



HUNATOTEM
CORPORATION

HUNA TOTEM CORPORATION DESCENDANT ENROLLMENT

WHAT'S INSIDE:

Huna Totem's November 2024 Shareholder Survey showed that 68% of Huna Totem Shareholders who participated are supportive of descendant enrollment.

The Huna Totem Board of Directors takes this feedback seriously and, at a special board meeting in February, voted unanimously to bring enrollment of lineal descendants to a shareholder vote in the upcoming election cycle, ending with the Annual Meeting of Shareholders on June 21, 2025.

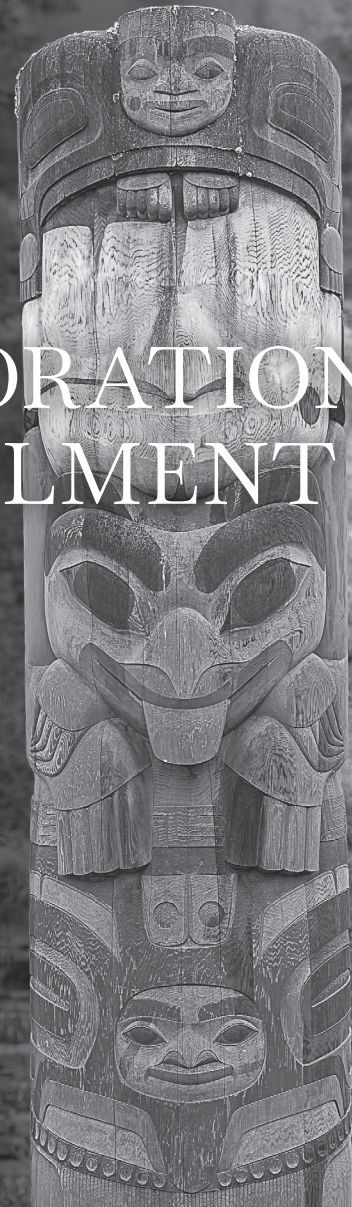
Huna Totem values our Shareholders, both as the core of our Corporation and as the informed, empowered individuals who will make a collective decision regarding this initiative.

Please share this information with your fellow Huna Totem Shareholders, and learn more about descendent enrollment by connecting with Huna Totem's Shareholder Relations team, visiting our website and feeling welcome to ask questions! Look for us at community gatherings.

GUNALCHÉESH!

INITIATIVE SUMMARY:

- This initiative was first started from Shareholder inquiries and Shareholder interest.
- The Board of Directors has conducted due diligence research into various possibilities.
- Ultimately, Shareholders will decide whether Huna Totem moves forward with enrollment of lineal descendants by casting their votes.
- The 2025 election cycle culminates with the 51st Annual Meeting of Shareholders on June 21.



DESCENDANT *Enrollment* Survey SUMMARY

Huna Totem launched a shareholder survey in November 2024 to gather opinions about enrolling descendants of original Shareholders in the corporation. Dittman Research, an Alaskan firm experienced working with Alaska Native Corporations on similar issues, conducted the survey.

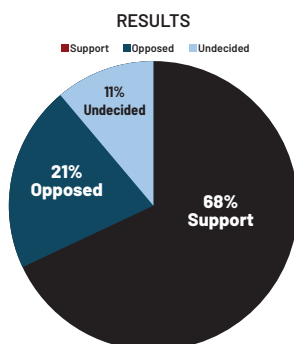
Huna Totem has explored the possibility of enrolling direct descendants for many years. In addition to surveys, Directors and staff have heard from Shareholders during meetings, events, and personal conversations.

To help Shareholders make an informed decision, we have summarized Shareholders' responses from the survey. We also developed the FAQs in this Descendant Enrollment Supplement in response to questions and comments submitted through the survey.

KEY FINDINGS

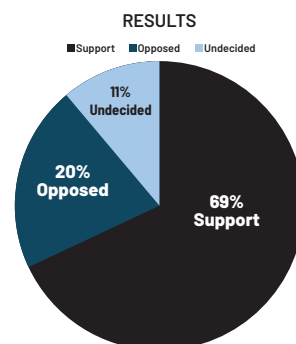
- **55%** percent of Shareholders participated in the survey and sample demographics closely mirrored the Shareholder population.

- Support for descendant enrollment is high, with **68%** of Shareholders participating in the survey in favor and **41%** indicating they "strongly support" the initiative.



- When compared to similar survey questions asked in 2012 and 2020, support grew from **40%** to nearly **70%**.

- Shareholders were also asked how they would respond to a scenario where direct descendants of original Shareholders would be eligible for 100 shares of life estate stock when they reached age 18. **69%** percent said they would vote in favor.



To capture additional insights, Shareholders were asked several open-ended questions including reasons for supporting descendant enrollment, what concerns they had, and if they had any additional comments or questions. Responses to open-ended comments were analyzed and grouped into broad themes by Dittman Research.

On the next two pages, we have provided data for survey responses that garnered 10% or more – both in support and in opposition of enrolling shareholder descendants. We have also provided a sampling of comments in each response category.

SUPPORT

IF YOU SUPPORT DESCENDANT ENROLLMENT, *please explain* THE MAIN REASON *you are* SUPPORTIVE IN YOUR OWN WORDS.

1. Descendants Belong Here; It's Fair and Right (25%)

- "Our younger generations are as deserving as us."
- "Our parents and grandparents worked on our behalf with no expectation of personal reward because it was the future that they were concerned with."
- "Our grandparents were not fighting for just two generations."
- "It feels like the right thing to do to support future generations."

2. I Want my Children and Family to Benefit (19%)

- "As a descendant with a few shares, it would be really nice to belong to the corporation and be part of its success."
- "It would allow children and direct descendants like my grandchildren to obtain shares in our corporation."
- "We need the younger educated children to learn and be encouraged to be involved with our corporation so it can continue to grow and prosper."
- "It is their heritage, too."

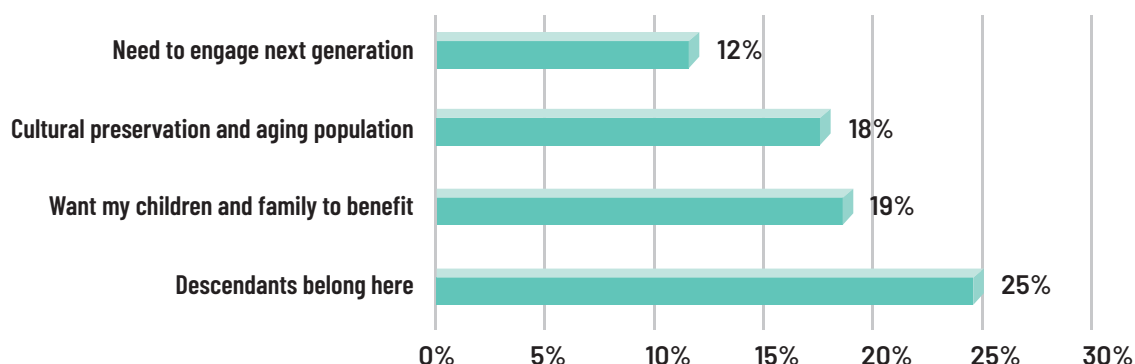
3. Support for Cultural Preservation, Connectivity, and an Aging Population (18%)

- "Leaving out descendants erases us over time."
- "I believe that this action will help in the future of our children's tribal identity and offer our descendants continued support in the strong sense of belonging, pride and confidence in just who they are, meanwhile realizing what their ancestors did for them."
- "Our legacy is at risk of diminishing in the absence of our descendants."
- "It gives our future generations a way to invest in our heritage and companies."

4. Need to Engage Next Generation, Give Them a Voice, and Support Future Leaders (12%)

- "It would increase newer generations' investment within the corporation, and its success and growth."
- "They are our future!"
- "I support the perpetual forward movement and survival of the indigenous people of this land."
- "They will be our next leaders in Tlingit country."

REASONS FOR SUPPORTING DESCENDANT ENROLLMENT



CONCERN

PLEASE EXPLAIN WHAT, IF ANYTHING, *is most* CONCERNING TO YOU *about opening* ENROLLMENT TO DESCENDANTS?

1. No Concerns (38%)

- "I have little cause for concern about opening enrollment for descendants."
- "Without action, we risk losing not only future generations but also the strength and unity that make us who we are."
- "I am in favor of open enrollment for descendants."
- "I have no concerns and totally support it."

2. Dilution of Dividends (23%)

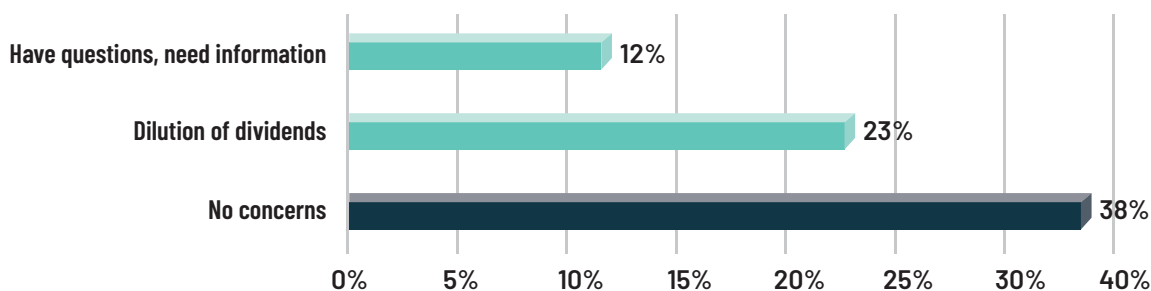
- "Current Shareholders would get less dividends."
- "Dilute shares, but I feel it is an important step to open enrollment to descendants."
- "Possible decrease of dividends."
- "What is the impact on education, scholarships, and employment training?"

3. Have Questions or Need Information on Plan and Impacts (12%)

- "I don't know if it will negatively affect anyone, so I'm interested to know more information."
- "Eventually, all our people will be descendants."
- "Will this shareholder model become the standard in the future?"
- "Need to verify the descendants."



CONCERNS ABOUT DESCENDANT ENROLLMENT



DESCENDANT ENROLLMENT

frequently asked questions (FAQ)

WHO WOULD BE ELIGIBLE TO RECEIVE DESCENDANT STOCK?

To qualify and apply for descendant stock, an individual would have to have a direct lineal relative who was an original Shareholder of Huna Totem Corporation, would have to have been born after December 18, 1971, have reached the age of 18, and have not received descendant shares from another village or urban corporation.

WHAT IS A LINEAL DESCENDANT?

A lineal descendant relationship to an original Shareholder is defined as a child, grandchild, or great-grandchild. Collateral descendants, such as siblings, nieces, and nephews, are not considered lineal descendants.

HOW WOULD HUNA TOTEM VERIFY LINEAL DESCENDANCY?

Eligible descendants would be required to submit birth certificates that verify the parent-child relationship back to the original Shareholder. For example, if the original Shareholder was your grandparent, you would have to provide your birth certificate, which lists your parent, and your parent's birth certificate that verifies your grandparent as the original Shareholder.

WHAT TYPE OF STOCK WOULD DESCENDANTS RECEIVE?

Descendants may apply for 100 shares of "Class D voting stock", which are considered life-estate stock. Life-estate stock automatically returns to the Corporation upon the owner's death without compensation. These shares may then be reissued to another descendant in the future but cannot be gifted or inherited.

WOULD ADOPTED CHILDREN BE ELIGIBLE FOR DESCENDANT SHARES?

Descendants who were legally adopted before reaching the age of majority and could trace their lineal descent to an original Shareholder would be eligible for Class D stock, provided they were born after December 18, 1971, and have reached the age of 18.

WOULD DESCENDANTS BE ELIGIBLE FOR CORPORATE DIVIDENDS?

Yes, corporate dividends from operations would be paid to all Shareholders as defined by the adopted Annual Dividend Policy.

WOULD CORPORATE DIVIDENDS BE DILUTED BY OPENING ENROLLMENT TO DESCENDANTS?

The Board and Management remain committed to their goal of providing predictable and steadily increasing dividends. The introduction of Class D shares would increase the total number of corporate shares. Therefore, as funds are distributed across a greater number of outstanding shares and remain tied to the financial health of the Corporation, the per-share dividend could initially decrease.

WHAT WOULD BE THE ELIGIBLE AGE FOR A DESCENDANT TO ENROLL?

Eligible descendants would be able to enroll any time after reaching the age of 18.

QUESTIONS?

Inquiries related to the Descendant Enrollment framework should be directed to the Huna Totem Shareholder Services team.

(907) 789-8500 Ext. 2
shareholders@hunatotem.com

DESCENDANT ENROLLMENT

frequently asked questions (FAQ)

WOULD THERE BE A BLOOD QUANTUM REQUIREMENT TO BE ELIGIBLE FOR DESCENDANT STOCK?

No. Any descendant who could verify their lineage to an original Shareholder, was born after December 18, 1971, and has reached the age of 18 would be eligible to enroll for Class D stock.

WOULD LEFTOUTS QUALIFY FOR DESCENDANT ENROLLMENT?

"Leftouts" would not qualify for Class D stock. The Alaska Native Claims Settlement Act (ANCSA) defines "Leftout" as an individual who was born before December 18, 1971, was eligible to enroll under ANCSA, but did not. Eligible shareholder rolls were fixed by the Bureau of Indian Affairs (BIA) during a finite enrollment period in the 1970s. Opening the BIA shareholder rolls to address inclusion of Leftouts would require an act of Congress to amend ANCSA.

Alternatively, a corporation could establish a new class of shares for Leftouts who meet all ANCSA criteria, but who missed enrolling at the BIA. This would require a separate corporate resolution for HTC.

WOULD I BE ELIGIBLE TO ENROLL FOR DESCENDANT STOCK IF I OWN HUNA TOTEM ORIGINAL CLASS A SHARES I RECEIVED THROUGH GIFTING OR INHERITANCE?

If you were a direct descendant of an original Shareholder, born after December 18, 1971, and have reached the age of 18, you would be eligible to enroll for 100 Class D life-estate shares, regardless of whether you received Class A shares through gifting or inheritance.

IF I HAVE CLASS A STOCK IN ANOTHER VILLAGE CORPORATION, COULD I ENROLL FOR HUNA TOTEM DESCENDANT STOCK?

If you have received **Class A** original shares from another village or urban corporation through gifting or inheritance, you **could** enroll for Huna Totem Class D stock, assuming you meet the other eligibility requirements.

IF I HAVE DESCENDANT STOCK IN ANOTHER VILLAGE CORPORATION, COULD I ENROLL FOR HUNA TOTEM DESCENDANT STOCK?

If you have received **descendant** shares from another Alaska Native village or urban corporation, you **would not** be able to enroll for Huna Totem Corporation Class D stock.

IF I HAVE CLASS D DESCENDANT STOCK IN A REGIONAL CORPORATION, LIKE SEALASKA, COULD I ENROLL FOR HUNA TOTEM DESCENDANT STOCK?

Yes. An eligible descendant could enroll in one regional corporation and one village corporation. Sealaska is an Alaska Native **regional** corporation and Huna Totem Corporation is an Alaska Native **village** corporation.

COULD I UN-ENROLL FROM A DIFFERENT VILLAGE CORPORATION AND ENROLL AS A DESCENDANT WITH HUNA TOTEM?

No. Upon enrollment in a village corporation under ANCSA regulations, your enrollment status is permanent.

WHY COULDN'T DESCENDANTS BE ISSUED CLASS A ORIGINAL SHARES?

Alaska Native village corporations, including Huna Totem Corporation, were given two years from the date the Alaska Native Claims Settlement Act (ANCSA) was signed into law (1971) to enroll original Shareholders. The 1991 Amendments to ANCSA expanded the ability of corporations to broaden shareholder eligibility, allowing for different classes of stock. An initiative to expand Class A shares, specifically, would require an act of Congress and a shareholder vote to amend the articles of incorporation and remove those restrictions.

DESCENDANT ENROLLMENT

frequently asked questions (FAQ)

WILL CLASS D SHARES HAVE VOTING RIGHTS?

Yes. Class D shares will give enrolled descendants voting privileges in the Corporation.

WHAT IS THE DIFFERENCE BETWEEN DISTRIBUTIONS FROM THE SHAREHOLDERS SETTLEMENT TRUST AND DIVIDENDS FROM CORPORATE/OPERATIONS?

Huna Totem Corporation (Corporation) and the Shareholders Settlement Trust (Trust) are separate legal entities and function accordingly. Current Shareholders hold an identical number of Class A shares/units in both the Corporation and the Trust.

The Trust is managed in accordance with a legal Trust which is closely monitored by federal and state laws. These regulations dictate how the funds are invested and distributed. Trust distributions are calculated on 2% of the rolling 5-year average of the market value of the Trust. These distributions are paid in three equal installments throughout the year: March, August, and November.

The Corporate Dividend Policy reflects earnings from direct operations in tourism and government contracting, and includes 7(j) revenues. Corporate dividends are calculated based on 25% of the 3-year average of the Corporation's annual net income (earnings after all expenses are accounted for) and are paid once each year.

Descendants would be eligible to receive corporate dividends through their Class D shares. Any descendants holding Class A shares through gifting or inheritance would also receive Trust distributions on a per unit basis as per the Trust Policy.

WOULD DESCENDANTS BE ELIGIBLE FOR SHAREHOLDERS SETTLEMENT TRUST DISTRIBUTIONS?

Class D shares would not be eligible for Shareholders Settlement Trust (Trust) distributions. However, descendants who own Class A shares would receive Trust distributions through any Class A shares they may have received through gifting or inheritance. Huna Totem Corporation and the Trust are separate legal entities and function accordingly. The Trust is managed in accordance with a legal Trust which is closely monitored by federal and state laws. These regulations dictate how the funds are invested and distributed.

WHY WOULD DESCENDANT STOCK NOT BE ELIGIBLE FOR THE SETTLEMENT TRUST DISTRIBUTIONS?

Descendant stock would not be eligible for distributions from the Shareholders Settlement Trust, based on the Trust Policy and any change would need to be considered at the next 10-year review. The last review of the Trust was conducted in 2019, and the next 10-year review is scheduled for completion in 2029. The inclusion of descendant stock in the Trust could be considered at that time.

QUESTIONS?

Inquiries related to the Descendant Enrollment framework should be directed to the Huna Totem Shareholder Services team.

(907) 789-8500 Ext. 2
shareholders@hunatotem.com

FOR MORE INFORMATION

Shareholders are encouraged to review the FAQs in this Supplemental packet, attend Shareholder Information Meetings, or contact the Shareholder Services team with any additional comments or questions at shareholders@hunatotem.com or (907) 789-8500, Ext 2.

VISION

We envision a future where the economic and cultural achievements of the *Xúna Kaawu* are recognized as the standard of excellence in the advancement of Native People.

MISSION

To advance the economic aspirations and culture of the *Xúna Kaawu* through business excellence, sustainable economic growth, leadership, and education.

GUIDING PRINCIPLES

- Maintain our land in perpetuity.
- Take pride in our past and value the wisdom of our elders.
- Foster *woosh jee een* and diversity of thought.
- Perpetuate our culture and land through prudent stewardship.
- Grow a healthy, diversified business that is transparent, innovative, and self-sustaining.
- Continually think ahead and act on behalf of future generations.
- Improve opportunity for all our people.
- Show respect, integrity, and be self-accountable.

2025 IMPORTANT DATES

Please mark your calendars for the following important dates for Huna Totem Corporation business:

MAY 07	PROXY MAIL-OUT, ONLINE VOTING OPENS
MAY 10	SHAREHOLDER INFORMATION MEETING (HOONAH)
MAY 11	SHAREHOLDER INFORMATION MEETING (SITKA)
MAY 17	SHAREHOLDER INFORMATION MEETING (ANCHORAGE)
MAY 18	SHAREHOLDER INFORMATION MEETING (SEATTLE)
MAY 30	EARLY BIRD DEADLINE
JUN 18	FINAL PROXY VOTING DEADLINE
JUN 21	51 ST ANNUAL MEETING OF SHAREHOLDERS

Additional information will be shared with Shareholders as the details are finalized. Keep an eye out for postcard mailers, emails, and social media posts to stay up to date on these events. To update your contact information, please visit MyHunaTotem.com or reach out to Shareholder Relations at (907) 789-8500 Ext. 2.

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