



## On The Hunt...

The Eyak Corporation

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## Chair Message, by Brooke Mallory

Dear Shareholders and Descendants,

I hope you and your families are well.

It is my pleasure to share that The Eyak Corporation continues moving forward despite the challenges that we are facing. For example, you'll see in Rod Worl's Management Report that TEC is on track for another profitable year and an increase in net income compared to last year thanks in large part to our government contracting operations and investment income. In addition, this newsletter includes an article on the \$967,000 that the corporation has received in CARES Act funding from the Federal government to assist our Shareholders and communities impacted by COVID.

After research and multiple discussions, the Board of Directors has decided to hold this year's annual meeting via webcast, rather than in-person. This was a very difficult decision for the Board because we value the one-on-one interaction with our Shareholders during in-person meetings. The Board recognizes that TEC must do our part to keep our Elders, Shareholders, staff, and communities healthy.

Although the meeting will be virtual, we hope for a very large Shareholder presence online. Our Communications Committee is working with our staff, vendors, and colleagues with other Alaska Native Corporations with the goal of a productive meeting we all can be proud of.

We encourage Shareholders to submit questions ahead of time to [shareholder@eyakcorp.com](mailto:shareholder@eyakcorp.com), for the Board and Management to answer during the annual meeting. Last year, Shareholders submitted more than 60 questions prior to the annual meeting. When questions are submitted in advance, it gives us time to perform any research necessary to provide Shareholders with more complete and thorough answers.

We will also have live question and answer during the meeting.

Because there will be cost savings from transitioning to a virtual meeting, we will be offering additional early bird and other proxy voting prizes to Shareholders. We anticipate mailing the proxy materials to Shareholders on or about September 8. We will provide additional information on our website, Facebook page, and via mail.

We are actively continuing our CEO search efforts to find the right person for TEC. We are thankful that our current CEO, Rod Worl, has committed to continuing as our CEO until the next CEO is hired and onboarded.

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

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## Management Report, by Rod Worl

Greetings Shareholders and Descendants!

I am pleased to share that, after the first half of 2021, TEC is significantly ahead of budget and on track for higher net income than in 2020. Strong performance from investment income, government contracting operations and significant under-spend on general and administrative expense accounts for most of the positive variance.

Native American Bank (NAB), in which we hold an equity interest, is continuing to reach new heights. NAB had record operating profits in 2020 and is having an even stronger first half in 2021. When we first invested in NAB, we anticipated it would take several years to become highly successful and we are very pleased with its progression and trajectory.

I agree with the Board's decision to hold a virtual annual meeting this year. Although I was hoping to visit with Shareholders in what may be my last annual meeting as CEO, my family has lost loved ones to COVID this past year and the health of our Shareholders, staff, and families cannot be overstated. We have one virtual annual meeting under our belt and will be putting forth our best efforts to make this year's annual meeting even better.

I have been very impressed with the CEO Transition Team and Board's efforts and dedication to finding the right fit as the next CEO for TEC. I also want to recognize the efforts of two former Board members, Martin Parsons and Jim McDaniel, for their leadership in making sure we had a solid CEO succession plan in place. We have a well thought out plan and are following it. I am committed to a seamless shift in leadership and am flexible in the timing of my retirement date.

The March Shareholder newsletter announced two six-month internship opportunities, funded by TEC, for two positions at Alaska Glacier Products' facility in Chugiak, Alaska. The positions (Mechanic Apprentice 1 and Machine Operator 1) have not yet been filled.

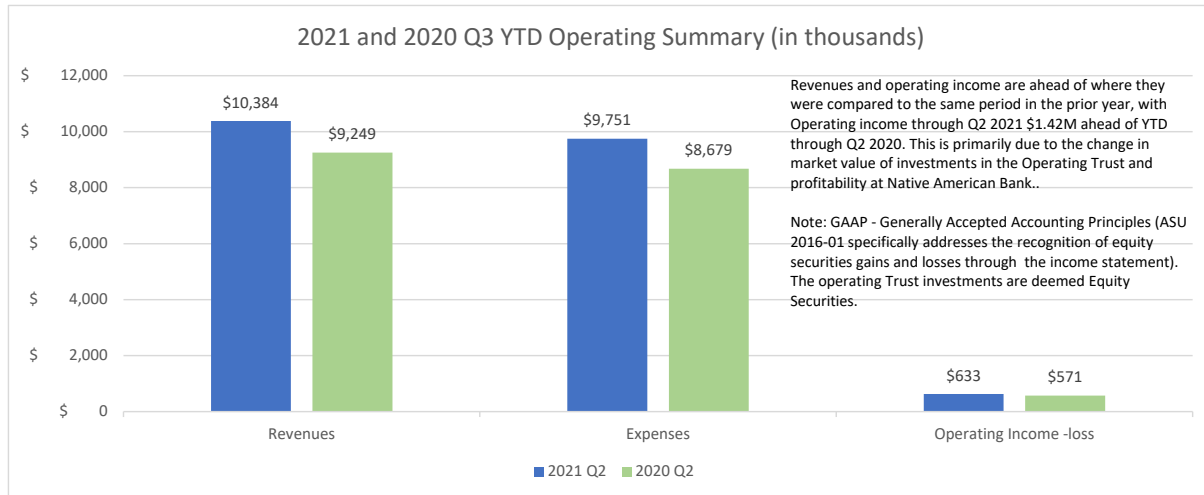
More recently, TEC has announced similar six-month internship opportunities, funded by TEC, for two Food Production Assistant positions at the Heather's Choice facility in Anchorage, Alaska.

For more information on these job opportunities (and others) with TEC, please visit our website: [www.eyakcorporation.com](http://www.eyakcorporation.com) or give us a call at (907) 334-6971.



**2021 Operating Income Summary**  
**For the Quarter Ended June 30, 2021 with Comparative Totals for the Prior Year (unaudited)**

| (in thousands)         | <u>2021 Q1</u> | <u>2021 Q2</u> | <u>2021 Q3</u> | <u>2021 YTD</u> | <u>2020 Q1</u> | <u>2020 Q2</u> | <u>2020 Q3</u> | <u>2020 YTD</u> |
|------------------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|
| Revenues               | \$ 9,436       | \$ 10,384      |                | \$ 19,820       | \$ 8,038       | \$ 9,249       |                | \$ 17,288       |
| Expenses               | 8,925          | 9,751          |                | 18,676          | 8,886          | 8,679          |                | 17,565          |
| Operating Income -loss | \$ 511         | \$ 633         |                | \$ 1,144        | -\$ 848        | \$ 571         |                | -\$ 277         |



**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.

## Board Message

Dear Shareholders and Descendants,

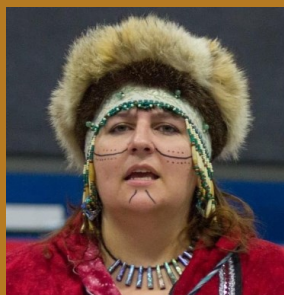
You are all in our thoughts and we hope you and your families had an enjoyable summer.

The Board has held three meetings since we mailed out our last quarterly Shareholder newsletter. During those meetings, the Board:

- Discussed subsidiaries, current investments, and 2021 year-to-date financials;
- Approved resolutions in support of our newest subsidiary, Controller Bay, LLC;
- Approved the transfer of funds to the Eyak Permanent Fund Settlement Trust in furtherance of a December distribution;
- Received updates and acted on recommendations from the following committees: Communications; Governance; and Land;
- Approved the rollout of the Eyak Homesite Program;
- Continued discussion and efforts on the CEO transition;
- Approved contracts for our executive vice presidents;
- Received ethics and compliance updates;
- Appointed Shareholder Rockele Jones to a three-year term on the Eyak Permanent Fund Settlement Trust Committee;
- Decided to hold the Annual Meeting via webcast;
- Discussed options associated with CARES Act funds received by TEC and directed the Governance Committee to research options and prepare recommendations for the Board's consideration; and
- Received an update on The Eyak Foundation.

We look forward to providing more information during our annual meeting webcast on October 2<sup>nd</sup>.

## Board Members



Brooke Mallory



Nancy Barnes



Jim Ujioka



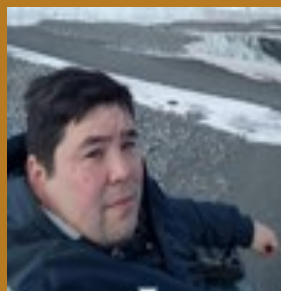
Jerry O'Brien Jr.



Rikki Addy



Rocky Dolfi



Jason Barnes



Todd Lilleness



Nick Tiedeman

## 2021 Elder Distribution

On August 3, the Eyak Benefits Trust Trustees declared an Elder Distribution, in the amount of \$500, to be paid on December 3, 2021, to original Shareholders aged 65 and older, as of December 31, 2021. This is the third 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.

## 2021 December Distribution

The Eyak Permanent Fund Settlement Trust (EPFST) has declared a distribution of \$15.95 per share, which will be paid on December 3, 2021, to The Eyak Corporation's Shareholders of record as of November 15, 2021. The distribution will be tax-free to Shareholders.

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 \$10.86 per share, while the operating portion is approximately \$5.09 per share, for a total of \$15.95 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.

Distributions Post EVOS





## Bill Hansen Jr. Annual Pioneer Cemetery Cleanup

The 10th Annual Bill Hansen Jr. Pioneer Cemetery Cleanup was held on June 22, after a one-year hiatus because of COVID-19. With the coronavirus restrictions lifted, volunteers returned to Cordova's Pioneer Cemetery to clean up two years' worth of plant growth.

About 30 volunteers participated in the cleanup, including current and former TEC board members Brooke Mallory, Jason Barnes, Nick Tiedeman, and Jim McDaniel; staff and Shareholders; Native Village of Eyak (NVE) staff and tribal members; State of Alaska employees; and other local volunteers. Volunteers operating weed trimmers and rakes spent about two hours cleaning the cemetery. TEC Cordova Lands and Office Manager Tiffany Beedle, who coordinated the cleanup, noted that the volunteers filled 68 bags with cut grass. Volunteers also chipped paint from wooden grave markers, although the threat of rain prevented immediate repainting. Repainting will take place during calmer weather.

The event is named in honor and recognition of Bill Hansen Jr., a TEC Shareholder and NVE tribal member who advocated for cemetery maintenance. The event is a collaborative endeavor among TEC, NVE, and the City of Cordova, which loaned weed trimmers, rakes and other equipment for the cleanup. The event was capped off by a barbecue facilitated by NVE.

We offer our sincere gratitude to all who volunteered their time and efforts in making the event a success.



## The Eyak Corporation Receives CARES Act Funds

In June, the U.S. Supreme Court ruled that Alaska Native Corporations (ANCs) are considered tribes as defined by the Indian Self Determination and Education Assistance Act. This means that ANCs are eligible to receive much-needed CARES Act tribal relief funds that will allow us to help our people and communities recover from COVID-19 impacts.

In August, TEC received its allocation of CARES Act funding in the amount of \$967.5 thousand. TEC's leadership team is currently reviewing the U.S. Department of Treasury's guidelines for the funding—which contains strict instructions on how the CARES Act relief funds may be used—to determine the specifics of a distribution plan.

TEC is planning to offer emergency assistance to Shareholders who have been financially impacted by the pandemic and is working on an application and process for needs-based assistance. We will determine the dollar amount that will be available per qualified Shareholder applicant once we have more information.

We are also exploring other options to ensure the funds are utilized where they can be most beneficial to those experiencing hardships from the pandemic. Relief funds must be distributed to qualified Shareholder applicants by no later than December 31, 2021, but we anticipate making most distributions before that date.

Shareholders should be aware that federal restrictions prevent us from paying out a special dividend with CARES Act relief funds. We ask for your patience and understanding while we develop and work on an efficient and reliable system for this new process and application.

We will provide updates via Facebook, our website, and our December newsletter.

If you would like to see the full guidance from the Department of the Treasury about how the funds may be used, that information is available at [https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register\\_2021-00827.pdf](https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf).

If you have any questions, please contact either the Anchorage office at (907) 334-6971 (toll free (800) 478-7161) or the Cordova office at (907) 424-7161. You can also send us an email at [shareholder@eyakcorp.com](mailto:shareholder@eyakcorp.com).

### Remembrance



Kenneth Jeppson  
Stanley Makarka



If you do not currently have your distributions directly deposited into your bank account below are some of the benefits for using Direct Deposit.

- Timely depositing of dividends – your distribution is available to you on the day of distribution
- Reduced time required for checks to clear
- Reduced chance of losing checks or having them stolen
- No need to spend time visiting bank or ATM to deposit checks
- There is no cost to shareholders for direct deposit
- The cost savings for The Eyak Corporation when processing paper checks

It is easy to sign up for Direct Deposit, you just need to contact one of The Eyak Corporation Offices listed below and we will be happy to help you sign up.

Anchorage – 907-334-6971

Cordova – 907-424-7161

## CEO Search Update

We are pleased to provide this update on our search for TEC's next CEO. In the March Shareholder newsletter, we notified Shareholders and Descendants of our long-time CEO Rod Worl's plan to retire. Rod has graciously committed to staying on until we find the right candidate to ensure a seamless leadership shift.

TEC's Board and leadership team are implementing our CEO succession plan that was developed over the past several years to prepare us for a stable transition. We began the process by appointing a CEO Transition Team and retaining an HR consultant to assist us through the process. The CEO Transition Team also commissioned a CEO compensation market analysis and developed a transition timeline. We are on track with the timeline.

We are committed to finding the right person to lead the corporation. Please stay tuned to the next newsletter, our website, and Facebook page for future updates on this process.



# The Eyak Foundation

The Eyak Corporation's Board and Management believe that supporting our future leaders is critical to our long-term success. To that end, The Eyak Foundation was created in 1997 as a 501(c)(3) non-profit corporation to provide educational benefits to Shareholders of The Eyak Corporation and their lineal Descendants. To date, The Eyak Foundation has awarded more than 400 scholarships to Shareholders and Descendants, in an amount in excess of \$600,000.

The Eyak Foundation is overseen by a volunteer Board of Trustees, all of whom are Eyak Shareholders or lineal descendants of Eyak Shareholders. The Eyak Corporation provides in-kind services to the Foundation, including office space and administrative and management services. The award amounts for scholarships are:

- \$1,500 per year (Vocational)
- \$2,000 per year (Undergraduate)
- \$3,000 per year (Masters/Doctorate)

For students applying for a new scholarship, the following documents are required:

- Application
- Proof of lineal descent of an original TEC Shareholder (if not a TEC shareholder)
- Two letters of recommendation
- Official copy of high school or GED transcripts
- Typed personal history and education goal essay
- Proof of acceptance from college/university/vocational or training program
- Current class schedule
- Recent photograph; wallet size preferred

For continuing/repeat scholarship recipients, the following documents are required:

- Application
- Repeat scholarship questions
- Personal history and education goal essay
- Current class schedule
- Recent photograph
- Last semester's transcripts (must have 2.0 GPA)
- Proof of Acceptance to college/university (if transferring to a new school)

**You can apply for The Eyak Foundation scholarship here:**

[www.eyakfoundation.org](http://www.eyakfoundation.org) and/or contact: Heidi Johnson at (907) 334-6971 ext. 1

The Trustees review completed applications (with the names of the applicants redacted) and, if the applicants are qualified, approve the scholarships. Scholarship checks are mailed directly to the university/college/vocational school.



## Frequently Asked Questions

Q. Will the virtual Annual Meeting be live or pre-recorded?

A. We plan to hold a live annual meeting via Zoom, with an accompanying phone line.

Q. Can you please remind me of when the annual distributions are issued?

A. Distributions are generally issued on the first Friday in April and the first Friday in December.

Q. Why was TEC willing to hold a cemetery cleanup in June but isn't holding an in-person annual meeting this fall?

A. Like many Shareholders and Descendants, TEC thought we had reached a turning point in May and June in the battle against COVID-19. We were confident we could hold a safe, socially distanced cleanup outdoors. Unfortunately, during the past two months the number of coronavirus cases and hospitalizations have skyrocketed in Alaska. The Board determined that holding a virtual annual meeting is the right thing to do to keep our Elders, Shareholders, staff, and communities healthy.

Q. Why doesn't TEC clean up the other cemeteries in Cordova?

A. TEC Shareholders and Descendants have been very supportive of TEC's efforts to clean up the historic Pioneer Cemetery in Cordova. We will ask the Shareholder Advisory Committee for their recommendations on whether to expand those cleanup efforts to other cemeteries in Cordova (and perhaps other communities).

Q. What is the latest on Luke Borer's lawsuit against TEC?

A. On May 14, 2020, the Alaska Superior Court ordered summary dismissal in TEC's favor and denied Mr. Borer's claims against TEC. Mr. Borer appealed the Alaska Superior Court's decision to the Alaska Supreme Court on July 20, 2020, where it remains pending.

Q. Will there be a live question and answer period during the annual meeting?

A. Yes, there will be a live question and answer period during the annual meeting. Any questions not answered during the live period will be addressed in future TEC newsletters.

Q. Does TEC provide grants or loans to Shareholders through the Shareholder homesite leasing program?

A. No, TEC does not provide grants or loans through the Shareholder homesite program.

Q. Will you provide an update on the CEO search?

A. Yes. TEC is actively continuing efforts to find the right person to lead the corporation. The Board is thankful that our current CEO, Rod Worl, has committed to serving in this role until the next CEO is hired and onboarded. Please see the article on page 8 of this newsletter for more information.

Q. What percentage of Shareholders have updated stock wills on file?

A. Approximately 50 percent. We encourage Shareholders to complete stock wills. It is a quick, free, and effective way to make sure your shares stay with your family. Stock will forms can be found on Eyak's website at <http://www.eyakcorporation.com/shareholders/forms>



- **October 2– 47th Annual Shareholders Meeting (via webcast)**
- **October 11– Indigenous Peoples' Day**
- **October 18– Alaska Day**
- **November 11– Veteran's Day**
- **November 25– Thanksgiving**
- **December 3– Eyak Permanent Fund Settlement Trust Distribution**
- **December 3– Eyak Benefits Trust Elder Distribution**

## Board Members

- Brooke Mallory—Chair
- Nancy Barnes– President
- Jim Ujioka—Vice Chair
- Jerry O Brien Jr.-Vice President
- Rikki Addy– Treasurer
- Roxanne Dolfi– Secretary
- Jason Barnes– Director
- Todd Lilleness– Director
- Nick Tiedeman—Director

## Alaska Staff



Rod Worl

Chief Executive  
Officer

Ext. 1



Brennan Cain

VP & General  
Counsel

Ext. 5



Sue Jolin

VP of Finance

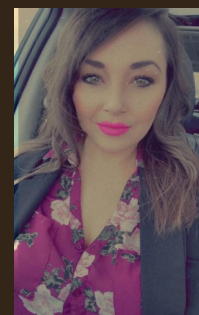
Ext. 7



Peggy Fisher

Senior Accountant

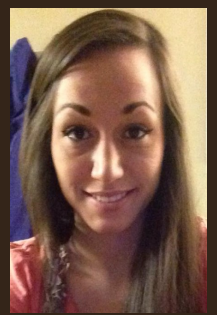
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Heidi Johnson

Office &  
Shareholder Relations  
Manager

Ext. 1



Tiffany Beedle

Project Manager  
& Operations  
Assistant

## Contact Us

### THE EYAK CORPORATION

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

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

### 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.*

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

