



Shareholder

A quarterly newsletter from Sealaska

STS Awarded Major Contract with U.S. Dept. of Energy's National Nuclear Security Administration

Sealaska Technical Services, LLC (STS) will participate in a joint venture with Tetra Tech and share in a \$400-million contract over the next seven years. STS was competitively selected to provide professional engineering services to the U.S. Department of Energy, National Nuclear Security Administration (NNSA), in support of the Office of Nuclear Smuggling Detection and Deterrence (NSDD) who will administer the Design, Integration, Construction, Communications and Engineering 2 (DICCE2) contract.



The joint venture team will provide design-build services to support the installation and deployment of fixed and mobile radiation detection systems and associated infrastructure at border checkpoints, airports, seaports, internal country locations and maritime borders outside of the United States.

"Sealaska is excited to have the opportunity to help the NNSA achieve its important global goal of reducing the threat of nuclear and radiological terrorism," said Sealaska President and CEO Anthony Mallott. "We look forward to working with the NNSA and our joint venture partner to make the world a safer place."

Juneau Community Gathers for Holiday Information Fair

Sealaska and its sister Native organizations partnered again for a Juneau Holiday Fair. Well over 1,000 people attended the fair on Thursday, December 8, 2016.

"I want to thank all who helped and attended," said Sealaska President and CEO Anthony Mallott. "I received many hugs and thanks throughout the night. The staff and our partnering organizations deserve all the hugs and thanks manyfold. I talked with a young boy who was carrying around a piece of Sealaska's donated carving blank wood. He excitedly told me about his idea to carve a raven with a halibut below it and how he was going to a carving class that was 'real fun.' For all of us to be a small part in a 12-year-old's excitement about connecting with his culture and being proud to carve his own design is so very special. We look forward to carrying on the tradition of gathering during this time of year."



More Santa photos available on Flickr at Sealaska Kwaan.

STANDING IN SOLIDARITY

SEALASKA SENDS CANOE, SHAREHOLDERS AND SUPPORT TO STANDING ROCK SIOUX TRIBE

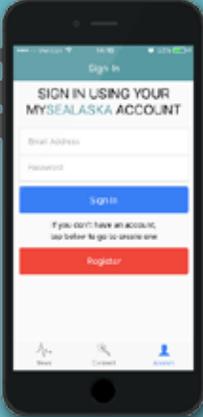
Sealaska directors unanimously approved a resolution in support of Standing Rock Sioux Tribe on September 16, 2016. Sealaska applauds and supports the efforts of Standing Rock leadership, which is taking great measures to protect their precious resources and connection to land. Sealaska shareholder Doug Chilton towed a canoe representing the One People Canoe Society from Juneau, Alaska, to Bismarck, North Dakota, in September. Chilton also carried a Sealaska flag to the Sacred Stone Camp, which has been standing ever since. Sealaska committed nearly \$4,000 to the Standing Rock Sioux Tribe and groups like the One People Canoe Society during the last three months.



Plan Ahead with Stock Will Forms

Sealaska encourages shareholders to complete a Stock Will (Testamentary Disposition). Only about a quarter of shareholders have completed paperwork that will direct Sealaska. In its absence, Sealaska must rely on the State of Alaska to determine how best to distribute a shareholder's stock estate. Here are a few facts:

- 22,000 total Sealaska shareholders
- 5,817 shareholders have completed a stock will or 26.7 percent
- Of the 5,817 completed stock wills, 3,752 stock wills were completed prior to 2010 (2,065 were completed during 2010–2016)



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.






- View your shareholder ID card
- View your shares
- Review and update your address and phone number
- See your payment history
- Stay up-to-date with the Sealaska news feed
- Sign up for Sealaska eNews updates

In Memory

Sealaska pays tribute to shareholders who have recently walked into the forest.

Kyra L. Allen – Port Angeles, WA (24)

Lyla M. Anderson – Anchorage, AK (53)

Carol Baines – Ketchikan, AK (79)

Herman Bean Jr. – Anchorage, AK (49)

Conrad Brown – Juneau, AK (88)

Edgar L. Brown III – Decatur, AL (80)

Pamela Rae Brown – Seattle, WA (62)

Margaret A. Byrd – Wrangell, AK (81)

Jeannette Casimir – Bellingham, WA (77)

Norman Clark – San Jose, CA (79)

Aaron R. Coffelt – Rio Dell, CA (44)

Dorothy Coronell – Juneau, AK (81)

Estabeth Covey – Seattle, WA (62)

Dennis B. Cropley – Juneau, AK (61)

Frances E. Degermain – Seattle, WA (92)

Georigianna Douglas – Ketchikan, AK (82)

Julius E. Douglas – Ketchikan, AK (85)

Nancy A. Eddy – Shelton, WA (73)

Donald F. Elam – Olympia, WA (73)

Cheryl J. Evan – Kake, AK (69)

Clarissa N. Evans – Wenatchee, WA (76)

Albert G. Feller Sr. – Ketchikan, AK (95)

Wilbert V. Foulkes – Seattle, WA (51)

Yvonne K. Gilda – Anchorage, AK (58)

Marie L. Gordon – Sitka, AK (58)

Willis H. Hamilton Jr. – Juneau, AK (79)

James N. Harvie Sr. – Denver, CO (73)

Karen J. Heuer – Oceanside, CA (53)

Lenora E. Hoffman – Federal Way, WA (82)

Margaret Gross Hope – Sitka, AK (88)

Frank B. Jack – Juneau, AK (95)

Lloyd K. Jackson – Ketchikan, AK (49)

Martha A. Jackson – Kake, AK (73)

Cindy S. James – Shoreline, WA (52)

Evelyn P. James – Craig, AK (95)

Sheldon James III – Yakutat, AK (63)

Joseph Jefferson – Bellingham, WA (37)

Rachel Jennings – Arlington, WA (87)

Susan M. Johanson – Reno, NV (64)

Burnheart Johnson Jr. – Juneau, AK (52)

Kyle L. Jones – Seattle, WA (54)

Phyllis W. Jones – Bremerton, WA (93)

Linda C. Krueger – Pensacola, FL (76)

Alice Lehnert – Anchorage, AK (102)

James Alfred Martin – Juneau, AK (85)

Lyle T. Martin Sr. – Juneau, AK (76)

Jake E. Morris – Juneau, AK (71)

Ruth Motschenbacher – Salem, OR (76)

Stella A. Mull – Juneau, AK (58)

Maurice Nelson – Juneau, AK (87)

Jolan G. Newman – Jacksonville, FL (85)

Iris J. O'Neil – Pensacola, FL (37)

Doreen L. Peck – Eugene, OR (52)

Grace G. Pennington – Congress, AZ (70)

Balinda Peterson – Anchorage, AK (40)

Joseph S. Peterson – Anchorage, AK (31)

Laverne Peterson – Anchorage, AK (40)

Feckla E. Philemonoff – Lake Stevens, WA (77)

Edward Price – Palmer, AK (80)

Yvonne V. Pruett – Petersburg, AK (75)

Richard P. Reese Jr. – Yakutat, AK (69)

Sylvester Salley Jr. – Auburn, WA (58)

Louise Simpson Sr. – Sitka, AK (87)

Henry T. Smith Sr. – Sitka, AK (78)

William H. Thiemeyer Jr. – Craig, AK (78)

Willard R. Thornton – Everett, WA (72)

David T. Wallace – Juneau, AK (64)

Clarence B. Wanamaker – Juneau, AK (83)

Patrick E. Weir Sr. – Vancouver, BC (80)

Robert W. Whitener – Shelton, WA (82)

Lawrence A. Willard – Haines, AK (75)

Harriett M. Williams – Kake, AK (86)

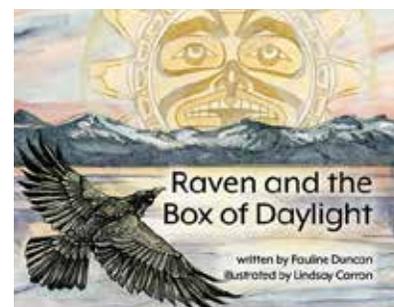
Cynthia O. Wilson – Redwood City, CA (50)

Please note that Sealaska will publish shareholder names only after the Shareholder Relations Department has received proper documentation.

News from Sealaska Heritage Institute

Children's Books on Creation Stories, Colors, Alphabet

Sealaska Heritage Institute (SHI) released six culturally-based children's books that reflect the Native worldview. As part of the Baby Raven Reads program for Alaska Native families with children up to age 5, the books promote language development and school readiness. The series includes three Raven creation stories, a book that teaches the Tlingit words for colors, and a two-book set that teaches the Tlingit alphabet. Contributors included Linda Belarde, Lindsay Carron, Pauline Duncan, Keri Eggleston, Katrina Hotch, David Lang, Yarrow Vaara and Crystal Worl. The books are available at the Sealaska Store in Juneau or email thestore@sealaska.com or call 907.586.9114.



Landmark Agreement to Advance Northwest Coast Art

SHI has partnered with the Institute of American Indian Arts (IAIA) and the University of Alaska Southeast (UAS) to provide enhanced and expanded Northwest Coast art programs and opportunities for Alaska students. A memorandum of agreement will guide design and implementation of a formal education plan that includes an expansion of the existing Northwest Coast art program at UAS, and a collaborative relationship with IAIA that will allow UAS students to transfer to the Santa Fe campus to further their art studies.



Celebrating Native American Heritage Month

SHI and Sealaska celebrated Native American Heritage Month through a lecture series honoring traditional warriors and Native veterans. The series included talks on Native veterans' experiences in Vietnam, Tlingit and Navajo code talkers, traditional armor and warrior training. Videos are available online at <https://vimeo.com/user2380918>.



Juneau Skin-Sewing Class in January

SHI will sponsor a skin-sewing class with teacher Louise Kadinger in Juneau, January 26-29, 2017. A \$100 registration fee pays for supplies needed. Maximum of 15 students will be enrolled. For more information, contact davina.cole@sealaska.com.

SHI Establishes New Endowment

SHI has founded an endowment fund to ensure SHI's programs to perpetuate Tlingit, Haida and Tsimshian cultures and promote cross-cultural understanding long into the future. Earnings from the endowment will be spent on efforts such as Native art workshops, language revitalization, publications, research and educational programs. We encourage Alaskans to consider donating to SHI through Pick.Click. Give when filling out their permanent fund dividend applications; all donations will go into the fund.

First Tlingit Mobile Apps and Podcast Released

SHI has released its first set of Tlingit apps and a podcast for students to learn through mobile devices. The programs include the app Learning Tlingit which has more than 300 Tlingit words, phrases and sounds, plus a podcast that covers a wide range of topics. The app Tlingit Language Games teaches the Tlingit words for ocean animals and birds through interactive tools. The free apps are available for iOS/Apple and Android mobile devices at app stores. With the framework developed, SHI plans to produce Haida and Tsimshian versions in the future. The apps were developed in partnership with SERRC.



SEALASKA TOOK ON THE RESPONSIBILITY of protecting and strengthening Southeast Alaska Native culture, the "container of wisdom" left by our Elders. As a result, Sealaska established **Sealaska Heritage Institute** in 1980 to administer cultural and educational programs. Since inception Sealaska has donated roughly \$30.6 million in cash donations and in-kind services to Sealaska Heritage Institute.

A recent study found that for every dollar invested by Sealaska over the last nine years, SHI generated more than two additional dollars, in addition to providing employment and contract opportunities for more than 50 shareholders annually and incalculable educational and cultural benefits.

SEALASKA 2016: A YEAR IN

Sealaska Contributes Over \$300,000 to Local Communities

In the Spirit of Giving What You Have

During 2016, Sealaska made over \$300,000 in corporate contributions to Native organizations and community entities who are making a difference for all of us. Sealaska remains committed to being a good neighbor and community leader in Alaska and the Pacific Northwest.

Nearly one-third of Sealaska's total contributions support major cultural projects. This includes \$50,000 for the Jilkaat Kwaan Heritage Center in Klukwan, Alaska, which held its grand opening in May 2016. Below is a snapshot of our collaborations and contributions



Juneau Housing First Project: Sealaska committed \$25,000 and presents check on November 17, 2016. President and CEO Anthony Mallott and Board Chair Joe Nelson to the far left.



Celebration: Sealaska is proud to be the largest financial contributor since the event began in 1982. This year Sealaska donated \$100,000 as well as in-kind services.



New Long House in Hydaburg: Sealaska contributed \$20,000 to the new community facility. Groundbreaking ceremony is pictured above from this past summer. CEO and President Anthony Mallott and Board Chair Joe Nelson are standing on the left.



New Whale House in Kasaan: Sealaska contributed \$30,000 to the Chief Son-I-Hat Whale House (*Náay I'waans*) re-dedication ceremony held in September. The Whale House went through critical restoration and is the only Haida clan house in Alaska.



Sockeye Science Camp: Sealaska contributed \$13,500 to the Seattle-based education program to ignite a love of science in elementary school students. It allows them to experience the intersection of traditional knowledge with western science.

REVIEW AND REFLECTION

Sealaska Contributes to Juneau Emergency Shelter, Soup Kitchen and Care Center

For the past two years, Sealaska has provided administrative leave for staff to cook and serve meals at the Glory Hole shelter and soup kitchen in Juneau. Once a month, staff will purchase ingredients, prepare dinner and serve an average of 60 guests. In addition, Sealaska donated \$1,500 in 2016 to an "Empty Bowls" fundraiser benefiting the Glory Hole. Sealaska was proud to donate \$25,000 to the Juneau Housing First Project that will provide needed housing for the most vulnerable individuals. The new facility and the Glory Hole will work together with other partners to provide a new community resource.

"Cooking at the Glory Hole is a rewarding experience. We have made new friends and feel so welcomed. We always look forward to our next visit." – Sealaska staff



Sealaska staff and volunteers - left to right: Louise Byrd, Sally Kasnick, Marietta Hopkins, Kent Rasmussen, Rigel Shaw, Eric Plummer and Nicholas Kasnick

Sealaska Meets with 14 Southeast Tribes Regarding Cemetery and Historic Sites

Federal legislation approved by Congress on December 14, 2014, conveyed final acreage due to Sealaska. The acreage includes:

- 68,486 acres of large economic parcels
- 490 acres (76 sites) of cemetery and historic sites (must be applied for under ANCSA Section 14(h)(1) regulations)
- 1,099 acres (9 sites) of small economic parcels

Over the past two years, Sealaska met with 14 Southeast tribes regarding cemetery and historic sites included in the final legislation. These consultations fulfilled a requirement of the legislation and also provided Sealaska an opportunity to discuss co-management of these sites under memorandums of agreement (MOA) with the tribes.



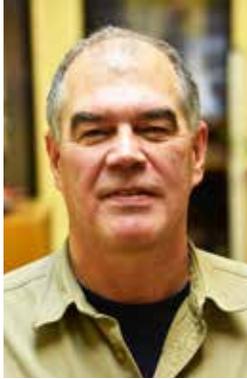
"Through the lands bill, up to 76 cemetery and historic sites will be returned to Native ownership," said Sealaska Lands Manager Michele Metz. "Our goal with each tribal consultation is to let tribal leadership know about this opportunity to bring these culturally significant sites under Native ownership and to hear any concerns the tribes may have. Sealaska understands that these sites belong to clans, and the corporation is ready to sign MOA with those Tribes that have not already signed an MOA. Through these agreements, the Tribes and local knowledge and understanding will help guide the management of these important sites."

Sealaska Partner Central Council Recipient of \$12,500 in Corporate Giving

Sealaska partners with three major Native organizations that positively impact shareholders. Partners include, Central Council of Tlingit and Haida Indian Tribes of Alaska, the Southeast Alaska Regional Health Consortium (SEARHC) and Tlingit and Haida Regional Housing Authority. We work closely with partners to maximize resources for shareholders and respective owners. In 2016 Sealaska supported Central Council's many efforts including Native Issues Forum, Spring King Derby, and online programs.

Jim Tuttle Promoted to GM of Haa Aaní, LLC

Sealaska continues to simplify into three lines of business: natural resources (Haa Aaní, LLC), water and maritime services (Sealaska Government Services), and seafood and natural foods. In order to operate more efficiently, Sealaska management has integrated natural resource activities under proven leadership. As a result, Jim Tuttle has been promoted from operations manager to general manager of Haa Aaní, LLC. He models the commitment to teamwork that Sealaska believes is essential to our continued progress.



Tuttle is a long-standing advocate for Southeast Alaska and the timber industry with a deep and extensive career in forestry and timber. He holds degrees in forest technology and business administration.

Sealaska Constructors Begins National Guard Contract

Sealaska Constructors, LLC (SCL) was awarded a \$10 million contract from the U.S. Department of the Army to partner with the National Guard Bureau, Connecticut Army National Guard.

SCL will team with partners to design and construct a National Guard-ready building, approximately 23,760 square feet. This facility will feature energy and infrastructure improvements such as an emergency generator, organizational vehicle parking, heating plant and electric power.



SEALASKA'S POLICY PRIORITIES FOR 2017

Sealaska will continue to lead and support issues that impact Sealaska shareholders or Southeast Alaska.

- **Landless** – Secure equitable solution for the Landless communities
- **Native Veterans Allotments** – Secure land or compensation for Native veterans eligible for allotments
- **Tongass National Forest Transition to Young Growth**
- **Transition to New Administration**
- **Input in Alaska State Budget Process** – Ferry System; Division of Forestry; Energy Projects; Education; Power Cost Equalization

Sealaska also supports policy lead by other organizations.

- **Traditional Way of Life (Subsistence)**
- **Land Into Trust in Alaska**
- **Tribal / ANC Consultation with Federal Agencies**

Risk and Compliance Department Updates Code of Ethics

Sealaska's Risk and Compliance Management Department was established in 2014 to align compliance efforts and organize a risk management program across Sealaska's companies. The department is tasked with assuring Sealaska's goals and vision are achieved ethically and compliant with federal and state policies.

In 2016, Sealaska updated its Code of Ethics that applies to all Sealaska and Sealaska subsidiary employees. It provides Sealaska with a common set of guidelines to help reinforce and uphold our values, by:

- Outlining ethical standards that help guide our decision-making
- Referencing company policies that support our ethical decisions
- Providing a list of resources for reporting ethical concerns

As part of the roll out of the Sealaska Code of Ethics, all employees completed a mandatory online training course. The goal of the training was to help employees make better decisions by providing insight into competing pressures affecting daily decisions and practice overcoming the obstacles to doing what is right.

Sealaska places a priority on compliance and ethics, employee training and development. All are part of good management practices and risk management strategies that staff can use to successfully carry out the mission of Sealaska.

The Sealaska Code of Ethics and an Executive Summary can be accessed by employees, shareholders, customers, partners and vendors at: <http://www.sealaska.com/compliance>.



CEO Letter



Anthony Mallott, CEO

Dear Shareholders,

As we reflect back on 2016, Sealaska board and management would like to review the financial forecasts that we provided shareholders within our annual report, annual meeting and community visits. During the year we have graphically highlighted Sealaska's three main sources of income; operations, ANCSA Section

7(i), and investments and our expectations for 2016 net income. We knew we were going to face a significant decline in ANCSA Section 7(i) income from other regions, as this income source depends on the price of oil and other commodities that have fallen in price significantly.

Our operational or business income has been highlighted for the last few years as our key management focus. Our short term financial goal to be profitable before 7(i) and investment income was targeted so we could overcome the volatility or ups and downs we face with both 7(i) and investment income. We are glad to report that nearing the end of the year we have been able to achieve results that are very close to the financial forecasts we've provided throughout the year. We expect to see net income of around \$15 million, an improvement over 2015 results of \$12 million, even when facing a steep decline in 7(i) income. Both improved business and investment income have contributed to our increased net income forecast.

We believe our commitment to building three core business platforms that fit our values, are located in the Pacific Northwest and Alaska, and are relevant to our shareholder base will be critical

in continuing the operational success and growth in business income we forecast for 2017 and further.

Sealaska's strategic vision for businesses includes investment and operating in three platforms

- Natural Resources
- Water and Maritime Services
- Seafood and Natural Foods

As we forecasted our financial results throughout the year, we also provided information on core businesses from the formation of Haa Aani, LLC that now encompasses all of our natural resource efforts (see 2016 Q1 Shareholder) to our work improving salmon habitat within our environmental and water services, to our purchase of a minority interest in Independent Packers Corporation (IPC), a custom seafood processor located in Seattle, Washington.

Sealaska is excited about the business growth we are seeing and we are committed to continue to provide financial forecasts to shareholders for 2017 and to increase the understanding of our business strategies and industries. We hope the financial forecasts provides you a sense of the improvements we are making, while the information on our businesses provide pride in the work we are doing.

I personally am wishing you an enjoyable holiday season and I look forward to sharing both our final 2016 results and our 2017 forecasts with you in the new year.

Sincerely,

Anthony Mallott

STRATEGIC PLAN



SHAREHOLDER DEVELOPMENT OPPORTUNITIES IN 2017

Sealaska is in existence for our shareholder base. Our culture and company has thrived by training, strengthening and employing our people. Sealaska's identity and success is defined by our people and because of this we continue to prioritize investment in our shareholders and descendants.

| INTERNSHIPS | SCHOLARSHIPS | BOARD YOUTH ADVISOR |
|------------------------|-------------------------|------------------------|
| OPENS: December 2016 | OPENS: December 2016 | OPENS: January 2017 |
| CLOSES: March 31, 2017 | CLOSES: March 1, 2017 * | CLOSES: March 31, 2017 |

*Sealaska Heritage Institute is offering a \$50 incentive to those who complete their scholarship application on or before February 1 and who are accepted as scholarship recipients.

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Q4 2016

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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.

The Sealaska *Shareholder* is published for shareholders free of charge by Sealaska. Subscription information for non-shareholders is available by writing to Sealaska Communications.

Presorted
First Class Mail
US Postage
PAID
Juneau, AK
Permit No. 98

Printed on 30% post-consumer recycled paper.

www.sealaska.com