



Shareholder

A quarterly newsletter from Sealaska

SPECIAL ELECTION EDITION:

2016 SEALASKA ANNUAL MEETING OF SHAREHOLDERS

→ Voting Information Inside

Sealaska Makes First Major Investment Since New Strategic Plan Adopted in 2012

In early May 2016, Sealaska made its first investment as part of the 2012 strategic plan. Sealaska purchased a minority interest in Independent Packers Corporation (IPC), a custom seafood processor located in Seattle, Washington.

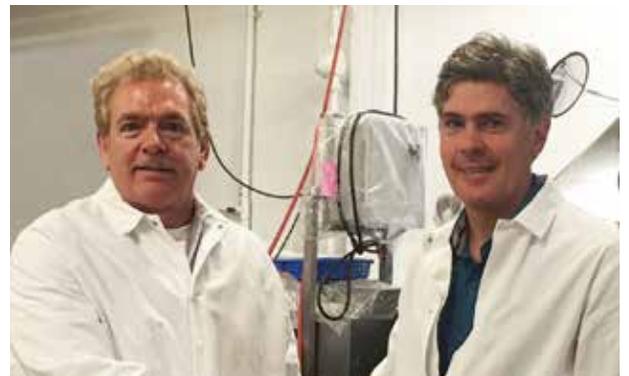
Sealaska embarked on a strategic plan in late 2012 to restructure operations and improve profitability. The plan focused on re-engineering its businesses to increase operating cash flow from a simplified operating portfolio that is consistent with Sealaska's core values and unique shareholder base, and located in Alaska and the Pacific Northwest. After considering many sectors, Sealaska leaders decided that environmental water services and natural foods, with an initial focus on seafood, have the best fit with our core values and long-term growth opportunities.

The investment in IPC is Sealaska's first investment in natural foods. "We have developed significant proprietary deal flow in the last few years," said Sealaska Chief Operating Officer Terry Downes. "We have a strong balance sheet and we intend to continue to invest and build depth of operating capability in water services and natural foods. We are currently pursuing several water services investments and additional seafood opportunities."

Since Sealaska adopted its strategic plan in late 2012, the combination of restructuring, organic growth and planned investments is expected to add approximately \$17 million to annual net operating profit. The capital invested to achieve these financial improvements is nearly the same as proceeds from the sale of poorly performing businesses over the last three years. As a result, Sealaska is becoming a flat, simplified corporation with profitable businesses that have an increasing focus on maximizing the value of resources from the ocean. Sealaska is also committed to protecting the ocean's capacity to produce its resources.

"As an organization whose ownership has sustainably harvested from the ocean for over 10,000 years, we are proud to be engaging in activities that so clearly reflect our heritage," said Anthony Mallott, Sealaska president and CEO.

"Sealaska's vision of how to build a successful seafood business matches my own experience," said Jeff Buske, the CEO of IPC. "I am impressed with Sealaska's leadership and its commitment to making decisions based on its traditional values." IPC is a custom seafood processor based in Seattle, Washington. With 180 employees, they add value to 50 million pounds of seafood per year.



Jeff Buske, CEO of Independent Packers Corporation with Sealaska Chief Operating Officer Terry Downes.

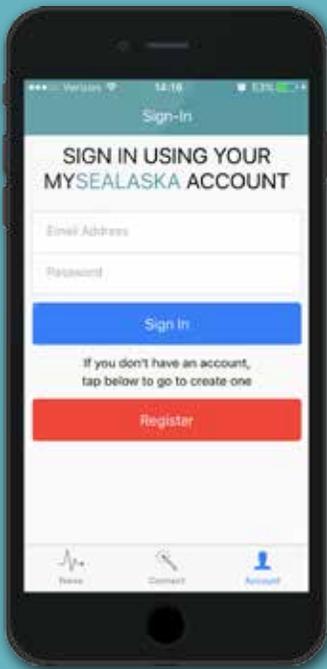


Community Meetings 2016

Look inside for more photos or find Sealaska Kwaan on Flickr. Left: Board slate candidates Jackie Johnson Pata, Richard Rinehart and Jodi Mitchell. Right: Board Youth Advisor Barbara Dude with her daughter.

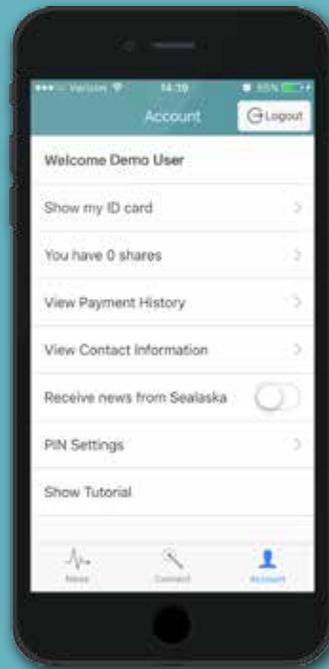
MYSEALASKA APP NOW LIVE!

All of your MySealaska information is now available at your fingertips. View and update important information from your phone through a secure source and stay up-to-date with the latest Sealaska news.



After you have downloaded the app, log in just like you would on www.MySealaska.com.

New to MySealaska? No problem, you can register for an account through the app.



Once you log in you can view all of your important shareholder information securely through the menu shown above and update your Sealaska eNews preferences as well.



Get the latest news from Sealaska through the news feed icon.



- View your shareholder ID card (use in place of your hard copy)
- View your shares
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- See your payment history
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2016 Community Meetings

Thank you to everyone for coming out to visit at this year's community meetings. Learn more at Sealaska.com and find more photos at [Sealaska Kwaan on Flickr](#).



Letter from Board Chair

Joe Nelson



Joe Nelson, Board Chair

Dear Shareholders,

I am grateful for the chance to see friends and family at our Sealaska community meetings in May. I am also looking forward to talking with shareholders at the annual meeting on June 25 in Ketchikan, either in person or via webcast. For those who cannot make it, let me share some highlights with you.

We are executing on our strategic plan.

By now you should have received your annual report and proxy. We are pleased to report positive results as we continue to execute on our strategic plan. In 2016, we are seeing change at Sealaska—from acquiring new operating companies to welcoming at least one independent board candidate. Our latest investment (see page 1) shows that we are committed to working with companies that align with our Native values.

We are committed to long-term sustainability.

The board is working hard to improve its governance practices in order to keep the company on a path to profitability before permanent fund earnings and ANCSA Section 7(i) monies.

We believe that the path forward includes a disciplined approach to spending, a strong focus on business development in our own backyard, and an intentional effort toward succession planning.

We are committed to investing in our people.

Sealaska's investment in and commitment to Tlingit, Haida and Tsimshian cultures will never waver. As we prepare for Celebration, I am reminded of why Sealaska exists in the first place. Our commitment to education and job training is also evident as the 2016 interns arrive at Sealaska's offices in the Pacific Northwest and in Alaska.

Please exercise your right to vote.

As a shareholder, you play an important role when you participate in the voting process. If you haven't yet voted, I encourage you to exercise your right in the 2016 election. We encourage you to vote online through MySealaska. Information on page 6 of the proxy statement will

tell you how to register for a MySealaska account so that you can vote electronically, or you can follow the instructions on the website. Voting online is fast, easy and secure, and helps Sealaska move toward goals to reduce cost and waste.

The proxy statement contains instructions and information about how to vote your proxy. Be sure to read all the information carefully, and if you have any questions, please call the corporate secretary at 907.586.1512 or toll-free at 1.800.848.5921. You can also send an email to corpsec@sealaska.com. Don't forget—Early Bird prize deadline is June 10.

I support the board's decision to recommend a NO vote on the term limits resolution. Turnover already occurs on the board, and in fact, only three current directors have been on the board prior to 1994. More information is available on page 4.

Please note that there are four seats up for election and three board endorsed nominees on the slate. This means that at least one independent candidate will be seated after the 2016 annual meeting.

At a minimum, this should send a strong signal that we aren't just doing business as usual. In 2014, a new CEO was hired, a seat was left open for an independent candidate to take and a new chair was elected after the annual meeting. We have welcomed two new directors in the last three years and we welcome a new board youth advisor every year.

On behalf of the Sealaska board of directors and management, thank you for your participation in the election. I hope you can join us at Celebration in Juneau and at the annual meeting in Ketchikan.

Sincerely,

Joe Nelson
Board Chair

Information on the Voting Standard for the Resolution

The resolution on this year's proxy statement is a binding shareholder resolution. If adopted it will amend Sealaska's bylaws. A bylaw may be amended, repealed or restated only by:

- A majority vote of the eligible voting shares. (Please see page 19 of the 2016 proxy statement for more details.)
- The board of directors

As of the record date April 18, 2016, there were 2,024,090 eligible voting shares. The 2016 resolution must receive a Yes vote of a majority of eligible voting shares or 1,012,046, in order to pass.

We provide an example in the graph to the right. This example shows 2,024,090 eligible voting shares. In both examples we review a hypothetical seventy percent voting turnout.

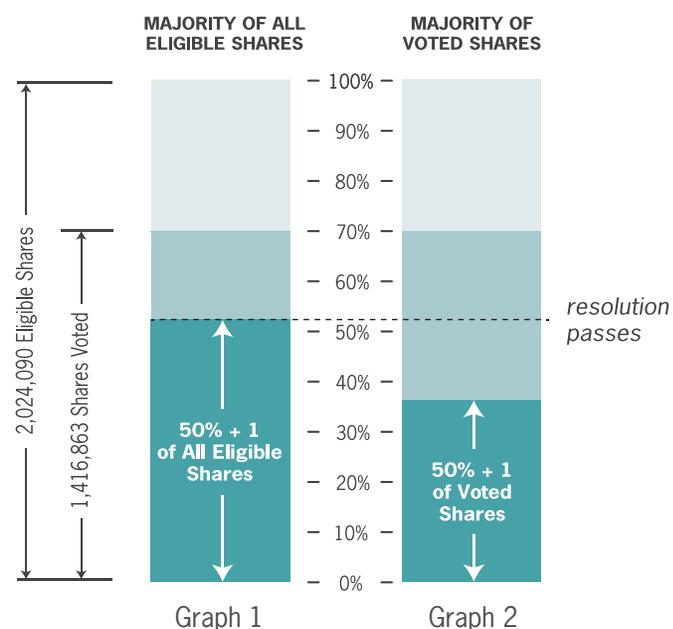
Graph 1

- 2,024,090 eligible voting shares
- 1,416,863 hypothetical 70% voted shares
- 50% + 1 eligible shares threshold

Graph 2

- 2,024,090 eligible voting shares
- 1,416,863 hypothetical 70% voted shares
- 50% + 1 voted shares threshold

EXAMPLE: 70% Voter Turnout



Vote NO on the Shareholder Resolution

THE SEALASKA BOARD OF DIRECTORS RECOMMENDS A "NO" VOTE



- Sealaska's partners and customers seek stability in the board as a basis for doing business, which is undermined by the frequent departure of experienced directors.
- Sealaska could lose 11 out of 13 directors in the next three years, rapidly eliminating institutional knowledge and experience.
- Shareholders should have the freedom to vote for whomever they support, without the artificial constraints of term limits.
- Turnover on the Sealaska board occurs without term limits.

More information is available online at Sealaska.com and in your proxy statement.

Endorsed Board Slate Nominees



Jodi Mitchell
Juneau, AK

Sealaska made many positive changes over the past three years. Key among them is a change in leadership, a restructuring of the company, a large reduction in overhead, and a better defined strategic plan. There are great things on the horizon at Sealaska.

Over the years, we spent too much time chasing revenue and not enough time on increasing the bottom line. We looked for companies that were for sale instead of finding synergistic partners

who complement our values and fit with our long-term vision. We needed to downsize and restructure in order to better focus on making money. We needed better accountability from our management team, and a better qualified and experienced operations team. I'm proud to tell you that we've made great strides in correcting all of these issues. I'm more excited than ever about the future of Sealaska!

Our uniqueness as Natives from beautiful, abundant Southeast Alaska is a huge asset. We are now using our Native values to help drive business success. Our next business ventures will provide shareholder opportunities because they will be closer to home in industries that we care about.

I need your vote to continue working on your behalf. *Gunalchéesh! Háw'aa!*

PRINCIPAL OCCUPATION: Chief Executive Officer & General Manager, Inside Passage Electric Cooperative

EDUCATION: Bachelor of Science in business administration from the University of Oregon and holds the Certified Management Accountant designation from the Institute of Management Accountants

AFFILIATIONS: Member of the Institute of Certified Management Accountants; former chair and trustee of the Kootznoowoo Permanent Fund Settlement Trust; a director of the Kwaan Electric Transmission Intertie Cooperative; a member of the State of Alaska's Renewable Energy Fund Advisory Committee; serves on the board of directors of Alaska Power Association; and as a member of the Energy Committee for Southeast Conference. Jodi is *Deisheetaan* and *Dleit káa yádi* (child of).



**Jacqueline
"Jackie"
Johnson Pata**
Fairfax, VA

As the Sealaska board, we set a changed course with our strategic plan. We established a clear goal to be profitable before ANCSA Section 7(i) and investment income and WE ARE ON TRACK.

The board had to look long and hard at the internal changes we needed to make. We voted to reduce director compensation, have fewer meetings and set a cap on fees. The board wasn't afraid to start with ourselves. Next came management reduction and restructuring of operations, resulting in millions of dollars in savings. These actions improved Sealaska's profitability, but we have more to do.

We listened to you and we are doing the tough job of aligning future business strategy with the strengths we have as Alaska Natives, with our core Native values.

I am energized by our recent investment in the seafood packaging plant, our work in environmental remediation and our vision for a long-term sustainable plan for our lands and forests. We are investing in areas our shareholders can be proud of and will have reciprocating value in our communities.

I am committed to using my leadership, business and political skills to achieve this vision. I respectfully ask for your vote to continue serving on the Sealaska board.

PRINCIPAL OCCUPATION: Executive Director of the National Congress of American Indians in Washington, DC

EDUCATION: Attended Utah State University and Snow College in Utah in social work and computer science, and the University of Alaska Southeast in business and Tlingit language, and Rockwood Leadership Institute

AFFILIATIONS: 4th Vice President for the Central Council of the Tlingit & Haida Indian Tribes of Alaska; Vice President for the Leadership Conference on Civil Rights and Human Rights; on the Native American National Advisory Board for the Boys and Girls Clubs of America; on the board of the George Gustav Heye Center of the National Museum of the American Indian; and on the Leadership Council of the Minneapolis Federal Reserve Bank's Center for Indian Country Development. Jackie is *L'ukaax.ádi* and *Kaagwaantaan yádi* (child of).



**Richard
Rinehart**
Bellevue, WA

In my first term as your director these past three years, we have accomplished the following:

- New leadership: CEO and chair
- Smaller management team focused on profits from operations
- Sold off subsidiaries, streamlined and reorganized operations
- Got rid of the old incentive compensation system
- Reduced board fees and overall board costs

Going forward I intend to focus on the following areas:

1) Better board governance:

- Voting reform
- Board succession planning
- Oversight of our nonprofit affiliates

2) Higher level of accountability:

- #1 Goal = operating profits before ANCSA Section 7(i) and investment income
- Continued cost cutting measures
- Strategic plan:
 - » Acquisitions in our region
 - » Sustainable natural resource strategy

3) Advocate for our Landless communities and Native Veteran Allotments

4) More transparency in our communications including financial reporting

5) Renewed commitment to our scholarship and language programs

You deserve a more profitable company. You deserve a board that will listen to you and give straight answers. Our Landless and Native veterans deserve a just settlement. Our children deserve the best education available. I will work hard to give you the corporation you desire and respectfully ask for your votes. *Gunalchéesh, Háw'aa, T'oyaxsism.*

PRINCIPAL OCCUPATION: CEO for Tlingit & Haida Tribal Business Corporation, wholly owned by Central Council of the Tlingit & Haida Indian Tribes of Alaska

EDUCATION: Master of Business Administration from Portland State University, Bachelor of Science from Portland State University, and Certified Management Accountant from the Institute of Management Accountants

AFFILIATIONS: Chair of Sealaska Government Services, chair of Haa Aani, LLC (Sealaska's natural resources holding company), 33-year business executive and entrepreneur, former CEO Nisqually Board of Economic Development, former Vice President and Chief Financial Officer Sealaska Corporation, former Grand Treasurer of Alaska Native Brotherhood Grand Camp, member ANB Camp 4 of Wrangell and *Shx'at Kwáan* Dancers. Richard is *Yéil, Kiks.ádi Gagaan Hit.*

Learn more about all endorsed board slate nominees on the Sealaska Facebook page.

2016 Sealaska Annual Meeting of Shareholders

Saturday, June 25, 2016
Ketchikan, Alaska

LOCATION:

Ketchikan High School Gymnasium

TIME:

1 p.m. (Alaska Daylight Time)

Native artist market, shareholder fair and other activities begin as early as 10 a.m.

Streaming live from our webcast all day.

ANNUAL MEETING PRIZES

Vote your proxy so it is received by fax, mail or through online voting by June 23, 2016, or vote at the annual meeting.

1 st	\$2,500	for 3 winners
2 nd	\$1,500	for 1 winner
3 rd	\$1,000	for 1 winner
4 th	\$500	for 1 winner

PLUS All webcast viewers the day of the annual meeting will be eligible for a webcast prize.

\$1,500 for 1 winner

Independent Nominees

The Independent Nominees are not endorsed by Sealaska, nor has the information provided by each independent candidate been confirmed by Sealaska.



Patrick Anderson
Anchorage, AK

For over 30 years, I have been a statewide leader in Alaska Native social, cultural and political matters. Through serving on the Sealaska Heritage Institute and Alaska Native Heritage Center, I participated in helping revitalize cultural and language programs. As Chair of the Alaska Native Justice Center and President of the Native American Children's Alliance, I have been engaged in justice reformation. And as a former co-chair of the AFN Human Resource Committee, I worked on most of the issues important to our Native community. I pledge to continue that work regardless of the outcome of this election. Still, I would appreciate your support this year.

PRINCIPAL OCCUPATION: Consultant

EDUCATION: Bachelor of Arts from Princeton University and a Juris Doctor from the University of Michigan Law School

AFFILIATIONS: Member, Alaska Bar Association, Supreme Court Bar. Patrick is *Shangukeidí* of Dry Bay and *Aleut yádi* (child of).

\$25 VOTING INCENTIVE

Any Sealaska shareholder, regardless of the number of shares held, who submits a valid proxy on or before June 23, 2016, or who votes in person at the annual meeting on June 25, 2016, will receive a one-time payment of \$25, which is a special incentive to encourage voting. Those who qualify for the \$25 voting incentive may contribute it directly to the Sealaska Heritage Institute, if they choose to do so.



Michael Lee Beasley
Juneau, AK

Hi.

"Term limits is the solution to directors overstaying their welcome."

There is a term limits resolution to vote "Yes" on this year. Remember. It is on the back proxy. I believe term limits will bring new directors with new ideas.

I like this because the majority of directors on the board are Appointees. This means these directors were never elected to the board and need removing.

The 3 Sealaska directors up for election in 2016 are Appointees.

For the last 15 years-on average, there is over 17.5 million dollars lost in operations each year. This works out to over 47 thousand a day. I recommend any independent over a Sealaska director this year. Let's elect two independent candidates this year. New voices will be heard representing you.

With a nod from you, I would like to represent and work for you for the next 3 year term. Vote Mick Beasley for Sealaska Corporation Director.

My skill set is in the idea department. The boardroom could use idea type directors.

I can see Sealaska lands used and shareholder death benefits started. Shareholders need to get on the employment side of Sealaska expenses. I would like to see the intellectual potential of shareholders grow. Everyone understands profits. We need more of them. We need to be profitable.

PRINCIPAL OCCUPATION: Journeyman Artist

EDUCATION: 1976 Graduate Juneau Douglas High School and 1987 Graduate University of Washington BFA Metal Design

AFFILIATIONS: Tlingit & Haida Community Council Juneau Delegate



Douglas Kevin Chilton
Juneau, AK

My Tlingit name is *Yaa nak.ch*. I was born and raised in Juneau, Alaska. I am Yeil (Raven), and a member of the Deisheetaan (Beaver Clan) from the Yeil Hit (Raven House) of Angoon.

I take pride in using traditional tools to keep Tlingit ancestral art alive. For many years I've volunteered teaching carving at Lemon Creek Correctional Center and in the Juneau School District. I'm a founder of the One People Canoe Society whose efforts have renewed interest in Tlingit, Haida and Tsimshian cultures throughout Southeast Alaska.

Owning and operating an Alaskan native arts business, I work to preserve our culture and offer community service. As a business entrepreneur I will be a strong voice of our people, serving with honesty and integrity. I am committed to working hand-in-hand with the existing board to strengthen the corporation with our shareholders' best interests in mind.

I would be honored to represent you, and respectfully ask for your vote.

PRINCIPAL OCCUPATION: Business owner

EDUCATION: Graduate of Juneau-Douglas High School

AFFILIATIONS: Chilton Silver & Gold; One People Canoe Society founder; Central Council T&H Delegate; Juneau T&H Community Council member; ANB Camp 2 Vice President; La Perouse Alaska Association member; and Friends of the Alaska State Library and Archives and Museum board member.



Brad James Fluetsch
Juneau, AK

Dear Shareholder,

I am running for Sealaska Director because I think I can make a positive contribution managing its assets and produce more income for shareholder dividends, create more jobs in our Southeast Alaska communities and be a stronger voice in cultural and political advocacy.

I bring 30 years of active, hands on business experience and problem solving and want to put that knowledge and entrepreneurial spirit to work for shareholders in the boardroom. My goal as a director is to resolve the issues plaguing our company such as transparency, election process and business performance to unleash Sealaska's potential: Financially, culturally, and politically.

Shareholders I learned a lot last year running for the Board and I want to take this opportunity to thank all those who supported me. Just as important, I appreciate all of the conversations, by phone, email, Facebook or in person with supporters and those who disagree. Only by having frank, honest discussion will we be able to solve the issues facing Sealaska, our Villages and unite as shareholders.

Shareholders, I would appreciate your vote and I pledge to work for you and only you to the best of my abilities.

PRINCIPAL OCCUPATION: Investment Advisor

EDUCATION: BA Business Administration (Finance) with a minor in Economics

AFFILIATIONS: ANB Camp #70; ANB Grand Camp; CFA Institution; and SE Alaska Master Gardeners.



Nicole Hallingstad
Arlington, VA

PLEASE VOTE DIRECTED FOR NICOLE HALLINGSTAD.

I would be honored to serve Sealaska's shareholders on your board of directors. I am Tlingit Raven, *T'akdeintaan* clan, born in Petersburg, Alaska. My grandmother Amy Hallingstad committed her life to Native rights, and I humbly seek to do the same. I now work in Washington DC on behalf of all tribal nations. Here is what I would strive to accomplish as a member of the Sealaska board:

- Impose Term Limits for directors
- Create death benefit payouts for shareholder families
- Reduce director compensation
- Cut Sealaska director election expenses
- Generate greater profits from operations
- Pay larger dividends to shareholders
- Fight for Landless community recognition and rights

For 11 years I worked as an officer of Sealaska and I have a unique understanding of the company's internal and complex operations. I found that the best way to drive meaningful change is to be elected to the board, where critical decisions for Sealaska's success are made.

Now is the time for shareholders to vote for a PROGRESSIVE CANDIDATE with a strong background in governance. I respectfully ask for your important vote.

VOTE DIRECTED FOR NICOLE HALLINGSTAD!
Gunalchéesh, Haw'aa, T'oyaxsism

PRINCIPAL OCCUPATION: Director of Operations, National Congress of American Indians

EDUCATION: Bachelor of Arts in History from the University of Alaska Fairbanks; Master of Arts in European History from the University of California Berkeley. *Correction: In the 2016 Q2 Shareholder Newsletter, Sealaska published the wrong educational information for independent candidate Nicole Hallingstad.

AFFILIATIONS: Nicole is a member of ANS Camp #16 of Petersburg; member of the Tlingit & Haida Indian Tribes of Alaska; individual member of the National Congress of American Indians; served as board chair and president of Cancer Connection from 2011-2015; and on the boards of KTOO Public Radio, the Bartlett Regional Hospital Foundation, and the United Way of Southeast Alaska.



Karen Ann Taug
Juneau, AK

I am running for the Sealaska board because I believe that with my professional finance experience I can positively contribute to Sealaska's future.

As a director, I will be committed to focusing on strengthening Sealaska's financial position, to become a sustainable powerhouse. A strong financial foundation will ensure Sealaska continues to protect our rich culture & languages, our land, and future shareholder distributions & scholarships.

A successful and profitable company bases executive compensation on company performance. Additional compensation to employees is earned when their performance results in growth and prosperity of our corporation and benefits our shareholder owners. Managers need to be held "Bottom Line Accountable".

I support the resolution that is coming before shareholders and a vote of "yes" on Term limits makes for a healthy corporation. I support term limits to refresh the board's talent on a regular basis.

If elected to the Sealaska Board, I will serve with honesty and integrity, and will represent shareholders to the best of my abilities. My goal would be to work with other Directors to have the businesses of Sealaska work towards continued financial growth and prosperity.

I would be honored to represent you and will very much appreciate your support

PRINCIPAL OCCUPATION: Controller, Finance – Bartlett Regional Hospital

EDUCATION: BBA Accounting – University of Alaska Southeast

AFFILIATIONS: University of Alaska, SE Advisory Board - 2012 to present; Juneau Community foundation, Board member - 2015 to present; Goldbelt, Inc. - Board member 2008 - 2014, two terms as Chair; Juneau Planning Commission 2009 - 2011; and Alaska Native Sisterhood Camp #70.

Annual Meeting Prizes

Vote your proxy so it is received by fax, mail or through online voting by on June 23, 2016, or vote at the annual meeting.

PRIZES:

- 1st **\$2,500** for 3 winners
- 2nd **\$1,500** for 1 winner
- 3rd **\$1,000** for 1 winner
- 4th **\$500** for 1 winner

PLUS

All webcast viewers the day of the annual meeting will be eligible for a webcast prize.

\$1,500 for 1 winner

SEALASKA ANNUAL MEETING

Saturday, June 25

Ketchikan High School Gymnasium
Ketchikan, AK

Join us via webcast at Sealaska.com
Fly with Alaska Airlines discount code: ECMJ132

Sealaska.com | Twitter [@SEALASKA](https://twitter.com/SEALASKA) | Visit us on Facebook | YouTube [@SEALASKAKWAAN](https://www.youtube.com/channel/UCSEALASKAKWAAN)

WWW.SEALASKA.COM

Q2 2016

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800.848.5921 toll-free



Our PURPOSE is to strengthen our people, culture and homelands.

Our VISION is to be an Alaska Native enterprise of excellence built on our core cultural values.

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