

It's Time *to vote*

SPECIAL WINTER NEWSLETTER

Opening Shareholder Enrollment

January 2021



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the Facts**



**Voice
Opinions**



**Make a
Decision**



Gana-A'Yoo, Limited

Shareholders to Vote on Opening Enrollment

Shareholders will soon have the opportunity to vote on opening enrollment to descendants of original Gana-A'Yoo, Limited shareholders born after December 1971. The subject of open enrollment has been under discussion over the past several years, and while surveys show most shareholders support opening enrollment, a large percentage have expressed concern about the impact open enrollment could have on voting strength and dividend dilution. It is vital we listen and respond to our shareholders' questions, concerns, needs and ideas regarding this matter.

Survey Results

The results of a 2019 survey showed more than half (60 percent) of Gana-A'Yoo, Limited shareholders responding to the survey supported opening enrollment to descendants of original Gana-A'Yoo, Limited shareholders. Twenty-two percent opposed opening enrollment.



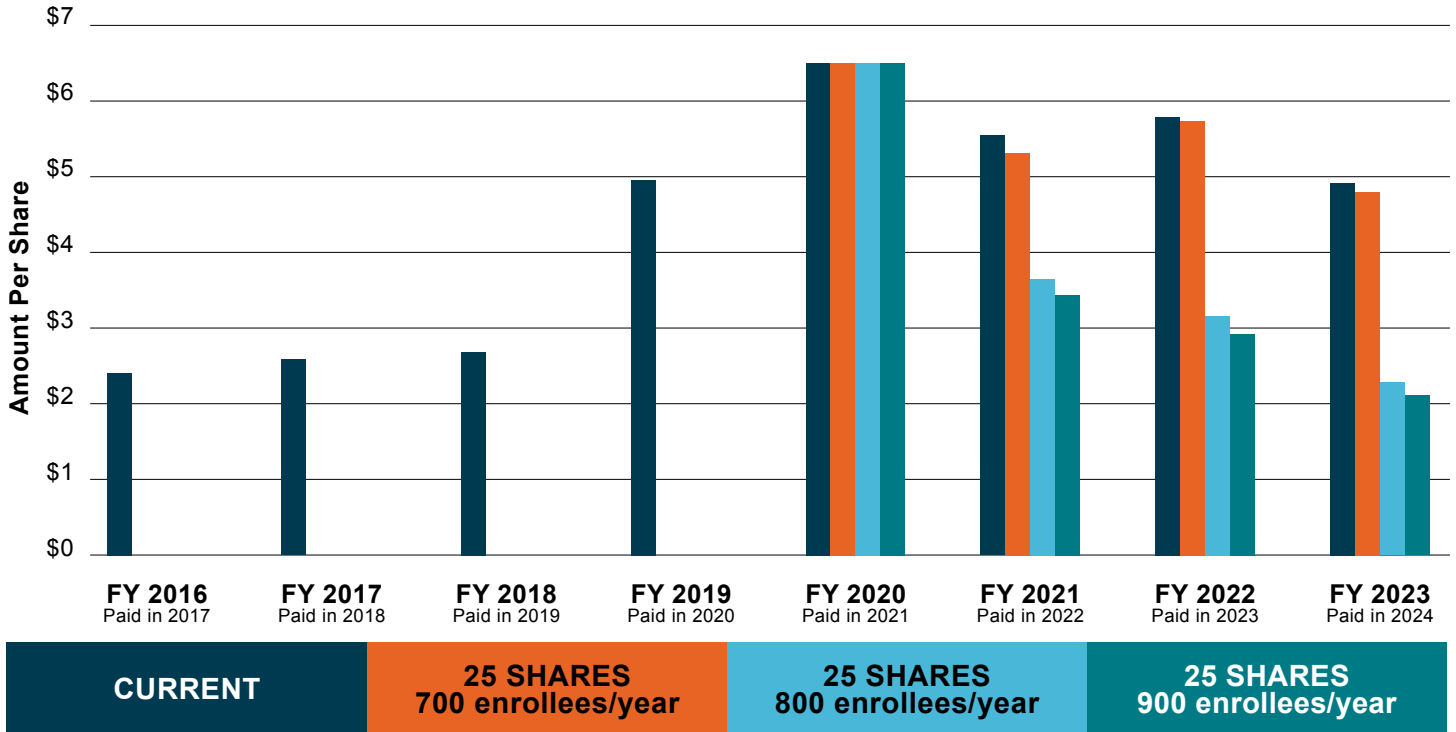
Board Recommendations

- The Gana-A'Yoo, Limited Board of Directors has approved a vote of the shareholders to open enrollment at the annual shareholder meeting on May 21, 2021. The annual report and proxy will be mailed out the last week of March 2021.
- The Gana-A'Yoo, Limited Board of Directors recommends awarding **25 shares to eligible descendants** with a one-quarter blood quantum. These shares are life estate. Shares are non-voting until the shareholder is 18 years of age.

It's Time *for numbers*

We have heard several concerns regarding decreased dividends with open enrollment. Shareholder dividends are determined by the Board of Directors, based on a five-year average of after-tax net income. With 700 new enrollees per year, current shareholders will see minimal impact to their per share dividends.

Potential Enrollment Impacts to Dividends/Shares (Based on estimated number of enrollees per year)



Note: Annual shareholder dividends are determined at the discretion of the Gana-A'Yoo, Limited Board of Directors and are not guaranteed. The numbers demonstrated in this chart are estimates.

Shareholders *speak*

“For some reason, sometimes parents/grandparents love a child/grandchild more than another child/grandchild. In this case, the ones that are less loved may not be gifted or inherited shares. It is our duty to protect these children.”

 Agnes Sweetsir, 2018

“Open enrollment is not fair in respect to families that have several children vs. families that have one child. The money is not distributed equally. If there is a way that the money is distributed equally, then open enrollment works. No open enrollment for now; I support helping descendants of shareholders obtaining higher education. Thank you for working hard for the shareholders.”

Darlene Lord, 2020 



Q+A

Q. Who is qualified to apply for open enrollment?

- A. You must be able to answer “yes” to all the criteria below:
- 1 I am a lineal descendant by birth or adoption of an original Gana-A'Yoo, Limited shareholder who received their shares directly from Gana-A'Yoo, Limited, not through gifting or inheritance (i.e., a child, grandchild, great-grandchild and continuing with each generation).
 - 2 I was born after December 18, 1971.
 - 3 I have not enrolled as a descendant in another ANCSA Village Corporation.
 - 4 I am a U.S. citizen.
 - 5 I have at least one-quarter Alaska Native blood quantum.

Q. If there is a new enrollment, when will descendants born after 1992 be enrolled to Gana-A'Yoo?

- A. All descendants of original shareholders born after 1971 would be eligible to enroll into Gana-A'Yoo, Limited. However, you are not eligible to be enrolled in two village corporations at the same time, per ANCSA laws. Shareholders who have received gifted or inherited shares will be eligible for open enrollment.

Q. How many new shareholders would be enrolled if this vote passes?

- A. Based on projections from a recent Doyon enrollment demographic study of our shareholders, it is estimated there would be approximately 1,910 to 2,170 descendants eligible for enrollment at this time.

Q. When would Gana-A'Yoo, Limited stop enrolling new descendants?

- A. After 100,000 additional shares or 10 years, whichever comes first.

Q. How would open enrollment affect voting strength?

- A. If enrollment is opened, descendants of original shareholders would receive new shares and they would be able to vote those shares in Gana-A'Yoo, Limited elections. This would reduce voting strength of original shareholders, meaning they would have decreased control in decisions that are voted on at Gana-A'Yoo.

Q. How do you explain dividend dilution?

- A. As far as stock dividends are concerned, “dilution” is determined by the number of new shares that are added to the number of existing shares.

Example

Taking it to the simplest level, say a corporation has \$4 to pay dividends. If there are four people enrolled to the corporation, they would each receive \$1.

$$\frac{\$4.00}{4} = \$1.00$$


If you add one shareholder, you must split the same \$4 into five shares, resulting in a reduced dividend of \$0.80 per share.

$$\frac{\$4.00}{5} = \$0.80$$


The difference between a \$1 dividend and an \$0.80 dividend is called “dilution.” The overall total distribution amount to shareholders remains the same.

$$4 \times \$1.00 = \$4.00$$
$$5 \times \$0.80 = \$4.00$$

Q. Why not gift shares instead?

- A. The founders of the Alaska Native Claims Settlement Act (ANCSA) held the original intent that all original shares would be passed on to future generations by gifting or inheritance. This directly supports why some shareholders think that the next generations will inherit the stock regardless and believe that enrollment should stay closed. However, only about half of the shares, gifted or inherited, are being passed on to those born after the deadline of December 17, 1971, the date of the original enrollment. Many of the shares are being inherited by people who either already had original shares or were born prior to the 1971 deadline.



It's Time *to speak*

We want to hear from our shareholders on the topic of opening enrollment to descendants. We want to hear your opinions and we want to hear your questions. There are a variety of ways you can connect with us on this issue in the coming months, and we encourage you to be involved in this discussion. It impacts not only current shareholders but also future generations.

Visit our website.

Check out the open enrollment webpage and past special newsletters at ganaayoo.com/about-gsc/open-enrollment.

Connect with us on social media.



Give us a call or send us a message.

Please contact Alexis Sheeder at 907.569.9599 or info@ganaayoo.com.

Attend a Gana-A'Yoo Shareholder Information Meeting

When: Wednesday,
January 20, 2021, 6 p.m.

Where: Virtual – Zoom

To join our virtual meeting via Zoom:

Internet: Email info@ganaayoo.com to receive the link to attend the meeting online.

Phone: 253.215.8782 or
Toll-Free: 888.475.4499

Meeting ID: 391 303 8540
Passcode: 111720

For assistance or instructions, please call 888.656.1606 or email info@ganaayoo.com.

