



Settlement Trust FAQ

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. Trusts are 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.

What is the process to establish a Trust?

The OC Board of Directors voted in October 2018 to move forward with creation of the Olgoonik Settlement Trust for shareholders. They unanimously adopted resolution 2018-19 to establish the Trust.

*The next step is informing shareholders about the Trust so they have the opportunity to vote. Shareholders must approve establishment of the Trust 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 meeting is scheduled for **Tuesday, March 19, 2019**, in Wainwright. Proxy packets will be mailed to all voting shareholders on or about January 28, 2019, to the mailing addresses on file with OC. Shareholders are encouraged to vote proxies online or via paper submission. In-person voting at the March 19 meeting is also available.*

What are the benefits of a Settlement Trust?

Tax Advantages

There are **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%.*

Permanent Shareholder Benefits

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

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.*

Have other ANCs adopted Settlement Trusts?

Yes! Many ANCs, both regional corporations and village corporations, have established successful Trusts.

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*

What is the name of the proposed Settlement Trust?

Olgoonik Settlement Trust

Who gets to participate?

All OC Shareholders would be beneficiaries of the proposed 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). The OC Board plans to make annual or regular contributions to the Trust that mirror current dividend, benefit, and program funding levels.

Is the proposed Olgoonik Settlement Trust part of Olgoonik Corporation?

The Trust will be organized and registered under Alaska law as a separate and independent legal entity from OC. It will have its own Board of Trustees appointed by the OC Board of Directors. The Trust will not be a subsidiary of Olgoonik Corporation.

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.

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.

Will shareholders be able to vote online? 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. It will be sent as part of your proxy packet to the address on file with OC. Change of Address forms are available through the Wainwright and Anchorage offices and online at www.olgoonik.com in the [Shareholder Portal](#).

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. Please read it carefully and send any questions to Questions@Olgoonik.com.

What does the OC Board of Directors recommend?

The OC Board of Directors unanimously approved the resolution to establish the Olgoonik Settlement Trust. They recommend carefully reading the mailed proxy statement. The OC Board also unanimously recommends shareholders vote YES on establishing the Trust once voting opens, as detailed in the proxy statement.

Where can I ask more questions about the proposed Settlement Trust?

Email Questions@Olgoonik.com.