

# SHAREHOLDER STOCK HANDBOOK

*(Revised January 2025)*



# Olgoonik

## SHAREHOLDER STOCK HANDBOOK

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## **I. INTRODUCTION**

**This manual is intended to address questions shareholders may have about Olgoonik Corporation** (Olgoonik or OC). It is a general statement of OC's practices and is subject to change as OC's practices change. Nothing contained in this document creates any legal rights for OC's shareholders. If you have reviewed this manual and it does not answer your question, please contact OC.

## 2. ANCSA

### a. WHAT IS ANCSA?

The **Alaska Native Claims Settlement Act (ANCSA)**<sup>1</sup> is a law that was enacted by the U.S. Congress in 1971 to settle Alaska Native claims to land that the state and federal governments wanted to use for oil pipeline development. ANCSA created the legal structure for the formation of regional and village corporations, and the ownership by those corporations of millions of acres of land in Alaska. ANCSA also provided that an Alaska Native who was born before December 18, 1971 was eligible to enroll in and receive stock from these regional and village corporations.

### b. HOW WAS OLGOONIK CORPORATION CREATED?

Olgoonik is a for-profit corporation incorporated under Alaska state law and is one of over 200 village corporations established pursuant to ANCSA. In 1973, OC enrolled its first shareholders, and continued enrolling shareholders until 1977. Alaska Natives who enrolled in OC between 1973 and 1977 became OC's original Class A shareholders.

Alaska Natives born after December 18, 1971 were not eligible to enroll in OC and become Class A shareholders. However, ANCSA permits corporations to create secondary enrollment options for these individuals, commonly referred to as "afterborns." In 2007, OC's Board of Directors and shareholders authorized the issuance of 75,000 Class B shares to Natives or Descendants of Natives who were not eligible to enroll in OC by ANCSA's original deadline. In 2013, the Board of Directors and OC shareholders authorized the issuance of an additional 25,000 Class B shares.

Governance decisions for OC are made by the Board of Directors, a group of nine shareholders elected by Olgoonik's shareholders for three-year terms. OC's policies and procedures help ensure that OC's actions are consistent with state and federal law.

### c. IMPORTANT ANCSA DEFINITIONS.

ANCSA defines specific terms that guide OC's interpretation and application of ANCSA's provisions. Two of these terms — "Native" and "Descendant of a Native" — are important for understanding who is eligible to be an OC shareholder and who may own and transfer OC stock.

#### i. How Does ANCSA Define the Term "Native"?

ANCSA defines a "Native" as a citizen of the United States who is a person of one-fourth degree or more Alaska Indian (including Tsimshian Indian not enrolled in the Metlakatla Indian Community), Eskimo, or Aleut blood, or combination thereof. The term includes any Native as so defined either or both of whose adoptive parents are not Native. It also includes, in the absence of a proof of minimum blood quantum, any citizen of the United States who is regarded as an Alaska Native by the Native Village or Native group of

which he claims to be a member and whose father or mother is (or, if deceased, was) regarded as Native by any village or group.<sup>2</sup>

#### ii. How Does ANCSA Define the Term "Descendant of a Native"?

ANCSA defines a "Descendant of a Native" as (1) lineal descendant of a Native or of an individual who would have been a Native if such individual were alive on December 18, 1971, or (2) an adoptee of a Native or of a descendant of a Native, whose adoption (A) occurred prior to his or her majority, and (B) is recognized at law or equity.<sup>3</sup>

### d. DOES ANCSA RESTRICT THE TRANSFER OF OC STOCK?

Yes. ANCSA restricts the transfer of OC stock. All classes of OC stock, rights to that stock, and rights to dividends or distributions declared with respect to OC stock may not be sold; pledged (as collateral for a loan); subject to a lien or judgment execution; assigned; treated as an asset under the U.S. Bankruptcy Code<sup>4</sup> or any successor statute, any other insolvency or moratorium law, or other laws generally affecting creditor rights; or otherwise alienated.<sup>5</sup>

### e. DOES ANCSA PERMIT THE TRANSFER OF OC STOCK?

Yes. ANCSA does permit the transfer of OC stock owned by a living OC shareholder in four circumstances:

1. Pursuant to a valid court order of separation, divorce, or child support;<sup>6</sup>
2. By a holder who is a member of a professional organization, association, or board that limits his or her ability to practice his or her profession because he or she holds ANCSA stock; or
3. As an *inter vivos* gift from a holder to his or her child, grandchild, great-grandchild, niece, nephew, or (if the holder has reached the age of majority as defined by the laws of the State of Alaska), brother or sister, notwithstanding an adoption, relinquishment, or termination of parental rights that may have altered or severed the legal relationship between the gift donor and recipient.<sup>7</sup>
4. Through inheritance according to a valid will or the laws of intestate succession.

The transfer of OC shares through inheritance happens in one of two ways. The first way is if an OC shareholder dies and they had a valid will, including a stock will, in place when they died, OC will transfer their OC stock according to the deceased shareholder's valid will. The second way is if an OC shareholder dies intestate – i.e., without a valid will – OC transfers the OC stock according to Alaska's laws of intestate succession.<sup>9</sup>

<sup>1</sup> 43 U.S.C. § 1601 *et seq.*

<sup>2</sup> 43 U.S.C. § 1602(b)

<sup>3</sup> 43 U.S.C. § 1602(r).

<sup>4</sup> Found at 11 U.S.C. *et seq.*

<sup>5</sup> 43 U.S.C. § 1606(h)(1)(B); *see also* 43 U.S.C. § 1607(c).

<sup>6</sup> For more information about the effect of court orders on OC shares and dividends, please see **Section 9** of this handbook.

<sup>7</sup> 43 U.S.C. § 1606(h)(1)(C); *see also* 43 U.S.C. § 1607(c).

<sup>8</sup> 43 U.S.C. § 1606(h)(2)(A); *see also* 43 U.S.C. § 1607(c).

<sup>9</sup> 43 U.S.C. § 1606(h)(2)(A); *see also* 43 U.S.C. § 1607(c).

### 3. CLASSES OF OLGOONIK SHARES

#### a. INTRODUCTION

After ANCSA was enacted, Alaska Natives had to enroll in a village or regional ANCSA corporation in order to be issued shares from those corporations. In order to qualify for enrollment, an applicant had to meet ANCSA's definition of "Native," had to be a U.S. citizen, and had to be alive on December 18, 1971.

The Bureau of Indian Affairs (BIA) managed the ANCSA enrollment process. Individual corporations were not involved in the original enrollment process. The BIA received and reviewed enrollment applications, determined whether an applicant met the eligibility requirements, and decided the corporation into which an eligible person would be enrolled.

The BIA accepted enrollment applications during two timeframes; the first timeframe closed on March 30, 1973 and the second closed on January 2, 1977. The BIA accepted amendments to filed applications until April 2, 1977. On April 2, 1977, the Alaska Native enrollment process closed.

#### b. WHAT ARE CLASS A SHARES?

After ANCSA's original enrollment process ended on April 2, 1977, OC issued 37,200 shares of Settlement Common Stock to individuals who submitted enrollment applications to the BIA and who met ANCSA's enrollment criteria. This stock is referred to as "Class A stock," and the original recipients of the 37,200 shares are referred to as the "original shareholders."

##### *i. What Rights and Restrictions are Associated with Class A Shares?*

In addition to general restrictions discussed in Sections 2(d) and 2(e) above that ANCSA places on OC shares, Class A shares carry additional specific rights and restrictions. Individuals who own Class A shares – Class A shareholders – enjoy the following rights and benefits:

- *Voting rights*
- *Receipt of dividends or other financial distribution from OC*
- *Eligibility for benefits made available by OC*
- *Ability to transfer ownership of Class A shares by inter vivos gift or inheritance*
- *Eligibility to serve as a Director of OC*
- *Eligibility for Settlement Trust benefits*

Class A shareholders are bound by the following restrictions upon their Class A shares:

- *Class A shares may not be sold, used as collateral for a loan, subjected to a judgment execution or lien, or otherwise alienated (with the permissible exceptions stated above).*
- *Class A shares are cancelled upon the death of a shareholder who has no heirs.*

#### c. WHAT ARE CLASS B SHARES?

On November 26, 2007, the Board of Directors and OC shareholders approved OC's Restated Articles of Incorporation. The amended Articles of Incorporation authorized the creation of a new class of OC stock, and also approved the issuance of 75,000 shares of Class B stock to individuals who submitted a completed application to OC demonstrating that they met the following criteria:

- *Qualified as "Native" under ANCSA's definition of the term;*
- *Born after December 18, 1971;*
- *A U.S. citizen;*
- *A lineal descendant of an original OC shareholder; and*

- *Has never been enrolled as a shareholder in any other ANCSA village corporation, except as a result of receiving those shares as a gift or through inheritance.*

In 2013, the Board and OC shareholders further amended OC's Restated Articles of Incorporation to approve the issuance of an additional 25,000 Class B shares, increasing the number of authorized Class B shares to 100,000. These additional 25,000 Class B shares were subsequently issued to individuals who submitted a completed application to OC demonstrating that they met the criteria listed above.

In 2021, OC shareholders again amended OC's Restated Articles of Incorporation to approve the issuance of an additional 50,000 Class B shares. These additional Class B shares will be issued to individuals who submit completed applications to OC demonstrating that they meet the criteria listed above.

##### *i. When Does OC Issue Class B Shares?*

OC issues Class B stock to eligible applicants as stock becomes available. It can become available upon the death of a Class B shareholder, or if the OC Board of Directors and OC's shareholders decide to authorize additional Class B shares. People who meet the criteria to become Class B shareholders are encouraged to complete and submit applications to the OC Stock Department. OC processes completed applications in the order they are received.

If OC approves an application and shares are available, OC issues an applicant 100 shares of Class B stock. If OC approves an application and there are no available Class B shares, the applicant is placed on a waitlist. Applications are added to the waitlist in the order they are approved. When Class B shares become available, applicants on the waitlist will be issued available Class B shares.

##### *ii. How Can I Apply to Become a Class B Shareholder?*

If you are interested in becoming a Class B shareholder, visit the website at <https://www.olgoonik.com/wp-content/uploads/Class-B-Application-1.pdf> or contact OC's offices in Wainwright or Anchorage to request a Class B application packet. Completed Class B application packets should be sent back to the OC Stock Department at [OCstock@olgoonik.com](mailto:OCstock@olgoonik.com) for review and approval.

##### *iii. What Rights and Restrictions are Associated with Class B Shares?*

In addition to general rights and restrictions associated with ANCSA shares discussed in sections 2(d) and 2(e) above, Class B shares carry specific rights and restrictions. Class B shareholders enjoy the following rights and benefits:

- *Voting rights*
- *Receipt of dividends or other financial distributions from OC*
- *Eligibility for benefits made available by OC*
- *Eligibility for Settlement Trust benefits*

Class B shareholders are bound by the following restrictions:

- *Class B shares may not be sold, used as collateral for a loan, subjected to a judgment execution or lien, or otherwise alienated (with the permissible exceptions stated above).*
- *Unlike Class A shares, Class B shares are life estate shares. The shares are cancelled upon the death of the shareholder. As a result, Class B shares cannot be inherited.*
- *Class B shares cannot be transferred as a gift.*

***iv. Am I eligible to become a Class B shareholder if I am already a shareholder in another village corporation?***

Yes, but it depends upon how you became a shareholder in that village corporation. If you own shares in another village corporation because you either (1) inherited or (2) received those shares as an inter vivos gift, you are eligible to enroll as a Class B shareholder in OC.

However, if you own shares in another village corporation because you applied to become a shareholder of that village corporation (i.e., “enrolled” in that corporation) you are not eligible to become a Class B shareholder. If you became a shareholder in another corporation this way and then voluntarily disenrolled from that corporation, you are also not eligible to become a Class B shareholder.

There is one exception to this rule: if you applied for Class B shares prior to September 24, 2021 and are on the waitlist, your prior enrollment and subsequent disenrollment from another village corporation will not disqualify you from receiving Class B shares.

When you apply to become a Class B shareholder, you are required to certify that you are not or have never been enrolled in another village corporation. If you do not answer this question truthfully, OC will deny your application.

**d. CAN A NON-NATIVE INHERIT OC SHARES?**

Yes. Non-Natives may inherit OC shares and may also receive dividends or other financial distributions related to their ownership of OC stock, but they are not permitted to vote their shares.

**e. HOW CAN I BECOME AN OLGOONIK SHAREHOLDER TODAY?**

The only way to become a Class A shareholder is to inherit or receive an inter vivos gift of Class A shares. The only way to become a Class B shareholder is to apply for and be issued Class B shares. Class B applications are available at both of OC’s offices in Wainwright and Anchorage and on OC’s website at the following address: <https://www.olgoonik.com/wp-content/uploads/Class-B-Application-1.pdf>



## 4. CORPORATE RECORDS

### a. WHAT CORPORATE RECORDS DOES OC MAINTAIN?

Alaska law requires OC to maintain complete books and records of account, minutes of proceedings of its shareholders, Board of Directors, and Board committees, and a record of its shareholders, containing the names and addresses of all shareholders and the number and class of shares held by each shareholder.<sup>10</sup> These corporate records are available for inspection by OC shareholders under the circumstances described below.

### b. CAN SHAREHOLDERS INSPECT OC'S CORPORATE RECORDS?

Yes. OC shareholders can request to inspect and copy books and records of account, minutes of proceedings of its shareholders, Board of Directors, and Board committees, and a record of its shareholders containing the names and addresses of all shareholders and the number of class of shares held by each shareholder<sup>11</sup> at OC's registered offices in Wainwright and Anchorage. Shareholders can also request to inspect a copy of OC's most recent Bylaws.<sup>12</sup> Shareholders must submit a request in writing to the Stock Department asking for permission to inspect the records. The request must describe the reason for inspection with reasonable particularity and demonstrate that there is a proper purpose for the inspection.<sup>13</sup> A Request for Inspection of Corporate Records Form is available on OC's website at <https://www.olgoonik.com/wp-content/uploads/Request-for-Inspection-of-Records-Rev-2017.01.pdf>.

Requests are reviewed by OC's Secretary, President, or Board of Directors. If the shareholder's request is approved, the shareholder may inspect the records in person or authorize their attorney or agent (for example, someone whom the shareholder has authorized in writing) to conduct the inspection for them.<sup>14</sup> OC may require the shareholder to sign a confidentiality agreement before inspecting the records. OC may also take other steps to ensure that information in the records is only used by the shareholder for a proper purpose.<sup>15</sup> To protect shareholder privacy, OC provides only a paper copy of the shareholder list. OC can also charge a reasonable fee for the cost of producing the shareholder list.

#### i. Can Shareholders Inspect OC's Voting List?

Yes. At least 20 days before each Annual Shareholder's Meeting, Olgoonik makes a list of the shareholders entitled to vote at the upcoming meeting.<sup>16</sup> The voting list identifies shareholders in alphabetical order, contains each shareholder's address, and lists the number of shares held by each shareholder. Olgoonik keeps a copy of this list on file at both the Wainwright and Anchorage office locations. Shareholders, or a shareholder's agent or attorney, can ask to inspect the voting list at either office at any time during usual business hours for a period of 20 days before the meeting. Olgoonik also makes the voting list available for inspection at the Annual Shareholders Meeting.<sup>17</sup>

<sup>10</sup> AS 10.06.430(a).

<sup>11</sup> AS 10.06.430 (a).

<sup>12</sup> AS 10.06.233.

<sup>13</sup> AS 10.06.430(b).

<sup>14</sup> *Id.*

<sup>15</sup> See *Pedersen v. Arctic Slope Regional Corporation*, 421 P.3d 58 (Alaska 2018).

<sup>16</sup> AS 10.06.413(a).

<sup>17</sup> AS 10.06.413(a).

## 5. SHAREHOLDER RECORDS

OC's Stock Department maintains a file for each shareholder that contains personal information including shareholder contact information, birth, death, and adoption certificates, stock wills, stock certificates, Social Security cards, CDIB cards, court orders garnishing OC dividends, designations of custodians, and guardianship and conservator documents.

OC shareholders are responsible for providing the OC Stock Department with accurate and up to date documents to be included in their file.

### a. CAN I INSPECT MY SHAREHOLDER FILE?

Yes. Shareholders and custodians of minor shareholders who wish to request permission to inspect their shareholder files or have questions about inspecting shareholder files should contact the OC Stock Department. Because shareholder files contain confidential shareholder information, OC will not permit a shareholder to inspect another shareholder's OC file unless the shareholder demonstrates good cause why they should be permitted to inspect the file.

### b. FREQUENTLY ASKED QUESTIONS ABOUT DOCUMENTS IN SHAREHOLDER FILES

The following sections address frequent questions OC receives related to documents kept in an OC shareholder's file.

#### *i. How Do I Let OC Know That I Have a New Address or Name?*

OC shareholders who have changed their address or name must file a Shareholder Address/Name Change Form. This form is available at OC's offices in Wainwright and Anchorage and online at: <https://www.olgoonik.com/wp-content/uploads/FORM-24-Address-Change-Form-REVISED-APRIL-2018.pdf>. Forms may be hand delivered or mailed to OC's Wainwright and Anchorage offices; scanned and emailed to [OCStock@olgoonik.com](mailto:OCStock@olgoonik.com); or faxed to (907) 763-2926 or (907) 562-8751. **OC cannot accept or process address or name changes over the phone.**

**Address/Name Change Forms must be received by OC's Stock Department by the designated address/name change deadline in order for the shareholder to receive a dividend check.** If the OC Stock Department does not have a shareholder's correct legal name and current mailing address on file, OC will not be able to send that shareholder checks, annual reports, newsletters, or proxies. OC announces the deadline on its website approximately 2 months before the Annual Meeting. OC sends all documents, including dividend checks, to the name and address on file as of the change deadline.

If a shareholder's name changed, in addition to filing an Address/Name Change Form to document a legal name change, shareholders must also provide OC's Stock Department with copies of the following legal documents:

- Name change due to marriage: Submit a certified copy of your marriage certificate documenting the name change. Certified copies of marriage certificates can be obtained from the Health Analytics & Vital Records Section (formerly known as the Bureau of Vital Statistics). Information about obtaining a certified copy of a marriage certificate is available online at: [http://dhss.alaska.gov/dph/VitalStats/Documents/marriage/marriage\\_form.pdf](http://dhss.alaska.gov/dph/VitalStats/Documents/marriage/marriage_form.pdf)
- All other name changes: Submit a certified copy of the court order, such as a divorce decree, adoption decree, or legal name change order, documenting the legal change. Instructions on obtaining certified copies of court orders is available online at: <https://public.courts.alaska.gov/web/forms/docs/tf-311anc.pdf>

#### *ii. Can OC Issue Me a CDIB or Other Proof of Blood Quantum?*

No. Only the BIA can issue a Certificate of Degree of Indian Blood (CDIB) verifying a shareholder's degree of Alaska Native blood. A CDIB confirms an individual's blood quantum. Individuals who wish to apply for enrollment as Class B shareholders may submit a CDIB card as evidence documenting that they meet the minimum  $\frac{1}{4}$  blood quantum threshold. CDIB cards are also used to document membership in a federally recognized tribe and demonstrate eligibility for certain benefits that are only eligible to Alaska Natives or American Indians, such as health care provided by Indian Health Services.

In order to obtain a CDIB, shareholders must contact the BIA at 3601 C St. Suite 1100, Anchorage, AK 99503; telephone number (907) 271-4477 or (800) 645-8465; fax (907) 271-1349. Requests for a CDIB must be accompanied by an original birth certificate. The BIA may also require additional information to document ancestry.

#### *iii. How Do I Get A Stock Will (Testamentary Disposition Form)?*

All OC shareholders should have a completed stock will (also referred to as a testamentary disposition form) in their shareholder file. If a shareholder completes a stock will before they die, and the stock will is valid,<sup>18</sup> OC will distribute the deceased shareholder's OC shares as indicated in the deceased shareholder's stock will.

OC Stock Wills (Testamentary Dispositions) are available online at: <https://www.olgoonik.com/wp-content/uploads/FORM-35-TESTAMENTARY-DISPOSITION-FORMS-1.pdf>. These forms are also available at OC's Wainwright and Anchorage offices. If you have questions about how to complete a Stock Will, contact OC's Stock Department.

#### *iv. How Do I Get an OC Stock Certificate or Proof That I Am an OC Shareholder?*

OC no longer issues stock certificates. If you need proof that you are an OC shareholder, contact the OC Stock Department at [OCStock@olgoonik.com](mailto:OCStock@olgoonik.com) or send a letter to the Stock Department at either of OC's office locations in Anchorage or Wainwright and request a letter confirming your shareholder status.

<sup>18</sup>In order to be valid, the stock will must be signed by the OC shareholder, dated, and notarized by either a notary public or a postmaster. AS 13.16.705(b); AS 44.50.180.

**v. How Do I Get Proof of Past Distributions?**

Shareholders who need documentation of past distribution payments made by OC to them or to a minor shareholder for whom they are a custodian should contact the OC Stock Department and request the issuance of a Distribution Verification Form.

**vi. How Can I Get a Social Security Number and a Social Security Card?**

OC requires Class B applicants to have a Social Security number, and to submit a copy of their Social Security card to OC in support of their application. The U.S. Social Security Administration is the government agency that issues Social Security numbers. Most people born in the United States are issued a Social Security number at birth and receive a Social Security card with that number on it. If you need a copy of your Social Security card, the form you need to complete and submit to the Social Security Administration is available at the following website: <https://www.ssa.gov/ssnumber>.

**vii. How Do I Get a Certified Birth Certificate?**

OC also requires applicants to submit a copy of their birth certificate when applying to become a Class B shareholder. The State of Alaska Bureau of Vital Statistics (BVS) maintains birth certificates for people born in Alaska. If the applicant doesn't have an original or a copy of their birth certificate, the following individuals can request a certified birth certificate:

- Parent(s) listed on the current birth certificate
- A Child listed on the certificate (if 14 years or older) along with current school ID.
- Legal Guardian with certified guardianship papers

Third-Party requests must be submitted along with a notarized letter of consent for the release of information from the certificate holder or the legal guardian. Attorneys & Government agencies must have a letter on their letterhead stating who they represent and why the record is needed. Supporting documentation must be provided.

In order to request a certified birth certificate from the State of Alaska, individuals need to complete and file a form with the State of Alaska. Forms are available at the following website: [http://dhss.alaska.gov/dph/VitalStats/Documents/birth/birth\\_form.pdf](http://dhss.alaska.gov/dph/VitalStats/Documents/birth/birth_form.pdf)

**viii. How Can I Get a Copy of My Regional Corporation Shareholder Card?**

OC cannot issue Arctic Slope Regional Corporation (ASRC) shareholder cards. ASRC is the only entity that can issue those documents. If you need documentation from ASRC confirming your shareholder status, contact ASRC.

## 6. TRANSFERS OF OLGOONIK SHARES

### a. INTRODUCTION

OC shares can be transferred from one shareholder to another by inheritance or an *inter vivos* gift. The sections below describe these processes and what information OC needs from shareholders in order to transfer shares.

### b. TRANSFER OF OC SHARES BY INHERITANCE

OC stock is not subject to probate. When a shareholder dies, OC transfers the deceased shareholder's OC shares.<sup>19</sup> OC determines who receives a deceased OC shareholder's shares by either following the deceased shareholder's valid will or, if there is no will, by following the rules of intestate succession.<sup>20</sup> The process is referred to as "settling a stock estate."

Only Class A shares can be transferred by inheritance. Class B shares cannot be transferred by inheritance because those shares are "life estates," and when a Class B shareholder dies, their shares are cancelled.

#### i. Method of Inheritance: Intestate Succession

If a shareholder dies without a will, they are considered to have died "intestate," and OC is responsible for identifying the deceased shareholder's heirs and figuring out how to distribute the deceased shareholder's OC stock to those heirs. "Intestate succession" is how property passes to a deceased person's heirs, and how those heirs are identified, under Alaska state law when someone dies without a will.

The laws of intestate succession consider whether a decedent was married or not when they passed away, whether the decedent's parents were alive when they died, and whether the decedent had any descendants (defined as children, grandchildren, great grandchildren, and so on, down in a direct parent-child bloodline) when they died. A detailed description of how property through intestate succession is available on the Alaska Court System website, at the following address: <http://courts.alaska.gov/shc/probate/probate-intestacy.htm>.

If a shareholder dies without a will and OC conducts an intestate succession analysis and cannot identify any heirs, the shareholder's stock "escheats" to (i.e., becomes the property of) OC and is cancelled.<sup>21</sup>

#### ii. Method of Inheritance: Wills.

Generally, five kinds of wills may transfer OC shares when a shareholder dies: (a) a "testamentary disposition" clause on the back of a OC stock certificate; (b) a "stock will," a form prepared by OC and available at its offices and on its website (and that OC also refers to as a "testamentary disposition"); (c) a "formal will," which usually includes all of the shareholder's property and may or may not specifically include OC stock; (d) a "BIA will" or "Indian will," which is a will prepared by the Bureau of Indian Affairs; and (e) a handwritten will, also called a "holographic will."

#### a. Stock Certificate Testamentary Disposition.

There is a "testamentary disposition" clause on the back of all OC stock certificates. If the testamentary disposition clause is completed by the shareholder who owns the stock certificate, the clause will direct OC how to distribute that shareholder's OC stock upon their death.<sup>22</sup> OC stopped issuing stock certificates in 2017; if you do not own an OC stock certificate, this is not an option available to you.

To be valid, a testamentary disposition clause must be signed by the shareholder, dated, and either notarized or stamped and signed in the presence of a postmaster (if a notary is unavailable). When completing a testamentary disposition form, you should only leave whole shares to an individual. OC will not transfer percentages of, or fractional, shares.

Copies of completed testamentary disposition clauses on the back of OC stock certificates should be given to the OC Shareholder Records offices in either Wainwright or Anchorage.

#### b. Stock Wills (Testamentary Disposition Form).

A stock will is also referred to as a "testamentary disposition form." Stock Wills and instructions for completion are available at either of OC's offices in Wainwright or Anchorage and on the OC website at: <https://www.olgoonik.com/wp-content/uploads/FORM-35-TESTAMENTARY-DISPOSITION-FORMS-1.pdf>.

A stock will must be signed by the shareholder, dated, and either notarized or stamped and attested to by a postmaster.<sup>23</sup> When completing a testamentary disposition form, you should only leave whole shares to an individual. OC will not transfer percentages of, or fractional, shares.

Notaries are available at both of OC's office locations and at most local banks. In Alaska, a village postmaster is authorized to act as a notary; however, only the postmaster may notarize a signature, not any other postal employee. A postmaster must print on the document the date her or she witnessed the signature, sign the document and print the title "Postmaster" next to his or her name, print the name of the post office and affix the cancellation stamp of the post office to the document.

Shareholders should update their OC stock wills after giving or receiving a gift of stock, if a designated beneficiary dies, or if additional shares are inherited or received by gift. Marriage, divorce, the birth or adoption of children and other life changes are also reasons to update or complete a new stock will.

If a shareholder leaves shares to a minor in their stock will, they should also nominate a custodian and designate a successor custodian for those shares. This legal requirement and process is described in more

<sup>19</sup> See AS 13.16.705(a).

<sup>20</sup> See ANCSA § 7(h)(2)(A), 43 U.S.C. § 1606(h)(2)(A); AS 13.16.705(a).

<sup>21</sup> See ANCSA § 7(h)(2)(A), 43 U.S.C. § 1606(h)(2)(A); AS 13.16.705(d).

<sup>22</sup> AS 13.16.705(a).

<sup>23</sup> AS 13.16.705(b).

detail in section 8(a).

If an OC shareholder has multiple stock wills when they die, the most recent valid stock will control OC's distribution of the deceased shareholder's OC stock. If you have a completed stock will, please give your stock will to OC's Stock Department to put in your shareholder file.

### **c. Formal Will**

Shareholders can also leave their OC shares to any person in a formal will. In order to be considered valid, a formal will must be in writing, signed by the shareholder or in the shareholder's name by another individual in the shareholder's presence and by the shareholder's direction, and witnessed by at least two people.<sup>24</sup> A *formal will* does not need to be notarized or attested to by a postmaster to be considered valid. However, as discussed above in Section 6(ii)(b), a *stock will* does need to be notarized or attested to by a postmaster to be considered valid. So, if a formal will address's an OC shareholder's OC shares, and that will does not meet the validity requirements for a formal will but *does* meet the validity requirements for a stock will, the transfer of OC shares in that formal will is considered valid.

If an OC shareholder has multiple wills when they die, the most recent valid will controls OC's distribution of the deceased shareholder's stock. If you have a formal will, please give a copy of that will to the OC Shareholder Records office in either Wainwright or Anchorage so OC can update your shareholder file.

### **d. BIA Will**

A BIA will is most frequently used to dispose of restricted lands owned by an Alaska Native, such as an allotment or townsite lot. OC has no authority to dispose of allotments or townsite lots. Occasionally, however, an OC shareholder will devise their OC shares in a BIA will. In order to be considered valid, a BIA will needs to meet the validity requirements of a formal will as discussed above in section 6(ii)(c). If an OC shareholder uses a BIA will to leave their OC shares to heirs, that BIA will must meet the validity requirements for a stock will discussed above in section 6(ii)(b) – signed by the shareholder, dated, and notarized or attested to by a postmaster – in order for the disposition of shares to be considered valid.

If you have a BIA will, please send a copy to OC Stock Department so it can be placed in your shareholder file.

### **e. Handwritten (holographic) will**

Handwritten wills are valid even if they are not notarized, as long as the signature and material portions of the will are in the shareholder's handwriting and the handwritten will demonstrates testamentary intent. A material portion of the will is a portion that transfers property. Example: "I leave 50 OC shares to my

brother" is a material portion of a will. If a holographic will specifically identifies OC shares and the person to whom the OC shareholder wishes to transfer those shares, the holographic will validly transfers those shares.

### **f. Who Can Complete a Will?**

Only people who are 18 or older may complete a will; parents cannot complete and sign wills for minor children. If a minor shareholder dies without a will, any property they own, including OC shares, is distributed according to the laws of intestate succession.

## **c. WHAT DOCUMENTS DOES OC NEEDS TO SETTLE A STOCK ESTATE?**

When an OC shareholder dies, OC begins the process of settling their stock estate. OC needs the following documents in order to complete this process.

### **i. Death Certificate.**

OC's Stock Department needs a copy of a deceased shareholder's death certificate in order to confirm the shareholder's date of death. Even if OC has all other required documents, it will not be able to complete settling a deceased shareholder's stock estate without a death certificate. Death certificates can be obtained from the Alaska Department of Health and Human Services at the following website: [http://dhss.alaska.gov/dph/VitalStats/Documents/death\\_death\\_form.pdf](http://dhss.alaska.gov/dph/VitalStats/Documents/death_death_form.pdf).

### **ii. Copies of All Wills.**

When OC learns about the death of an OC shareholder, it will contact that shareholder's immediate family to determine if the deceased shareholder had a will or additional wills other than the documents on file with the Corporation. Shareholders often forget to file their wills with OC. And even though a shareholder has a will on file with OC, the shareholder may have other wills that are not on file at OC.

### **iii. Affidavit of Heirship.**

OC determines an heir's rights to a deceased shareholder's OC shares on the basis of an affidavit, provided to OC, showing the right of the person entitled to the stock to receive it.<sup>25</sup> Even if a deceased OC shareholder's will specifically names recipients of OC shares, OC cannot transfer those shares until it receives a completed affidavit of heirship.

If OC contacts you because you are named as an heir in a deceased OC shareholder's testamentary disposition, stock will, or formal will and may potentially inherit OC shares, you will not receive those shares until you have completed an affidavit of heirship and returned it to OC. Affidavit of heirship forms are available at OC's offices in Wainwright and Anchorage and online at <https://www.olgoonik.com/wp-content/uploads/Form-17-Affidavit-of-Heirship.pdf>.

### **iv. Waiver of Right of Inheritance.**

If a person does not want to inherit OC shares, they may

<sup>24</sup> AS 13.12.502(a).

<sup>25</sup> AS 13.16.705(a).



waive their right of inheritance by submitting a completed Waiver of Right of Inheritance to the OC Stock Department. The form is available at both of OC's office locations in Wainwright and Anchorage, and online at OC's website: <https://www.olgoonik.com/wp-content/uploads/FORM-18-WAIVER-OF-INHERITANCE.pdf>.

**d. EFFECTIVE DATE OF TRANSFER AND ESTATE CLOSURE.**

Once OC confirms that an OC shareholder has died (by receipt of a death certificate), identifies that deceased OC shareholder's heirs, and receives completed affidavits of heirship from those heirs (or from an heir's custodian if the heir is a minor), OC can transfer the deceased shareholder's shares and settle the stock estate. The Heirship Committee, made up of three members of the Board of Directors, reviews all transfers of OC shares. Once it has been reviewed by the Heirship Committee, a transfer is considered effective when it is documented in OC's books.

In some circumstances, it takes months or years to settle a deceased shareholder's stock estate. As time passes, the deceased shareholder's shares accrue dividends or distributions. OC holds that money in an account. Once an estate is settled and shares are transferred, OC also transfers the accrued dividends or distributions to heirs on the same basis that the shares were transferred. For example, if an OC shareholder owned 100 shares of OC stock and left each of their 4 children 25 shares of OC stock, the each of those children would receive 25% of any funds that had accrued in the deceased shareholder's account between their death and when OC officially closes the estate. Heirs typically receive these funds within 3 weeks of the closure of an estate, and payments are made to the heirs according to the information on file with OC.

**e. TRANSFER BY INTER VIVOS GIFT**

An *inter vivos* gift is a voluntary transfer of shares by one living shareholder to another living person without any expectation of payment or other consideration. Class A shares can be transferred as an *inter vivos* gift, subject to certain limitations described in more detail below. Class B shares cannot be transferred as a gift.

**i. Important Considerations Before Gifting OC Shares.**

Shareholders who are considering giving an *inter vivos* gift of OC shares should make the following considerations before they make the gift:

- *If a donor gives all OC shares away, they will no longer be an OC shareholder.*
- *If the donor is an original shareholder over the age of 60 and gifts all OC shares, the donor will not be eligible to receive certain OC benefits, such as an Elder's Distributions.*
- *The transfer of shares is irrevocable: once shares are gifted, the donor cannot get the shares back, and dividends, distributions, and voting rights associated with the gifted shares will belong to the recipient of the gift.*
- *A donor cannot control what a recipient does with gifted shares.*
- *Gifting OC stock will not decrease any court-ordered obligation a shareholder might have in connection with his or her*

*OC stock.*

- *If a valid court order of attachment is received before a gifting transfer is fully processed, OC will not be able to complete the gift.*

**ii. The Person Who Makes the Gift is Called the Donor.**

Only living OC shareholders can gift OC shares. Only whole shares may be gifted. The gift may only be made to that shareholder's child, grandchild, great-grandchild, niece, nephew or (if the holder has reached the age of 18) sister or brother, notwithstanding an adoption, relinquishment, or termination of parental rights that may have altered or severed the legal relationship between the shareholder and the recipient.<sup>26</sup>

**a. How Does a Donor Make an Inter Vivos Gift of OC Shares?**

A donor initiates a gift of OC stock by completing either a Gift of Stock form or a Gift of Stock to Minor Form and give the Stock Department the completed form. These forms are available at OC's offices in Wainwright and Anchorage and online at <https://www.olgoonik.com/wp-content/uploads/General-Gift-of-Stock-Rev-2017.01.pdf> and <https://www.olgoonik.com/wp-content/uploads/Gift-of-Stock-to-Minor-Rev-2017.01.pdf>.

All donors must also complete a Gift of Stock Family Tree and give the Stock Department the completed form. This form demonstrates that the recipient is eligible to receive the gift. These forms are available at OC's offices in Wainwright and Anchorage and online at <https://www.olgoonik.com/wp-content/uploads/FORM-21B-GIFT-OF-STOCK-FAMILY-TREE.pdf>.

**iii. The Person Who Receives the Gift is Called the Recipient.**

The recipient of an *inter vivos* gift of OC shares must be a Native<sup>27</sup> or a descendant of a Native.<sup>28</sup> The recipient must also be related to the donor by blood or adoption. A recipient cannot be a spouse, parent, cousin, in-law, or any other relative by marriage.

If a donor has submitted a Gift of Stock or Gift of Stock to Minor Form to the Stock Department, the Stock Department will send a letter to the named recipient, informing them about the gift. If the named recipient is not an OC shareholder already, the Stock Department will also ask them to complete a General Shareholder Information Form.

When the Stock Department has received completed copies of all the required forms from the recipient, it will review those forms and prepare an heirship packet for the Heirship Committee to review. The Heirship Committee is made up of three members of the Board of Directors and reviews and approves all transfers of OC shares based upon recommendations from Corporate management and staff.

**iv. When the Recipient is a Minor, the Donor Should Nominate a Custodian.**

<sup>26</sup> 43 U.S.C. § 1606(h)(1)(C)(iii).

<sup>27</sup> 43 U.S.C. § 1602(b).

<sup>28</sup> 43 U.S.C. § 1602(r).

If a recipient is a minor, the shares must be held by a custodian until the recipient turns 18. The *Gift of Stock to Minor* Form contains a section for the donor to nominate a custodian. When someone has been nominated as a custodian, the Stock Department will contact the nominee and give them a Custodian Consent Form to complete and return to the Stock Department. The completed form will be placed in the minor shareholder's file.

**a. What Happens if the Donor Does Not Nominate a Custodian?**

If a donor does not nominate a custodian, OC determines a custodian under the following order of priority:

- (1) *the legal guardian, if any, of the minor;*
- (2) *a parent, if any, of the minor, as selected by the parents;*
- (3) *an adult member of the minor's family, including the minor's parent, stepparent, spouse, grandparent, brother, sister, uncle, or aunt, whether of the whole or half blood or by adoption, and also including members of a family with whom the minor has customarily lived.<sup>29</sup>*

In some circumstances, if a custodian is ineligible, dies, or becomes incapacitated without designating a successor custodian and the minor is 14 or older, the minor may designate an adult as a successor custodian.<sup>30</sup>

If the minor is under the age of 14 or is over the age of 14 and fails to designate a successor custodian within 60 days after a custodian becomes ineligible, dies, or becomes incapacitated, the minor's conservator becomes the successor custodian.<sup>31</sup> If the minor does not have a conservator or the conservator declines to act, the transferor, the legal representative of the transferor, an adult member of the minor's family, or another interested person can ask a court to designate a successor custodian.

**v. What is the Effective Date of Transfer for an Inter Vivos Gift?**

Once OC has received all completed documentation from both the donor and the recipient (or recipient's custodian, if the recipient is under the age of 18), and the transfer has been reviewed and approved by the Heirship Committee, a transfer by *inter vivos* gift is effective when the transfer is reflected in OC's books. Until the transfer is documented in OC's books, the donor will continue to receive all dividends and distributions associated with the shares that are the subject of the gift.

**vi. What Happens if the Donor or Recipient Dies Before OC Completes the Transfer?**

If the donor or the recipient dies before OC receives all completed documentation, the attempted gift is null and void and will not be processed and the donor's stock will be

transferred according to OC procedures for settling stock estates. If the donor or the recipient dies after OC receives all completed documentation, the gift is effective and the shares will be transferred.

**vii. Can a Donor Revoke a Gift?**

Yes. The donor may revoke a gift of stock before OC transfers the shares from the donor to the recipient by notifying the OC Stock Department in writing of his or her intent to revoke the gift.

**viii. Can a Recipient Disclaim the Gift?**

Yes. If an intended recipient does not want to accept a gift of OC shares, they must contact the OC Stock Department to formally disclaim the gift. If an intended recipient fails to submit a General Shareholder Information Form, the Stock Department may consider that a disclaimer of the gift.

**ix. Does OC Allow the Transfer of Fractional shares?**

No. OC does not issue fractional shares of OC stock or allow a donor to transfer fractional shares. Shareholders may give and receive whole shares only.

- *Between 2009 and 2024, OC issued scrip in place of a fractional share. OC will continue to honor scrip for shareholders who received scrip issued between 2009 and 2024. The OC Board ended the issuance of scrip Dec. 12, 2024.<sup>32</sup>*

<sup>29</sup> AS 13.46.085(b); AS 13.46.990(10).

<sup>30</sup> See AS 13.46.170(d).

<sup>31</sup> AS 13.46.170(d).

<sup>32</sup> First Amended and Restated Bylaws of Olgoonik Corporation, Art. VI, Sec. 6.04(d).

## 7. DIVIDENDS AND DISTRIBUTIONS

### a. HOW DOES OC DECIDE TO ISSUE A DIVIDEND?

The authority to issue a dividend lies solely with OC's Board of Directors. The Board makes this decision every year at its March Board Meeting. Deciding to issue a dividend affects both shareholder income and OC's growth. When it decides whether to issue a dividend, the Board of Directors balances how dividend payments help its shareholders against the reinvestment of OC's profits to maintain a healthy corporation that provides the best possible returns to its shareholders.

### b. WHO IS ELIGIBLE TO RECEIVE A DIVIDEND?

The record date is a date selected by the Board of Directors to close OC's stock transfer books so that OC can determine the names of shareholders who are eligible to receive a dividend. Individuals who are listed as shareholders in OC's stock transfer books on the record date are eligible to receive a dividend. The amount of the dividend received is proportional to the number of OC shares owned by a shareholder. This means that if the Board declares a dividend of \$15 per share, and you own 1 share of OC stock, you will receive \$15. If you own 10 shares of OC stock, you will receive \$150.

### c. WHAT IS THE OLGOONIK SETTLEMENT TRUST?

At a special meeting in 2019, OC shareholders voted in favor of establishing the Olgoonik Settlement Trust (the Trust). After the OC Board established the Trust, all OC shareholders automatically became beneficiaries of the Trust. Now, instead of receiving taxable dividends from OC, shareholders receive tax-free distributions from the Trust.

The Trust is a separate legal entity from OC and is managed by a separate Board of Trustees. In addition to tax-free distributions, the Trust provides other benefits to OC shareholders and their families, such as culture programs, and burial assistance.

### d. HOW DOES THE TRUST MAKES DISTRIBUTIONS TO BENEFICIARIES?

If the OC Board decides to issue a dividend, OC then transfers a lump sum of money to the Trust. That lump sum of money equals the total amount of dividends that OC would have made. Once the transfer is complete, the Trust's Trustees approve the issuance of distributions from the Trust to the Trust's beneficiaries. The distribution that beneficiaries receive is equal to the amount of the dividend declared by the OC Board.

When the OC Board declares a dividend, it establishes a timeline for the Trust to issue distributions to beneficiaries, and deadlines for Trust beneficiaries to provide OC with accurate contact and payment information so they can receive distributions immediately after they are issued. Failure to maintain accurate information will result in delayed payment of distributions.

### e. WHAT IS THE SPECIAL ELDERS DISTRIBUTION?

Every year, based on its assessment of the financial health of the Corporation, the OC Board considers whether to provide an additional benefit to elder shareholders in the form of a Special Elder's Distribution.<sup>33</sup> If the Board authorizes this benefit, every OC shareholder who is 60 years old or older on the record date and was issued 100

shares of OC Settlement Common Stock (i.e. Class A shares) is eligible to receive the Special Elder's Distribution. Like OC's dividends, the Special Elder's Distribution is issued by the Trust.

Unlike regular distributions issued to shareholders, the Special Elders Distribution is not issued in an amount proportional to ownership of OC shares; every qualifying elder receives the same amount.

### f. HOW DOES OC ISSUE DISTRIBUTIONS TO BENEFICIARIES?

OC issues distribution payments to beneficiaries by check or direct deposit.

#### i. Can I Receive Distributions by Direct Deposit?

Yes. Shareholders can opt to have OC electronically deposit Trust distributions directly into their bank account. Direct deposit safeguards against lost or stolen distribution checks and helps shareholders receive distributions faster – once distributions are deposited into a shareholder's account, they are available immediately. In order to deposit distributions directly into a shareholder's account, OC needs accurate shareholder contact and payment information. If shareholders do not maintain accurate account information with OC's Stock Department, OC cannot directly deposit distributions into a shareholder's account.

#### 1. How Do I Sign Up for Direct Deposit?

To sign up for direct deposit, shareholders must have an account in their name at a bank located within the United States. The name on a bank account held by a stock custodian in their role as custodian of a minor shareholder must be "[Custodian's Name], As Custodian for [Name of Minor] Under the Alaska Uniform Transfer to Minors Act."

After establishing a bank account, shareholders must complete a Dividend Direct Deposit Election form to authorize OC to directly deposit distributions into their account. These forms are available at OC's offices in Wainwright and Anchorage and on the OC website at <https://www.olgoonik.com/wp-content/uploads/FORM.52-Direct.Deposit-V4.pdf>. Shareholders must also give OC a voided check or a letter from their bank showing the shareholder's name as the account holder and the account number.

OC does not accept direct deposit applications over the phone. Applications must be submitted in person or mailed, care of OC's Stock Department, to OC's offices in Wainwright or Anchorage.

#### 2. How Can I Cancel or Change Direct Deposit Payments?

To change an existing direct deposit instruction, a shareholder must submit a new Dividend Direct Deposit Election form to the Stock Department. To cancel a direct deposit election and receive a paper check, a shareholder must submit a Dividend Direct Deposit Election form to the Stock Department with the Revoke/Cancel an Account box selected.

<sup>33</sup> See OC Resolution 2016-13.



OC does not accept direct deposit change requests or cancellations over the phone. Requests must be submitted in person or mailed, care of OC's Stock Department, to OC's offices in Wainwright or Anchorage. All cancellation or change requests must be received by the Stock Department prior to the designated change deadline for the distribution. Otherwise, the distribution will be deposited into the previously specified account and OC cannot reissue it until the shareholder's bank credits the payment back to OC's account.

**3. Why Did My Bank Reject OC's Direct Deposit Payment?**

If OC does not have accurate shareholder account information on file, the bank will reject OC's direct deposit transmission. This delays shareholder receipt of distribution payments. Banks will reject direct deposit transmissions if OC has an incorrect bank account and/or routing number, if a shareholder has changed banks but failed to update direct deposit instructions, or if a shareholder has failed to inform OC or their bank about a legal name change.

OC will not reissue rejected direct deposit payments until the bank has credited OC's account with the rejected funds. Reissued payments are typically issued to shareholders within 30 days. If OC does not receive a current direct deposit form within those 30 days, OC will reissue the payment via check.

**ii. Can I Receive My Distribution by Check?**

Yes. OC will issue distribution payments by check and send them to shareholders at the current address on file for that shareholder. Shareholders are responsible for maintaining accurate mailing addresses with OC's Stock Department. Checks are mailed to each shareholder at the address contained in their shareholder file. Checks cannot be picked up at OC's offices. If a check is returned to OC as undeliverable, the Corporation will place the shareholder account on hold and await an address update from the shareholder.

**1. How Do I Stop Payment and Ask OC to Reissue my Distribution Check?**

The most common reasons why OC receives stop payment or reissuance requests are due to forgery, lost checks, or failure to deposit or cash a check within required time limits. If a shareholder's endorsement on a distribution check was forged, contact the bank. If the bank confirms the forgery claim is valid, it will notify OC.

To stop payment of a distribution issued by check, shareholders must submit a signed "Stop Payment" form to OC's offices in Wainwright or Anchorage. The Stop Payment form is available at OC's offices

in Wainwright and Anchorage and on OC's website at <https://www.olgoonik.com/wp-content/uploads/Dividend-Stop-Payment-Rev.-2017.01.pdf>. Stop Payment requests cannot be made by phone.

There is a thirty (30) day waiting period from the date a shareholder submits a stop payment form before OC reissues a dividend check. No interest is paid on reissued dividend checks.

**g. WHAT IS A TRUST ACCOUNT?**

A trust account is a financial account opened and managed by a designated trustee for the benefit of a third party. Alaska law requires OC to place distributions into trust accounts for certain minor shareholders and other incapacitated shareholders.

**i. Do Minor Shareholders in State Custody Need A Trust Account?**

Yes. When a minor shareholder is in state custody, OC is required to put the minor shareholder's distributions into an interest-bearing account for the benefit of the minor.<sup>34</sup> OC cannot spend, obligate, or use distributions in one of these accounts unless the proposed use is approved by a court.<sup>35</sup> OC cannot release funds for a minor in state custody to the minor's parent, guardian, custodian, or conservator.

Once the minor shareholder turns 18 OC will distribute the funds either (1) to the minor shareholder when they turn 18 years old whether they remain in state custody or not; (2) to the minor shareholder's legal guardian if the State custody ends before the minor shareholder turns 18, or (3) to the minor shareholder's heirs if the minor dies before the distribution.<sup>36</sup> Any requests to release funds under the above circumstances must first be approved by OC's Corporate Secretary.

<sup>34</sup> AS 10.06.961(a).

<sup>35</sup> AS 10.06.961(b).

<sup>36</sup> AS 10.06.961(c).

## 8. FIDUCIARIES AND AGENTS

In certain circumstances, Alaska law requires a fiduciary or agent to manage an OC shareholder's shares and distributions. A fiduciary or agent is a person who is authorized to act on behalf and for the benefit of another person. This section discusses how and when fiduciaries and agents – specifically, custodians, guardians, and conservators – become involved in managing an OC shareholder's shares.

### a. IS A CUSTODIAN REQUIRED TO HOLD A MINOR SHAREHOLDER'S OC SHARES?

Yes. Alaska law requires that all OC stock owned by a minor shareholder must be held by a custodian until the minor shareholder turns 18.<sup>37</sup> Custodians are responsible for exercising certain duties and authorities specific to a minor shareholder's OC shares and distributions, including:

- Keeping the minor shareholder's contact information up to date with OC;
  - Receiving and safekeeping the minor shareholder's distributions;
    - Using the minor's distributions for the benefit of the minor;
- Maintaining records of all expenses paid from the minor's distributions;
  - Voting the minor's OC shares at shareholder elections; and
- Keeping the minor's OC shares in their name, i.e., not transferring the minor's OC shares.

#### i. How Does Someone Appoint A Custodian?

Whether a minor inherits or receives a gift of OC shares, those shares must be held by a custodian until the minor turns 18.

When an OC shareholder completes any kind of will that leaves their OC shares to a minor heir, they should clearly identify that the heir is a minor, and should designate a custodian for that minor.

A donor making an *inter vivos* gift of OC stock to a minor must nominate a custodian when completing Form 21A, Gift of Stock to a Minor. These forms are available at both of OC's offices in Wainwright and Anchorage and on OC's website at <https://www.olgoonik.com/wp-content/uploads/Gift-of-Stock-to-Minor-Rev.-2017.01.pdf>.

As discussed in Section 6(e), if the donor does not nominate a custodian, OC determines a custodian in the order of priority listed below:

- (1) *The legal guardian,<sup>38</sup> if any, of the minor<sup>39</sup>*
- (2) *A parent, if any, of the minor, as selected by the parents<sup>40</sup>*
- (3) *An adult member of the minor's family, which includes the minor's parents, stepparent, spouse, grandparent, brother, sister, uncle or aunt, whether of the whole or half blood or by adoption, as well as a family with whom the minor has customarily lived.<sup>41</sup>*

Before OC issues stock or distributions to a minor shareholder, the stock custodian must complete the Custodian's Consent to Appointment form, accepting the responsibility of managing the minor's stock and any distributions. This form is available upon request at OC's Wainwright and Anchorage offices.

#### ii. How Do I Designate A Successor Custodian?

Because a designated custodian may resign, pass away, become incapacitated, or otherwise become ineligible to continue as custodian, donors and testators are required to identify a successor custodian by completing Form 23, Designation of Successor Custodian Form, and returning the completed form to OC's Stock Department. Shareholders can request a copy of this form from either one of OC's office locations. If a custodian does not designate a successor custodian and the minor shareholder is not old enough to select their own custodian, OC will determine a successor custodian as described in section 8(a)(i) above.

If a minor shareholder is over the age of 14, they may select their own custodian<sup>42</sup> by completing, signing and dating Form 46(a), Minor Designation of Successor Custodian Form, and returning the completed form to OC's Stock Department. The minor needs to make the designation within 60 days of the custodian's ineligibility. If they fail to do this, OC will determine a successor custodian as described in section 8(a)(i) above. Shareholders can request a copy of this form from either one of OC's office locations.

If there is a change in custodianship, contact OC immediately.

#### iii. When Does a Custodianship for a Minor Shareholder End?

A custodianship terminates when a minor shareholder turns 18. When an OC shareholder turns 18, OC distributions are issued directly to the shareholder, and they are responsible for voting their shares if those shares hold voting rights.

The OC Stock Department will notify shareholders about age of majority changes by mail at the shareholder's address on file. Minor shareholders are also encouraged to contact the OC Stock Department before their eighteenth birthday to learn more about this process.

### b. CAN A CONSERVATOR OR GUARDIAN MANAGE AN ADULT OC SHAREHOLDER'S SHARES?

Yes. A court may appoint a conservator or guardian to help a person manage their affairs when that person is unable to do so themselves. If a conservator or guardian has been appointed for an adult OC shareholder, OC must be provided with a copy of the court order appointing the conservator or guardian and the letters of conservation or guardianship in order to verify the extent of the conservator or guardian's authority to take specific actions on behalf of that shareholder and their OC distributions.

<sup>37</sup> AS 13.46.085(a).

<sup>38</sup> A legal guardian of a minor is a person who is either appointed guardian by a court after the parents' custody rights have been terminated or suspended or appointed guardian by the minor's deceased parents in their will.

<sup>39</sup> AS 13.46.085(b)(1).

<sup>40</sup> AS 13.46.085(b)(2).

<sup>41</sup> AS 13.46.085(b)(3).

<sup>42</sup> AS 13.46.170(d).

## 9. COURT ORDERS AFFECTING SHAREHOLDERS

Valid court orders may affect whether OC shareholders can receive distributions or transfer their shares.

### a. WHAT HAPPENS IF OC RECEIVES A CHILD SUPPORT SERVICES DIVISION (CSSD) WITHHOLDING ORDER?

If a court has issued a valid order requiring an OC shareholder to pay child support and the OC shareholder fails to make those payments, OC will receive a withholding order from Alaska's Child Support Services Division (Alaska CSSD), and must direct a shareholder's distributions to the Alaska CSSD until it notifies OC, in writing, that the child support judgment has been satisfied. Even though a shareholder's distributions may be withheld from the shareholder, the shareholder retains all other rights to their OC stock, including voting rights and shareholder benefits.

All questions about child support guidelines and amounts owed should be directed to the Alaska CSSD directly at (907) 269-6900 or (800) 478-3300.

### b. HOW CAN A COURT ORDER OF DISSOLUTION OR DIVORCE AFFECT MY OC SHARES OR DISTRIBUTIONS?

A valid court order of dissolution or divorce may order OC shares to be transferred to an Alaska Native spouse or child. A valid court order of separation or divorce may not order the sale of OC stock or the transfer of OC stock to any person other than an Alaska Native spouse or child.

### c. WHAT HAPPENS IF OC RECEIVES A COURT ORDER OF CONSERVATORSHIP OR GUARDIANSHIP FOR AN ADULT OC SHAREHOLDER?

As discussed in section 8(b), if a court appoints a guardian or conservator for an OC shareholder, OC needs a copy of that court order, along with the corresponding Letters of Conservatorship and/or Guardianship Plan, to determine whether the guardian/conservator has authority to receive OC distributions on the shareholder's behalf. If a court order grants the guardian/conservator authority to receive OC distributions on the shareholder's behalf, OC is legally required to send the shareholder's distributions to the guardian/conservator. Conservators and guardians may not transfer an OC shareholder's shares.

The guardian/conservator is responsible for notifying the OC Stock Department of any changes in their appointment, and for providing the OC Stock Department with copies of new court orders and updated Guardianship Plans.

### d. WHAT HAPPENS IF OC RECEIVES AN IRS LEVY?

If an OC shareholder has an outstanding debt to the IRS, the IRS will seize any OC dividends or distributions to satisfy that debt by issuing a levy. A levy only seizes distributions; OC shareholders still retain all ownership rights and benefits to their OC stock. Both OC dividends and Trust distributions are subject to an IRS levy.

If OC receives a Notice of Levy from the IRS, OC will contact the shareholder to inform them that their OC distributions either will be or have been attached by the IRS in connection with an unpaid tax debt. OC is then required to pay the shareholder's distributions or dividends to the IRS until the IRS notifies OC that the shareholder's debt has been satisfied.

Since OC cannot provide tax advice, shareholders with questions about IRS levies should contact the IRS directly or hire a tax advisor.

## 10. ANNUAL SHAREHOLDER'S MEETING

OC's Bylaws require that it holds an Annual Meeting every year.<sup>43</sup> During the Annual Meeting, shareholders elect candidates to the Board of Directors, and may vote on other important matters such as amending OC's Articles of Incorporation.

### a. WHERE AND WHEN IS THE ANNUAL MEETING?

OC's Bylaws require that the Annual Meeting be held anywhere in the ASRC region of Alaska between the first day of May and the last day of July.<sup>44</sup> OC usually holds the Annual Meeting in Wainwright.

### b. WHAT MATERIALS DOES OC PREPARE FOR THE ANNUAL MEETING, AND WHEN CAN I EXPECT TO RECEIVE THEM?

OC sends shareholders who are eligible to vote Annual Meeting materials every year approximately a month before the Annual Meeting. These materials include a notice of the annual meeting, the meeting agenda, minutes from the prior year's annual meeting, a proxy statement soliciting proxies, a proxy card, an annual consolidated financial statement and schedule, a list of door prizes, and other documents that may be necessary to conduct the business of the Annual Meeting.

Annual Meeting materials are sent to the name and address on file in a shareholder's file. If that name or address is not accurate, the shareholder will not receive the annual meeting materials.

### c. WHEN IS THE BOARD OF DIRECTORS ELECTION?

Every year at the Annual Meeting, OC shareholders elect candidates to serve on OC's Board of Directors. OC's Board of Directors is comprised of nine (9) directors divided into three (3) classes. Each class of directors serves a three-year term. Three directors are elected each year.

Only OC shareholders who own voting shares of OC stock on record date – the date OC temporarily closes its stock transfer books prior to an annual meeting in order to determine the shareholders who are entitled to notice of a meeting, vote at that meeting, and receive dividends – are eligible to participate in a director's election.

Every year, the Board of Directors appoints an Inspector of Elections to manage the election. The Inspector of Elections receives all proxies, counts votes made by proxy, determines whether there is a quorum, and meets with the Proxy Committee prior to the election. The Inspector also processes in-person ballots at the annual meeting and provides a final tabulation which is announced at the end of the annual meeting.

### d. WHAT IS CUMULATIVE VOTING?

OC's Bylaws permit cumulative voting. At an election for directors, every shareholder entitled to vote may vote the number of shares owned by them for as many persons as there are directors to be elected and for whose election they have a right to vote, or shareholders may cumulate their votes by giving one candidate as many votes as the number of directors to be elected, multiplied by the number of shares or by distributing these votes on the same principle among any number of candidates.

For example, if a shareholder owns 100 shares, and there are three

directors to be elected, the shareholder would have 300 votes to vote for directors. Shareholder can distribute the 100 votes among candidates in any way. For example, the shareholder may vote all 300 votes for one candidate, give three candidates 100 votes each, or divide the votes among any number of candidates in any way they desire.

### e. WHAT ARE PROXIES?

A proxy authorizes another individual or entity to cast a shareholder's votes for the election of directors. Proxies allow OC shareholders to participate in important corporate decisions, such as electing directors and amending OC's Articles of Incorporation, without having to be present at the meeting where those decisions are made. OC solicits proxies for the election of directors.<sup>45</sup> Every year, OC's Board of Directors endorses a slate of candidates and approves other candidates to appear on the OC proxy. Shareholders who do not appear on OC's proxy form and wish to independently solicit proxies for their election to the Board may do so, but must do so in compliance with Alaska law and OC's Annual Meeting Rules.

The Board establishes a deadline by which shareholders must submit their completed proxies to the Inspector of Elections. Every year, the proxy solicitation informs shareholders how they can submit those proxies. Shares represented by proxies not submitted by this deadline are only counted towards establishing a quorum for the annual meeting – they are not counted towards the election.

Any proxy signed by a shareholder and filed with the Inspector of Elections before the proxy return deadline specified in OC's proxy statement continues in full force and effect until an instrument revoking it or a duly executed proxy bearing a later date is properly filed with the Inspector of Elections before the deadline. The Inspector of Election is responsible for validating proxies – making sure they are signed and dated by the voting shareholder – and for counting the number of votes and how the shareholder has cast those votes in the proxy.

<sup>43</sup> Bylaws Section ##.

<sup>44</sup> Bylaws Art. 2 Sec. 2.01 and 2.02.

<sup>45</sup> See AS 10.06.418.

## **/// CONCLUSION**

OC administers a number of programs for the benefit of its shareholders. If this handbook does not answer all of your questions about those programs, OC encourages you contact either the Shareholder Services Department or the Stock Department.