

# 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,

We hope you and your families are safe and healthy during these challenging times. We are pleased to report that TEC's Board and staff are all doing ok.

Thank you to everyone who pre-registered, submitted questions, and attended our 46th Annual Meeting of Shareholders via Zoom and teleconference in August. This was our first-ever online event, and we greatly appreciate the positive feedback and the helpful guidance we have received on how we can improve. We extend a special thank you to the Shareholders who submitted more than 60 questions prior to the Annual Meeting. Your Board and Management were pleased to answer most of those questions during the meeting and will be answering others in this newsletter.

We greatly appreciate all six Shareholders who stepped up and ran for the Board this year. Congratulations to the following candidates who were elected to serve three-year terms on The Eyak Corporation's Board of Directors: Jason Barnes; Jerry O'Brien, Jr.; and James Ujioka. The following Shareholders are continuing members of the corporation's Board of Directors: Rikki Addy; Nancy Barnes; Roxanne Dolfi; Todd Lilleness; Brooke Mallory; and Jim McDaniel.

As many of you know, past Board Chairman Martin Parsons recently completed his term on TEC's Board of Directors and is stepping aside after serving for 13 years. Martin's leadership will truly be missed. He always made time for TEC Shareholders, Descendants, other directors, and staff. He was an advocate for our Elders and was a strong supporter of setting up the Eyak Benefits Trust for the first Elder distribution in 2019. Please join us in thanking Martin for his many years of board service!

As we wrap up our annual meeting season, we'd like to thank all our TEC Shareholders and Descendants who participated in the online meeting, the other Alaska Native corporations who shared best practices from their annual meetings, and our staff and board members who dedicated many hours to answering questions and preparing their presentations. Given the global pandemic, we don't know if we'll be able to gather in-person for next year's meeting, and we are already making plans for our winter informational meetings to be held virtually. We appreciate all the feedback that will help us improve for future events.

During challenging times, it is very important to be thankful for one's blessings. The Board is grateful for the tremendous support we have received from our Shareholders.

## September 2020 Inside This Issue:

- Board's Message -----1
- Management Report-----2
- Financial Update-----3
- Employee Spotlight, by Nancy Barnes-----4
- Elder Distribution/ 2020 December Distribution/Welcoming New Shareholders-----5
- An Annual meeting of Shareholders in the Time of COVID-19-----6
- The CARES Act and ANC's-----7
- Just Give (At Least) One, by Rikki Addy and Hilary Fell-----8
- Update on The Eyak Foundation, by Brooke Mallory-----9
- FAQ's-----10
- Alaska Staff-----11
- The Eyak Corporation Mission---12

## Management Report, by Rod Worl



It was my pleasure to provide the Eyak Management Report during the online Annual Meeting held in August. One of the highlights for me was answering the many excellent questions submitted before the meeting by our remarkably engaged Shareholders.

For the convenience of those who were unable to attend the meeting, below are the three questions and answers I believe are of most interest to our Shareholders and Descendants:

### **Question. How has COVID-19 affected our general presence?**

**Answer.** Like many government contractors, Eyak's government contracting business is seeing a tremendous slow-down in contracting activities for both sole-sourced and competitive contracts. It is very difficult to reach customers in real time for business development given the Government's reaction to COVID-19, including alternative work schedules and working from home. We are supplementing our business development by continuing to farm business with our existing onsite contract resources. With the limited competitive procurements that do come out, it has become highly competitive and only those that bid with extreme low pricing are winning these contracts. We are seeing that the Government is issuing short term extensions to existing contracts in order to address their contracting needs which causes further delays with new contracting opportunities. We have very good relationships and past performance with the Government and are confident in our future success that this will all get resolved in time. However, we do expect that this will likely continue to have a negative impact for the next 12 months or longer.

### **Question. Are we too dependent on government contracting?**

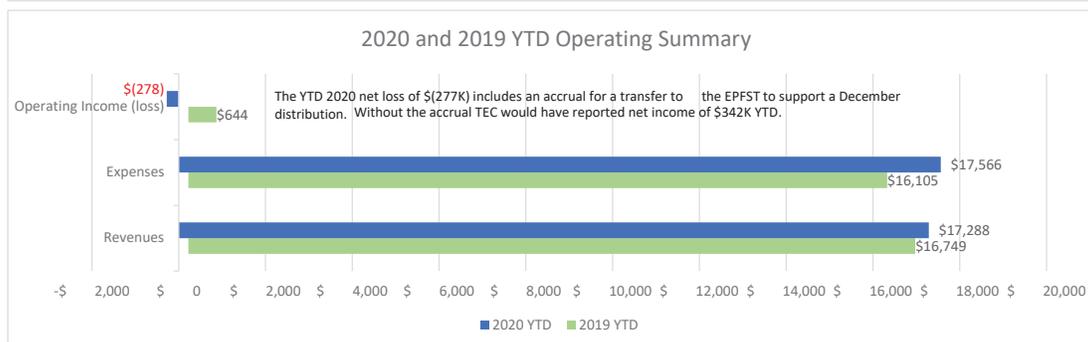
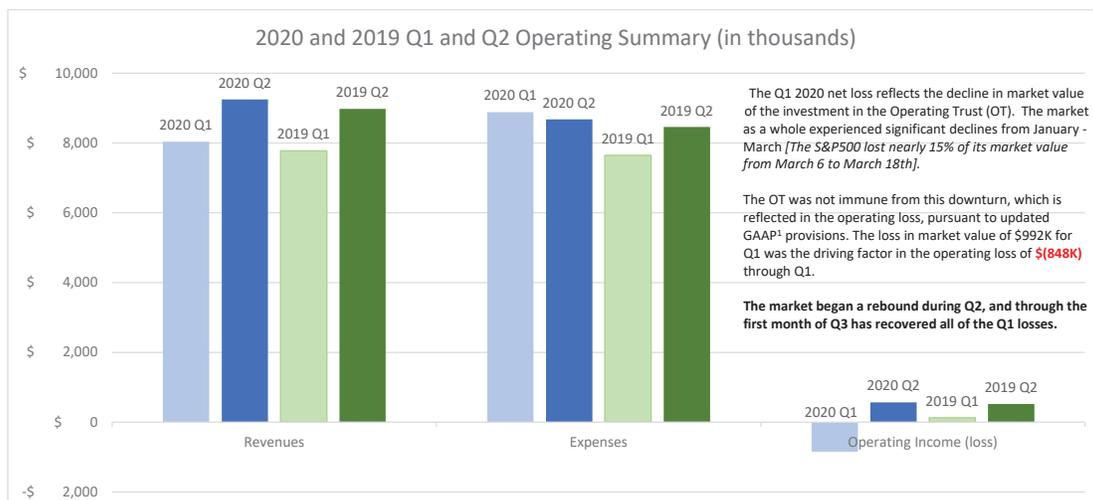
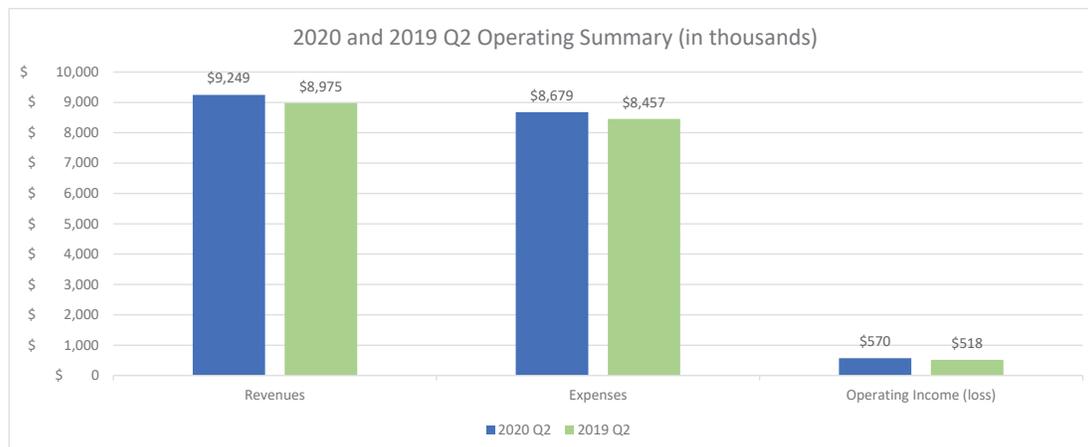
**Answer.** This is a complex question. The answer is both yes and no depending on your perspective. Long term government contracting is one of the more stable industries so there are advantages to being highly dependent on this industry. While there are some short-term negative consequences due to the pandemic, long term the industry will eventually rebound from its current slowdown. Especially once the government adapts to the pandemic. The federal government certainly doesn't want to hurt the economy further by shutting down government contracting; in addition, the federal government is highly dependent on its contractors. Eyak recognizes that most of its revenue is derived from government contracting; that is why Eyak has taken steps to diversify with some direct investments in other industries.

### **Question. Do you anticipate profitability in 2020?**

**Answer.** Eyak expects to produce operating profits in 2020; however, Eyak's consolidated profits are affected by its stock market investments. If the stock market falls like it did in March, Eyak's 2020 income could end up being a loss. With recent tax changes the distribution to Shareholders are now considered an expense. That also reduces Eyak's profitability. We're ok with that because of the additional tax-free benefits our Shareholders receive.

**2020 Operating Income Summary**  
For the Quarter Ended June 30, 2020 with Comparative Totals for the Prior Year (unaudited)

(in thousands)	<u>2020 Q1</u>	<u>2020 Q2</u>	<u>2020 Q3</u>	<u>2020 YTD</u>	<u>2019 Q1</u>	<u>2019 Q2</u>	<u>2019 Q3</u>	<u>2019 YTD</u>
Revenues	\$ 8,038	\$ 9,249		\$ 17,288	\$ 7,775	\$ 8,975		\$ 16,749
Expenses	8,886	8,679		17,566	7,649	8,457		16,105
Operating Income (loss)	\$ (848)	\$ 570		\$ (278)	\$ 126	\$ 518		\$ 644

**Definitions:**

Q1 - First Quarter, which runs from January 1st to March 31st.

Q2 - Second Quarter, which runs from April 1st to June 30th.

Q3 - Third Quarter, which runs from July 1st to September 30th.

YTD - Year to Date adds all activity for each quarter of the year.

Revenues, Expenses, Operating Income (Income From Operations)

Note: amounts are reported in thousands, to convert to millions or thousands multiply the number shown by 1,000; e.g., \$2,583 is \$2,583,000.

<sup>1</sup> GAAP - Generally Accepted Accounting Principles (ASU 2016-01 specifically addresses the recognition of equity securities gains and losses through the income statement).

## Employee Spotlight, by Nancy Barnes

As many of you know, Brennan Cain is The Eyak Corporation's Vice President and General Counsel. In June, he celebrated his tenth anniversary with TEC and the Board is grateful for his strong work ethic and dedication to our corporation, Shareholders, and Descendants.

Brennan works closely with our management team, Chair, Board, committees, non-profit (The Eyak Foundation), settlement trusts, and business partners on operations and to accomplish mission-related objectives. Those accomplishments include: establishing the Shareholder Advisory Committee; robust Shareholder newsletters and annual reports; corporate governance best practices; Elder law and will clinics in Cordova; an annual Cordova cemetery cleanup; several resolutions approved by the Alaska Federation of Natives; and art show fundraisers for The Eyak Foundation.

Brennan was recently recognized by Alaska Legal Services Corporation as Volunteer of the Month for his pro bono efforts on family law, domestic violence, and Alaska Native matters. He also volunteers at the Elizabeth Peratrovich Legal Clinics held during Alaska Federation of Natives' annual conventions. Brennan has been very actively involved with the Alaska Native Village Corporation Association since 2012, especially on ANCSA contaminated lands, Section 14(c) conveyances, and other lands-related matters. He served as the Chair of ANVCA's Land Committee and was a team lead on two advocacy trips to Washington D.C. Brennan frequently shares best practices and legal templates with ANVCA's members.

Brennan was raised in Maryland, earned a Bachelor of Science degree from Virginia Tech and attended law school at University of California, Davis. He moved to Alaska in 1997 and has worked almost exclusively with Alaska Native Corporations ever since. Brennan married up in 2004 and became a dad in 2009. His hobbies include gardening, playing soccer (after a 25 year break), and playing Poke'mon Go with his son, Griffin. In 2018, Brennan and Jim McDaniel miraculously outlasted Geri and Julian Victoriano to become water balloon toss champions at TEC's annual summer picnic.



## Elder Distribution

On August 12, the Eyak Benefits Trust Trustees declared an Elder Distribution, in the amount of \$500, to be 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.

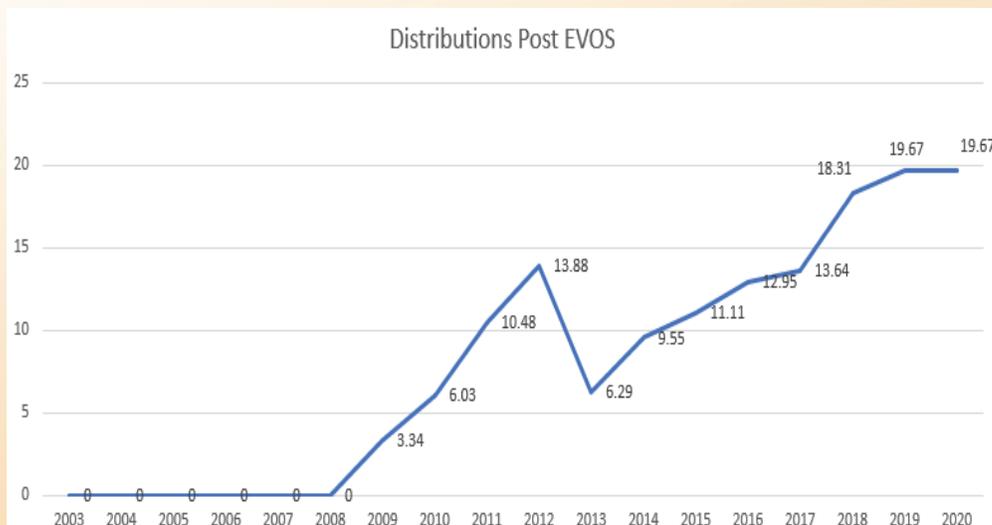
The Eyak Corporation's Board of Directors, management, and the Eyak Benefits Trust's Trustees are grateful for our Elders and are pleased to provide this token of our appreciation. The distribution is tax-free.

## 2020 December Distribution

The Eyak Permanent Fund Settlement Trust (EPFST) has declared a distribution of \$19.67 per share, to be paid on December 4, 2020, to The Eyak Corporation's Shareholders of record as of November 15, 2020. The distribution will be tax-free to Shareholders. The distribution 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.



### Welcoming New Shareholders

- Venessa Irons
- Jenette Vlasoff



## An Annual Meeting of Shareholders in the Time of COVID-19

On August 22, 2020, The Eyak Corporation held its 46th Annual Meeting of Shareholders. For the first time in the corporation's history, the meeting was held electronically (via Zoom) and through a teleconference rather than as an in-person meeting.

The meeting followed a very similar to agenda to prior annual meetings, including: an invocation by Jerry O'Brien, Jr.; a Shareholder Remembrance; a Management Report by CEO Rod Worl; a Financial Report by VP of Finance Sue Jolin; an Eyak Permanent Fund Settlement Trust Report by Alex Slivka; a Shareholder Advisory Committee Update by Rocky Dolfi; a Land Committee Report by Brooke Mallory; a Donations Committee Report by Jerry O'Brien, Jr.; a report on The Eyak Foundation by Brooke Mallo-ry; election of directors; and a robust question and answer period addressing the more than 60 questions that were submitted by Shareholders prior to the meeting. As noted by former Chairman Martin Parsons, The Eyak Corporation is one of only a handful of Alaska Native Corporations to hold a full annual meeting.

Although there were undoubtedly drawbacks to not being able to meet in-person, including: a chance for families and friends to visit each other and catch up; and the opportunity for candidate speeches, Shareholders have pointed out several silver linings. Those silver linings include: many first-time attendees; attendance by Shareholders who live thousands of miles away (Alabama; Arizona; California; Colorado; Iowa; Mississippi, Tennessee; Nevada; and Washington); and Shareholders attending from their home communities throughout Alaska (Anchorage; Chugiak; Cordova; Fairbanks; Palmer; and Wasilla). We are grateful for all of the Shareholders and Descendants who made the time on a Saturday in August to attend the meeting.

We cannot wait until we have a chance to return to in-person Annual Meetings and Shareholder Informational Meetings. In the meantime, your Board and Management are committed to continually improving our online meetings. We welcome your input to maximize benefits to Shareholders and Descendants during those meetings. We're all in this together!



## The CARES Act and Alaska Native Corporations

Our June newsletter included an article on the similarities and differences of Alaska Native Corporations (ANCs) and Alaska Native Tribes (Tribes). The article emphasized the shared goal of ANCs and Tribes to serve Alaska Native people and communities. A major difference identified between ANCs and Tribes is that ANCs own land in Alaska and Tribes, for the most part, do not.

In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Through the CARES Act, “Indian Tribes,” as defined by the Indian Self-Determination and Education Assistance Act, are eligible for a total of \$8 Billion in funding for necessary expenditures associated with the COVID-19 global pandemic. The Indian Self-Determination and Education Assistance Act recognizes the uniqueness of Alaska by both including ANCs and Alaska Native Tribes in the definition of Indian Tribes.

Unfortunately, a few Tribes, including some in Alaska, have contested ANC eligibility for CARES Act funding and a costly and time-consuming lawsuit has followed. In June, the trial court ruled in favor of ANC eligibility for the funds, but that decision has been appealed. The appellate court held oral argument on September 11. We are hopeful for a final decision by the end of the month.

As of today, neither The Eyak Corporation nor any other ANC has received CARES Act funds. If we do receive funds, those funds will be used for the benefits of our Shareholders and our communities, to the maximum extent authorized by law. Based on guidance to date from the U.S. Treasury Department, CARES Act funds may not be used for dividends.

We are thankful for the unwavering advocacy by the Alaska Native Village Corporation Association (ANVCA) and the ANCSA Regional Association (ARA) on behalf of Alaska Natives and our Alaska Native communities. For more information on the CARES Act and ANCs, please visit ARA’s website, at: <https://ancsaregional.com/cares-act/>



## Just Give (At Least) One, by Rikki Addy and Hilary Fell

There is a common theme that is spoken at almost every Shareholder event The Eyak Corporation (TEC) hosts: “We need to get the next generation involved in our corporation.”

Several months ago, Shareholder Hilary Fell, a member of TEC’s Shareholder Advisory Committee, reached out to TEC after hearing, “We need to get the next generation involved,” but not seeing any action taken to change the status quo. Hilary had learned of a communications campaign by Afognak Native Corporation called “Share Just One” and thought this idea could be used by TEC to promote gifting of shares now to get the next generation involved in the corporation.

As Hilary put it, “If Eyak Shareholders could pass just one share to each of their children, they could ensure their children are owners too. One share gives someone a voice. With that voice, they are empowered to have conversations around the family table -- or in my family’s case, around the fish filleting table -- regarding important topics that need to be addressed by our corporation. With that voice, these young people are more likely to vote in board elections and have a meaningful impact on where we’re headed. Just one share means we, as Shareholders, are welcoming these young people to the table and are reminding them that they are part of our community.”

### Why should you consider giving at least one share to your Descendants now?

- Only Shareholders can vote in TEC’s elections
- Only Shareholders can run for and serve on the Board of Directors
- Only Shareholders receive dividends from the corporation
- Only Shareholders receive the Annual Report, proxy materials, Shareholder newsletters, and other communications sent through mail
- Only Shareholders receive funeral benefits from TEC

If you want the younger generation to get involved, give them a reason to get involved. Give them a voice. Give them the opportunity to run for the Board of Directors, get elected to the Board, and help make positive changes from the boardroom.

### To whom can you gift shares?

Shares cannot be gifted up the family tree, so you cannot gift them to your parent, aunt/uncle, or grandparent. The recipient must be Alaska Native or a descendant of an Alaska Native. You may gift shares to:

- Your children
- Your grandchildren/great grandchildren
- Your brother or sister
- Your niece or nephew

### How can you gift shares?

To start the process and obtain the required forms, contact the Anchorage office at (907) 334-6971 or by email at [shareholder@eyakcorp.com](mailto:shareholder@eyakcorp.com); or the Cordova office at (907) 424-7161.



## Update on The Eyak Foundation, by Brooke Mallory

On behalf of The Eyak Foundation's Board of Trustees, we extend heartfelt thanks to the 48 Eyak Corporation Shareholders that donated their \$25 Proxy Incentive Program payments to The Eyak Foundation. Those donations totaled \$1,200. Donations were made in the memory of the following Shareholders:

- GR (Bob) Andersen
- Donna Jean Anderson
- Ron Anderson (Flapping Eagle)
- Alexander C. Barnes
- Pat Barnes
- Kevin Dean Blake
- Mitch Bolan
- Margaret Clark
- Dolly Clock
- Alice Cook
- Bertha Cronk
- Ida deVille
- Elnora Joyce Donaldson
- Do Do
- James Foode
- Mary Gordaoff
- Bill Hansen
- Irene Hansen
- The Hansen Family
- John Jay Hoover
- Benna Hughey
- Elizabeth (Liz) (O'Brien) Hunt
- Dora Kjellerson
- Henry Makarka
- Molly Makarka
- Brandon James McDaniel
- Esther Mulcahy
- Bert Nichols, Sr.
- John Nichols, Sr.
- Genevieve V. Oberg
- Jerry O'Brien, Sr.
- Gilbert Olsen
- James Olsen
- Roberta Parsons
- Sharon Ranney
- Alice Reilly
- Dolly Scott
- Leonard Smith
- Chris Tiedeman
- Fred Tiedeman
- Mike Tiedeman
- Nancy Tiedeman
- Ora Warner
- Irene Webber

In light of COVID-19's impacts on our fundraising efforts, 2020 will likely be a lean year, so the generosity of our Shareholders is greatly appreciated. Donations can be made to the Foundation through our website or by contacting TEC's Anchorage or Cordova offices.

Recently, Thomasina Andersen has stepped down from the Board of Trustees to continue her own education. Thomasina was appointed to the Board in November 2013 and has been a valued and dedicated member of the Board these past seven years. She consistently stepped up in the Board room and whenever volunteer opportunities arose in furtherance of the Foundation's mission. We will miss Thomasina and wish her the very best in her future endeavors.



# Frequently Asked Questions

## Q. Why did you pre-record the Annual Meeting?

A. There are several reasons why the corporation made the decision to pre-record the Annual Meeting. Those reasons include: striving to provide Shareholders and Descendants with an organized and efficient meeting; advice from other Alaska Native Corporations that held electronic annual meetings earlier in the year; minimizing technological problems associated with virtual meetings; and providing our Board and Management with the opportunity to provide as polished of a product as possible in answering the pre-submitted questions from our Shareholders and Descendants.

## Q. Is it even considered a legitimate Annual Meeting when everything was pre-recorded?

A. Yes, the Annual Meeting was legitimate. The Eyak Corporation complied with the applicable Alaska laws and regulations and the corporation's Bylaws in holding the Annual Meeting. Quorum was reached several days prior to the meeting. In addition to holding a legitimate Annual Meeting, the corporation held a comprehensive Annual Meeting, with a Management Report, Financial Report, committee reports, and extended question and answer period. We have heard from colleagues with other Alaska Native Corporations that TEC went "above and beyond" in holding a full Annual Meeting.

## Q. Can you provide information on the CARES Act and Alaska Native Corporations?

A. Excellent idea! We've added an article on the CARES Act and ANCs.

## Q. How many Shareholders and Descendants attended the Annual Meeting?

A. At least 55 Shareholders and Descendants attended the meeting. The actual number is higher (hopefully significantly higher) with Shareholder households watching the meeting together. We know that TEC Board Vice President Jerry O'Brien, Jr., attended the meeting with his children and his wife.

## Q. Another commitment popped up and I missed the Annual Meeting. Is it available online?

A. The Communications Committee is looking into how best to make the Annual Meeting available to our Shareholders and Descendants. The corporation recorded the Annual Meeting.

## Q. Why wasn't there question and answer at the Annual Meeting?

A. There was an extensive question and answer period during the last half-hour of the Annual Meeting. Directors and staff answered many of the pre-submitted questions during this period.

## Q. Why wasn't there roll call during the Annual Meeting?

A. We are not aware of The Eyak Corporation (or any Alaska Native Corporation) holding a roll call during an Annual Meeting. Quorum for annual meetings is accomplished through Shareholder submissions of proxies.



**October, 2020**

- 15th- 16th - AFN—Virtual Convention

**November, 2020**

- 26th - Thanksgiving Day

**December, 2020**

- 4th- Eyak Benefits Trust Elder Distribution
- 4th- Eyak Permanent Fund Settlement  
Trust Distribution

**Board Members**

- Brooke Mallory—Acting Chair
- Nancy Barnes- President
- Jerry O Brien Jr.-Vice President
- Rikki Addy- Treasurer
- Roxanne Dolfi- Secretary
- Jason Barnes- Director
- Todd Lilleness- Director
- James McDaniel- Director
- James Ujioka- Director

**Alaska Staff**



Rod Worl

Chief Executive Officer



Brennan Cain

VP & General Counsel  
Ext 5



Sue Jolin

VP of Finance  
Ext 7



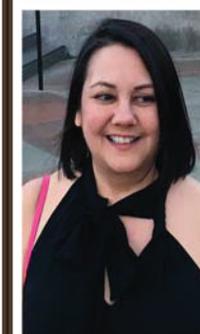
Peggy Fisher

Senior Accountant  
Ext 3



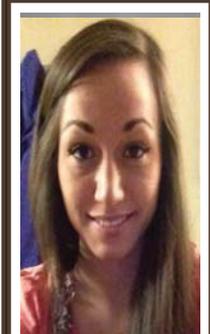
Heidi Van Gilder

Office & Shareholder Relations Manager  
Ext 1



Angela Butler

GM Cordova Operations



Tiffany Beedle

Project Manager and Operations Assistant



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

PRSR STD  
US Postage  
PAID  
Anchorage, AK  
Permit #537

## Contact Us

### THE EYAK CORPORATION

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

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

Tel. 907-334-6971  
800-478-7161  
Fax. 907-334-6973

Tel. 907-424-7161  
Fax. 907-424-5161



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

### 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.*