



# **Olgoonik Settlement Trust**

Shareholder Community Meetings

# Dixie Retherford, Chief Financial Officer



- Vice President and Chief Financial Officer of Olgoonik Corporation
- Joined OC in 2013 and oversees all foreign and domestic Accounting functions
- Served as CFO of Calista Corporation for 20 years
- Certified Public Accountant

# What is a Settlement Trust?

- A trust organized under the provisions of the Alaska Native Claims Settlement Act and Alaska law that provides specific benefits to ANC shareholders
  - *The Trust will be organized and registered under Alaska law*
  - *Only Alaska Native Corporations can establish Settlement Trusts*
- Settlement Trusts are authorized to promote the health, education, and welfare of its beneficiaries, and to preserve the heritage and culture of Alaska Natives
- This trust will be a separate and independent legal entity from OC and have its own Board of Trustees appointed by OC Board of Directors
  - *This Trust will not be a subsidiary of Olgoonik Corporation*

# What are the Benefits of a Settlement Trust?

## Tax Advantages

**Significant** tax advantages for both shareholders and the Corporation

- *Currently, shareholders must pay taxes on dividends from OC, but distributions of income from a settlement trust will be tax-free for shareholders.*
- *Contributions from OC to a settlement trust can be deducted for income tax purposes, decreasing the amount OC pays in taxes and increasing amounts available for corporate growth and shareholder benefits.*
- *Corporate tax benefits: income earned by a settlement trust is taxed at 0% for long term capital gains and 10% for ordinary income, while income and capital gains earned by OC are taxed at approximately 28%.*

# What are the Benefits of a Settlement Trust?

## Permanent Shareholder Benefits

Establishment of permanent shareholder benefits

- *Assets placed in a settlement trust can only be used to fund benefits for shareholders, Natives, and descendants, including cultural programs*

# What are the Benefits of a Settlement Trust?

## Protection from Creditors

Assets in the Trust are protected from risks and claims arising from OC's business operations

- *Settlement trusts may not engage in business operations and may only engage in passive investment activities.*

# **What Benefits Should Shareholders Expect to See Funded by the Settlement Trust?**

- Dividends
- Elder Benefit
- Burial Assistance (“Bereavement Assistance”)
- Education & Training Scholarships
- Cultural & Community Programs OC has directly funded and supported in the past

# Why Start a Settlement Trust Now?

At the end of 2017 broad federal tax legislation was passed by Congress

- *This legislation added additional tax benefits for settlement trusts*
- *Trusts are now an extremely favorable means for ANCs to provide benefits to shareholders, Natives and descendants*

If Trust is approved by shareholders at March Special Meeting, OC will make initial financial contribution to Trust (amount determined by OC Board of Directors)

- *Upon receipt of funds, the Trust can make a dividend disbursement that will be tax-free for shareholders*

The new federal tax law has resulted in Native Corporations all over Alaska looking to establish settlement trusts



# **Who Gets to Participate and What Will the Trust Do for OC Shareholders?**

All OC Shareholders are beneficiaries of the  
Olgoonik Settlement Trust

# How Will the Trust Receive Funds?

- For the foreseeable future, the Trust will receive cash contributions from **Olgoonik Corporation** (as determined by the Board of Directors)
- OC Board plans to make annual or regular contributions to the Trust that mirror current dividend, benefit, and program funding levels

# What Settlement Trust Action Has OC Taken To Date?

Voted in October 2018 to move forward with creation of an Olgoonik Settlement Trust for shareholders

- *Board unanimously adopted resolution 2018-19 to establish Trust*

Approved the Notice of a Special Meeting, Bylaws, Trust Agreement, Proxy Statement and Proxy

# What are the Next Steps for a Settlement Trust?

To create an Olgoonik Settlement Trust, shareholders must approve establishment by a vote of the majority of shares present (in person or by proxy) at a meeting for which a quorum is established

- A Special Shareholder Meeting is scheduled for **Tuesday, March 19, 2019**
  - *Proxies will be mailed to OC Shareholders on or about January 28, 2019. Voting your proxy online or via paper submission is encouraged.*

# Common Questions

## **What's the Name of the Trust?**

Olgoonik Settlement Trust

## **Have Other ANCs adopted Settlement Trusts?**

**Yes!** Many ANCs, both regional corporations and village corporations, have established successful settlement trusts.

# Common Questions

## How Long Will the Trust Exist?

**Forever.** The Trust Agreement says “The term of the trust shall be perpetual.” This Trust is intended to last forever for the benefit of our shareholders present and future.

## Who Will Appoint the Trustees?

The OC Board has exclusive authority to appoint 5 Trustees serving staggered 3-year terms. The Trustees will be made up of OC Board members. Bylaws do not authorize compensation for services as a Trustee.

# Common Questions

## **Can New Beneficiaries Be Added?**

**Yes.** When a shareholder passes away or gifts shares, the shareholder's right to receive benefits from the Trust transfer automatically with those shares.\*

*\*Subject to the rules of Class A and Class B stock transfer.*

## **Will Anyone Else Support the Trust?**

**Yes.** The Trust will have Officers appointed by the OC Board. Positions include Chair, Manager, and Secretary.

# Common Questions

## **Can we vote online again? Will there be prizes if we vote?**

Yes and Yes! We heard very positive shareholder feedback after initial online voting. The voting website, [www.OlgoonikVote.com](http://www.OlgoonikVote.com), will be live on January 28, 2019, so shareholders can vote. Please watch for your PIN in the mail.\*

*\*Need to change your address? Please go to the Registration table for a Change of Address Form.*

## **Where Can I Learn More About the Proposed Settlement Trust?**

All shareholders will receive a mailed proxy statement, which includes the Olgoonik Settlement Trust Bylaws and Agreement. Additionally, look online at the OC Shareholder Portal ([www.Olgoonik.com](http://www.Olgoonik.com)) for Settlement Trust FAQs. Ask your questions today during the Q&A session or email [Questions@Olgoonik.com](mailto:Questions@Olgoonik.com).



# Opinion of the OC Board of Directors

The OC Board of Directors unanimously approved Resolution 2018-19 to establish the Olgoonik Settlement Trust.

The proxy statement with Trust Agreement and Trust Bylaws will be mailed to all shareholders on or about January 28, 2019. **Be sure to read it carefully before you vote!**

The OC Board of Directors unanimously recommends shareholders vote YES on establishing the Trust once voting opens, as detailed in the proxy statement.

# Upcoming Dates to Remember

**January 18:** Record Date for Special Shareholder Meeting

**January 28:** Proxy Statement and Proxies mailed to voting shareholders;  
[www.OlgoonikVote.com](http://www.OlgoonikVote.com) will be live

**February 19:** Last day to submit OC Board Candidate forms

**March 19:** Special Shareholder Meeting at Alak Gym in Wainwright to decide if an Olgoonik Settlement Trust shall be created

**April/May:** Shareholder Community Meetings (Dates TBD)

**June 22:** Annual Shareholder Meeting in Wainwright

# Shareholder Forms at Registration Table

- ❑ Address Change Forms
- ❑ Direct Deposit Forms
- ❑ Many others!

**Stock Questions?** Please contact Stephanie Ahmaogak, Corporate Stock Administrator, [ocstock@Olgoonik.com](mailto:ocstock@Olgoonik.com) or 907-763-2989

**Shareholder Services Questions?** Please contact Whitney Kellie, Shareholder Services Manager, [shareholderservices@Olgoonik.com](mailto:shareholderservices@Olgoonik.com) or 907-375-4754