

# WELCOME

Sealaska Blood  
Quantum  
Resolution Forum

May 9, 2022



SEALASKA

# Welcome!

*Thanks for joining us.*



## *Today's speakers:*

- Joe Nelson, Sealaska Board Chair
- Anthony Mallott, Sealaska President & CEO
- Barbara Cadiente-Nelson, Shareholder Relations Committee Chair
- Jaeleen Kookesh, Sealaska Vice President - Policy & Legal Affairs, Corporate Secretary

## *Today's agenda:*

1. Key facts associated with the resolution
2. Event format notes
3. Breakout sessions
4. Reflections and conclusion

# RESOLUTION – SEALASKA CORPORATION PROPOSAL

## RESOLUTION SUMMARY

### A RESOLUTION TO AMEND THE ELIGIBILITY REQUIREMENTS FOR DESCENDANT STOCK BY REMOVING THE REQUIREMENT OF ONE-QUARTER ALASKA NATIVE BLOOD QUANTUM

The intent of this resolution is to amend Article IV of the Articles of Incorporation to strike the blood quantum requirement from Descendants' Settlement Common Stock, while retaining all other requirements approved by the 2007 Shareholder vote, including the lineal descent from an original shareholder requirement. The Settlement Common Stock section of the Articles will be amended as follows:

F. Descendants' Settlement Common Stock 1. 100 shares of life estate Descendants' Settlement Common Stock shall be issued to Natives who: (a) were born after December 18, 1971; (b) are 18 years of age or older beginning June 23, 2007; (c) are lineal descendants of an original Sealaska shareholder (meaning a direct descendant such as a child or grandchild); (d) are ~~1/4 degree or more Alaska Indian (including Tsimshian Indians not enrolled in the Metlakatla Indian Community), Eskimo, or Aleut blood, or combination thereof;~~ (e) are United States citizens; and (f) are not shareholders of another ANCSA Regional Corporation (except by gifting or inheritance). 2. All shares issued to descendants of original shareholders pursuant to this section F: (a) shall become vested only upon approval by the Corporation of an accepted, submitted application that is complete and valid; (b) shall carry the same voting rights as original Sealaska common stock; (c) shall carry the same dividend rights as original Sealaska common stock (excluding ANCSA Section 7(j) or 7(m) distributions), as declared in the future by the Sealaska Board of Directors; (d) cannot be transferred by gift or inheritance, nor otherwise be alienable (transferable); (e) shall be issued in perpetuity to qualified descendants of original shareholders; (f) shall be automatically canceled without compensation upon the death of such shareholder.

The following language will appear on the Sealaska proxy for the 2022 annual meeting\* of shareholders:

#### SHAREHOLDER RESOLUTION

Shall Sealaska Corporation amend the Articles of Incorporation for Descendant Stock (Class D) to strike the 1/4 Alaska Native blood quantum requirement?

This resolution will be adopted if approved by a majority vote of the quorum represented at this Annual Meeting of Shareholders, held on June 25, 2022.

The Board of Directors recommends a YES vote.  Yes  No

# 2022 Sealaska Corporation Resolution



What is  
the resolution  
about?

- Would eliminate the 1/4 Alaska Native blood quantum requirement to qualify for Class D (Descendant) stock
- Newly eligible: descendants who can trace a direct, lineal (parent, grandparent, great-grandparent) relationship with an original Sealaska shareholder no matter their blood quantum
- Benefits Sealaska through the participation and engagement of a greater number of our relatives

# Who was originally eligible to enroll?

- In 1972, Sealaska was established under the Alaska Native Claims Settlement Act (ANCSA).
- 15,782 people were enrolled —they are often called 'original' shareholders.
- Each original shareholder received 100 shares of class “A,” “B” or “C” stock.
- To be eligible to enroll, original shareholders had to be Alaska Native as defined by ANCSA, which means 1/4 blood quantum.

# Where is Sealaska today?

- In 2007, Sealaska shareholders approved a resolution to issue a new type of shares referred to as life estate stock.
- This included class "D" stock, or new shares issued to eligible shareholder descendants.
- Today, eligibility for life estate stock includes the 1/4 Alaska Native blood quantum requirement and a lineal relationship to an original Sealaska shareholder.
- The 2022 resolution would eliminate the blood quantum requirement and rely only on a documentation of a lineal relationship to an original Sealaska shareholder.



# Verification Process for New Shareholders

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New shareholders would have to document their direct lineal relationship to an original Sealaska shareholder to qualify for Class D stock.

	Now	If Passed
● <i>Name, DOB or SSN of lineal relation</i>	✓	✓
● <i>Original birth certificate / affidavit</i>	✓	✓
● <i>Proof of 1/4 Native blood (CDIB)</i>	✓	

# Potential Enrollees vs. Actual Enrollees

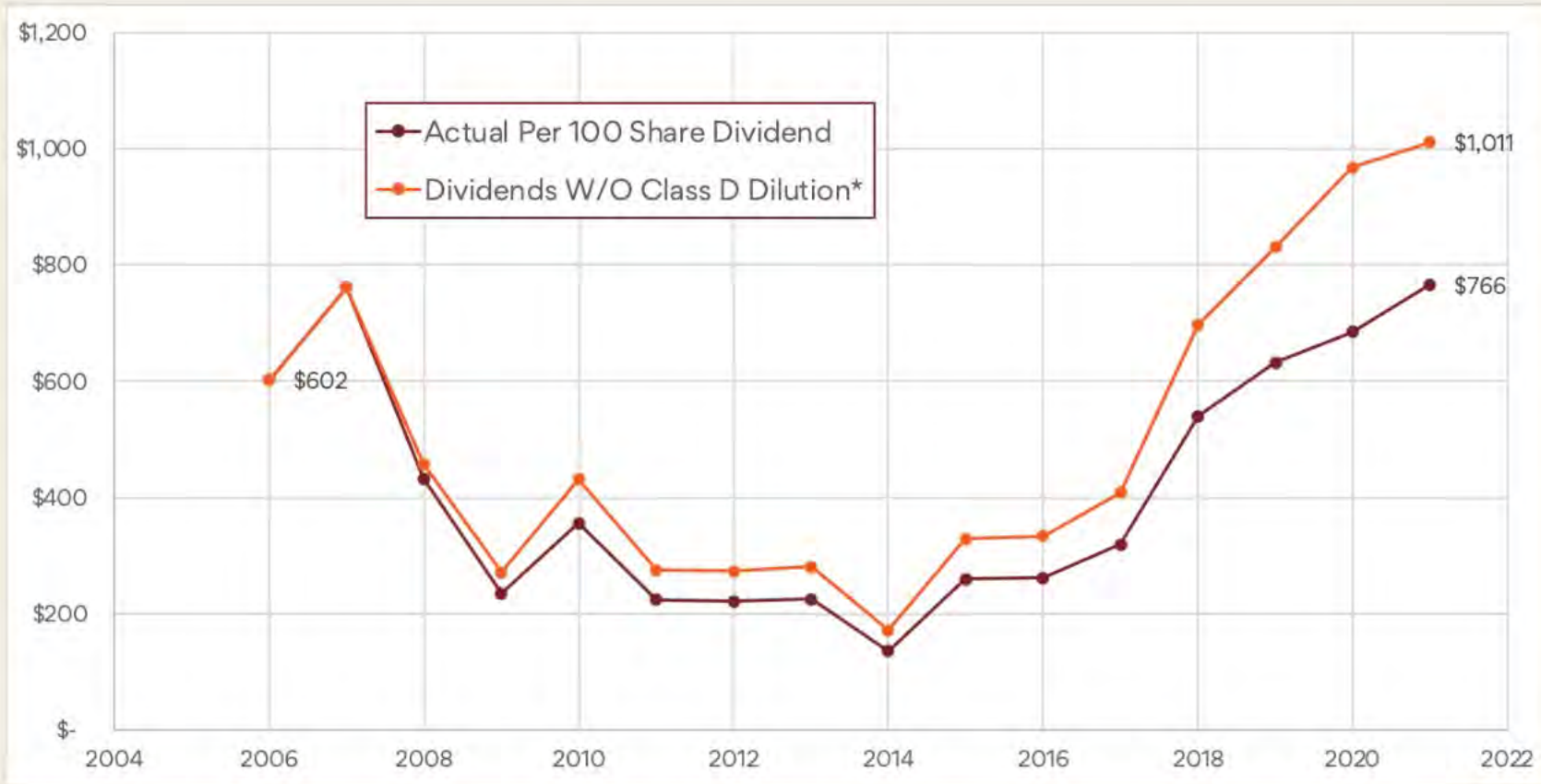
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- Only about half (6,300) of the estimated 12,500 eligible descendants in 2007 have enrolled with Sealaska in the nearly 15 years since
- Our current estimate for the number of eligible descendants if blood quantum requirements were eliminated is about 17,000. Within six years, we expect about 8,500 will enroll.



# Impact of 2007 Resolution on Dividends



The graph at left models dividend amounts with and without current Class D shareholders, and shows the impact their inclusion has had on dividends since 2007. In April 2021, which is the final distribution included on this timeline, the dividend was \$766 per 100 shares; without Class D shareholders it would have been approximately \$1,011.

# Strategies for Offsetting the Impact of Dilution on Dividends

## Investment Dividend

Source: MVY Permanent Fund  
(\$2.00 per share in 2021)

1. We have the ability to increase the balance of the fund by \$25 million and potentially more.
2. We can use our carbon income, which comes from a long-term program, to make long-term investments for current and future shareholders.
3. This should be able to keep the investment dividend amount stable at current levels.

## Operations Dividend

Source: Sealaska business operations  
(\$5.62 per share in 2021)

1. Our business strategy is focused on Ocean Health and growth in income
2. Business success has helped offset dilution from the original descendant enrollment
3. There will be a decline in the operations dividend, but over time, business income growth can help the dividend grow back to current levels.

## Giftng / Inheritance

*Only 7% of Sealaska shareholders who own gifted or inherited stock are under the 1/4 blood quantum requirement.*

## Other Tribes and ANCs

*Tribes and ANCs can define eligibility however they want. Tlingit & Haida does not require a minimum amount of blood quantum. Calista and Arctic Slope Regional Corporation have also eliminated this requirement.*

## Elders and Original Shareholders

*All original shareholders receive 100 additional Sealaska Class E (Elder) shares when they turn 65 along with a one-time payment up to \$2,000. Other provisions help protect their income.*



FAST  
FACTS



Your

Voices

Prompt #1

*What makes someone Native, in your opinion?  
Is it blood quantum? Family relationships?  
Other?*

Prompt #2

Do more shareholders strengthen or weaken  
Sealaska? Why or why not?

Prompt #3

What would our Tlingit, Haida and Tsimshian  
ancestors prioritize in this decision?



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To learn more visit  
[MySealaska.com/NativeEnough](http://MySealaska.com/NativeEnough)

