

A Message from the Board of Directors



On The Hunt...

The Eyak Corporation

Anchorage P: 907-334-6971 F: 907-334-6973

Cordova P: 907-424-7161 F: 907-424-5161

Dear Shareholders,

Our thoughts are with you and your families during these extremely challenging and unprecedented times. Although the COVID-19 pandemic has prevented your Board of Directors from meeting in-person these past six months, the Board has continued to provide direction and oversight to Management, through regular online meetings.

The Board held two meetings via Zoom in October, during which the Board:

- Elected the following Board Officers:
 - ◊ Chair – Brooke Mallory
 - ◊ President – Nancy Barnes
 - ◊ Vice Chair – Jim Ujioka
 - ◊ Vice President – Jerry O'Brien, Jr.
 - ◊ Secretary – Rocky Dolfi
 - ◊ Treasurer – Rikki Addy;
- Discussed subsidiaries, current investments, and 2020 year-to-date financials;
- Received updates and acted on recommendations from the following committees: Communications; Governance; Land; and Shareholder Advisory;
- Appointed John Johnson to The Eyak Foundation's Board of Trustees;
- Received Board training from outside counsel Matt Mead;
- Received an update on ethics and compliance;
- Addressed a non-residential Shareholder Land Use Program lease legacy matter; and
- Received an update on The Eyak Foundation.

We hope you find this newsletter informative and worthy of the time you spend reading it. If you have any questions, or see room for improvement, please let us know.

December 2020

Inside This Issue:

■ Board's Message.....	1
■ Management Report.....	2
■ Financial Update.....	3
■ Chair Message.....	4
■ EPFST and EBT Distributions.....	5

■ Report Card Raffle Winners.....	6
■ Holiday Card Contest Winners.....	7
■ FAI/AFN Article.....	8
■ The Eyak Foundation.....	9
■ FAQ.....	10

■ Dates to Remember....	11
■ Mission Statement, Contact us.....	12

Management Report, by Rod Worl

Season's Greetings! I hope you and your loved ones are safe, healthy, and in at least reasonably good spirits during these unprecedented and challenging times. As discussed below, your corporation is adapting and overcoming obstacles as 2020 draws to a close and, like you, we look forward to a better 2021.

We have continued our operations despite COVID-19. All of our Government contracts remain active. Many of our subsidiary employees are working remotely, as are their counterparts with the government. A small percentage of our subsidiary employees have tested positive for COVID, but all appear to have fully recovered.

The health and safety of our Shareholders and employees remains a top priority. Consequently, our Anchorage and Cordova offices remain closed to the public. We are closely monitoring updates from the Alaska Department of Health and Social Services to make sure our decisions on reopening our offices are based on the best available data. The record number of positive COVID-19 these past few weeks shows that the virus is still with us. None of our Alaska staff have tested positive for COVID.

Despite our offices being physically closed, our staff are hard at work and will continue to serve Shareholders and the public via phone and the internet. We can be reached at 907-334-6971 (Anchorage office), 907-424-7161 (Cordova office), or at info@eyakcorp.com. We look forward to a vaccine and a return to normal operations.

I am pleased to share that, based on numbers to date, Eyak expects operating profits for 2020. It is possible, however, that 2020 could be a loss if the stock market has a significant decrease before the end of the year. The March 2021 newsletter will provide updated financial information on your corporation.

Thank you for your support.



Chair Message, by Brooke Mallory

Dear Shareholders,

I am honored to be elected as The Eyak Corporation's Chair of the Board. I am thankful to the mentoring that past Chairman Martin Parsons provided during my four years on the Board, as well as to the rest of the Board, Shareholders and staff that assist with guidance and insight.

I would like to thank all of our Shareholders and Descendants who take an active role in our corporation. A special recognition is deserving for our volunteer Shareholder Advisory Committee, who have made countless great recommendations that the Board has been pleased to implement.

Although the global pandemic has limited our ability to meet in-person, I encourage you to increase your involvement with TEC, through one or more of the following avenues:

- Sending an email with any questions or recommendations you may have for improvement, to shareholder@eyakcorp.com;
- Calling the corporation's Anchorage or Cordova offices and asking whatever questions you may have of your corporation;
- Speaking with Board members;
- Seeking a position on the corporation's Shareholder Advisory Committee;
- Applying to serve as a Trustee for The Eyak Foundation; and
- Running for the Board of Directors

Each Shareholder newsletter devotes a full page to answering questions from our engaged Shareholders and Descendants.

Since assuming the role of Chair, I have had many conversations with our CEO Rod Worl and President Nancy Barnes on how best to keep our corporation moving forward. I am very excited about the future of The Eyak Corporation and hope you are too.

Welcoming New Shareholders

Edward Vlasoff

Remembrance



Allen Frazier

Jessie Tiedeman

Elder Distribution

The Eyak Benefits Trust Trustees declared an Elder Distribution, in the amount of \$500, which was paid on December 4, 2020 to original Shareholders aged 65 and older, as of December 31, 2020. This is the second ever Elder Distribution to Shareholders of The Eyak Corporation (who are beneficiaries of the Eyak Benefits Trust). The Eyak Corporation's Shareholders voted in favor of establishing the Eyak Benefits Trust during the corporation's Annual Meeting in May 2019.

The Eyak Corporation's Board of Directors, management, and the Eyak Benefits Trust's Trustees are grateful for our Elders and are pleased to provide this token of our appreciation. The distribution is tax-free.

2020 December Distribution

The Eyak Permanent Fund Settlement Trust (EPFST) declared a distribution of \$19.67 per share, which was paid on December 4, 2020, to The Eyak Corporation's Shareholders of record as of November 15, 2020. The distribution is tax-free to Shareholders and is the same amount as last year's distribution.

The new tax laws have created financial incentives for The Eyak Corporation to make contributions to the EPFST for the benefit of our Shareholders. The Eyak Corporation's contribution to the EPFST is comprised of 7j and operating income. The 7j component is approximately \$13.68 per share, while the operating portion is approximately \$5.99 per share, for a total of \$19.67 per share. The per share amount is calculated after accounting for EPFST taxes of approximately 10%.

The Eyak Corporation has long-recognized the benefits associated with Alaska Native settlement trusts, in that settlement trust generally have a lower tax rate than the corporation and distributions made from settlement trusts are generally tax-free. As long as the tax structure remains favorable, The Eyak Corporation's Board intends to continue contributing money to the EPFST, with the EPFST then making those payments to Shareholders in early December.

Report Card Raffle Winners!



Our second ever “Report Card Raffle” was a tremendous success, with 23 Shareholder and Descendant participants. Congratulations to the six lucky winners: Jessalyn Wagner, Walter Fell, Timmy Powell, Justin Barnes, Jada Barnes, and Talan Dixon!

Each winner will receive a \$50 prize. Thanks to everyone who participated and keep up the great work in school!

(Pictures are shared with permission.)



Jada Barnes



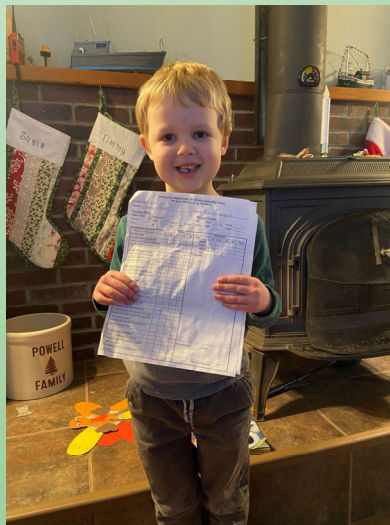
Justin Barnes



Talan Dixon



Walter Fell



Timmy Powell



Jessalyn Wagner

Holiday Card Contest Winners!

Each December, The Eyak Corporation sends out a holiday card featuring artwork designed by a Shareholder or Descendant. This year, we held a contest for talented youth artists (up to age 18) to feature on the card!

We received seven wonderful submissions. Congratulations to the following contest winners:

First Place (\$250): Elliana Wagner- *January Frost*

Second Place (\$150): Camryn Augafa- *Happy Holidays*

Third Place (\$100): Cameron Addy- *Eyak Man on the Hunt for a Tree*

We are proud of our youth artists and encourage you to keep painting!



January Frost
By, Elliana Wagner



Happy Holidays
By, Camryn Augafa



Eyak Man on the Hunt for a Tree
By, Cameron Addy

First Alaskans Institute Elders & Youth Conference and Alaska Federation of Natives 2020 Convention

The First Alaskans Institute Elders & Youth Conference and the Alaska Federation of Natives 2020 Convention were held through online platforms in October.

The Elders & Youth Conference ran from Sunday through Wednesday and started with a Warming of the Hands session. The 2020 Elders & Youth theme, “Asirqamek Apruciluta” (Sugt’stun, Chugach), “Asisqamek Aprut’liluta” (Alutiiq) loosely translates into English as “We Are Making a Good Path.”

Throughout Elders & Youth, there were cultural performances, language workshops, and other opportunities to showcase the talents of Elder and Youth attendees. TEC descendant Kiley Kanat’s Burton was the Youth Keynote Speaker and addressed the issue of Alaska Native blood quantum. Shareholder and Elder Sylvia Lange, who is also a First Alaskans Trustee, taught a painting class. Shyla Krukoff participated in a language workshop and Pete Kompkoff shared his perspective as the Chugach region’s Elder representative.

The Alaska Federation of Natives (AFN) Convention ran from Thursday through Saturday. AFN is the largest Native advocacy organization and it is a strong economic and political force in the State and Federal arenas.

TEC President Nancy Barnes, who served as a voting delegate said that the virtual convention went well. “This was the first time we have had to hold a virtual convention. We heard reports from State and Federal officials and had a number of keynote addresses. The Chugach villages and the region got together via Zoom to caucus and discuss pending resolutions, issues of importance and the co-chair election.” Joe Nelson from Yakutat was elected as Co-chair for AFN.



Kiley Kanat’s Burton

Update on The Eyak Foundation, by Jim Ujioka

It is my pleasure to resume serving as President of The Eyak Foundation and to provide this update. On behalf of the Foundation's Board of Trustees, I would like to thank Brooke Mallo-ry for her prior service as President of the Foundation and wel-come John Johnson to the Board of Trustees.



The Eyak Foundation is overseen by a volunteer Board of Shareholder and Descendant Trustees, whose members include: John Johnson, Rockele Jones, Todd Lilleness, Martin Dean Parsons, Nick Tiedeman, and myself. We are grateful for Heidi Van Gilder's efforts in overseeing the Foundation's day-to-day needs and are very excited about the direction the Foundation is heading. If you have any recommendations for improvement, please let one of the Trustees or Heidi know.

Although 2020 has brought unprecedented challenges for many of us, including those pursuing post-secondary and vocational education, I am pleased to share that through November 30, the Trustees have awarded a total of \$45,667 in scholarships to Shareholders and Descendants this year. We hope to issue more scholarships before the end of the year and encourage our eligible Shareholders and Descendants to apply.

For more information on scholarships, please visit our website:

www.eyakfoundation.org and/or contact Heidi Van Gilder at (907) 334-6971 ext. 1.

On behalf of the Trustees, thanks for your continued support.



Frequently Asked Questions

Q. When was the Shareholder Advisory Committee formed?

A. The Board of Directors formed the Shareholder Advisory Committee in May 2012.

Q. When will next year's Annual Meeting be held? Will it be an in-person meeting?

A. The Board has tentatively scheduled next year's Annual Meeting to be held during the month of May. The Board's preference is for in-person Annual Meetings but the safety of our Elders and other Shareholders is of paramount importance. We will provide Shareholders with periodic updates on the date and format of next year's Annual Meeting.

Q. Why doesn't The Eyak Corporation buy out disgruntled Shareholders? Wouldn't that be in everyone's best interest?

A. The Alaska Native Claims Settlement Act (ANCSA) does not permit an Alaska Native corporation to buy out disgruntled Shareholders. A Shareholder can relinquish his or her shares back to the corporation. In addition, Shareholders can gift their shares to their children, grandchildren, great-grandchildren, nieces, nephews, and siblings.

Q. Is October 2023 the maturity date for the Eyak Permanent Fund Settlement Trust?

A. No, October 2023 is not the maturity date for the Eyak Permanent Fund Settlement Trust, it will be the twenty-fifth anniversary of its creation. As the name of the settlement trust makes clear, the Eyak Permanent Fund Settlement Trust was established as a permanent fund to provide perpetual tax-free distributions to current and future Shareholders (Beneficiaries).

Q. Would liquidating the Eyak Permanent Fund Settlement Trust have adverse tax consequences for the Shareholder Beneficiaries?

A. Yes, liquidating the Eyak Permanent Fund Settlement Trust would result in significant adverse tax consequences for the Beneficiaries.

Q. What benefits have the "original" Shareholders received from TEC?

A. The benefits TEC has provided to its original Shareholders include the following (per 100 shares):

- \$113,471 in distributions and dividends from The Eyak Corporation
- \$25,234 in tax-free distributions (paid by the Eyak Permanent Fund Settlement Trust)
- Title to two acres of land in the Hartney Bay Subdivision
- Shareholder Land Use Program rights for a 99-year lease on TEC lands for \$100
- Effective 2019, Elder distributions in the amount of \$500 per year.

In addition to the above benefits, original Shareholders receive all of the other benefits provided to any of TEC's Shareholders, including: eligibility for vocational and educational scholarships from The Eyak Foundation; funeral benefits; proxy incentive payments; early bird prizes; and door prizes.



Brooke Mallory



Nancy Barnes



Jim Ujioka



Jerry O'Brien Jr.



Rikki Addy



Rocky Dolfi



Todd Lilleness



Jim McDaniel



Jason Barnes

December 24-25— Office Closed
January 1, 2021—Office Closed



Brooke Mallory, Chair
Nancy Barnes, President
Jim Ujioka, Vice Chair
Jerry O'Brien, Jr., Vice President
Rikki Addy, Treasurer
Roxanne Dolfi, Secretary
Todd Lilleness, Director
Jim McDaniel, Director
Jason Barnes, Director

Alaska Staff



Rod Worl

Chief
Executive
Officer



Brennan Cain

VP &
General
Counsel

Ext. 5



Sue Jolin

VP of
Finance

Ext. 7



Peggy Fisher

Senior
Accountant

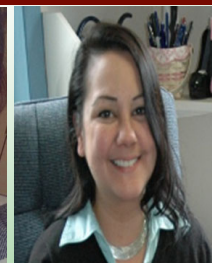
Ext. 3



Heidi Van Gilder

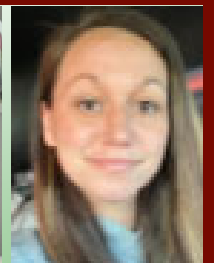
Office &
Shareholder
Relations
Manager

Ext. 1



Angela Butler

GM Cordova
Operations



Tiffany Beedle

Project
Manager &
Operations
Assistant

The Eyak Corporation Mission

The Eyak Corporation will return financial benefits to present and future shareholders through the development of economic opportunities and growth of our assets while protecting the ownership of our ANCSA lands and Native cultural heritage.

Contact Us

THE EYAK CORPORATION

ANCHORAGE:

615 E. 82nd Ave.
Suite 300
Anchorage, AK 99518

Tel. 907-334-6971
800-478-7161

CORDOVA:

622 First Street, Suite 105
P.O. Box 340
Cordova, AK 99574

Tel. 907-424-7161



<http://www.facebook.com/eyakcorp/>

www.eyakcorporation.com

The Eyak Corporation
615 E. 82nd Ave
Suite 300
Anchorage, Alaska 99518

