



2019 SPRING DISTRIBUTION FAQ'S

Q: Where does my distribution come from? How are distributions calculated?

A: There are three sources: operations, permanent fund and ANCSA Section 7(i).

Q: Why does my distribution check seem to be lower than that of shareholders from other Native Corporations?

A: Sealaska is one of the largest Native Corporations with more than 22,000 shareholders, so that means that the amount per shareholder can be lower than other corporations. But, in comparison, overall Sealaska has distributed **\$590 million** to its shareholders since inception through spring of 2019. We have significantly grown dividends and will continue to increase.

Q: How important are distribution payments to Sealaska? Is it a priority?

A: Yes, it is a priority to Sealaska. Recent survey results show that Sealaska shareholders also see it as one of the top two important shareholder benefits, along with scholarships for education.

Q: Sealaska is reporting financial growth, so should shareholders expect an increase in distributions?

- The portion from operations is calculated at up to 35 percent of operational income, and it is averaged over five years as an intentional way to keep it as a consistent pay out to shareholders.
- Overall, 2018 dividends grew 72% over 2017. Dividends will continue to grow in future years and forecasted to grow over 20% this year.
- Keep in mind that the Sealaska Board of Directors usually authorizes distribution payments twice a year. Just a few months ago in December 2018, all shareholders received \$2.03 per share from operations.

Q: Why does it look like Elders receive less than other shareholders?

Elder stock is in *addition* to the original shares that Elders hold. So, every time a distribution is made, they receive this supplemental payment to them. When shareholders turn 65 years old, they receive this additional stock.



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Q: Why do Village shareholders receive a different amount than other shareholders?

- Village (Class A) shareholders do not receive an ANCSA Section 7(j) payment directly from Sealaska. Under ANCSA, Sealaska is required to make Section 7(j) payments directly to each of the 10 Southeast Village Corporations. It is up to the village corporations to decide how to use their ANCSA Section 7(j) payments.
- For this Spring 2019 distribution, Sealaska is making a payment of \$6 million to the Village corporations. Sealaska has passed through \$91 million to Village Corporations since ANCSA Section 7(i) revenue sharing began.

Q: Why do Descendant and Leftout shareholders receive a smaller amount than other shareholders?

The difference is that they do not receive ANCSA 7(i) payments. Both of these types of shareholder stock, along with Elder stock, were created after ANCSA and are not eligible for ANCSA 7(i) payments.

Q: Why is the ANCSA 7(i) portion of the distribution high this time?

High zinc prices are contributing to the ANCSA natural resource revenue pool, especially from NANA Regional Corporation's Red Dog mine.