



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, 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) for Settlement Trust FAQs. Ask your questions today during the Q&A session or email 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 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 or 907-763-2989

Shareholder Services Questions? Please contact Whitney Kellie, Shareholder Services Manager, shareholderservices@Olgoonik.com or 907-375-4754