



NOMINEE'S PACKET

SEALASKA CORPORATION

2008 ANNUAL MEETING

**This nominees's packet will be
sent to any Sealaska shareholder
who requests a copy.**

NOTICE SHAREHOLDER RESOLUTIONS

Shareholder resolutions are due 120 days before the annual meeting, or February 29, 2008. See Sections 2.13 - 2.13.10 of the Election Bylaws.

To give shareholders more notice of the deadline, we advertised it in a separate mailing to shareholders with the 135-day notice. If you need help in meeting the shareholder resolution deadline, please call the Corporate Secretary at 1-800-848-5921 (toll free) or (907) 586-1512.

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AN ELECTION PROCESS EVERYONE CAN UNDERSTAND

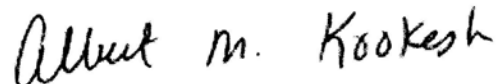
Dear Sealaska Shareholder:

This Nominee's Packet contains the information you will need in order to run for the Sealaska Board of Directors.

Please read the packet completely and return all completed forms. This will greatly speed up the process of producing the various materials which need to be prepared for the election. Sealaska's Corporate Secretary, Nicole Hallingstad, is available to answer your questions and address your concerns at 1-800-848-5921 (toll free) or at (907) 586-1512.

Best wishes for a positive annual meeting and election season.

Sincerely,



Albert M. Kookesh, Chair of the Board
Sealaska Corporation

A SIMPLE & OPEN PROCESS FOR SEALASKA ELECTIONS

The election policies provide any qualified candidate for the Board of Directors the opportunity to include his or her name on the Sealaska proxy, proxy statement and mailings.

Summary of the Election Bylaws:

- The names of all qualified nominees, including independent nominees who do not appear on a separate proxy, will be placed on the Sealaska proxy.
- The Board of Directors will offer a slate of nominees whose names will be printed on the proxy.
- An independent nominee whose name appears on the Sealaska proxy may not appear on any other nominee's or slate's proxy.
- Sealaska pays the costs of all printing and mailings of its proxy and proxy statements. Any separate mailing or advertising by an independent nominee shall be paid solely by the nominee, and shall be filed with the Division of Banking, Securities & Corporations as required by State law.
- Included in the Sealaska proxy disclosure material will be one 100-word statement from the nominee for the proxy statement and one 200-word statement that will be used in the *Sealaska Shareholder* newspaper. Nominees may also provide a clear passport-size photograph for use in the proxy disclosure material. (See Bylaw 3.3.5.2., page 27.) It is preferred that a high-resolution digital photo file be emailed to the Corporate Secretary at CorpSec@sealaska.com.
- Nominees included on the Corporation's proxy receive 100 proxy cards from the Corporation without charge. Nominees may request additional proxy cards from the Corporate Secretary no later than 30 days past the record date.
- The Corporation will not pay any other proxy solicitation expenses for nominees who are not on the corporate slate.
- The Corporation will send out a notice to shareholders 135 days before the annual meeting so that prospective candidates for the Board of Directors have adequate time to prepare their materials and send them to the State Division of Banking, Securities & Corporations and to Sealaska.
- The Corporate Secretary must receive the package of election information and campaign materials from an independent nominee no later than 90 days before the Annual Meeting in order for the nominee to qualify for inclusion on the Corporation's proxy material.
- The Sealaska proxy form will have blank lines for write-in candidates.
- Shareholders who do not wish to appear on the Sealaska corporate proxy may solicit proxies independently according to Sealaska's Bylaws and State law and regulation.
- Only Sealaska's proxy can be printed on blue paper and can use the Sealaska logo. No other proxy, proxy statement or other solicitation materials, solicited by any individual nominee or slate, may be blue or reproduce the Sealaska logo.
- Directed votes cannot be "redirected." Proxy votes directed to a particular nominee shall remain directed to that nominee even if the nominee withdraws for any reason.

- “Discretionary voting” is permitted if the proxy form provides the option to choose among nominees, or the option to strike names from the shareholder’s proxy. “Discretionary voting” means that when a shareholder signs a proxy and turns it over to a proxyholder, the proxyholder may use his or her own discretion to elect as many nominees from a specified slate as possible. If a shareholder votes “discretionary” on a proxy, the shareholder also has the option to cross out names of nominees he or she would not want the votes to go to.
- Independent candidates who have a separate proxy (who do not appear on Sealaska’s proxy) may offer discretionary voting on their proxy.
- Each nominee on the Corporation’s proxy shall be entitled to a tabulation of the total votes toward quorum and the number of directed proxy votes he or she has. No nominee, including incumbent nominees and current directors of the Corporation, is entitled to any further information. However, when the Corporation prepares to vote its own proxies, board members will receive vote tabulations as necessary to vote the proxies. Proxyholders for independent candidates not appearing on the Sealaska proxy will also receive directed, discretionary and quorum totals for their proxies.
- The Chair and Vice Chair of the Board, Corporate Secretary, and General Counsel are the only persons entitled to all information regarding the tabulation of the Corporation’s proxy. The Bylaws require them to hold this information in strictest confidence until voting occurs at the annual meeting.
- Sealaska’s proxy *may* endorse a Board of Directors’ slate. The names of the independent nominees will be stated separately. This endorsement will entitle the directors’ slate to all benefits of the Corporation’s proxy, including discretionary voting and reimbursement for additional proxy solicitation and expense.

Election Highlights:

- Names of all qualified nominees may appear on the Sealaska proxy.
- Independent nominees who appear on Sealaska’s proxy cannot appear on any other proxy.
- Sealaska will pay the cost of printing and mailing proxies for all nominees on the Sealaska proxy.
- Any separate mailing or advertising will be paid for by the nominee.
- Candidates may submit personal statements and photos which will be published in the proxy statement and the Sealaska *Shareholder* newsletter.
- The Sealaska proxy form will have lines for write-in candidates.
- Only Sealaska’s proxy materials can be blue or carry the Sealaska logo.
- Directed votes cannot be redirected to another candidate.
- “Write-outs” -- Shareholders can vote “discretionary” and also indicate that they don’t wish their votes to go to any particular nominee, by crossing out the name of that nominee.
- All candidates are entitled to the same vote tabulation information.
- Shareholders who properly propose a resolution for consideration at the annual meeting can submit a 1000-word position statement supporting the resolution.
- Sealaska will provide each independent candidate one set of address labels that must be used when soliciting separate proxies. This is to ensure that the Inspectors of Election can verify the name of the voting shareholder. Additional sets of labels can be purchased at a reasonable cost.

This nominee’s packet will be sent to any Sealaska shareholder who requests a copy.

INSTRUCTIONS FOR INDEPENDENT NOMINEES

Under Sealaska's rules and election procedures, any qualified shareholder may seek a position on the Board of Directors by following the requirements of Sealaska Bylaw 3.3, entitled "Election Procedures." A copy of that bylaw provision is included on pages 26-30. Read it carefully and become familiar with its provisions, including compliance with the Corporation's code of conduct requiring disclosure of and abstention from any conflict of interest. (See Bylaw 3.3.3.4, page 26.)

According to Alaska law, all board candidates, whether independent or Board of Directors' nominees, must disclose certain information about themselves. Sealaska has prepared the enclosed forms to help independent candidates for the board comply with the Sealaska Bylaws and Alaska law.

Because of these requirements, it is important that each candidate understand the State proxy solicitation regulations (3 AAC 08.305 et seq.). **The regulations are on pages 37-43.** The enclosed forms must be filled out completely and accurately so that your name may appear on the Corporation's proxy, and so that the proxy votes for you will be valid. Sealaska's shareholders must receive complete and accurate information.

1. INDEPENDENT NOMINEE'S DISCLOSURE QUESTIONNAIRE (PAGES 13-18)

This document must be fully completed by each person who wishes to be an independent candidate appearing on Sealaska Corporation's proxy. If you complete this form accurately, you comply with the State proxy solicitation disclosure requirements (3 AAC 08.355). Mark "none" or "N/A" whenever a particular question does not apply to you. When completing this form, you may use additional paper if you require additional space for a complete answer. If you do not understand any of the questions on the form, contact Sealaska's Corporate Secretary. After you have filled in all the information requested, send the **original** to the Corporate Secretary at Sealaska Corporation, and make a **copy** and send it to the State of Alaska, Department of Community and Economic Development. The addresses appear on page 13. Two preaddressed envelopes are enclosed. Be sure to use the correct amount of postage.

Sealaska must receive these materials by March 31, 2008, or your name will not be included on the Corporation's proxy. If you miss the deadline, you may still run as an independent candidate, but you will have to provide your own proxies and handle your own mailing, and you will not receive assistance from the Corporation.

When you complete this form and sign it, you verify that the contents are true to the best of your knowledge and belief. If you do not know the answer to any of the questions, you must make reasonable efforts to find out and answer it completely.

If you have made a statement that is false or would mislead shareholders on an issue important to them in determining how to vote, your proxies may become invalid, or you may have to make corrective statements at your own expense.

2. NOMINEE'S AGREEMENT (PAGE 18)

The Nominee's Agreement states your agreement and understanding that you will abide by these election rules and conditions. Failure to do so could invalidate the votes cast for you on the Corporation's proxy. Read the provisions of this Agreement and the Bylaws so you understand the responsibilities that go along with your nomination. If you agree with the terms, sign the Agreement and return it to the Corporate Secretary in the enclosed envelope.

If you do not wish to participate in these procedures, or do not agree with the conditions stated in the Agreement, you may still run as an independent candidate, but only on a separate proxy and not at the Corporation's expense. All candidates must comply with all State regulations concerning solicitation, and with Sealaska's bylaw provisions governing independent candidates.

3. NOMINEE'S PERSONAL STATEMENTS (PAGES 19-20)

Each nominee who appears on Sealaska's proxy has the opportunity to publish information about himself /herself and to make personal campaign statements that will be printed and distributed by the Corporation. Nominee's Personal Statement forms are numbered 1 and 2. The maximum number of words in your personal statements is on each form. These statements are optional.

The first 100-word statement will be included in the Corporation's official proxy statement. The following 200-word statement will be published in the *Sealaska Shareholder* newspaper. Sealaska reserves the right to edit any nominee's statements. You may include a clear photograph of yourself. The picture will be published approximately passport size. It is preferred that a high-resolution digital photo file be emailed to the Corporate Secretary at CorpSec@sealaska.com.

4. REQUEST FOR SHAREHOLDER LIST AND AGREEMENT (PAGE 17)

Sealaska provides any shareholder who requests it for a proper purpose a copy of the current certified list of shareholders who are entitled to vote at the next annual meeting. If you wish to solicit proxies in addition to the efforts Sealaska will make, you may wish to obtain a shareholder list. This information can be used only for a proper corporate purpose such as soliciting proxy votes. It cannot be used for personal gain or any commercial or improper purpose. If you wish to obtain the shareholder list for your campaign, you must agree that you will not use it for any improper purpose.

There is a charge of \$35 for the shareholder list plus the cost of postage to mail the list. The shareholder list is also available on compact disc for a charge of \$35, plus the cost of postage to mail the disc.

Sealaska provides each independent candidate one set of address labels that must be used when soliciting separate proxies. This is to help the independent Inspectors of Election with the tabulation process. Additional sets of labels may be purchased at a reasonable cost.

5. SEALASKA CORPORATION PROXY (DRAFT FORM, PAGE 22)

This item gives you an idea of how Sealaska's proxy will appear. At this writing, Sealaska does not know who the candidates will be, so the names are not filled in. We also do not know how many candidates will appear on the form, or what shareholder resolutions may be presented. Sealaska may change the language before the final proxy is sent out, approximately 60 days before the annual meeting.

6. PROXY VERIFICATION RULES AND INSTRUCTIONS TO THE INSPECTORS OF ELECTION (PAGES 33-36)

The Independent Inspectors of Election have guidelines for interpreting proxies that they receive and tabulate. These rules and instructions are included in this packet to help you make sure that all proxies you solicit are completed correctly according to these rules. If you make sure that proxies are filled out completely, accurately and legibly, you will obtain the maximum number of votes and minimize the number of proxies that have to be rejected.

7. BYLAWS OF SEALASKA CORPORATION - ARTICLE II, "SHAREHOLDERS" AND ARTICLE III, "BOARD OF DIRECTORS" (PAGES 23-32)

Study these Bylaws carefully before you begin your campaign.

8. STATE OF ALASKA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, REGULATIONS REGARDING PROXY SOLICITATION (PAGES 37-43)

These requirements must be met by all candidates. If you do not follow these regulations, your votes could be invalidated.

CALENDAR

FEBRUARY 14 (135 days Before Annual Meeting)

Deadline for Sealaska to send First Notice of Annual Meeting to all shareholders. Notice was sent in a separate mailing to shareholders.

FEBRUARY 29

Deadline for submitting Shareholder Resolutions to Corporate Secretary.

MARCH 31

Deadline to submit completed packet materials for Nominees who wish to be included on the Sealaska Proxy.

APRIL 21 (Record Date)

Closing of transfer books and fixing record date for purpose of determining shareholders entitled to participate or vote in Annual Meeting.

MAY 2 Approximate date to mail:

- Notice of Annual Meeting
- Proxy Statement
- Proxy Card

MAY 23

Early Bird Prizes Deadline for Voting.

MAY 26

Memorial Day Holiday.

JUNE 26

7:00 p.m. Local Time, Juneau, Alaska - Deadline for submitting all proxies to Inspectors of Election.

JUNE 27

Sealaska Board meeting (tentative) - Meeting of all proxyholders with Inspectors of Election to review invalid proxies.

JUNE 28

1:00 p.m. Pacific Time, Annual Meeting of Shareholders of Sealaska Corporation, The Westin San Francisco Market Street Hotel, San Francisco, CA.

QUESTIONS & ANSWERS ABOUT THE ELECTIONS PROCESS

Q: How many votes do I have?

A: For each share of stock a shareholder has, the shareholder gets one vote for each director seat that is up for election. For example, a shareholder with 100 shares of stock has 400 votes if there are four directors being elected.

Q: Can I run as an independent candidate?

A: You can have your name placed on Sealaska's proxy by following the procedures in this booklet or, if you choose not to be included on the Sealaska proxy, you can still run as an independent candidate. However, your name will not appear on the Sealaska proxy and you will be responsible for your own proxy solicitation efforts. All candidates must comply with appropriate State laws.

Q: What are the benefits of the elections system for independent candidates?

A: The main benefit is that independent candidates get exposure of their ideas and interests to every Sealaska shareholder, at a much lower cost to the candidates. Independent candidates may face thousands of dollars in printing and mailing costs if they run a separate proxy campaign.

Q: Can I change my candidate's personal statements after I have sent them to Sealaska for publication?

A: Yes, you can change your candidate's personal statements if you desire. But you must be sure to get your changes to Sealaska within a reasonable time, generally several weeks, before the proxy material is mailed, to allow time for producing the documents. **Changes will not be made after printing has begun.**

Q: Will independent candidates get information about votes they receive on Sealaska's proxy?

A: All candidates on the Sealaska proxy are entitled to know the total number of votes toward quorum, and the number of directed votes they have. No nominee, including Sealaska incumbents and board members, is entitled to any further information until just before the election.

Q: What happens if I don't follow the rules in the Nominee's Agreement?

A: If you do not follow the terms of the Nominee's Agreement, you can be dropped from the Sealaska proxy and you will not be entitled to the other benefits that Sealaska offers the candidates who do appear on the Sealaska proxy. Under certain circumstances, such as making a false or misleading statement in your personal statement, or omitting a material fact, votes for you may not be counted.

Q: When do I need to get my information to Sealaska so it can be published?

A: Independent candidates must get their information to Sealaska no later than March 31, 2008. Sealaska must receive the information by this date.

Q: Who decides if a proxy is valid?

A: The Independent Inspectors of Election determine the validity of proxies, according to the proxy verification rules included on pages 33-36 of this packet.

Q: What happens if I don't complete all the questions fully and accurately?

A: Your votes could be challenged or not counted by the Inspectors of Election if it is discovered that you provided false information or neglected to include information that could cause a shareholder to vote differently.

Q: Can I contest a finding that a proxy is invalid?

A: Yes. You can meet with the Independent Inspectors of Election and review the proxies which have been found invalid, and contest the decision if you so desire. Most "invalid" proxies have simply been replaced by one from the same shareholder, so there may be no difference in the total vote count.

Q: If I'm included on Sealaska's proxy, can I appear on someone else's proxy?

A: No. According to Sealaska's election Bylaws, a candidate who appears on the Sealaska proxy can not appear on any other proxy.

Q: What happens to proxies voted for a candidate who withdraws before the election?

A: Every shareholder's votes will be cast as directed by that shareholder. If the shareholder has voted "discretionary," then the proxy can vote for any candidate on the slate; but if a vote is "directed," it will not be "redirected" to another candidate. A shareholder who voted for a candidate who later withdraws could sign a new proxy and vote for another candidate, as long as the proxy is received by the Inspectors of Election before the deadline.

VOTERS' INFORMATION

How to vote:

Shareholders may vote for nominees for the Sealaska Corporation Board of Directors in two ways. Most people vote by proxy, a form which is sent to all shareholders in the mail. Some shareholders prefer to attend the annual meeting and cast their vote in person at the meeting.

When to vote:

You may vote by proxy any time up until the proxy deadline, which is 7:00 p.m. on June 26, 2008, two days before the Annual Meeting. On that date your proxy must be received by the Independent Inspectors of Election.

If you choose to vote in person at the Annual Meeting, you must attend the meeting and cast your ballot during the specific time that the ballot box is open. The Inspectors of Election will announce this time period during the meeting.

Where to vote:

If you vote by proxy, you can vote anywhere and send in your proxy by mail in a postage-paid envelope which Sealaska sends to you as part of the proxy material. You can also fax your proxy directly to the Inspectors of Election at the fax number printed on your proxy. If you choose to vote in person at the annual meeting, you must attend the meeting, which this year is scheduled for **June 28, 2008 in San Francisco, California**.

How many Directors are up for election:

This year, four directors will be elected to three-year terms.

Voting "Directed":

When you complete your proxy, you can vote "Directed" and direct your votes specifically for nominees of your own choosing.

Voting "Discretionary":

When you complete your proxy, you can vote "Discretionary" and give the proxyholders named on the proxy the discretion to vote your shares in the way they feel is appropriate. You can specify those individuals for whom you specifically do not want your shares voted by crossing out their names on the proxy.

Voting "Quorum Only":

When you vote your proxy, you can choose "Quorum Only" and allow your shares to be counted only toward achieving a quorum for the meeting. This means that you would not vote for any nominee.

Cumulative Voting:

For each share of stock a shareholder has, the shareholder gets one vote for each director who is up for election. For example, a shareholder with 100 shares of stock has 400 votes this year, because there are four directors being elected. In cumulative voting, you can vote all of your votes for one candidate, or divide them up among up to four candidates in any way you desire.

Voting Shares:

Original shareholders and their descendants have "voting shares," which means they can vote. Non-Natives who have inherited or received Sealaska stock through divorce proceedings have "non-voting shares and they are not entitled to vote."

INDEPENDENT NOMINEE'S DISCLOSURE QUESTIONNAIRE

SEALASKA CORPORATION 2008 ANNUAL MEETING

Alaska law (Chapter 08, Article 3 of the Alaska Administrative Code, 3 AAC 08.305, et seq.) requires all candidates for Board of Directors positions in ANCSA corporations to make certain disclosures about themselves, to communicate that information to shareholders, and to file the disclosures with the State of Alaska, Division of Banking, Securities and Corporations ("Division"). Completion of the following questionnaire will provide the required information.

Upon completion, send the original to the Corporate Secretary at:

Corporate Secretary
Sealaska Corporation
One Sealaska Plaza, Suite 400
Juneau, AK 99801-1276
(907) 586-9249

and send a copy to the Division at:

State of Alaska
Department of Community & Economic Development
Division of Banking, Securities & Corporations
P.O. Box 110807
Juneau, AK 99811-0807
(907) 465-2521

Failure to make the required disclosures, or making a disclosure or other material statement that is false or misleading, could result in the invalidation of proxies voted for you. For that reason, please be certain to fill out the form completely and accurately. You may contact the Corporate Secretary if you have any questions about this form or the Corporation's Bylaws. If you have any questions about the State proxy regulations, you may contact the Corporate Secretary or a Securities Examiner at the Division. Your nominee's packet includes a copy of the applicable Alaska Administrative Code sections. See 3 AAC 08.355, "Non-Board Solicitations," reprinted on page 42 of this packet, for detailed information and definitions of terms used in this form.

(continued next page)

1. Name of Corporation with respect to which proxies are being solicited: **Sealaska Corporation**

2. Your full name as it appears on your Sealaska Stock Certificate	Social Security or Shareholder Number			
<hr/> (Your name will appear on solicitation materials as your full legal name and will not include Native names)				
Mailing Address	City	State	Zip	Telephone
<hr/> Residence Address (if different from mailing address)				<hr/> Message Phone
Age	Email Address			
<hr/>				

3. Name and Address of "participants" as defined in 3 AAC 08.365(11) (see page 43):

A. Committee or group involved in the election of directors or other matters to be voted on at the annual meeting, with which you are affiliated:

B. Person, group, or entity that finances, directly or indirectly, your solicitation of proxies (other than Sealaska Corporation, and other than one that contributes not more than \$500 and that is not otherwise a participant):

C. Person, group, or entity that solicits proxies on your behalf (other than Sealaska Corporation):

D. Other "participants" as defined in 3 AAC 08.365(11) (see page 43) with which you are affiliated or that join in your solicitation:

4. Do you, or any of the "participants" listed in item #3 above, have an arrangement or understanding with any entity for future employment by Sealaska Corporation (or its affiliates) or future financial transactions to which Sealaska (or its affiliates) will be or may become a party? Yes No

If "Yes," provide a description of the terms of and parties to each arrangement or understanding.

5. List all positions or offices that you currently hold or have held in the past in Sealaska, including any of its affiliates, subsidiaries and committees, etc.

If you served on any Sealaska board or committee, did you attend at least 75% of the meetings during the past fiscal year? Yes No If "No," what percentage did you attend? _____%

6. Do you have any family relationship with any current director, other nominee, or executive officer of Sealaska or its subsidiaries? Yes No

If "Yes," state the name(s) of the person(s) to whom you are related, the position(s) they hold, and the nature of the relationship(s).

7. State your business experience during the past five years, including principal employment or occupation and employer, beginning with the most recent (you may attach a separate sheet if desired):

8. The following events are considered material to an evaluation of a candidate's ability or integrity, if they occurred during the past five years. If any of these events applies to you, list it and provide a brief description of the circumstances:

- voluntary or involuntary petition under bankruptcy or insolvency laws;
- appointment of a receiver;
- conviction or plea of no contest in a criminal proceeding (except traffic violations or other minor offenses);
- and the entry of any final judgment, order, or decree, not subsequently reversed or vacated, that you engaged in unethical or illegal business practices or violated securities laws.

9. Provide a brief description of financial transactions between Sealaska and any entity (including individuals, sole proprietorships, joint ventures, trusts, associations, firms, corporations, and other organizations) since January 1, 2007 or financial transactions presently proposed between Sealaska and any such entity, if:

- a. the transactions in the aggregate exceed \$20,000; and
- b. you or a person who finances your campaign, or a group or committee or member thereof that provides more than \$500 for your campaign, or otherwise is a "participant" as defined by regulation 3 AAC 08.365(11); (see page 43) or a member of your family is employed by, is an officer or director of, or owns, directly or indirectly, an interest in the entity.

10. Briefly describe all legal proceedings to which you or another participant with whom you are affiliated are a party with interests adverse to Sealaska or its affiliates:

11. Briefly describe the methods you will employ to solicit proxies, if other than by use of the mail or by inclusion on Sealaska Corporation proxy materials:

12. Proxy Solicitation Expenditures.

a. How much money have you already spent soliciting proxies for this election?

\$ _____

b. How much do you estimate you will spend, in addition to the solicitation services to be provided by Sealaska Corporation?

\$ _____

c. If you will incur additional expenses of solicitation, who will bear those expenses? (List any "participant" in your solicitation (other than Sealaska) who has contributed, or has agreed to contribute, \$500 or more, in the aggregate):

I understand that if I choose to have my name placed on the Sealaska Corporation proxy, I will not seek additional reimbursement from the Corporation for my solicitation expenses. I hereby declare that the foregoing information as provided by me is true and correct to the best of my knowledge and belief, and that I have made every reasonable effort to assure the accuracy of every fact stated herein; I have read the Sealaska Corporation Bylaws pertaining to election of directors and the State of Alaska regulations regarding proxy solicitation, and agree to abide by the rules stated therein; further, I understand that whenever a word used in this form is defined in Sealaska Bylaw 3.15, or 3 AAC 08.365, the meaning of that word shall be as set forth in those sections.

Signature (Shareholder/Nominee)

Date

NOMINEE'S AGREEMENT

This Agreement is executed by: _____

of the following address: _____

I am a holder of voting shares in Sealaska Corporation, 18 years of age or older, and I am a candidate for a seat on the Board of Directors of Sealaska Corporation ("Sealaska"). I wish to have my name included on Sealaska's proxy and my proxy solicitation materials included in Sealaska's mailings to shareholders before the 2008 Sealaska Corporation Annual Meeting election.

In consideration for Sealaska's including my name on its proxy, printing and mailing my proxy solicitation materials, and including my biographical information, disclosures, photograph, and nominee's statement in its election pamphlet and Corporate Proxy Statement and to the publication of certain information in the Sealaska Shareholder, I hereby agree to the following:

1. I will comply with all State statutes and regulations governing proxy solicitation, particularly 3 AAC 08.305 et seq.
2. I will be bound by Sealaska's Bylaws governing proxy solicitation and elections, particularly Article III of the Bylaws.
3. If I fail in any material respect to comply with State law or Sealaska's election Bylaws during the course of my campaign, I hereby authorize the Corporation to invalidate any proxy votes or ballots voted directed to me in accordance with the Sealaska Corporation Bylaws and/or applicable State of Alaska regulations, except for quorum purposes.
4. With the understanding that I may solicit votes for myself on Sealaska's proxies, I shall not include or permit my name to be included on any proxy for any other nominee or slate of nominees, other than Sealaska's, or be part of any other nominee's, or slate of nominees', campaign. I hereby agree that should my name appear on any other nominee's or slate of nominees' proxy (except as a write-in) or proxy statement I will cooperate with Sealaska Corporation to have my name removed from those proxies, including authorizing appropriate communications and instructions to the State of Alaska Division of Banking, Securities and Corporations.
5. I acknowledge that I have been provided copies of:
 - (a) the State of Alaska regulations on proxy solicitation,
 - (b) the Sealaska Bylaws on elections,
 - (c) the Instructions to Inspectors of Election, and
 - (d) the Proxy Verification Rules, and have fully read and understand all of the provided materials.

Dated this _____ day of _____, 2008.

Nominee's Signature _____

NOMINEE'S PERSONAL STATEMENT FOR THE PROXY STATEMENT– #1

(100 words)

The undersigned nominee for the Board of Directors of Sealaska Corporation hereby requests the inclusion of the following personal statement of **100 words** or less in the official Sealaska Proxy Statement, which will be sent to all voting shareholders of record prior to the 2008 Annual Meeting. I hereby give consent for the Corporate Secretary and Corporate Communications Department to edit the contents hereof to conform to legal or space requirements as set forth in the Corporation's Bylaws; and I also certify that the contents hereof are true and correct to the best of my knowledge and belief, and express opinions that are my own and not necessarily those of Sealaska Corporation.

STATEMENT

Education:

Affiliations:

Signature

Printed Name

Date

APPENDICES

DRAFT PROXY FORM

SEALASKA CORPORATION ELECTION BYLAWS

INSTRUCTIONS TO THE INSPECTORS OF ELECTION

PROXY VERIFICATION RULES

ALASKA ADMINISTRATIVE CODE – PROXY
SOLICITATIONS

**Sealaska Corporation
Draft Proxy Card**

Solicitation by the Board of Directors for the 2008 Annual Meeting of Shareholders

3 Steps for Filling out the Proxy

1. Choose one of the following 3 ways to Vote Your Proxy (Vote for Directors): Discretionary, Directed or Quorum Only.
2. If you decide to vote directed, allocate your votes in the spaces provided.
3. **Sign and Date Your Proxy**, and mail or fax it to the Independent Inspectors of Election.

Vote Your Proxy (Vote for Directors)

- Discretionary** – Your votes will be voted for candidates on the Board of Directors' slate. Do not allocate your votes below. The Corporation will distribute your votes among its slate at the discretion of the Proxyholders appointed above. Be sure to sign and date your proxy. If you wish to withhold authority to vote the discretionary proxy for one or more of the board slate nominees in particular, cross out the name of that nominee and none of your shares will be voted for him or her.
- Directed** – If you wish to direct specific numbers of votes to certain nominees, either within the Board of Directors' slate or among the listed independent nominees, write the number of votes you wish to give to each nominee next to that nominee's name. Vote for no more than a total of four nominees. You have four votes for every share you own. For example, if you have 100 shares, you have 400 votes. If any of the nominees withdraws or for good cause will not serve, his or her directed votes will not be redirected to any other candidate.
- Quorum Only** – If you wish to withhold authority to vote, your proxy will be counted for quorum purposes only. If you check this box, no nominee will receive any of your votes, unless you have also checked the discretionary voting box or cast directed votes for a nominee or resolution.

I hereby appoint as my attorneys in fact and proxies xxxxxxxxxxxx, xxxxxxxxxxxx, and xxxxxxxxxxxx ("Proxyholders"), a majority of them, or any one of them acting in the absence of the others, with full powers of substitution, to attend the Annual Meeting of Shareholders of Sealaska Corporation to be held in San Francisco, California on June 28, 2008, at 1:00 pm, and any adjournment or postponement thereof, and to vote all of my shares of Sealaska Corporation that I could vote, with all the powers that I would possess if personally present at the meeting, all as described in the Notice of Meeting and Proxy Statement, both dated xxxxxxxx, 2008, receipt of which I acknowledge. If this proxy is signed and no specific direction is given, this proxy will be voted for the Board of Directors' nominees, and at the discretion of the Proxyholders upon such other matters as may properly come before the meeting. Directors will be elected for terms ending in 2011. **CAST MY VOTES IN THE MANNER INDICATED BELOW:**

Vote for Directors

How Many Votes Do You Have? You can vote the number of shares you own times 4. You own _____ shares.

BOARD OF DIRECTORS' NOMINEES	INDEPENDENT NOMINEES																				
<p>The Board of Directors endorses the following slate of nominees. You may vote for these nominees using either discretionary voting by checking the box above or by directed voting below. <i>See the mailing label for the number of votes that you have. If you checked the "Discretionary" box, you should not write in the number of votes.</i></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 70%;">Nominee</th> <th style="text-align: left; width: 30%;">Number of Directed Votes</th> </tr> </thead> <tbody> <tr> <td>XXXXXXXXXXXXXXXXXXXX</td> <td>_____</td> </tr> <tr> <td>XXXXXXXXXXXXXXXXXXXX</td> <td>_____</td> </tr> <tr> <td>XXXXXXXXXXXXXXXXXXXX</td> <td>_____</td> </tr> <tr> <td>XXXXXXXXXXXXXXXXXXXX</td> <td>_____</td> </tr> </tbody> </table>	Nominee	Number of Directed Votes	XXXXXXXXXXXXXXXXXXXX	_____	XXXXXXXXXXXXXXXXXXXX	_____	XXXXXXXXXXXXXXXXXXXX	_____	XXXXXXXXXXXXXXXXXXXX	_____	<p>The following nominees are independent candidates. They are not endorsed by the Board of Directors. <i>See the mailing label for the number of votes that you have. If you checked the "Discretionary" box, you should not write in the number of votes.</i></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 70%;">Nominee</th> <th style="text-align: left; width: 30%;">Number of Directed Votes</th> </tr> </thead> <tbody> <tr> <td>XXXXXXXXXXXXXXXXXXXX</td> <td>_____</td> </tr> <tr> <td>XXXXXXXXXXXXXXXXXXXX</td> <td>_____</td> </tr> <tr> <td>XXXXXXXXXXXXXXXXXXXX</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> </tbody> </table> <p style="text-align: center;">(Write-In Name Here)</p>	Nominee	Number of Directed Votes	XXXXXXXXXXXXXXXXXXXX	_____	XXXXXXXXXXXXXXXXXXXX	_____	XXXXXXXXXXXXXXXXXXXX	_____	_____	_____
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SIGN THIS PROXY AND MAIL IT IN THE ENCLOSED PREPAID ENVELOPE TO:
 Independent Inspectors of Election & Voting
 Elgee Rehfeld Mertz, LLC
 9309 Glacier Highway, Suite B200
 Juneau, AK 99801

OR FAX TO:
 (907) 789-7128

Date: _____, 2008
Signature: _____
Print name: _____
 As custodian for: _____
 (Minor's name if applicable)

Witnesses are necessary only when a shareholder signs by marking "X." In such case, two witnesses must sign below.

 (Witness, if necessary)

 (Witness, if necessary)

Please sign exactly as your name appears on the left. When signing as custodian for a minor, or as executor, administrator, attorney, trustee or guardian, please write your full title as such. For instance, if your name appears as "John H. Jones, Sr.," please sign "John H. Jones, Sr.," or if your name appears as "John H. Jones, Sr., as custodian for Harold Jones," sign "John H. Jones, Sr., as custodian for Harold Jones."

(shareholder address label)

Contribute my \$25 voting incentive to
 Sealaska Heritage Institute.
 Check Here
 OPTIONAL – This gift is made in memory of:

SEALASKA CORPORATION ELECTION BYLAWS

ARTICLE II - SHAREHOLDERS

2.1 ANNUAL MEETING.

The annual meeting of shareholders, unless for compelling reasons the Board of Directors otherwise provides in particular years, shall be held within nine months of the close of the fiscal year of the Corporation at such time as the Board of Directors shall prescribe.

2.2 SPECIAL MEETINGS.

Special meetings of the shareholders may be called by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, or by petition of the holders of not less than one-tenth of all shares entitled to vote at the meeting. A special meeting called by petition of shareholders delivered within 120 days before a regular annual meeting, or scheduled special meeting, or called for a purpose or purposes substantially the same as a scheduled meeting, may be combined with the scheduled meeting. Only such business shall be conducted at a special meeting as is specified in the notice thereof.

2.2.1 A special meeting may not be called for a purpose or purposes substantially the same as any matter that has been subject to a vote of shareholders, and which failed, within the preceding 180 days if for removal of directors, or within the preceding 24 months for all other matters.

2.3 PLACE OF MEETINGS.

All meetings of shareholders shall be held at a location designated by the Board of Directors.

2.4 NOTICE OF MEETINGS.

Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than twenty (20) nor more than sixty (60) days before the date of the meeting, either personally, [or] by mail, or by electronic transmission, as provided in AS 10.06.410 or its successor, by or at the direction of the Chief Executive Officer, the Secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail postage prepaid addressed to the shareholder at the shareholder's address as it appears on the stock transfer books of the Corporation or, if the shareholder has filed with the Secretary a written request that notice be mailed to a different address, the Corporation shall mail the notice to the new address. The Secretary shall execute an affidavit when notice of a shareholders' meeting is complete that notice has been given in compliance with this section. Waiver by a shareholder in writing of a notice of a shareholders' meeting shall be equivalent to the giving of such notice. Attendance at a shareholders' meeting, whether in person or by proxy, shall constitute a waiver of notice of the meeting.

2.5 CHAIRMAN OF SHAREHOLDERS MEETINGS.

If present, the Chairman of the Board of the Corporation shall preside at all meetings of the shareholders of the Corporation, and in the absence or disability of the Chairman, the Vice Chairman shall preside.

2.6 QUORUM.

A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. The shareholders present at a duly organized meeting may continue to do business until adjournment. If enough shareholders withdraw from the meeting to leave less than a quorum, except as otherwise provided by applicable law, any action is valid if approved by at least the number of shares required to constitute a majority of a quorum; notwithstanding the foregoing, any duly organized meeting at which a quorum is no longer present may be adjourned by a vote of the majority of shares present.

2.7 CLOSING TRANSFER BOOKS AND FIXING RECORD DATE.

For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed in any case seventy (70) days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, the books shall be closed for at least twenty (20) days immediately preceding the meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date, in any case, to be not more than sixty (60) days and, in case of a meeting of shareholders, not less than twenty (20) days prior to the date on which the particular action requiring this determination of shareholders is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice, or to vote at a meeting of shareholders, or entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the

Board of Directors declaring the dividend is adopted, as the case may be, shall be the record date for the determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, the determination shall apply to any adjournment thereof, except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired.

2.8 LIST OF SHAREHOLDERS.

As of the record date, and in any event at least twenty (20) days before each meeting of shareholders, the officer or agent having charge of the share transfer book for shares of the corporation shall make a list of the shareholders entitled to vote at the meeting or an adjournment of the meeting, arranged in alphabetical order, with the address of and the number of shares held by each. The list shall be kept on file at the registered office of the corporation and is subject to inspection by a shareholder or the agent or attorney of a shareholder at any time during usual business hours for a period of twenty (20) days prior to the meeting. The shareholder list shall be made available to any qualified nominee for the Board of Directors or a shareholder entitled to vote, or said nominee's or shareholder's agent or attorney, upon five (5) business days written notice to the Secretary and execution of an agreement which includes, but is not limited to, representations by the voting shareholder that the list will be utilized only for a proper corporate purpose. Upon execution of the agreement by the voting shareholder and verification by the Secretary of the representations, the Secretary shall make the shareholder list available to the voting shareholder in the aforementioned order and upon any medium which is utilized by the Corporation. The Corporation shall not be required to provide such lists in other formats or order, nor on media not then used by the Corporation, and may charge the voting shareholder the cost of the medium upon which the information is produced. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of a shareholder during the meeting. Failure to comply with the requirements of this section does not affect the validity of the action taken at the meeting.

2.9 VOTING.

At any meeting of the shareholders every shareholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by the shareholder or by the shareholder's authorized attorney in fact, or by proxy executed by electronic transmission by the shareholder or by the authorized attorney-in-fact of the shareholder in accordance with AS 10.06.420 or its successor, and bearing a date not more than eleven months prior to said meeting. At an election for directors every shareholder entitled to vote may vote, in person or by proxy, the number of shares owned by that shareholder for as many persons as there are directors to be elected, or may cumulate the shareholder's votes by giving one candidate as many votes as the number of directors to be elected multiplied by the number of the shareholder's shares, or by distributing these votes on the same principle among any number of candidates.

2.9.1 Any petition of shareholders for the purpose of calling a special meeting or other valid purpose shall be valid only to the extent that signatures thereon shall be dated less than 11 months prior to submission, and that such signatures shall be subject to validation by the Corporate Secretary.

2.10 FILING OF PROXIES.

No proxy shall be voted at any meeting of shareholders of the Corporation unless it shall have been placed on file with the Inspectors of Election and Voting appointed for any such meeting by the Board of Directors pursuant to section 2.11 hereof for verification by 7:00 p.m., local time, on the second full business day prior to the date on which such meeting shall convene.

2.11 SELECTION OF INSPECTORS FOR SHAREHOLDERS' MEETINGS.

The Board of Directors of the Corporation, in advance of any shareholders' meeting, shall appoint one or more inspectors to act at the meeting or an adjournment thereof. If inspectors are not so appointed, the person presiding at a shareholders' meeting shall appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors of the Corporation in advance of the meeting or at the meeting by the person presiding thereat. Before entering upon the discharge of duties, each inspector shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of that inspector's ability.

2.12 DUTIES OF INSPECTORS FOR SHAREHOLDERS' MEETINGS.

The inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and except as otherwise stated herein, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots and consents, provide tabulated information to nominees and proxyholders or to persons designated in writing by nominees or proxyholders to receive such information, determine the results, and do such other acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting or of any shareholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question, fact, or matter determined by them. Any report made by them shall be prima facie evidence of the fact stated and of the vote as certified by them.

2.13 RESOLUTIONS.

2.13.1 QUALIFICATION.

Resolutions no longer than one hundred (100) words may be submitted for adoption pursuant to a shareholder vote, by the Board of Directors or by a person who is an eligible voting shareholder of record; who continues to be a shareholder on the date of the regular annual meeting or special meeting held for that purpose; and who submits the proposed resolution according to the procedures set forth in section 2.13.4 of these bylaws.

2.13.2 MANNER OF ADOPTION.

All resolutions shall be adopted by a majority, or such other percentage as may be required by applicable law with respect to specific matters, of the shares qualified and voted on the particular resolution, in person or by proxy, at the annual meeting or special meeting called for that purpose.

2.13.3 BOARD OF DIRECTORS SUBMISSION.

Resolutions submitted to shareholders by the Board of Directors shall be described in the proxy statement and subject to a vote of the shareholders at a regular meeting or a special meeting called for that purpose.

2.13.4 PROCEDURES FOR SUBMISSION BY A SHAREHOLDER.

A shareholder may submit to the Secretary a resolution of not over one hundred (100) words and a supporting statement of not more than 1000 words, and evidence that said shareholder has complied with the statutory and bylaw requirements necessary to bring such question to a shareholders' vote, not later than 5:00 p.m., local time, one hundred twenty (120) days before the annual meeting for which the resolution is submitted, or special meeting called for that purpose. Each resolution submitted by a shareholder shall be accompanied by the valid signatures of shareholders representing not less than one percent (1%) of the voting shares of the Corporation; provided, however, that a petition requesting a Special Meeting of shareholders must have signatures representing one-tenth of the voting shares, per Alaska Law and Section 2.2 hereof. Petitions submitted pursuant hereto shall include 1) the exact language of the matter to be voted upon; 2) a space for the shareholder's signature, followed by spaces where the shareholder's name and address shall be printed; and 3) a space for the shareholder to fill in the date on which the signature is executed. Resolutions which do not meet statutory or bylaw requirements or which are otherwise contrary to law, inconsistent with this Article, or contrary to the Articles of Incorporation, shall not be submitted to the shareholders. If the Secretary determines that the shareholder resolution complies with these Bylaws and other legal requirements, the Secretary may request General Counsel to assist the shareholder in editing or revising the language of the resolution for legality or clarity, then shall submit the resolution to the Board of Directors.

2.13.5 ADVISORY RESOLUTIONS.

All resolutions not submitted by the Board of Directors shall be advisory, if adopted, unless otherwise required by applicable law. An advisory resolution, when approved, acts as a non binding recommendation to the Corporation.

2.13.6 DISQUALIFICATION OF SHAREHOLDER RESOLUTION.

The Secretary, in consultation with General Counsel, may disqualify any shareholder resolution if the shareholder resolution is statutorily within the prerogatives of the Board of Directors, including without limitation the declaration of dividends pursuant to AS 10.06.358 or the exercise of Directors' duties under AS 10.06.450 (or their successor statutes), or is contrary to other applicable law or regulation, or may otherwise be deemed improper under S.E.C. Rule 1 4a-8(c) as it may be amended from time to time (17 C. F. R. 240. 1 4a-8(c)). The Secretary shall advise the Board of Directors when such action has been taken and shall notify the shareholder of such disqualification within fourteen (14) days of receipt of the proposed resolution. The Board of Directors may instruct the Secretary to accept a disqualified resolution if it finds that the interests of the Corporation would be promoted.

2.13.7 LIMITATION ON NUMBER OF SUBMISSIONS.

No individual shareholder or organization of shareholders may submit more than three (3) resolutions for adoption at any annual or special meeting of shareholders. Once any individual or shareholder organization has submitted three (3) resolutions to the Corporation, any later submission by that individual or organization for adoption at the same annual or special meeting shall be rejected by the Secretary. The Secretary shall reject any proposed resolution which is the same, or substantially the same, as a resolution that has been submitted to a vote of the shareholders at any regular or special meeting, and has failed, within the preceding 24 months, except that if any state or federal law or regulation requires a longer period the longer period shall apply.

2.13.8 DISQUALIFICATION OF FRIVOLOUS OR UNLAWFUL RESOLUTIONS.

Any shareholder resolution that is submitted for what the Secretary or Board of Directors determines to be a frivolous or unlawful purpose, or in which the meaning, intent, or legal significance is deemed to be too unclear to be meaningful to a reasonable shareholder, will be rejected, even if certain portions of the resolution are otherwise valid.

2.13.9 FURTHER BOARD PREROGATIVES CONCERNING SHAREHOLDER RESOLUTIONS.

The Board of Directors retains the following prerogatives concerning shareholder proponents' resolutions that are otherwise proper and acceptable for submission to a shareholder vote:

2.13.9.1 Submit to shareholders a statement opposing or endorsing such resolutions;

2.13.9.2 incorporate and adopt the proposal as its own, either as a binding or an advisory resolution, in the proxy and proxy statement; and

2.13.9.3 direct the Secretary or General Counsel to revise to proper legal and grammatical form, in consultation with the proponent, any resolution that the Board of Directors finds to be otherwise proper.

2.13.10 STATEMENT IN SUPPORT

Provided that a shareholder resolution is not rejected or adopted pursuant to sections 2.13.6, 2.13.7, 2.13.8 or 2.13.9 and provided that the shareholder furnishes to the Secretary a final typed copy of the proposed resolution and a supporting statement of not more than 500 words in a timely manner, the Secretary shall include in the proxy statement of the regular annual meeting or the special meeting called for that purpose a copy of the shareholder resolution and shareholder's

statement in support.

ARTICLE III

BOARD OF DIRECTORS

3.1 COMPOSITION AND TERM.

The business, affairs and property of the Corporation shall be managed by a Board of Directors composed of thirteen (13) members. The terms of members shall be three years, with elections by class, of four and five members to be elected at each annual meeting of shareholders.

3.2 ELECTION AND QUALIFICATIONS.

At each annual meeting of shareholders, directors shall be elected whose terms shall expire at the third annual meeting of shareholders held after the meeting at which they are elected. Each director shall hold office for the term for which that director is elected and until a successor is elected and qualified.

3.3 ELECTION PROCEDURES.

3.3.1 BOARD OF DIRECTORS SLATE AND INDEPENDENT CANDIDATES.

For each annual meeting of shareholders after the enactment of this Article, the Corporation may endorse a slate of nominees to the Board of Directors, and may include the names of the Board of Directors' slate members on the Corporation's proxy. Space shall be provided on the form of proxy, as set forth in section 3.3.5 below, for the names of nominees who are not endorsed by the Corporation, and for one or more write-in nominee(s). The Board of Directors' nominees shall be determined by the Board of Directors, acting on the advice of a nominating committee. The members of said nominating committee shall not include directors whose terms of office expire at the next annual meeting and who are eligible for reelection at that meeting.

3.3.2 BOARD OF DIRECTORS' NOMINEE OBLIGATIONS.

In addition to complying with the Sealaska Bylaws and State proxy rules and regulations, each nominee nominated by the Board of Directors to its slate shall have the following obligations:

3.3.2.1 at the direction of the Board, work as a team to solicit proxies for the Board Slate of Candidates and any Board sponsored resolutions.

3.3.2.2 limit their proxy, proxy statement or any solicitation material to those approved or produced by the Board of Directors or its designee.

3.3.3 ELIGIBILITY FOR NOMINATION. ELECTION AND SERVICE AS DIRECTOR.

In order to be eligible for nomination, election and service as a Director of the Corporation, an individual must be a holder of voting shares of the Corporation who is over eighteen years of age and who, at the time of nomination, election, and service as a Director of the Corporation, satisfies the following:

3.3.3.1 The individual's status as an officer, director, or shareholder of another corporation formed under the Alaska Native Claims Settlement Act (ANCSA, Pub. L 92-203) does not disqualify that person from nomination, election or service as a director of the Corporation, provided that such person shall comply with Section 3.3.3.3 of these Bylaws and with applicable provisions of the Directors' Code of Ethics, including without limitation conflicts of interest, disclosure, and abstention.

3.3.3.2 The individual must not be an officer, director, general partner, trustee, or manager of, or record beneficial owner of more than a 5% equity interest in, any other corporation, partnership, trust, or other business enterprise that is in competition with the Corporation, including, without limitation, any enterprise engaged in the sale or purchase of timber, logs, or logging services in Alaska, or any other business in which Sealaska is engaged that constitutes 5% or more of the Corporation's gross revenues.

3.3.3.3 The individual shall be in compliance with the regulations of the Alaska Division of Banking, Securities and Corporations, including, without limitation, the disclosure requirements in the proxy solicitation regulations of that agency.

3.3.3.4 The individual shall be in compliance with the Corporation's Directors' Code of Ethics including, without limitation, the provisions of the Code of Ethics requiring disclosure of and abstention from any conflict of interest with the Corporation, and shall have completed, signed, and filed with the Corporation all forms of disclosure questionnaires and compliance statements required by the Corporation. Upon election, re-election or appointment to office, a director shall execute an oath of office in form and substance as prescribed by the Directors' Code of Ethics.

3.3.3.5 The individual must have filed with the Secretary of the Corporation before both nomination and election and, as may from time to time be requested, a statement in such form as shall be prescribed by the Secretary of the Corporation, verifying that the individual then satisfies the eligibility requirements of section 3.3.3 for nomination, election and service as Director of the Corporation.

3.3.3.6 An individual who is elected or appointed as a director and who does not meet the qualifications set forth in section 3.3.3 and who does not voluntarily resign or take immediate steps to eliminate the disqualification is subject to removal pursuant to Alaska Law and section 3.5 of these bylaws, and to such other sanctions as may be provided by the applicable Code of Ethics including, without limitation, public censure or public disclosure of the basis for non-qualification.

3.3.4 NOMINATION PROCEDURE.

Any holder of voting shares who satisfies the requirements of section 3.3.3 may be nominated for the Board of Directors by delivering to the Corporate Secretary a statement satisfying the requirements of section 3.3.3.5, and by filing with the Alaska Division of Banking, Securities, and Corporations all documents and information required by statute and regulation. All nominees who comply with such filing requirements and who otherwise satisfy the eligibility requirements of section 3.3.3 are free to solicit votes from the shareholders within the limits imposed by law, and subject to the other provisions of this Article. No person who fails to meet the requirements of section 3.3.3 shall be eligible for nomination to the Board of Directors or assistance from the Corporation during the election process. The Secretary shall provide to any potential nominee who requests it a Nominee's Packet containing, but not limited to, the Corporation's election-related Bylaws and Articles, Proxy Verification Rules and Instructions to Inspectors of Election, State of Alaska regulations governing proxy solicitation, a questionnaire to facilitate the disclosure required by State law, a Nominee's Agreement, and a form for composing the nominee's statement for use in proxy solicitation materials. The Secretary shall provide written information to shareholders of the date, time, and place of the annual meeting at least one hundred thirty-five (135) days before the date set for the annual meeting. The deadline for receipt by the Secretary of nominations and nominees' materials as described in section 3.3.5 shall be ninety (90) days prior to the date set for that year's annual meeting. Each nominee is responsible for providing complete and accurate information, and the Secretary shall disqualify any materials that are submitted late, incomplete, or inaccurately. The deadline for mailing the Corporation's annual report and first proxy solicitation materials to shareholders shall be as prescribed by law; however, no nominee shall have any recourse against the Corporation for delay if this mailing is distributed later than the earliest date specified by law. In the event that the date of the annual meeting is postponed after it has been formally announced by the Secretary, each of the deadlines described herein shall be extended by a number of days equal to the number of days by which the annual meeting has been postponed. Any of the deadlines described herein that falls on a weekend or legal holiday shall be deemed to fall instead on the next business day. Upon verification by the Secretary that the nominee is a qualified shareholder and has filed the required disclosures with the Division, and upon receipt of nominee's materials as described in section 3.3.5.3 no later than ninety (90) days prior to the date of the meeting, the nominee's name shall be placed on proxy materials to be prepared by the Corporation. The Secretary, in consultation with the General Counsel, shall prepare and submit the required disclosures and other materials necessary for preparation of the proxy on behalf of, and in cooperation with, the nominees on the Board of Directors' slate, as the Secretary deems necessary.

3.3.5 SOLICITATION PROCEDURE.

The solicitation of proxies for election to the Board of Directors shall be subject to the following conditions:

3.3.5.1 The names of all nominees who make timely application to the Corporation and who otherwise comply with the requirements of this Article for inclusion on the Corporation's proxy shall be printed on the Corporation's proxy, with the names of the members of the Board of Directors' slate presented separately and more prominently than the others. All expenses of the Corporation's mailing and printing of its proxy, proxy statements, and its subsequent written solicitations shall be borne by the Corporation. The Corporation shall not pay for any other expense associated with proxy solicitations by nominees who are not on the Board of Directors' slate. The Corporation may reimburse a member of the Board of Directors' slate for reasonable solicitation expenses of other forms of proxy solicitation, travel, meals, and lodging.

3.3.5.2 The Corporation may provide for as many subsequent mailings and other methods of solicitation for its proxy materials as it deems necessary or prudent in order to attain a quorum of share holders for the annual meeting and to provide for the maximum vote for the Board of Directors' slate. Nothing in this section shall require the Corporation to distribute more than one solicitation before any meeting.

3.3.5.3 Each nominee not endorsed by the Board of Directors who wishes to be included on the Corporation's proxy shall provide to the Corporation, at least ninety (90) days before the annual meeting date, copies of all materials submitted to the Division and sufficient biographical information to comply fully with all State of Alaska disclosure requirements. In addition, each such nominee may provide a photograph and campaign statement not to exceed one hundred (100) words that shall be printed, published and disseminated by the Corporation in its proxy statement. Such nominees may also provide at the same time a clear, passport-size photograph and prepared statement not to exceed two hundred (200) words in length for a single publication in the Sealaska Shareholder, or similar medium, and if so received, the Corporation shall publish the photograph and statement one time. Any subsequent mailing or advertisement shall be paid for solely by the nominees who are not endorsed by the Board of Directors, and shall be filed with the Division as required by State statute and regulation. Nominees included on the Corporation's proxy under this section shall receive 100 proxy cards from the Corporation without charge. Such nominees may request additional proxy cards from the Secretary no later than 30 days past the record date. The nominee will be charged and will pay in advance the production cost of the cards, and the postage of mailing the cards to them, return receipt requested. Such nominees shall provide their own postage and envelopes for mailings not made by the Corporation. Materials submitted for inclusion by nominees not endorsed by the Board of Directors shall be printed by the Corporation in a uniform format and the Corporation shall not be responsible for mailing separate sheets, flyers, letters, or similar printed materials provided by the nominee. The Corporation shall not be responsible for the accuracy of any statement provided by any nominee. The name of any nominee appearing on the Corporation's proxy who is determined by the General Counsel to have made a materially false or misleading statement or omission in said nominee's campaign materials shall be removed from any further solicitation materials to be distributed by the Corporation, unless the false or misleading statement or omission is voluntarily corrected prior to the deadline for publication. The Secretary shall immediately notify any nominee whose statement is found or believed to be materially false or misleading so that the nominee will have the opportunity to correct the statement or omission. If no correction is timely made, the General Counsel shall instruct the Inspectors of Election not to count any vote cast for such nominee on the Corporation's proxy except for quorum purposes. In addition, any nominee, whether included on the Corporation's proxy or not, who has made a materially false or misleading statement or omission in that nominee's campaign materials may be subject to having said nominee's proxies invalidated by the Alaska Division of Banking, Securities and Corporations, pursuant to the regulations and procedures then in effect. If any holder of voting shares has good cause to believe a materially false or misleading statement or omission has been made by any nominee, whether included on the Corporation's proxy or not, that shareholder may lodge a complaint with the Secretary, the General Counsel, or the Division according to the regulations then applicable to the Division. Whenever such a complaint is

lodged with the Secretary or General Counsel, the General Counsel shall make inquiry as to the merits thereof and, if it is determined that the complaint has substantial merit, the Corporation shall either require a corrective statement to be distributed, or initiate appropriate proceedings before the Division. If any nominee who is found by the Division to have made a false or misleading statement is ordered by the Division to disseminate a corrective statement, that nominee shall bear the entire cost of preparing, printing, and distributing the corrective statement. The Corporation may determine whether, or to what extent, any corrective statement will be disseminated at corporate expense, unless otherwise ordered by the Division. No nominee, except those nominees named on the Board of Directors' slate, shall be considered an agent, employee or representative of the Corporation for any purpose.

3.3.5.4 Nothing in this Article shall preclude any shareholder who wishes to be elected to the Board of Directors and who is qualified for election according to the requirements of section 3.3.3 from conducting an independent campaign, including the solicitation of proxies through means separate and independent of those described herein; provided, however, that any nominee whose name is placed on the corporate proxy materials as described herein shall not place, or permit to be included, that nominee's name on any other form of proxy than that printed and distributed by the Corporation. If any nominee's name shall appear on a proxy other than the Corporation's form of proxy, such nominee shall cooperate with the General Counsel to have such nominee's name removed from such proxy and that's nominee's relationship to such other proxy clarified to the shareholders, including but not limited to declarations to the Division that such nominee is not a nominee on such other proxy. Any nominee who is included on the Corporation's proxy, and whose name appears as a nominee on any other proxy or for whom a nominee who is not on the Corporation's proxy solicits proxies, shall not receive any of the benefits to be provided to other nominees appearing on the Corporation's proxy and not on the Board of Directors' slate, and shall be precluded from participating in mailing and other solicitation assistance to be provided by the Corporation as described in this Article; and shall not receive vote tabulation information from the Inspectors of Election and Voting, except as to that nominee's totals derived from that nominee's separate proxies; and any vote cast for such nominee on the corporate proxy shall be deemed void and the Secretary shall instruct the Inspectors of Election not to count such vote, except for quorum purposes. Any nominee who wishes to be included on the Corporation's proxy shall execute an Agreement, to be provided by the Secretary, to the effect that said nominee shall be bound by the provisions of this Article as a condition precedent to inclusion on the Corporation's proxy. The form of the Agreement shall be determined annually by the Corporate Secretary in consultation with General Counsel.

3.3.6 FORM OF PROXY.

3.3.6.1 The Secretary shall determine and prepare the form of proxy to be used by the Corporation in each annual meeting based upon the following criteria:

3.3.6.1.1 The proxy may state that the Corporation endorses a Board of Directors' slate of nominees, but shall include the names of other nominees who qualify for election according to the requirements of section 3.3.3 listed separately from the Board of Directors' slate. The proxy may also provide a space designated for written candidates.

3.3.6.1.2 The form shall distinguish clearly those nominees who are members of the Board of Directors' slate.

3.3.6.1.3 The form of proxy shall provide space adjacent to the name of each nominee to allow shareholders to vote cumulatively according to instructions that will be provided in the Corporation's proxy statement.

3.3.6.1.4 The corporate proxy shall provide for discretionary voting for all business properly coming before the meeting of the Corporation. Any other proxy holder representing any independent nominee may also provide for discretionary voting for Directors on a separate proxy, but the corporate proxy form shall not so provide with respect to nominees other than the Board of Directors' slate.

3.3.6.1.5 The corporate proxy shall be blue and shall contain the Sealaska corporate symbol, along with all other information required to be placed thereon by this Article or according to law. No other proxy, proxy statement or other solicitation materials, solicited by any individual nominee or slate shall be blue, nor contain the Sealaska symbol, nor otherwise contain any language or appearance that is likely to, or does, confuse or deceive a reasonable shareholder as to the sponsorship or source of the proxy. The Inspectors of Election shall not count, except for quorum purposes, any proxy that is, in the opinion of the Inspectors of Election, not in conformance with this provision.

3.3.6.2 Every proxy used in connection with an election of the Corporation shall include a means by which a shareholder can withhold that shareholder's votes from one or more nominee(s), or with respect to one or more shareholder resolution(s), or for all purposes except establishing a quorum.

3.3.7 VOTING.

Voting by shareholders in elections of Directors shall be subject to the following conditions:

3.3.7.1 The counting of proxy votes shall be conducted by Inspectors of Election and Voting (referred to herein as "the Inspectors"), appointed pursuant to section 2.11.

3.3.7.2 All proxies shall be submitted by mail, electronic transmission, or in person to the Inspectors or to the Secretary. The Inspectors shall tabulate the votes cumulatively and shall declare the four or five nominees who obtain the highest number of votes to be duly elected Directors. Except for information that may be disclosed pursuant to Section 3.3.7.6 hereof, the Inspectors shall hold all proxy tabulation information in strict confidence until after the election.

3.3.7.3 In the event of the withdrawal of any nominee, for any reason, the Inspectors shall nevertheless count directed votes for that nominee as directed, and only valid discretionary votes may be voted for another nominee. The intent of this provision is to assure that the proxy vote of every shareholder is directed strictly to the nominee or nominees preferred by the shareholder, and to no one else. The Inspectors shall not count (except for quorum purposes) any proxy that (1) purports to cast votes for a person who is not a nominee, to the extent of the number of votes so cast, or (2) purports to provide authority for discretionary voting for Directors, unless the proxy provides one of the following in accordance with 3 AAC 08.335(c)(2) or its successor:

3.3.7.3.1 A box opposite the name of each nominee that may be marked to indicate that authority to vote for that nominee is

withheld; or

3.3.7.3.2 an instruction that the shareholder may withhold authority to vote for a nominee by lining through or otherwise striking out the name of that nominee; or

3.3.7.3.3 a "ballot" type of selection in which the shareholder is permitted to award votes to selected nominees of the shareholder's choosing whose names appear on the proxy form.

3.3.7.4 The Inspectors shall count as originally directed any proxy that purports to permit the voting of shares directed to one nominee and then voted for, or redirected to, a different nominee upon the occurrence of a subsequent event, such as the withdrawal of a candidate.

3.3.7.5 Nothing herein shall be construed to limit the right of a shareholder to grant discretion to a proxy holder to vote for business other than the election of Directors that may properly come before a meeting.

3.3.7.6 The Inspectors shall provide to any nominee appearing on the corporate proxy and who requests it, and to the Secretary or designee, a periodic tabulation of directed proxy votes received to date as and when instructed by the Secretary, showing the total votes toward the quorum and the number of directed proxy votes for that nominee. The same information shall be provided to all nominees included on the Corporation's proxy and no nominee, including any Board of Directors' slate nominee or current Director of the Corporation, shall be entitled to any further information. Upon request, the Inspectors shall provide periodic reports to the designated representative of a shareholder group sponsoring a resolution of the number of votes for, against, and withheld on the resolution. The Secretary, Chairman of the Board, Vice Chair of the Board, or General Counsel may instruct the Inspectors to provide to them all tabulated information from the corporate proxies only, and shall hold this information in strict confidence. Upon the request of any nominee or proxyholder, the Inspectors shall provide the following information after the proxy deadline prior to the Meeting, and at the Meeting:

- 1) The total number of shareholders voting at the meeting, in person or by proxy;
- 2) The total number of shares represented;
- 3) The number of proxies that are found by the Inspectors to be invalid, or to have been superseded by a later proxy, and the number of votes represented by such proxies;
- 4) The number of Quorum Only or withheld votes.

The Inspectors shall not disclose, nor shall any other person be required to disclose, the allocation of directed and discretionary votes for any nominee, whether on the corporation's proxy or on a separate proxy sponsored by an independent nominee, except in the event of a proceeding before a court or administrative agency of the State of Alaska in which such information is relevant to the proceeding.

3.3.7.7 The Corporation's proxy shall be managed and controlled by the Board of Directors. Notwithstanding the provisions of section 3.3.5.5, within forty-eight (48) hours before the start of an annual meeting or special meeting at which an election is held, the Board shall be entitled to the tabulation of proxy and vote information, all of which shall nevertheless be held in strict confidence by the Board unless and until the Board shall decide by majority vote to release it. The holders of the Corporation's proxies shall act upon the instructions of the Board, and the Board shall have the absolute right to substitute any of its members for any of the Corporation's proxy holders at any time, with or without cause.

3.3.7.8 Except as otherwise provided in this Article, the Inspectors shall determine the validity of proxies based upon Rules to be provided by the Corporation before each election and according to this Article. The Inspectors' determination as to the validity of any proxy shall be final.

3.3.7.9 If the Board of Directors concludes that there are sufficient votes to elect the entire Board slate of nominees, it shall allocate its discretionary votes among all nominees sufficient to equalize the total votes to each nominee; otherwise, if it concludes that the Board slate may not or does not have sufficient votes to elect all of its nominees, the discretionary votes may be allocated among the number of Board of Directors endorsed nominees that can be elected through a ranking of candidates by the Board at their meeting prior to the Annual Meeting.

3.3.8 ANNUAL REVIEW.

The Board of Directors or a committee thereof shall review Articles II and III at least annually, and the Board of Directors shall make revisions as it deems necessary or advisable.

3.3.9 EFFECT OF FINDING OF INVALIDITY AND THIRD PARTY ACTIONS.

Among other things, the congressional intent of the Alaska Native Claims Settlement Act, as amended, is to provide a mechanism for Alaska Natives to continue to maintain control of their corporate institutions for the benefit of Alaska Natives and their children. In the event: (1) any material provision of this Article is found for any reason to be invalid or unenforceable by an agency or court of competent jurisdiction; or (2) any nominee or slate of nominees is determined by a majority of the Board of Directors, according to such procedure as the Board may establish for that purpose, to be sponsored, financed, or backed by, or to have another affiliation with, or be controlled by, another entity which seeks to influence or control the Corporation, then this entire Article shall be null and void and the results of any election conducted hereunder shall be null and void and a new election shall be conducted, as soon thereafter as is practicable, using the election, voting, and proxy rules and procedures in effect immediately before enactment of this Article [i.e., prior to June 22, 1989], except that the Corporation's proxy shall include no provision for nominees other than those included on the Board of Directors' slate, and no space for write-ins.

3.4 COMPENSATION.

3.4.1 Subject to the limitations of this section, directors shall receive meeting fees and travel expenses, deferred

compensation benefits, insurance benefits, and other compensation, all as determined solely by the Board of Directors. A director who fails to (1) comply with all disclosure requirements as set forth in these Bylaws at section 3.3.3.3, (2) execute the Directors' Code of Ethics, (3) execute an oath of office, or (4) attend three (3) consecutive meetings of the Board of Directors shall be ineligible to receive meeting fees, deferred compensation benefits, insurance benefits, and all other forms of compensation aside from travel expenses during the period of such failure. In the case of the failure to attend three (3) consecutive board meetings, the Board may reinstate compensation if the director attends subsequent meetings, and the director shall become eligible to receive all forms of compensation to which that director is otherwise entitled as a director. However, said director shall not be compensated, except as set forth in section 3.4.3, in any amount for the period of suspension of compensation.

3.4.2 The procedure for suspension of compensation is as follows:

3.4.2.1 The Corporate Secretary shall provide disclosure forms to all directors annually, and the Directors' Code of Ethics and oath of office to all directors upon their election or whenever amended from time to time thereafter.

3.4.2.2 The Corporate Secretary shall send a notice to any director who has not fully completed, executed, and returned the disclosure forms and, if provided, Directors' Code of Ethics and oath within ten days of the director's receipt thereof. The notice shall inform the director that that director's compensation and benefits shall be immediately suspended as provided in section 3.4.1 in the event that the Corporation does not receive the fully completed and executed disclosure forms and, if outstanding, Directors' Code of Ethics and oath within ten days of the date the notice is sent.

3.4.2.3 The Corporate Secretary shall suspend compensation to a director to whom the Corporate Secretary has sent a notice under section 3.4.2.2 if, within ten days after sending the notice, the Corporation does not receive the director's fully completed and executed disclosure forms and, if outstanding, Directors' Code of Ethics and oath. Provided, however, that the Chairman, for good cause shown, may grant one extension of time of no more than 15 days to a director who requests it before that director's compensation has been suspended under section 3.4.1 or this section. The Corporate Secretary shall suspend compensation immediately following a director's absence from a third consecutive meeting.

3.4.3 Nothing in sections 3.4.1 or 3.4.2 shall limit a director's right to deferred compensation benefits that are vested before or after the period of suspension of compensation; nor shall any provision of this section limit a director's eligibility to continue insurance coverage at that director's own expense as may be provided by federal law.

3.5 REMOVAL.

3.5.1 BY SHAREHOLDERS.

A director may be removed from office by majority vote of the shares eligible to vote, with or without cause, at any annual meeting of shareholders or at a special meeting called for that purpose. A vote of shareholders on the removal of directors at a regular annual meeting shall be subject to the provisions of section 2.13.4 concerning shareholder resolutions; or, to the requirements of section 2.2 regarding special meetings if such vote does not qualify for inclusion in the Notice of the regular annual meeting. [The preceding sentence shall be ratified by a vote of the shareholders.] Written notice of intention to seek removal under this section shall be delivered either personally or by mail to each shareholder of record entitled to vote at the meeting. If notice of intention to seek removal under this section is delivered to the Chairman, Chief Executive Officer, or Secretary at least seventy-five (75) days before the date of the annual meeting, it shall be included on the notice stating the place, day and hour of the annual meeting without cost to the shareholder seeking removal. If the notice of intention to seek removal is not delivered to the Chairman, Chief Executive Officer, or Secretary at least seventy-five (75) days before the date of the annual meeting, the shareholder seeking removal may, at that shareholder's own expense, deliver either personally or by mail the notice required by this section at any time up to twenty (20) days before the date of the annual meeting. (As used herein, the term "Shareholder" means an individual or organized group that sponsors or promotes a petition or similar proxy solicitation effort to place the issue of removal before the shareholders). If mailed, notice under this section is considered delivered when deposited postage prepaid in the United States mail addressed to the shareholder at the address appearing on the stock transfer books of the Corporation. A director may not be removed, unless the entire Board is removed, if the votes cast against removal would be sufficient to elect a director if voted cumulatively at an election at which the same total number of votes were cast.

3.5.2 BY SUPERIOR COURT.

A director may be removed by order of the Superior Court for cause as set forth in A.S. 10.06.463, or its successor statute, at the suit of the Board or the shareholders holding at least ten (10) percent of the outstanding shares.

3.6 VACANCIES.

A vacancy occurring in the Board of Directors may be filled by the vote of a majority of the remaining directors though the majority is less than a quorum of the Board, except for a vacancy occurring through removal by the shareholders or, in the case of removal by the superior court, where such court orders otherwise. A vacancy occurring through removal may be filled only by approval of the shareholders in a regular or special meeting called for that purpose. A director elected to fill a vacancy is elected for the unexpired term of that director's predecessor.

3.7 PLACE OF MEETINGS.

Annual, regular, and special meetings of the Board of Directors may be held at any place designated by the Board or chairman, either within or without the State of Alaska.

3.8 ANNUAL MEETINGS.

The Board of Directors shall meet each year immediately following the annual meeting of the shareholders for the purpose of election of a Chairman, organization, election of officers of the Corporation, and the consideration of any other business that may properly be brought before the meeting.

3.9 REGULAR MEETINGS.

The Board of Directors may from time to time provide for the holding of subsequent or regular meetings.

3.10 SPECIAL MEETINGS.

Other meetings of the Board of Directors may be held upon notice in writing sent ten (10) days before the meeting, or by personal messenger, telephone, facsimile, or radiophone received not later than 72 hours before the meeting, upon the call of the Chairman of the Board, the Chief Executive Officer, the Secretary, or two members of the Board of Directors then in office, at any place within or outside the State of Alaska. Notice of any meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice, whether before or after the time of the meeting, or by such person's attendance at the meeting without protesting the lack of notice before the meeting or at its commencement. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of the meeting.

3.11 ACTING WITHOUT ASSEMBLING.

Any action that may be taken at a meeting of the Board of Directors or of a committee thereof may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the Directors or all of the members of the committee, as the case may be. Without assembling, the members of the Board of Directors or of a committee thereof can conduct a meeting by communicating simultaneously with each other by means of conference telephones or similar communications equipment.

3.12 EXECUTIVE COMMITTEE.

When the Board of Directors is not meeting, the powers of the Board may be exercised by an Executive Committee, which shall consist of five Directors and the Chairman as an ex officio member. In its exercise of the authority of the Board in management of the Corporation, the Executive Committee, except as otherwise provided by resolution of the Board, may do anything that the Board itself might lawfully do, except that it may not take any action contrary to or inconsistent with any action taken by the Board.

3.13 TRANSACTIONS IN WHICH DIRECTORS HAVE AN INTEREST.

Any contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any firm of which one or more of its directors are members or employees, or in which they are interested, or between the Corporation and any corporation or association of which one or more of its directors are shareholders, members, directors, officers, or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of the director or directors at the meeting of the Board of Directors of the Corporation where the Board acts upon, or discusses the contract or transaction, and notwithstanding the director's participation in the action, if the fact of such interest shall be disclosed or known to the Board of Directors, and the Board of Directors nevertheless authorizes or ratifies the contract or transaction. The interested director or directors shall be counted in determining whether a quorum is present, but shall not be entitled to vote on such authorization or ratification. The vote of an interested director on a transaction shall not invalidate it as long as the transaction is approved in good faith by a sufficient vote without counting the vote of the interested director. This section shall not be construed to invalidate any contract or other transaction that would otherwise be valid under the common and statutory law applicable to it.

3.14 COMMITTEES.

The Board of Directors, by resolution passed by a majority of the total number of the Board in office, may from time to time designate one or more committees, each such committee to consist of three or more Directors appointed by the Board of Directors. The chairman of the Board shall be an ex officio member of each committee and subsidiary board (except that the Chairman shall not be a member of the Nominations Committee in years in which the Chairman's term of office as a director expires and in which he or she is eligible for reelection). Each such committee shall have such powers in the management and business of the Corporation as the Board of Directors may from time to time determine. Such committees shall have such names as the Board of Directors may specify, and their compensation shall be such as the Board of Directors may fix.

3.15 DEFINITIONS.

For the purposes of this Article, the following definitions apply:

3.15.1 "Discretionary votes" are those votes given to a proxyholder whose proxy states that the votes are discretionary and identifies by name all possible ultimate recipients of the votes.

3.15.2 "Division" means the Alaska Department of Commerce and Economic Development, Division of Banking, Securities and Corporations, or the State entity that succeeds to that agency's authority.

3.15.3 "Nominee" and "candidate" mean a person who is proposed for election to the Board of Directors, is qualified to serve if elected, and has complied with the State of Alaska laws and regulations concerning proxy solicitation.

3.15.4 "Proxy" means a written authorization signed by, or an electronic transmission signed or authorized by, a shareholder or by a shareholder's attorney in fact and giving another person power to vote with respect to that shareholder's shares.

3.15.5 "Proxy holder" means a person to whom a proxy is given by a shareholder for purposes of voting the proxy.

3.15.6 "Slate" means an associated group of candidates running for one or more seats on the Board of Directors.

3.15.7 "In competition" as used herein shall mean engaged in an enterprise that performs business activities or buys, sells or furnishes goods or services of a sort that makes up at least five percent of Sealaska's business operations, in a geographical region anywhere Sealaska markets its business activities, goods, or services of the same sort.

3.15.8 "Electronic transmission" means any form of communication, not directly involving the physical transmission of paper,

that creates a record that may be retained, retrieved, and reviewed by a recipient of the communication and that may be directly reproduced in paper form by a recipient through an automated process.

3.15.9 "Signed" as it relates to proxies, means the placing of the shareholder's name on the proxy by manual signature by the shareholder or the shareholder's attorney-in-fact or by electronic means if the electronic means clearly demonstrates that the shareholder has authorized the placing of the shareholder's name or the name of the shareholder's attorney-in-fact on the proxy.

3.15.10 "Printing" and "mailing" as used herein shall include communicating by electronic transmission.

3.15.11 All terms used herein shall have the same meaning as those terms are defined in 3 AAC 08.365 (State of Alaska, Division of Banking, Securities and Corporations regulations) or its successor statute or regulation.

INSTRUCTIONS TO THE INSPECTORS OF ELECTION

The Inspectors of Election shall perform their duties in accordance with the following instructions, the Articles of Incorporation, and the Bylaws of Sealaska Corporation in a reasonable manner so that the election shall be conducted with fairness to all shareholders.

1. The Proxy Verification Rules in Part B below shall be followed in determining the validity of proxies.
2. After the Inspectors of Election have completed their inspection of proxies, they shall complete the attached notice and post copies of it at the following locations:
 - a. Both ground floor entrance doors of Sealaska Plaza;
 - b. the receptionist's desk in the office of Sealaska Corporation; and
 - c. at the meeting site, in as many public places as they deem advisable.
3. The Inspectors shall compute the number of valid proxies held by each proxy holder on such forms and under such procedures as designated by the Chair of the Board.
4. The Inspectors shall legibly date-stamp each proxy that arrives at the Inspectors' address, on the date the Inspectors receive the proxy at that address.
5. The Inspectors shall inform candidates who do not appear on Sealaska's proxy about the number of shares voted on said candidates' proxies for each resolution and director, including write-ins, and shall inform them of the total number of shares voted to date to quorum on all proxies. Such reports shall be presented to these candidates as often as the Inspectors shall inform Sealaska about its counterpart information, but no more often than weekly.
6. The Inspectors shall inform Sealaska (the Chair of the Board, the Corporate Secretary, and General Counsel only) about the number of shares voted on Sealaska's proxies for each resolution and director, including write-ins, and shall inform them of the total number of shares voted to date to quorum on all proxies. Such reports shall be presented to Sealaska approximately weekly, or as often as Sealaska shall request. Except for the total shares voted to quorum, Sealaska shall not receive information derived from proxies other than its own, provided that, pursuant to agreement between or among proxy holders, the Inspectors may be instructed to disclose additional information to Sealaska.
7. After the Inspectors of Election have completed their inspection of the proxies, they shall allow each person designated as a proxy or his or her representative to examine the original of any invalidated proxy. Since there may not be much time between the completion of the inspection by the Inspectors and the scheduled beginning of the Shareholders' Meeting, the Inspectors shall determine a reasonable amount of time for each proxy or his or her representative to examine the originals or his or her invalidated proxies within the time remaining before the scheduled beginning of the Shareholders' Meeting. The originals of all proxies received by the Inspectors shall remain under their possession and control at all times until the end of the Shareholders' Meeting. After the Shareholders' Meeting the original proxies shall be retained by Sealaska as corporate records.
8. All challenges made to the conduct of an election shall be made to the Inspectors, who shall decide such challenges in accordance with these instructions, the Proxy Verification Rules, and the Articles of Incorporation and Bylaws of the Corporation. In questions involving the right of a person to vote, the shareholder list shall determine the stock held by an individual.

PROXY VERIFICATION RULES

A. GENERAL GUIDELINES — INTENT OF SHAREHOLDER

1. The Inspectors of Election (“Inspectors”) shall attempt to resolve all questions concerning a proxy in favor of validating the proxy if possible.
2. A proxy may be accepted where it is apparent that the shareholder has made an error, erased or crossed out a choice and then re-marked his or her voting instructions clearly.
3. The vote of a shareholder as represented by a signed proxy may be changed by advice in writing signed by the shareholder. Such advice must then be attached to the proxy.
4. A proxy will be accepted, subject to this subsection, even though it does not correctly state the number of shares it represents; however, a proxy will never be accorded more votes than the shareholder list shows the shareholder to have as of the record date.
 - a. In elections that include proxies other than the corporate proxy, if the shareholder has attempted to vote fewer than the number of shares the shareholder owned on the record date, the Inspectors shall attempt to contact the shareholder to seek clarification of the shareholder’s intent. In such elections, if the shareholder has attempted to vote more shares than he or she is actually entitled to, or if the shareholder has attempted to vote fewer shares than he or she is actually entitled to, and the Inspectors have been unsuccessful in attempting to contact the shareholder, the Inspectors shall apportion the actual number of shares to give effect to the intention of the shareholder, where such intent is apparent.
 - b. In elections that include only the corporate proxy, if the shareholder has attempted to vote either more or fewer shares than he or she is actually entitled to, the Inspectors shall apportion the actual number of shares to give effect to the intention of the shareholder, where such intent is apparent.
 - c. In all elections, the Inspectors shall attempt to record total votes available to each shareholder. In those cases where there appears to be an attempt to vote once but on two separate proxies, reasonable effort will be made to locate matching proxies to accommodate the shareholder’s intentions.
5. Proxies, validly executed, must be voted in accordance with the express intent and instructions of the shareholder, as evidenced by the language of the proxy instrument.
6. The Inspectors of Election shall invalidate any proxy the form of which fails to conform to the requirements of 3 AAC 08.335(e) (this state regulations relates to providing a means of withholding votes or a “ballot” form of proxy), or to the provisions of Sealaska Corporation Bylaws, Article III, section 3.3.6, “Form of Proxy.”
7. The Inspectors of Election shall follow the requirements of Sealaska Corporation Bylaws Article III, section 3.3.6.1.5, 3.3.6.2, 3.3.7.1, 3.3.7.3 when tabulating and counting votes.

B. VALIDITY OF SIGNATURES

1. Proxies signed in pencil may be accepted.
2. Proxies should be signed exactly as the name of the stockholder appears on the stock records. Proxies may be accepted if the difference between the signature and the name on the stock are minor in the opinion of the Inspectors. If the signature on the proxy is unacceptable, authority for the different signature must accompany the proxy in order for the proxy to be validated. A person’s mark shall constitute a valid signature if it is witnessed by two adults who know the individual.
3. In determining the validity of a signature, the Inspector of Election need not look beyond the face of the proxy, except (1) where there are circumstances in which the Inspectors have reason to believe that a proxy is a forgery (for example, two proxies for the same shareholder with obviously different handwriting); or (2) when a participant registers a good faith complaint and produces

convincing evidence to the effect that one or more proxies may have been executed by a person other than that named on the proxy.

4. Reasonable deviations in signature may be accepted; for example, a proxy printed "John F. Smith" may be accepted if signed "J.F. Smith" or "J. Foster Smith."
5. A proxy may be accepted even though the signature is printed by the shareholder.
6. Rubberstamp signatures are not acceptable unless the circumstances are known to the Inspectors and, in their judgment, justify acceptance of the proxy or unless the signature is countersigned by an officer or other authorized employee of a bank, trust company, agent, etc., or by an attorney acting in an indicated capacity.
7. A proxy is not required to have on it the address of a shareholder; however, a shareholder's address may be a factor in determining the validity of a proxy if there is more than one shareholder of the same name.
8. Telegraphic proxies are not to be accepted.

C. DATING OF PROXIES

1. If a shareholder's proxy is dated after the record date but before the date of receipt by the Inspectors, the date written on the proxy shall be the proxy's date.
2. If a shareholder's proxy is dated after receipt by the Inspectors, or carries any other impossible date, including but not limited to the wrong year, or carries no date at all, the date of receipt by the Inspectors shall be the proxy's date.
3. Proxies undated or partially dated are acceptable, except that undated proxies will not be accepted if the shareholder also has provided a dated copy.
4. If there are two or more dated proxies from the same shareholder, the latest dated proxy shall be accepted, unless circumstances indicate that the later-dated proxy was in fact post-dated at the time of execution, or dated after the time of execution by someone other than the shareholder whose name appears on the proxy.
5. If all of the proxies of a shareholder appoint different proxies and all are undated or all have the same date, all shall be rejected for voting purposes. However, one of the conflicting proxies shall be counted for the purposes of establishing a quorum.

D. TRUSTEES, ATTORNEYS-IN-FACT, JOINT TENANTS, AND CUSTODIANS

1. A proxy executed by a shareholder holding a power of attorney authorizing him or her to execute the proxy shall be valid provided a copy of the power of attorney authorizing him or her to execute the proxy is delivered to the Inspectors, along with the proxy, no later than 5:00 p.m. Alaska time on the Wednesday before the Annual Meeting. The Inspectors shall have the right to examine the original power of attorney if they so request. A person who solicits power of attorney from shareholders for the purpose of voting more than his or her own shares at the meeting shall be subject to the proxy solicitation regulations of the State of Alaska and to the Sealaska Bylaw provisions regarding proxy solicitation.
2. If the shareholder list shows ownership by two or more persons as joint tenants or tenants in common, a proxy can be accepted if signed by one of them unless another joint tenant or tenant in common seeks to vote the shares, in which event the matter shall be controlled by the written agreement of the owners represented at the meeting or, in the absence thereof, by the majority in number of such owners presented or represented at the meeting.
3. A proxy may be accepted when signed by a surviving joint tenant or tenant in common, provided the shareholder list clearly indicates such tenancy.
4. Where more than one executor, trustee, guardian, administrator, attorney, etc., is named in the shareholder list, the signature of a majority is satisfactory. However, if the address on the

shareholder list is in care of one of these representatives, that representative alone may sign without further proof of authority.

5. If two executors, trustees, attorneys, etc., are named, the signatures of both should appear. However, where one such party is a bank, partner of a brokerage firm, law or private trustee office, etc., and by the nature of his or her position would be authorized to sign proxies, a proxy signed by one such party may be accepted.

6. Proxies received from banks, trust companies, brokers, incorporated companies, partnerships, institutions, etc., may be signed in writing or facsimile, provided such proxies are clearly executed for the registered holders, or for such an institution when the registration, address, or signature shows that such institution is acting in a fiduciary capacity for the registered holder.

7. Blanket proxies, applicable to the proxies of one or more registered shareholders, are acceptable when executed by banks, trust companies, brokers, etc., according to the foregoing paragraph.

8. Proxies for the stock held by a person individually as a custodian may be executed in both capacities on one proxy if the proxy clearly indicates such intent, or may be executed in separate capacities on separate proxies.

ALASKA ADMINISTRATIVE CODE— PROXY SOLICITATIONS

ALASKA ADMINISTRATIVE CODE
TITLE 3. COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
PART 1. BANKING, SECURITIES, SMALL LOANS AND CORPORATIONS
CHAPTER 8. SECURITIES
ARTICLE 3. ALASKA NATIVE CLAIMS ACT CORPORATIONS: SOLICITATION OF PROXIES
Current through Register 175 (October 2005)

3 AAC 08.305. Application of 3 AAC 08.305 - 3 AAC 08.365.

3 AAC 08.305 - 3 AAC 08.365 apply only to corporations organized under AS 10.05 pursuant to the Alaska Native Claims Settlement Act (PL 92-203; 85 Stat. 688; 43 USC x 1601 et seq.) and subject to the requirements of AS 45.55.139.

3 AAC 08.315. False or misleading statements.

(a) A solicitation may not be made by means of a proxy statement, proxy, notice of meeting, or other communication that contains a material misrepresentation. A misrepresentation is a statement that, at the time and under the circumstances in which it is made (1) is false or misleading with respect to a material fact; (2) omits a material fact necessary in order to make a statement made in the solicitation not false or misleading; or (3) omits a material fact necessary to correct a statement, in an earlier communication regarding the solicitation of a proxy for the same meeting or subject matter, which has become false or misleading. A misrepresentation is material if there is substantial likelihood that a reasonable shareholder would consider it important in deciding how to vote. A series of statements or omissions that are objectively false or misleading, but which might not be material misrepresentations if considered separately, might be material misrepresentations if there is a substantial likelihood that a reasonable shareholder would consider the series important in deciding how to vote. Subjective proof that one or more shareholders actually granted a proxy because of a misrepresentation is not required. The following are some examples of what, depending upon particular facts and circumstances, might be misleading within the meaning of 3 AAC 08.305 - 3 AAC 08.365:

- (1) predictions as to specific future market values;
- (2) material that directly or indirectly impugns character, integrity, or personal reputation, or directly or indirectly makes charges concerning improper, illegal, or immoral conduct or associations, without factual foundation;
- (3) failure to identify a proxy statement, proxy, or other soliciting material so as to distinguish it clearly from the soliciting material of any other person soliciting for the same meeting or subject matter;
- (4) claims made before a meeting regarding the results of a solicitation; and
- (5) regarding the election of directors, failure to disclose the existence of an agreement or understanding among two or more nominees, proxyholders, or other participants with respect to voting of proxies, and failure to disclose the material provisions of such an agreement or understanding, in circumstances where such participants appear to solicit proxies independently or where there is no apparent affiliation among such participants.

(b) The fact that a proxy statement, proxy, or other soliciting material has been filed with or examined by the administrator under AS 45.55.139 is not a finding by the administrator that the material is accurate or complete or not false or misleading, or that the administrator has passed upon the merits of or approved any statement contained in the solicitation or any matter to be acted upon by shareholders. No representation to the contrary may be made.

(c) The administrator may require a person who has brought to his attention a solicitation which the person believes contains materially false or misleading statements to explain the reasons for his view in writing.

3 AAC 08.325. Prohibition of certain solicitations.

A person may not solicit

- (1) an undated or postdated proxy;
- (2) a proxy which provides that it is dated after the date on which it is signed by the shareholder;
- (3) a proxy which fails to disclose the shareholders' meeting, or any adjournment of that shareholders' meeting, for which it is solicited;
- (4) a proxy which confers authority to vote at more than one shareholders' meeting or any adjournment of that shareholders' meeting; or
- (5) a proxy which authorizes a vote at any shareholders' meeting other than the one disclosed.

3 AAC 08.335. Requirements as to proxy.

(a) A proxyholder shall either attend the shareholders' meeting in person or execute a power of substitution so that the shares for which he has proxies are represented at the meeting.

(b) A proxyholder shall vote in accordance with any choices made by the shareholder or in the manner provided by the proxy when the shareholder has not specified a choice.

(c) The proxy must

(1) indicate that the proxy is solicited on behalf of the board or, if solicited other than by the board, indicate the identity of the persons on whose behalf the solicitation is made;

(2) provide a specifically designated blank space for dating the proxy; and

(3) provide a means for the shareholder to specify by boxes a choice between approval or disapproval of each matter or group of related matters identified in the proxy as intended to be acted upon, other than the election of directors.

(d) A proxy may confer authority for matters on which a choice is not made by the shareholder if the proxy discloses how the shares represented by the proxy will be voted in each case.

(e) A proxy that provides for the election of directors must

(1) set out the names of the nominees for whom the proxy is solicited; and

(2) clearly provide one of the following:

(A) a box opposite the name of each nominee which may be marked to indicate that authority to vote for that nominee is withheld;

(B) an instruction that the shareholder may withhold authority to vote for a nominee by lining through or otherwise striking out the name of that nominee;

(C) a "ballot" type of selection in which the shareholder is permitted to award votes to selected nominees of the shareholder's choosing.

(f) A proxy may confer discretionary authority to vote only with respect to the following:

(1) matters which the persons making the solicitation do not know, a reasonable time before the solicitation, are to be presented at the meeting;

(2) approval of the minutes of the prior meeting if the approval does not amount to ratification of the action taken at that meeting;

(3) the election of a person to an office for which a bona fide nominee is named in the proxy statement and the nominee is unable to serve or for good cause will not serve;

(4) a proposal omitted from the proxy statement and proxy, if solicited for an annual meeting by participants other than the board; or

(5) matters incident to the conduct of the meeting.

(g) If action is to be taken on the election of directors and if the shareholders have cumulative voting rights, a proxy may confer discretionary authority to cumulate votes.

3 AAC 08.345. Board solicitations.

(a) The solicitation of proxies on behalf of the board for an annual meeting must be preceded or accompanied by the annual report for the corporation's last fiscal year, unless

- (1) the solicitation is made on behalf of the board before the annual report is available;
- (2) solicitation is being made at the time in opposition to the board; and
- (3) the board's proxy statement includes an undertaking to furnish the annual report to all shareholders being solicited at least 50 days before the date of the annual meeting.

(b) The solicitation of proxies on behalf of the board must be preceded or accompanied by a dated, written proxy statement including, but not limited to, the following:

(1) if action is to be taken on the election of directors, a description of each nominee of the board who has consented to act if elected and of each director whose term of office will continue after the shareholders' meeting; each description must include

- (A) name, age and address;
- (B) all positions and offices presently held with the corporation;
- (C) remaining term in office as director and all other periods of service as a director;
- (D) percentage attendance during the last fiscal year at meetings of the board, including regularly scheduled and special meetings, and meetings of committees on which he served, if he attended fewer than 75 percent of the aggregate of these meetings;
- (E) the nature of any family relationship with any director, nominee or executive officer of the corporation and its subsidiaries;
- (F) business experience during the past five years, including principal employment or occupation and employer;

(G) any of the following events which occurred during the past five years which are material to an evaluation of ability or integrity: voluntary or involuntary petition under any bankruptcy or insolvency laws, appointment of a receiver, conviction or plea of nolo contendere in a criminal proceeding, except traffic violations or other minor offenses, and the entry of any final judgment, order or decree, not subsequently reversed or vacated, that he engaged in unethical or illegal business practices or violated securities laws; and

(H) financial transactions by the corporation with any entity since the beginning of the corporation's last fiscal year and presently proposed financial transactions by the corporation with any entity if

- (i) the transactions in the aggregate exceed \$20,000; and
- (ii) the nominee, director, or a member of his family is employed by, is an officer or director of, or owns, directly or indirectly, an interest in the entity;

(2) a statement of all current remuneration distributed or accrued and of all future remuneration contributed during the corporation's last fiscal year on behalf of

(A) each of the five most highly compensated directors or officers for his services in all capacities to the corporation and its subsidiaries, naming each such person; and

(B) all officers and directors as a group, stating the number of persons in the group without naming them; future remuneration contributed includes amounts which were reported in the corporation's annual report for the last fiscal year for annuity, pension or retirement plans and for deferred compensation or profit sharing plans; information need not be furnished regarding costs for ordinary and necessary business expenses or for personal benefits, group life, health, hospitalization, or medical reimbursement plans which do not discriminate in favor of officers or directors of the corporation and which are available generally to all salaried employees;

(3) a brief description of financial transactions by the corporation with any entity since the beginning of the corporation's last fiscal year and any presently proposed financial transactions by the corporation with any entity if

- (A) the transactions in the aggregate exceed \$20,000; and
- (B) the executive officer or a member of his family is employed by, is an officer or director of, or owns, directly or indirectly, an interest in the entity;
- (4) a brief description of all legal proceedings to which any director or executive officer is a party with interests adverse to the corporation or its subsidiaries;
- (5) if action is to be taken on the election of directors or other matters for which the financial statements are material to the exercise of prudent judgment, a description of the corporation's relationship with its independent public accountants; this description must include
- (A) the name of the principal accountant for the last fiscal year;
- (B) a statement indicating whether representatives of the principal accountant are expected to be present at the meeting with the opportunity of making a statement, if they so desire, and with the responsibility of responding to appropriate questions;
- (C) each professional service provided by the principal accountant and paid for by the corporation during the last fiscal year, such as preparation of corporate tax returns, preparation of personal tax returns, review of proposed corporate acquisitions, review of personal investments, or development of corporate data processing systems;
- (D) the percentage relationship which the aggregate of the fees for all nonaudit services bears to the aggregate of fees for both audit and nonaudit services performed by the principal accountant and paid for by the corporation;
- (E) each disagreement with the principal accountant in connection with audits of the last two fiscal years and any subsequent interim period if (i) the principal accountant has been changed since the date of publication or distribution of the proxy statement for the last annual meeting; and (ii) there have been disagreements on matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of the former principal accountant, would have caused him to make references to the disagreements in his audit report; the corporation must, at least 20 days before the date of publication or distribution of the proxy statement, furnish by certified mail its description of any disagreements to the former principal accountant; if the former principal accountant believes the description to be incorrect or incomplete, and if he forwards to the corporation, within 10 days of the date of his receipt of the corporation's description, a brief written statement of his view, the statement must be included in the corporation's proxy statement;
- (6) a brief description of any arrangement, stating amounts, by which a director is compensated for all services as a director of the corporation and its subsidiaries, including any additional amounts payable for committee participation or special assignments; information need not be furnished regarding costs for ordinary and necessary business expenses or for personal benefits, group life, health, hospitalization, or medical reimbursement plans which do not discriminate in favor of officers or directors of the corporation and which are available generally to all salaried employees;
- (7) a list of the board's committees, if any, performing audit, nominating and compensation functions, the membership of each committee, the number of meetings held by each committee during the last fiscal year, and a brief description of the functions actually performed by each committee;
- (8) a brief description of the methods to be employed to solicit proxies, if other than by use of the mail, and a statement that solicitation is made on behalf of the board;
- (9) a statement of the total amount estimated to be spent and the total already expended on the solicitation of proxies; expenditures include fees for attorneys, accountants, solicitors, and public relations or financial advisers and expenses for advertising, printing, transportation, litigation, or other expenses incidental to the solicitation; however, the following expenses may be excluded:
- (A) the amounts which the corporation would normally spend on a solicitation for an election of directors in the absence of a contest; and
- (B) the salaries and wages of regular employees and officers, if a statement to that effect is included in the proxy statement;
- (10) a statement indicating who will bear the cost of solicitation and the total amount any participant, other than the board and the corporation, has contributed or has agreed to contribute, unless the participant is a contributor of less than \$500 in the aggregate;

- (11) a statement describing any formal procedure or deadline limiting the shareholder's rights to revoke a proxy before its exercise;
- (12) a statement of the number of shares outstanding and entitled to be voted at the meeting;
- (13) a statement of the date on which the record of shareholders entitled to vote at the meeting will be determined; if the right to vote is not limited to shareholders of record on that date, the solicitation must indicate the conditions under which other shareholders may be entitled to vote;
- (14) if action is to be taken on the election of directors and if the shareholders have cumulative voting rights
- (A) a statement that they have the rights; and
- (B) a brief description of those rights;
- (15) for each matter which is to be submitted to a vote of the shareholders, other than the election of directors, a description of the proposal and a statement of the vote required for its approval; for example, if action is to be taken on
- (A) a proposed amendment to the articles of incorporation or bylaws, the description must include the reasons for and general effect of the amendment; or
- (B) a proposed property transaction, the description must
- (i) outline the material features of the proposed transaction;
- (ii) state the nature and amount of consideration and, to the extent practicable, outline the facts which bear on the question of the fairness of consideration; and
- (iii) state the name and address of the other party or parties to the proposed transaction and the nature of any material relationship of the party or parties to the corporation, its subsidiaries, officers, or directors; and
- (16) a brief description of any substantial interest, direct or indirect, by shareholdings or otherwise, of each participant or executive officer in any matter to be acted upon at the meeting, unless the participant or executive officer owns shares in the corporation and would receive no extra or special benefit not shared on a pro rata basis by all other shareholders of the same class.

3 AAC 08.355. Non-board solicitations.

The solicitation of proxies on behalf of a participant, other than solicitations under 3 AAC 08.345, must be preceded or accompanied by a dated, written proxy statement including, but not limited to, the following:

- (1) the name of the corporation in respect to which proxies are being solicited;
- (2) the name and address of each participant, including each proxyholder, who has joined or proposes to join in the solicitation;
- (3) a statement indicating whether any of the participants in the solicitation has an arrangement or understanding with an entity for future employment by the corporation or future financial transactions to which the corporation will or may become a party, and a description listing the terms of and the parties to each arrangement or understanding;
- (4) if action is to be taken on the election of directors, a description of each nominee of the participant who has consented to act if elected; each description must include, if applicable
- (A) name, age and address;
- (B) all positions and offices presently held with the corporation;
- (C) remaining term in office as director and all other periods of service as a director;
- (D) percentage attendance during the last fiscal year at meetings of the board, including regularly scheduled and special meetings, and meetings of committees on which he served, if he attended fewer than 75 percent of the aggregate of these meetings;

(E) the nature of any family relationship with any director, nominee or executive officer of the corporation and its subsidiaries;

(F) business experience during the past five years, including principal employment or occupation and employer; and

(G) any of the following events which occurred during the past five years which are material to an evaluation of ability or integrity: voluntary or involuntary petition under any bankruptcy or insolvency laws, appointment of a receiver, conviction or plea of nolo contendere in a criminal proceeding, except traffic violations or other minor offenses, and the entry of any final judgment, order or decree, not subsequently reversed or vacated, that he engaged in unethical or illegal business practices or violated securities laws;

(5) a brief description of financial transactions by the corporation with any entity since the beginning of the corporation's last fiscal year and presently proposed financial transactions by the corporation with any entity if

(A) the transactions in the aggregate exceed \$20,000; and

(B) the participant in the solicitation or a member of his family is employed by, is an officer or director of, or owns, directly or indirectly, an interest in the entity;

(6) a brief description of all legal proceedings to which each participant in the solicitation is a party with interests adverse to the corporation or its subsidiaries;

(7) a brief description of the methods to be employed to solicit proxies, if other than by the use of the mail;

(8) a statement of the total amount estimated to be spent and the total already expended on the solicitation of proxies;

(9) a statement indicating who will bear the expense of solicitation, and the amount each participant in the solicitation has contributed or has agreed to contribute, unless the participant is a contributor of less than \$500 in the aggregate;

(10) a statement indicating whether reimbursement for solicitation expenses will be sought from the corporation; and

(11) if the proxy statement relates to any matter requiring notice to shareholders by law or to a special shareholders' meeting for which any participant in the solicitation sought shareholder signatures on a document calling for the special meeting

(A) a description of each matter which is to be submitted to a vote of the shareholders and a statement of the vote required for its approval; and

(B) a description of any substantial interest, direct or indirect, by shareholdings or otherwise, of each participant in the solicitation in any matter to be acted upon at the meeting, unless the participant owns shares in the corporation and would receive no extra or special benefit not shared on a pro rata basis by all other shareholders of the same class.

3 AAC 08.365. Definitions relating to solicitation of proxies.

For purposes of 3 AAC 08.305 - 3 AAC 08.365, the following definitions apply:

(1) "annual report" means a summary by the corporation of its business activities, results of operations, and financial condition for the last fiscal year, including consolidated financial statements, which meet the requirements of 43 U.S.C. x 1606(a), effective December 18, 1971, and 43 U.S.C. x 1625, effective January 2, 1976;

(2) "board" means the board of directors of the issuer of shares for which a proxy is solicited;

(3) "contest" means an issue in which the board expects one or more solicitations to be made which will be subject to 3 AAC 08.355;

(4) "corporation" means the issuer of shares with respect to which a proxy is solicited;

(5) "entity" means an individual, sole proprietorship, partnership, joint venture, trust, association, firm, corporation, or other organization, whether or not operated for profit, which is not a wholly owned subsidiary of the corporation;

(6) "executive officer" means the president, secretary, treasurer, a vice president in charge of a principal business function, such as sales, administration, or finance, or any other person who performs similar policy-making functions for the corporation;

(7) "family" means an individual's spouse, parents, children, or siblings by blood or adoption;

(8) "financial transaction" means

(A) the buying, selling, or leasing of real or personal property or of an interest in real or personal property, including, but not limited to, an option, right of first refusal, or joint venture interest;

(B) the buying or selling of services;

(C) the loaning or borrowing of money or a preliminary commitment to that transaction; or

(D) any other transaction which is substantially similar in nature to those listed in this paragraph, excluding distributions mandated by 43 U.S.C. x 1606(j), effective December 18, 1971;

(9) "last fiscal year" means the fiscal year of the corporation most recently completed before the date of the meeting for which proxies are to be solicited;

(10) "nominee" means a person who has consented to being named in a proxy statement and who has agreed to serve if elected;

(11) "participant"

(A) means the board and the corporation;

(B) means a nominee for whose election as director proxies are solicited;

(C) means a committee or group which solicits proxies or a member of the committee or group;

(D) means a person who finances, directly or indirectly, the solicitation of proxies, except a person who contributes not more than \$500 and who is not otherwise a participant;

(E) means a person who solicits proxies;

(F) does not include

(i) a person or organization retained or employed by a participant to solicit shareholders whose activities are limited to the performance of his duties in the course of his employment;

(ii) a person who merely transmits proxy soliciting material or performs other ministerial or clerical duties;

(iii) a person employed by a participant in the capacity of attorney, accountant, or as an advertising, public relations, or financial adviser, whose activities are limited to the performance of his duties in course of his employment; or

(iv) a person regularly employed as an officer or employee of a participant who is not otherwise a participant;

(12) "proxy" means a written authorization which may take the form of a consent, revocation of authority, or failure to act or dissent, signed by a shareholder or his attorney-in-fact and giving another person power to vote with respect to the shares of the shareholder;

(13) "proxyholder" means a person to whom a proxy or power of substitution is given;

(14) "proxy statement" means a letter, publication, press release, advertisement, radio/television script or tape, or other communication of any type which is made available to shareholders under circumstances reasonably calculated to result in the procurement, withholding, or revocation of a proxy;

(15) "shareholder" means one who is the holder of record of a share in the corporation;

(16) "solicitation" means

(A) a request to execute or not to execute, or to revoke a proxy; or

(B) the distributing of a proxy or other communication to shareholders under circumstances reasonably calculated to result in the procurement, withholding, or revocation of a proxy.