\$583,890	\$1,339,064	\$1,992,954	\$1,992,954	100.0%

If the Program is either Under-Subscribed or Over-Subscribed, then the following rules regarding priority of sale, priority of purchase/redemption and pro-rata allocation shall apply:

1. What happens if the Program is “Over-Subscribed?”

If the Program is Over-Subscribed, then the sale, purchase and redemption of Offered Shares shall be subject to the following rules regarding priority of sale, priority of purchase and pro-rata allocation.

First, all non-affiliated Buyers shall have priority of purchase, take precedence over and be entitled to purchase the Offered Shares prior to the redemption of Offered Shares by the Company and prior to the purchase of Offered Shares by any affiliated Buyer. If the aggregate number of Subscribed Shares from non-affiliated Buyers exceeds the aggregate number of Offered Shares, then the number of Shares to be purchased by each non-affiliated Buyer will be determined on a pro-rata basis according to the following formula:

$$\begin{aligned} & \text{Number of Subscribed Shares from the Non-Affiliated Buyer} \\ & \div \\ & \text{Aggregate Number of Subscribed Shares from All Non-Affiliated Buyers} \\ & = \\ & \text{Percentage of Offered Shares to be Allocated to the Non-Affiliated Buyer} \\ & \times \\ & \text{Aggregate Number of Offered Shares} \\ & = \\ & \text{Number of Offered Shares Purchased and Transferred to Non-Affiliated Buyer} \end{aligned}$$

Second, assuming the Subscribed Shares of all non-affiliated Buyers have been satisfied in full, then the Company shall have priority of purchase, take precedence over and be entitled to redeem Offered Shares prior to the purchase of any Offered Shares by any affiliated Buyer. The amount of money contributed by the Company to the Program for the redemption of Offered Shares shall then be applied by the Company to redeem Offered Shares.

Third, only after the Subscribed Shares of all non-affiliated Buyers have been satisfied in full, and only after the Company’s redemption of Offered Shares has occurred pursuant to the immediately preceding paragraph, then the affiliated Buyers shall be entitled to purchase any remaining Offered Shares. If the Program is Over-Subscribed and affiliated Buyers are entitled to purchase Offered Shares, then each Offer to Buy from each affiliated Buyer will be satisfied on a pro-rata basis from the remaining available Offered Shares. The number of remaining available Offered Shares to be purchased by each affiliated Buyer will be determined on a pro-rata basis according to the following formula:

$$\begin{aligned} & \text{Number of Subscribed Shares from the Affiliated Buyer} \\ & \div \\ & \text{Aggregate Number of Subscribed Shares from All Affiliated Buyers} \\ & = \\ & \text{Percentage of Remaining Available Offered Shares to be Allocated to the Affiliated Buyer} \\ & \times \\ & \text{Aggregate Number of Remaining Available Offered Shares} \\ & = \\ & \text{Number of Remaining Available Offered Shares Purchased and Transferred to Buyer} \end{aligned}$$

The Company will notify each Buyer of the number of Shares purchased and will return to each respective Buyer any excess subscription funds, which excess shall be an amount equal the BVPS of \$37,513.38 multiplied by the difference between the number of Subscribed Shares from a Buyer and the actual number of Shares purchased and transferred to the Buyer. The Company will notify each Seller of the number of Shares sold by each respective Seller and will deliver funds to each respective Seller in an amount equal to the total book value of the Shares that each respective Seller offered under each respective Offer to Sell. The Company will ensure that each transfer of Shares is duly recorded in the Company’s shareholder records.

2. What happens if the Program is “Under-Subscribed?”

If the Program is Under-Subscribed, all Subscribed Shares received from Buyers will have priority over, take precedence over and will be satisfied from the Offered Shares prior to the Company’s redemption of any Offered Shares. The Company’s redemption of any portion of the Offered Shares will occur if, and only if, the number of Offered Shares exceeds the number of Subscribed Shares such that the Subscribed Shares of each eligible and duly participating Buyer can be satisfied in full.

If the Program is Under-Subscribed, then the Company will determine the amount by which the Program is Under-Subscribed. The Company will then contribute corporate redemption funds in an amount equal to the lesser of: (i) the aggregate book value of the number of Shares by which the Program is Under-Subscribed; or (ii) three hundred and fifty-thousand dollars (\$350,000). Notwithstanding the foregoing, however, the Company reserves the right to contribute corporate redemption funds of more than \$350,000 in the event the Program is Under-Subscribed and the amount of such additional corporate redemption funds shall be determined by the Company in its sole discretion.

If the Program is Under-Subscribed, and the amount of money contributed by the Company to the Program is sufficient to eliminate the Program’s Under-Subscribed status, then each Offer to Buy from a participating Buyer will first be satisfied in full. After each Offer to Buy has been satisfied in full, and subject to the availability of corporate redemption funds, the Company will redeem the remaining Offered Shares which have not otherwise been purchased and transferred to participating Buyers.

If the Company contributes corporate redemption funds, but the Program still remains Under-Subscribed, then the sale, purchase and redemption of Offered Shares shall be subject to the following rules regarding priority of sale, priority of purchase and pro-rata allocation.

Classification of Sellers into Small Lot Pool and Large Lot Pool. At the conclusion of the Program Participation Period, the Company will classify and divide the Sellers into two pools consisting of the Small-Lot Pool and the Large-Lot Pool. The Small-Lot Pool will consist of all Sellers who own 1.2500 or fewer Shares and who offer to sell all Shares that they currently own. The Large-Lot Pool will consist of all other Sellers who do not qualify and are not classified into the Small Lot Pool.

Small Lot Pool Priority of Sale. For purposes of administrative efficiencies, any Offer to Sell from a Seller who qualifies and is classified as a Seller in the Small Lot Pool will have priority over, take precedence over and be satisfied prior to any Offer to Sell from a Seller who is classified as a Seller in the Large Lot Pool.

Those Sellers within the Small Lot Pool shall have priority of sale, take precedence over and be entitled to have their Offered Shares purchased by Buyers and/or redeemed by the Company prior to the sale or redemption of any Offered Shares held by a Seller within the Large-Lot Pool.

After each Offer to Sell from each Seller within the Small Lot Pool has been satisfied in full, then the number of Offered Shares to be sold and transferred by each Seller within the Large Lot Pool will be determined on a pro-rata basis according to the following formula:

$$\begin{array}{r} \text{Number of Shares Offered for Sale from Seller} \\ \div \\ \text{Aggregate Number of Offered Shares from All Sellers within Large Lot Pool} \\ = \\ \text{Percentage of Subscribed Shares to be Allocated to Seller} \\ \times \\ \text{Aggregate Number of Subscribed Shares} \\ = \\ \text{Number of Shares Sold by Seller} \end{array}$$

The Company will notify each Buyer of the number of Shares purchased by each Buyer. Similarly, the Company will notify each Seller within the Small Lot Pool and Large Lot Pool of the number of Shares actually sold by each respective Seller and will deliver sales proceeds to each respective Seller in an amount equal to the total book value of the actual Shares that each respective Seller has sold.

3. When will the Company deliver the sales proceeds to Sellers?

Within thirty (30) days following the end of the Program Participation Period, the Company will deliver to each respective Seller the sales proceeds derived from the redemption or sale and transfer of Shares by each Seller.

AFFILIATE PARTICIPATION IN PROGRAM

Any person who is an “Affiliate” of the Company is also entitled to participate as a Buyer or Seller under the Program. For purposes of the Program, an “Affiliate” is any current director, officer, or employee. As of June 15, 2022, Affiliates held in the aggregate, as owner or beneficial owner, 585.9342 Shares or 42.9% of the issued and outstanding Shares.

In order to participate as a Seller, an Affiliate must have completed and returned to the Company, on or before June 15, 2022, an Offer to Sell (see Appendix A) and the Disclaimers (see Appendix C). As of June 15, 2022, one Affiliate has delivered to the Company an Offer to Sell three (3) Shares.

In order to participate as a Buyer, an Affiliate must have completed and returned to the Company, on or before June 15, 2022, an Offer to Buy (see Appendix B) and the Disclaimers (see Appendix C). As of June 15, 2022, no Affiliates have delivered to the Company an Offer to Buy any Shares.

In order to be eligible to participate as a Buyer, an Affiliate must deliver the proper subscription payment to the Company on or before the last day of the Program Participation Period. If the Program is Over-Subscribed, then any Affiliate participating as a Buyer under the Program shall be subordinate to and will be subject to the priority of: (i) any non-Affiliate Buyers participating in the Program; and (ii) the Company’s redemption of Offered Shares. If the Program is Under-Subscribed, then any Affiliate participating as a Buyer under the Program shall not be given any priority or preference, but instead shall receive the same treatment as any other non-Affiliate Buyer participating in the Program.

ADDITIONAL INFORMATION, TERMS, CONDITIONS AND DISCLOSURES

THE BOARD HAS AUTHORIZED THE PROGRAM AND THIS SHAREHOLDER INFORMATION STATEMENT IN ACCORDANCE WITH THE ADDITIONAL INFORMATION, TERMS, CONDITIONS AND DISCLOSURES SET FORTH BELOW.

THE SHARES ARE SUBJECT TO INVESTMENT RISK, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL. THE SHARES ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFER. ANY INVESTOR OR BUYER UNDER THE PROGRAM THAT IS UNABLE TO BEAR THE RISK OF LOSING HIS/HER/ITS ENTIRE INVESTMENT, OR ANY INVESTOR OR BUYER THAT REQUIRES LIQUIDITY OR ANY CASH OR OTHER RETURN ON INVESTMENT SHOULD NOT INVEST IN THE SHARES. (SEE “RISK FACTORS” BELOW FOR A MORE COMPLETE DISCUSSION OF FACTORS YOU SHOULD CONSIDER BEFORE PURCHASING SHARES UNDER THE PROGRAM).

THE SHARES ARE NOT REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), NOR UNDER THE SECURITIES LAWS OF MONTANA NOR ANY OTHER STATE OF THE UNITED STATES, NOR UNDER THE LAWS OF ANY NATION. FURTHER, ALPS CORPORATION DOES NOT INTEND TO REGISTER THE SHARES UNDER THE SECURITIES ACT. AT THE TIME ALPS CORPORATION ISSUED THE SHARES, ALPS CORPORATION ISSUED THE SHARES PURSUANT TO EXEMPTIONS UNDER THE FEDERAL LIABILITY RISK RETENTION ACT (“LRRRA”). ANY PROSPECTIVE BUYER SHOULD BE AWARE THAT THE SHARES MAY NOT BE SOLD OR RESOLD

UNLESS THE SHARES ARE REGISTERED WITH THE SEC OR OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS UNDER THE EXCHANGE ACT.

THE SHARES HAVE NOT BEEN APPROVED NOR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR ANY SECURITIES COMMISSION OF ANY STATE OF THE UNITED STATES, NOR ANY OTHER REGULATORY COMMISSION OR AGENCY OF THE UNITED STATES GOVERNMENT OR ANY STATE OR POLITICAL SUBDIVISION THEREOF. NEITHER THE SEC COMMISSIONER, NOR THE VARIOUS STATE SECURITIES OR INSURANCE COMMISSIONERS NOR ANY OTHER REGULATORY ENTITY HAS REVIEWED THE ACCURACY OR ADEQUACY OF INFORMATION PROVIDED HEREIN REGARDING THE SHARES. NONE OF THOSE PERSONS OR ENTITIES HAS RECOMMENDED THE SHARES FOR PURCHASE. WHEN MAKING AN INVESTMENT DECISION REGARDING THE COMPANY'S SHARES, EACH INVESTOR MUST RELY UPON THE INVESTOR'S OWN EXAMINATION OF ALPS CORPORATION AND ITS SUBSIDIARIES AND THE TERMS OF THIS PROGRAM OFFERED HEREIN, INCLUDING THE MERITS AND RISKS INVOLVED WITH PURCHASING OR INVESTING IN THE SHARES.

PROSPECTIVE INVESTORS OR BUYERS OR SELLERS SHOULD NOT CONSTRUCT THIS SHAREHOLDER INFORMATION STATEMENT AS INVESTMENT, TAX OR LEGAL ADVICE. THE COMPANY URGES EACH PROSPECTIVE INVESTOR, BUYER OR SELLER TO CONSULT WITH AND RELY UPON THE ADVICE OF THE INVESTOR'S OR BUYER'S OR SELLER'S OWN INVESTMENT, TAX AND LEGAL ADVISORS REGARDING THE SUITABILITY OF AN INVESTMENT IN OR SALE OF THE SHARES.

THE COMPANY INTENDS THAT THIS SHAREHOLDER INFORMATION STATEMENT BE USED ONLY BY THE PARTY TO WHOM IT IS DIRECTED. ALPS CORPORATION PROHIBITS THE REPRODUCTION OR DISTRIBUTION OF ANY PORTION OF THIS SHAREHOLDER INFORMATION STATEMENT, OR DIVULGING ANY OF ITS CONTENTS, WITHOUT FIRST OBTAINING ALPS CORPORATION'S PRIOR WRITTEN PERMISSION.

THE COMPANY DOES NOT INTEND THAT THIS SHAREHOLDER INFORMATION STATEMENT INCLUDES ALL INFORMATION THAT A PROSPECTIVE BUYER OR SELLER MAY DESIRE. PROSPECTIVE BUYERS OR SELLERS AND THEIR ADVISORS ARE INVITED TO OBTAIN ADDITIONAL INFORMATION ABOUT ALPS CORPORATION AND ITS SUBSIDIARIES AND ANY OTHER RELEVANT MATTERS (INCLUDING ADDITIONAL INFORMATION TO VERIFY THE ACCURACY OF THE INFORMATION SET FORTH HEREIN), TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, BY CONTACTING:

Bradley D. Dantic, Esq.,
Vice-President & General Counsel
ALPS Corporation
P.O. Box 9169
Missoula, Montana 59807-9169
Telephone: (406) 728-3113

ALPS CORPORATION AND ITS SUBSIDIARIES

ALPS Corporation's primary business purpose is to serve as a parent holding-company for ALPS P&C and ALPS Insurance Agency, Inc. The primary purpose of ALPS P&C is to underwrite professional liability insurance for attorneys and law firms. In addition, ALPS P&C offers employment practices liability insurance and cyber liability and data breach response insurance to those policyholders who are insured by ALPS P&C under a lawyer's professional liability insurance policy. In fulfilling these primary business purposes, the Company may not be able to provide a return to its shareholders.

ALPS Corporation is a stock corporation and parent-holding company organized under Montana law. As noted above, the Company owns 100% of the outstanding shares of ALPS P&C and ALPS Insurance Agency, Inc., a Montana corporation that provides underwriting, claims handling, and insurance producer services to ALPS P&C and other insurance-related organizations.

ALPS Corporation formerly owned The Florence Missoula, LLC, a Montana limited liability company that previously owned and operated a commercial building located in Missoula, Montana. The Florence Missoula, LLC sold the commercial building in October 2018. Following sale of the commercial building, ALPS Corporation dissolved The Florence Missoula, LLC and wound down its business and affairs in 2019.

ALPS Corporation also formerly owned 100% of the outstanding equity ownership of the following entities: (i) Peak Investment Management, Ltd. ("Peak"), a Montana corporation that operated as a registered investment advisor; and (ii) ALPS Risk and Insurance Services, Inc. ("ARIS"), a Montana corporation that provided captive insurer start-up and management services. The Company sold its entire equity interest in Peak effective as of September 1, 2016, and ceased the business operation of ARIS effective as of October 31, 2016. As a result of the foregoing, the net assets and results of operations of Peak and ARIS have been displayed separately as "discontinued operations" within the Consolidated Financial Statements of ALPS Corporation and Subsidiaries as of December 31, 2016 and 2015, and for the years then ended.

In addition, ALPS Corporation formerly owned 100% of the outstanding equity ownership of First Lawyers Trust Company ("FLTC"), a South Dakota chartered trust company that provides a full range of trust services. Effective as of December 31, 2015, ALPS Corporation sold 76% of the outstanding equity interest of FLTC. As a result of the 2015 sale, FLTC's net assets and results of operations have been displayed separately as "discontinued operations" within the Consolidated Financial Statements of ALPS Corporation and Subsidiaries as of December 31, 2015 and 2014, and for the years then ended. Effective as of December 31, 2016, ALPS Corporation sold its remaining 24% of the outstanding equity interests of FLTC.

ALPS P&C is a Montana corporation, admitted in and regulated by the State of Montana as a property and casualty insurance company. ALPS P&C issues policies of professional liability insurance and ancillary liability insurance coverage to attorneys and law firms. ALPS P&C also issues policies of employment practices liability insurance and cyber liability and breach response insurance to those insured by ALPS P&C under a lawyer's professional liability insurance policy. ALPS P&C is a Montana-domiciled professional liability insurance company licensed to transact business as an admitted insurance company in forty-seven (47) states, the District of Columbia, and the U.S. Virgin Islands. ALPS P&C has maintained an "A-" (Excellent) rating from A.M. Best & Co. since 2003.

ALPS maintains its principal business office at 111 North Higgins, Suite 600, Missoula, Montana 59802.

DIVIDEND HISTORY

The Company has never declared nor paid a cash dividend with respect to its Class A Common Stock.

CAPITAL STOCK OF ALPS CORPORATION

ALPS Corporation's Restated Articles authorize the Company to issue the following four classes of capital stock and sets forth the following rights, conditions and preferences as described below and as set forth in the Restated Articles:

- (1) Class A Common Stock;

- (2) Class B Non-voting Stock;
- (3) Class C Common Stock; and
- (4) Class C Cumulative Convertible Preferred Stock (referred to herein as “Class C Preferred Stock”).

With respect to each class of capital stock, the Company’s Restated Articles provide for the following number of authorized shares:

Number of Authorized Shares of Class A Common Stock. The Corporation is authorized to issue an aggregate number of nine million (9,000,000) shares of Class A Common Stock having a par value of \$1.00 per share. The shares of Class A Common Stock shall be issuable in either whole shares or fractional shares as may hereafter be determined by the Board of Directors in its discretion; provided, however, that no shareholder may own a fractional share of Class A Common Stock if said shareholder does not own at least one (1) whole share of Class A Common Stock.

Number of Authorized Shares of Class B Non-Voting Stock. The Corporation is authorized to issue an aggregate number of one million (1,000,000) shares of Class B Non-Voting Stock having a par value of \$1.00 per share. The shares of Class B Non-Voting Stock shall be issuable in whole shares.

Number of Authorized Shares of Class C Common Stock. The Corporation is authorized to issue an aggregate number of one million (1,000,000) shares of Class C Common Stock having a par value of \$1.00 per share. The shares of Class C Common Stock shall be issuable in either whole shares or fractional shares as may hereafter be determined by the Board of Directors in its discretion; provided, however, that no shareholder may own a fractional share of Class C Common Stock if said shareholder does not own at least one (1) whole share of Class C Common Stock.

Number of Authorized Shares of Class C Preferred Stock. The Corporation is authorized to issue an aggregate number of five million (5,000,000) shares of Class C Preferred Stock having a par value of \$1.00 per share. The shares of Class C Preferred Stock shall be issuable in either whole shares or fractional shares as may hereafter be determined by the Board of Directors in its discretion; provided, however, that no shareholder may own a fractional share of Class C Preferred Stock if said shareholder does not own at least one (1) whole share of Class C Preferred Stock.

The Company’s Restated Articles became effective June 1, 2016, and the AXIS stock purchase transaction (*See* page 3 of this Shareholder Information Statement) was consummated on June 1, 2016. Further, the Company effectuated a 600-to-1 reverse stock split effective as of June 1, 2016, to shareholders of record on May 31, 2016 (*See* page 4 of this Shareholder Information Statement).

As of June 15, 2022, ALPS Corporation had issued and outstanding 1,367.3631 Shares of Class A Common Stock; no shares of Class B Non-Voting Stock; no shares of Class C Preferred Stock, and 240.6605 shares of Class C Common Stock.

Non-Assessable. The shares of any Capital Stock of the Company shall only be issued as fully paid and non-assessable shares. No shares of any Capital Stock may be issued by the Company until the Company receives the consideration for which the Board authorizes the issuance of such Capital Stock.

Preferences, Limitations and Other Relative Rights of Common Stock. The complete text of the Restated Articles is made available in conjunction with this Shareholder Information Statement via the Company’s website at www.alpsinsurance.com/stockprogram2022. Please refer to the Restated Articles for a complete description of the preferences, limitations and other relative rights associated with the Company’s Capital Stock.

Surrender and Redemption of Class A Common Stock. At the time of demutualization of ALPS P&C in the year 2000, the Amended Plan of Demutualization approved by the Montana Insurance Division provided that if a shareholder ceased to be insured with ALPS P&C, the shareholder’s Shares must be surrendered to the Company and must be repurchased by the Company at book value on payment terms not to exceed ten years. This mandatory

redemption policy was required at the time due to ALPS P&C's then-existing status as a risk retention group ("RRG"). As further discussed above (*See* Relinquishment of Risk Retention Group Status at page 2), ALPS P&C relinquished its status as an RRG during 2016 and now operates as a licensed and admitted insurance company. Consequently, the Company is no longer required to maintain the mandatory redemption policy that was necessary to ensure its status as an RRG. Nonetheless, the Company still provides for an automatic redemption of Shares through the annual Stock Redemption and Purchase Program if a shareholder ceases to be insured with ALPS P&C, but now grants the shareholder the option to remain a shareholder upon the cessation of insurance coverage with ALPS P&C, if the shareholder so desires.

FINANCIAL INFORMATION

The following financial statements, information and independent auditor's reports are incorporated herein by this reference and made available as an integral part of this Shareholder Information Statement via the Company's website at www.alpsinsurance.com/stockprogram2022:

- Consolidated Financial Statements of ALPS Corporation and Subsidiaries as of December 31, 2021, 2020, 2019, 2018, 2017, 2016, and 2015, and for the years then ended, together with the Independent Auditor's Reports issued thereon.
- Statutory Financial Statements of ALPS Property & Casualty Insurance Company as of December 31, 2021, 2020, 2019, 2018, 2017, 2016, and 2015, and for the years then ended, together with the Independent Auditor's Reports issued thereon.

The consolidated financial statements of ALPS Corporation and Subsidiaries are prepared in accordance with accounting principles generally accepted in the United States ("GAAP") that differ from statutory accounting practices prescribed or permitted for insurance companies by regulatory authorities. ALPS P&C is obligated to maintain and prepare its financial statements in conformity with statutory accounting practices ("SAP") prescribed or permitted by the Department of Insurance of the State of Montana ("Montana DOI").

As an insurance company domiciled in the State of Montana, ALPS P&C is required to prepare and submit to the Montana DOI an Annual Statement prepared in accordance with SAP and the Accounting Practices and Procedures Manual promulgated by the National Association of Insurance Commissioners ("NAIC"). The Annual Statement submitted to the Montana DOI sets forth the assets, liabilities, surplus, statement of underwriting income or loss, cash flow and other financial information of ALPS P&C in a form prescribed by the NAIC. The following Annual Statements of ALPS P&C are incorporated herein by this reference and made available as an integral part of this Shareholder Information Statement via the Company's website at www.alpsinsurance.com/stockprogram2022:

- ALPS P&C Annual Statements for the Years Ended December 31, 2021, 2020, 2019, 2018, 2017, 2016, and 2015.

INFORMATION ABOUT MANAGEMENT

ALPS Corporation and ALPS P&C are each controlled by its Board of Directors and managed by its CEO at the Board's direction. The same individuals who serve as directors of ALPS Corporation also serve as the directors of ALPS P&C. Similarly, the same individuals who serve as the officers of ALPS Corporation also serve as the officers of ALPS P&C. ALPS Corporation and ALPS P&C rely upon the management expertise of its CEO, President and other officers, and upon the expertise of several external consultants.

Certain information relating to various compensation and benefit plans are set forth in the financial statements and information incorporated herein by this reference and made available as an integral part of this Shareholder Information Statement via the Company's website at www.alpsinsurance.com/stockprogram2022.

RISK FACTORS

INVESTMENT IN ALPS CORPORATION SHARES INVOLVES RISK. Ownership of ALPS Corporation Class A Common Stock is subject to various risk factors including, but not limited to, the following:

Investment is Speculative

Investment in the Company's Shares is speculative and involves risk, including the possible loss of principal. Any prospective investor or buyer that is unable to bear the economic risk of losing part or all of its entire investment should not invest in these Shares. Investors should be aware that they could be required to bear the financial risks of this investment for an indefinite period of time.

Shares are Not Registered

The Shares are not registered under the United States Securities Act of 1933, as amended (the "Securities Act"), nor under the securities laws of Montana nor any other state of the United States, nor under the laws of any nation. Further, ALPS Corporation does not intend to register the Shares under the Securities Act. ALPS Corporation previously issued the Shares pursuant to exemptions under the LRRRA.

Shares are Not Approved or Endorsed

The Shares have not been approved nor disapproved by the United States Securities and Exchange Commission ("SEC"), nor any securities commission of any state of the United States, nor any other regulatory commission or agency of the United States government or any state or political subdivision thereof. Neither the SEC Commissioner, nor the various state securities or insurance commissioners nor any other regulatory entity has reviewed the accuracy or adequacy of information provided herein regarding the Shares. None of those persons or entities has recommended the Shares for purchase. When making an investment decision regarding the Shares, each investor must rely upon the investor's own examination of ALPS Corporation and its subsidiaries and the terms of this Program, the Shareholder Information Statement and information provided herewith, including the merits and risks involved with investing in the Shares.

Limited Trading Market for ALPS Corporation Class A Shares

No public market for the Shares exists and no public exchange exists upon which the Shares are traded. Any investor or buyer that requires liquidity, cash or any other return on its investment should not invest in the Shares.

Underwriting Professional Liability Insurance

ALPS P&C underwrites professional liability insurance, employment practices liability insurance, and cyber risk and security breach liability insurance for attorneys and law firms. The insurance industry is subject to wide variations in claims experience and pricing of insurance premiums. In recent years, this has caused both increases and decreases in insurance premiums and increased volatility in the insurance marketplace. As an insurance company, ALPS P&C is exposed to these industry trends. In the future, these industry trends and unanticipated underwriting losses may have a material adverse effect upon the Company's financial condition and results of operation.

Insurance Liabilities

ALPS P&C estimates loss reserves by applying sound actuarial standards and loss development factors to historical claims experience. Liability for unpaid claims losses and loss adjustment expense are necessarily based on assumptions and estimates. The ultimate liability for claims losses and loss adjustment expense may be in excess of the reserves established by ALPS P&C which would result in an adverse impact upon the operating profitability of ALPS P&C and the book value per share of the Company's Shares.

Reinsurance

In the normal course of business, ALPS P&C seeks to reduce the loss that may arise from catastrophic or severe claims that cause unfavorable underwriting results by transferring a portion of the insured risk to reinsurance companies. The availability of reinsurance is important to ALPS P&C's overall business success. In the event one or more of ALPS P&C's reinsurers experience financial hardship or insolvency, such event could adversely affect the financial condition of ALPS P&C, thereby indirectly affecting the financial condition of ALPS Corporation. Further, with respect to each covered professional liability claim reported to ALPS P&C, ALPS P&C retains risk up to a certain amount set forth in each respective reinsurance treaty (such amount referred to as the "Retention Amount"). In the event ALPS P&C experiences multiple claims resulting in multiple loss payments each in an amount below the Retention Amount, the aggregate impact of those multiple loss payments could have a materially adverse effect on the financial condition of ALPS P&C. In addition, in the event ALPS P&C incurs a loss from a catastrophic or severe claim for which the amount of available reinsurance is inadequate, such an event could have a materially adverse effect on the financial condition of ALPS P&C. If any of the foregoing events occur, such an event would adversely affect the financial condition of ALPS Corporation and the book value per share of the Company's Shares.

Subsidiary Risks and Exposures

The value of ALPS Corporation's investment in its wholly-owned subsidiaries is subject to various enterprise risks of each subsidiary and could subject ALPS Corporation to significant investment losses and other liability exposures.

Insolvency and Liquidation

If ALPS Corporation or any of its wholly-owned subsidiaries become insolvent and liquidated, shareholders of ALPS Corporation Class A Common Stock might not receive any return of investment.

Investment Risk

ALPS Corporation and its wholly-owned subsidiaries invest their assets on a discretionary basis in various investment securities. The investments are subject to market-wide risks and fluctuations and are exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the nature of the risks associated with certain investment securities, it is reasonably possible that changes in the fair value of investment securities may occur in the near term and those changes could materially affect the earnings and the financial condition of ALPS Corporation and its wholly-owned subsidiaries. The Company has experienced investment losses and could continue to experience such losses that significantly decrease the earnings of ALPS Corporation and its wholly-owned subsidiaries, thereby affecting the ability of ALPS P&C to pay claims and ALPS Corporation to pay distributions to shareholders.

Regulation

ALPS Corporation operates as a stock holding company with insurance-related subsidiaries. ALPS P&C and AIA are subject to certain regulatory risks, including risks associated with federal and state laws and regulations respecting the operation of insurance companies and licensed insurance producers. ALPS Corporation cannot assure prospective investors that state or federal regulators, statutes, regulations, judicial decisions or administrative decisions will not negatively affect the operation of ALPS Corporation, its subsidiaries, or any shareholder's participation in ALPS Corporation.

Economic Conditions

ALPS Corporation's profitability can be adversely affected by many factors beyond its control, including conditions in the local, state, regional and national economies, changes in governmental economic and monetary policies, interest rates, and competition in those businesses and industries in which ALPS Corporation or its subsidiaries operate. Historically, ALPS P&C has experienced an increase in frequency and severity of reported claims following a recessionary period in the national economy.

Litigation

Presently, neither the Company nor any of its subsidiaries are involved in any litigation or other judicial or administrative proceedings that would be expected to have a material impact upon the book value of the Company's Shares. The Company is aware of instances in which a potential claimant has manifested to the Company an awareness of and present intention to commence a lawsuit or action or to assert a possible claim or assessment against the Company. Therefore, it is possible that litigation and claims may be asserted against the Company, its directors and its officers for actions taken by and on behalf of the Company. However, the Company maintains insurance coverage, and reinsurance coverage where applicable, for any such litigation and claims, which the Company believes is commercially reasonable under the circumstances in its business judgement. The Company does not expect that any such litigation or claims would have a material impact upon the book value of the Shares.

Competition From Other Insurance Companies

The casualty insurance industry is highly competitive and ALPS P&C faces many competitors including competitors who may be able to withstand underwriting losses for a longer period of time than ALPS P&C. ALPS P&C endeavors to provide a strong and stable source of professional liability insurance for the policyholders of ALPS P&C. ALPS P&C has developed strict underwriting standards, which it believes allow it to fulfill this goal and still operate profitably. ALPS P&C expects that policy premiums will be sufficient to cover the associated losses under its policies. However, the associated losses could exceed available resources, and ALPS Corporation cannot assure investors that such losses will not occur.

If the premium rate schedules for ALPS P&C are not competitive with those of other insurance carriers who may be in a better financial position to maintain low premium rates or withstand underwriting losses more readily, then ALPS P&C's solvency, as well as ALPS Corporation's solvency, may be impaired. Price competition from other carriers may adversely affect ALPS P&C's ability to market its insurance policies on a profitable basis. Any adverse impact upon the profitability of ALPS P&C's insurance operations may have an adverse impact upon the financial condition of ALPS Corporation.

Redemption Commitment and Contingencies

The Company is a party to a Stock Redemption Agreement entered into with certain officers and directors which grants to those individuals the right to tender to the Company for redemption all or any portion of the shares of Class A Common Stock that are held by such individual. Upon any such tender of shares, the Company is obligated to redeem those shares of Class A Common Stock so tendered at a Redemption Value equal to the then-existing book value per share as most recently declared by the Company's Board of Directors as of the Redemption Date. As of June 30, 2022, these individuals own, in the aggregate, 373.124 shares of Class A Common Stock having a book value of \$13,997,142. Upon any such tender of shares, the Company is obligated to pay the full Redemption Value over a period of time commencing on the Redemption Date and ending on December 31 of the fourth calendar year following the calendar year in which the Redemption Date occurs, but subject to the Company's right to extend the Redemption Payment Period up to a maximum of two (2) additional years if multiple redemption obligations simultaneously arise under the Stock Redemption Agreement. The Company is obligated to pay accrued interest on the unpaid principal balance of the Redemption Value due and owing to any such individual at a rate equal to the Mid-Term Applicable Federal Rate as published in the applicable IRS Revenue Ruling issued for the calendar month in which a Redemption Date occurs. As of June 30, 2022, these individuals have tendered no shares of Class A Common Stock for redemption by the Company.

COVID-19 and Other Viruses Impact

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses and people throughout the United States. Further, financial markets experienced a significant decline during 2019 attributed to coronavirus concerns. The continued spread of COVID-19 may adversely impact the local, regional and national economies. The extent to which the coronavirus or other viruses impact the Company's operating results and financial condition will depend on future developments, which are highly uncertain and cannot be predicted. The impact of viruses is highly dependent on the breadth and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot presently estimate the overall operational and financial impact to the Company, but such an impact could have a material adverse effect on the financial condition of the Company.

OTHER DOCUMENTS AND INFORMATION

In addition to all other documents and information provided for herein, the following documents and information are made available via the Company's website at www.alpsinsurance.com/stockprogram2022 and as an integral part of this Shareholder Information Statement and are incorporated herein by this reference:

- Restated Articles of Incorporation of ALPS Corporation
- Amended and Restated Bylaws of ALPS Corporation
- Amended and Restated Articles of Incorporation of ALPS P&C and Articles of Amendment of ALPS P&C
- Amended and Restated Bylaws of ALPS P&C

APPENDICES

APPENDIX A: Offer to Sell

APPENDIX B: Offer to Buy

APPENDIX C: Disclaimer, Terms and Conditions Governing Participation as a Buyer or Seller in the ALPS Corporation Stock Redemption and Purchase Program