

## Calendar

### June

- 1** Kootznoowoo, Inc. annual meeting, Angoon, [www.kootznoowoo.com/](http://www.kootznoowoo.com/)
- 6** **June 6-8.** Celebration 2002, Centennial Hall, Juneau, (907) 463-4844
- 13** 7 p.m. deadline for submitting all proxies to independent Inspector of Elections and Voting, Sealaska 2002 Annual Meeting
- 15** 11:30 a.m. – 12:30 p.m., Meet Board Candidates Luncheon, ANB Hall
- 1 p.m., Annual Meeting of Shareholders, Sealaska Corporation, Centennial Hall, Juneau
- 16** Father's Day
- June 16-19.** National Congress of American Indians, mid-year session, Bismarck, N.D., [www.ncai.org](http://www.ncai.org)

### July

- 4** Independence Day
- 19** CCTHITA Founders Day
- 22** Summer Solstice
- 27** Kake Dog Salmon Festival
- 28** Final date for Alaska citizens to register to vote or update their current registration for the primary election

### August

- 27** Alaska state primary election

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# Shareholders to come together at 2002 annual meeting

There's more reason than ever to get involved in the 2002 Sealaska annual meeting, which is scheduled for June 15 at Centennial Hall Convention Center, 101 Egan Drive in Juneau. Some special events are planned for Friday, June 14, and throughout the day of the annual meeting. A shareholder records workshop is planned from 11:30 a.m. to 4 p.m. on Saturday, June 15. Check out [www.sealaska.com](http://www.sealaska.com) for the latest information on special events.

The official annual meeting will begin at 1 p.m. on June 15. Sealaska President and CEO Chris E. McNeil, Jr. will present a report on the business and other activities of Sealaska. The principal business of the meeting is the election of four individuals to serve on the board of directors for three-year terms ending in 2005.

Traditional dance performances and special recognitions will occur during the meeting. A question-and-answer period focused on corporation business activities is also scheduled for the afternoon. The meeting is scheduled to adjourn shortly after 4:00 p.m., at which time the voting results for the board of directors election will be announced.

Shareholders can cast their ballots during the day of the meeting. Ballots will be made available starting at 11:30 a.m., and the polls will be closed at 2 p.m. the same day. A special luncheon is scheduled at the Alaska Native Brotherhood Hall from 11:30 a.m. until 12:30 p.m. on June 15. Shareholders can meet candidates for the

board of directors at the luncheon, and a traditional dance performance is also scheduled. "This is an important event for our shareholders, and I hope that many will take the time to attend," Sealaska Chairman Albert Kookesh said. "We are looking forward to seeing everyone there."

#### Descendants, cont'd. from page 3

According to estimates prepared by an independent population expert, there are an estimated 11,050 to 11,700 descendants who would be eligible for Sealaska stock ownership if this sort of plan were approved by resolution by original shareholders. Preliminary estimates are that it would cost nearly \$1.2 million over the next two years to include descendants as Sealaska shareholders. All of these estimates would be refined and clearly explained before the proposal is presented to shareholders.

There are other important impacts if such a resolution is approved, including the value of stock and the size of individual dividends.

Greater enrollment, however, creates additional benefits for

Sealaska shareholders and shareholder families as a whole. More Native people would be eligible for scholarships and educational grants, internships, jobs and other opportunities. A larger community of ANCSA Corporation shareholders would strengthen Sealaska's ability to represent shareholder interests before the U.S. Congress, the state of Alaska and other important agencies and organizations.

Most importantly, the inclusion of shareholder descendants will encourage young people to participate in the corporation, revitalizing the corporation's vision and providing future leadership for Sealaska Corporation and the Alaska Native community.

*Next issue: A glossary of terms*

[www.sealaska.com](http://www.sealaska.com)

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# Shareholder

A bimonthly newsletter from Sealaska Corporation

## Welcome New Shareholders

Sealaska Corporation welcomes these new shareholders to the Sealaska family:

Christopher Duke, Juneau  
 Jack Henry Bent, Anchorage  
 Rudolph Smith, Jr., Klawock  
 Harold E. Smith, Klawock  
 Judith M. Sellards, Klawock  
 Robert A. Smith, Klawock  
 Jezry James, Juneau  
 Barry G. Lovelace, Tallahassee, FL  
 Dylan Bennett, Juneau  
 Kristal B. Eggers, Maple Valley, WA  
 Diana M. Knapp, Juneau  
 Julie A. Ayers, Anchorage  
 Lawrence A. Simpson, Anchorage  
 Tara A. Giraud, Anchorage  
 Jamie D. Moy, Sitka  
 Roger Ness, Jr., Sitka  
 Marion Soosuk, Anchorage  
 Jacob W. Carroll, Sitka  
 Rose Anna Natkong, Juneau  
 Natasha N. Phillips, Haines  
 Shayna Schultz, Wrangell  
 Krystal Schultz, Wrangell  
 Melissa K. Cogan, Federal Way, WA  
 Jason A. Clark, Wrangell  
 Timothy Melzer, Silverdale, WA  
 Carol A. Haube, Hoonah  
 Margaret D. Haube, Hoonah  
 Fern Youngblut, Juneau  
 Nathaniel D. Leask, Ward Cove  
 Shaleena M. Delgado, Anchorage  
 Marissa Delgado, Anchorage  
 Katherine R. Staton, Juneau  
 Crystal A. Coleman, Gresham, OR  
 David Bogda, Jr., Portland, OR  
 Heather Edenshaw, Klawock  
 Ryan Aquino, Carson City, NV  
 Patee James, Spanaway, WA  
 Teahonna James, Spanaway, WA  
 Victoria S. James, Spanaway, WA  
 Erik M. Judson, Ketchikan  
 Kathleen L. Lamm, Ketchikan  
 Sarah J. Lamm, Ketchikan  
 Jennifer E. A. Gossman, Douglas  
 Denise Gossman, Douglas  
 Edward Gossman, Douglas

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## Sealaska reports 2001 numbers and favorable outlook for 2002

Sealaska Corporation emerges from difficulties and projects profit in 2002

“Today we are confident that Sealaska has rounded a difficult corner at a pivotal point in our history,” Sealaska CEO and President Chris E. McNeil Jr. said. The corporation predicts greater financial health and stability, and a return to profitability in the upcoming fiscal year after reporting a net loss for 2001.

The net loss of \$21 million on revenues of \$146 million in 2001 is only the second time the Sealaska Corporation has recorded a loss in the past 19 years.

Losses for 2001 were reported because of the last of write downs of assets from our plastics operation. A decision in early 2002 to enter a joint venture with Nypro, Inc. to operate the TriQuest plastics operation in Guadalajara, Mexico resulted in the “reclassification” of certain elements of the financial statements. This was in effect a reversal of the previous decision to discontinue the plastics business.

“Looking forward, we have a strong strategic plan, and we have a strong connection with our shareholders on which we are building a future for our company,” McNeil said.

Corporate performance is expected to improve in 2002:

- Sealaska completed a joint venture with Nypro, Inc., a strong partner in the plastics industry, who will operate the TriQuest Guadalajara plant. The volume of busi-

ness for the joint venture is expected to grow using Sealaska’s competitive advantages as a minority-owned diversity supplier.

- Sealaska loaned the San Pasqual Band of Mission Indians some of the startup capital to build a new gaming operation near Escondido, Calif. Valley View Casino opened in April 2001, and today their financial performance is steadily growing.

- Sealaska has planned to pursue contracts with the federal government, a strategy that enabled other Alaska Native corporations to achieve strong growth and positive returns.

“Although our loss in 2001 is a significant turnaround from the previous year, the Sealaska board of directors and our shareholders want to see us return to profitability,” Sealaska Board Chair Albert Kookesh

said. “I think the 2001 performance shows that Sealaska is heading in the right direction. Based on our current information, we expect to be profitable next year.”

Strategic planning and benefits from continued investments are expected to give the corporation the flexibility to meet many of the needs and expectations of its shareholders. Sealaska expects to grow and invest with strong strategic partners in business ventures that provide support for Native culture and heritage, dividends and jobs.

“In early 2002, we sent our shareholders a document presenting our strategic plan for the coming years. We have confidence that this plan will grow and strengthen Sealaska and prepare us for expansion and greater profitability in the future,” McNeil said.





## CEO's Business Update

May 31, 2002

In our 2001 annual report we said that Sealaska rounded a difficult corner at the close of 2001. Every day in business has



Chris E. McNeil, Jr.  
President and CEO

it challenges, but on the whole we are past the roughest waters and we are focusing on the new directions for Sealaska.

I would like to bring you up to date on a few business issues besides those covered thoroughly in our recent annual report.

### SB 301, householding and electronic voting

As you may know, Sealaska advanced legislation, introduced by Representative Lisa Murkowski, to the Alaska Legislature this year to amend Alaska corporate law to enable electronic proxy voting, and two measures that cut mailing and printing costs for sending annual reports and other materials to shareholders. SB 301 passed the Legislature and is now awaiting the signature of Alaska Governor Tony Knowles. We expect him to sign the bill, as it benefits all Alaska business corporations with shareholders, reduces some operating costs and enables Alaska corporations to move further into the information age through electronic voting.

For a copy of the legislation, visit BASIS, the state of Alaska's online system for tracking legislation:

[http://www.legis.state.ak.us/basis/get\\_fulltext.asp?session=22&bill=HB418](http://www.legis.state.ak.us/basis/get_fulltext.asp?session=22&bill=HB418).

### Federal contracting

Our strategic plan was sent to shareholders earlier this year. A key element of our new initiatives is pursuing opportunities in federal contracting using our status as an ANCSA corporation.

Several ANCSA corporations have been very successful at contracting with the federal government. In fact, over the years, Sealaska, working with other Native corporations, has advanced several pieces of federal legislation to strengthen the ability of ANCSA corporations to compete in this arena.

To date, we have done a limited amount of federal contracting, but we are working now to move into this arena more aggressively.

### Subsistence

Alaska Governor Tony Knowles called the sixth special session of the Alaska Legislature on subsistence immediately following this year's regular session. However, the Legislature extended its regular session and then called its own special session. Several committee hearings were held, but when the session adjourned on May 21 nothing was settled on subsistence.

At this writing, the situation is still fluid, but Sealaska is an active participant on behalf of our shareholders and

the Southeast Native community.

In our shareholder survey, we asked our shareholders if Sealaska should continue to advocate for protection of subsistence hunting and fishing. Ninety-three percent of our shareholders agreed or agreed strongly with this statement. This was one of the highest readings we received in our survey. It shows the importance of this issue to our Native people, in very concrete terms.

In April, Rosita Worl, Sealaska representative to the Alaska Federation of Natives Board, testified before the U.S. Senate Indian Affairs Subcommittee regarding subsistence. She said Natives hunt and fish in groups for their communities, which distinguishes these subsistence activities from "the individualistic values of the larger society."

Sealaska will continue to support this and other initiatives to protect our subsistence way of life.

### Web site

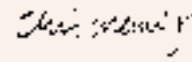
Sealaska's Web site went live in January 1997. In five years, shareholder traffic to the Web site has increased steadily. I am pleased to say that we are working now on a redesign of the Web site. In the first phase of the project, we will put forward a more attractive design that reflects the culture, heritage and values of Sealaska.

We also will implement a new navigation system that makes it easier for visitors to find information on the site. In the future, we hope to offer more information and interactive services for our shareholders, and to present to the general public a broader view of who and what Sealaska Corporation is. Please stay tuned for this exciting development.

### Annual meeting

We are rapidly approaching our annual meeting on June 15, 2002 at Centennial Hall in Juneau. I urge you to review your annual report and proxy materials, and to vote your proxy. This is the most important thing you can do as a shareholder. We are proud that in the recent past, over 70 percent of our shareholders have voted in our annual elections. This shows how involved and vitally concerned our shareholders are, and how important it is for Sealaska to continue to work on issues that affect our shareholders.

Sincerely,



Chris E. McNeil, Jr.  
President and CEO

## Shareholders support discretionary voting

In nearly every community meeting, a shareholder raises a question about discretionary voting during the annual election. The question usually gives the impression that discretionary voting provides Sealaska incumbent board candidates an unfair advantage by giving their votes greater weight or greater power than non-candidate voters.

The following shareholder resolution was proposed four previous times to Sealaska shareholders: "Shall independent candidates for the board of directors on Sealaska's proxy

receive discretionary votes?" Each time, in 1992, 1994, 1995 and 1997, shareholders voted down the proposal by a wide margin.

Some shareholders ask if the Sealaska board of directors used discretionary votes to defeat this proposal during each of the four votes. Discretionary votes, however, cannot be used to vote on resolutions; they can only be used to vote for board of directors candidates. The voting choices for resolutions are limited to voting for the proposal, voting against the proposal or voting for a quorum.

"I realize that some shareholders oppose the discretionary voting system," Sealaska Board Chair Albert Kookesh said. "But in four separate elections, a majority of shareholders said they wanted to keep discretionary voting."

Here are some key arguments presented in past proxy statements regarding discretionary voting:

- Changing the current system of discretionary voting would permit an individual's vote to go to a candidate he or she did not support.

- Discretionary voting is permitted for a slate of independent candidates if they choose to run on a separate proxy (not on the Sealaska proxy).

- Candidates running with a slate, either as a board nominee or as an independent on a separate proxy, may provide for discretionary voting in order to get as many members of their slate elected as possible.



## Shareholder descendants plan underway

Since the earliest days of ANCSA, the Sealaska shareholder community has pondered the question of how best to pass on our heritage and culture to our future generations. Clearly, the children and grandchildren of today's Sealaska shareholders consider membership in Sealaska an important part of their Native identity.

After years of discussion, the Sealaska board of directors will begin implementing a plan that will ask shareholders in 2003 to approve a resolution that provides shares of stock and shareholder benefits to their descendants – those children born after the 1971 effective date of ANCSA.

According to the late 2001 shareholder survey, 80 percent of shareholders said they felt descendants have a moral right to participate in Sealaska Corporation, while 74 percent said the board of directors should advance a resolution to

shareholders for including shareholder descendants. Last year's survey demonstrates a

shift in the views shareholders expressed in various surveys in the early 1990s, when shareholders were evenly split when asked how they felt about enrolling shareholder descendants. Recent survey

findings reflect a view that the current system of gifting stock to certain descendants does not ensure that the benefits and Native identity will be passed on to future generations.

Responding to the growing sentiment for descendant inclusion, the Sealaska board

has studied a variety of plans for extending stock ownership to descendants, and measuring its effects on current Sealaska shareholders and the company. They plan to present a resolution to shareholders next year. The types of distribution, the rules governing stock use, and the people eligible for descendant status would

be determined according to the plan proposed by the

Sealaska board of directors. The plan would then be voted on by shareholders in 2003.

The board has not formulated a specific proposal yet, but elements of the plan are taking shape. The proposal may be close to the model that Doyon, Ltd. implemented several years ago. In that plan, descendants who are eligible for stock ownership include persons with at least a quarter blood quantum. If approved by a two-thirds-majority vote, descendants who passed an enrollment process would immediately receive 30 shares of life estate stock, with an additional 70 shares of life estate stock when the descendant reaches the age of 18.

See **Descendants**, back page



## Celebration 2002 is here!

Dance groups, performers and cultural leaders from across Alaska are some of the attractions at Celebration 2002. Tlingit, Haida and Tsimshian cultures join forces and share our common heritage in Juneau June 6th, 7th and 8th.

Every two years since 1982 Sealaska and Sealaska Heritage Institute have hosted the largest Native cultural gathering in Southeast Alaska. Art, song,

dance and stories come alive. Elders from villages and communities all over the region renew old friendships and share ways to keep our Native culture strong and relevant to the future. Our young people come to see each other perform and learn.

For more information on Celebration 2002, visit the Sealaska Heritage Institute Web site at [www.sealaskaheritage.org](http://www.sealaskaheritage.org).



Charles Jackson demonstrates Native pride at Celebration 2000.

### In Memory

Sealaska pays tribute to shareholders who have recently passed on:

Daniel Richard Baines, 47	Oscar L. Jones, 73
Annette Marie Bolieu, 33	Ann C. Keener, 89
Pamela Bolima, 52	Bruce Allan Keizer, 46
Harry Boss	Susie King, 65
John James Bremner, Sr., 89	Lila Kirkman, 88
John Fredrick Broad, 53	Donna J. Klase
Henry Charles Brown, Jr., 71	Kenneth Wilbur Lawrence, 74
John Weldon Carlson, 72	Kimberly Jo McCullough, 38
Almon William Cassalery, 78	Clifton Melzo, 27
Virginia Elnora Clark, 66	Florence F. Morris, 72
Bernice Maxine Coffelt, 90	Lyda May Museth, 90
Ann Coley, 58	Earl Harry Nelson, 66
Dorothy Helena Demmert, 74	Keala M. Nelson, 81
Yvonne M. Earl, 35	Richard Norman Pendleton, 44
Arnold James Edenshaw, Sr., 75	Elizabeth Nyman, 86
Carolyn Ann Felder, 61	Phyllis Parsons, 76
Janet A. Graham, 66	Mert Price Perley, 72
Mitchell Herman Graham, 49	Jerry Richard Peterson, 55
Fred Grant, 84	Sharon Leslie Sanders, 37
Nick Haskel Gray, 77	Wilbur Skeek, 70
Jason Robert Gregory, 26	Ruth Mae Spromberg, 80
Mary Ann Greseth, 66	Joleen Marie Svedlund, 66
Carol Ruth Grobe, 53	Douglas Wayne Tassell, 40
Norman David Guthrie, 39	Jack Vernon Vaara, 46
Edna Haaseth, 88	Pauline Neda Williams, 78
Lillian Hammond, 90	Frank C. Hallier Witzdam, 71
Christopher L. Hanson, Jr., 41	Frances P. Wrighthouse, 74
Ellen G. Harris, 84	
Thomas Harris, 84	
Laura L. Hill, 88	
Barbara Ann Hughes, 52	
James Edgar Huteson, 66	
John Wayne Huteson, 68	
Mylone Hymet, Sr., 76	
Marie Reyes James, 77	
Sarah James, 83	

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