

KIKIKTAGRUK INUPIAT CORPORATION

Dear Shareholder:

Under the amendments passed by Congress in early 1988 to the Alaska Native Claims Settlement Act, it is now possible for shareholders to make a gift of shares to their child; grandchild; great grandchild; niece or nephew who are related by blood or adoption, not simply by marriage. KIC now has the forms necessary to complete this type of stock transfer. The following are the main items to keep in mind when thinking about giving stock:

- You do not need to give away all of your shares; you may gift all or a portion of your shares, and the gift can be to more than one individual.
- Persons receiving a gift of shares must be Alaskan Native. (Alaskan Natives are person's ¼ or more Eskimo, Indian or Aleut blood, or in the absence of proof, persons regarded as Alaska Native by their Native group. Descendants of Natives are defined as persons whose parents, grandparents etc. were ¼ or more Native if they were alive on 12/18/71, or who is an adopted child from a Native or descendant of a Native, who was adopted before the age of 18.)
- Once the shares are given away, they cannot be taken back.
- Shares can still be transferred to anyone named in a will. Such transfers are not limited to children, grandchildren, nieces, or nephews.
- Dividend or distributions for the transferred shares will belong to the person(s) who receive the gifted shares.
- Voting rights to the transferred shares belong to the person(s) receiving the gifted shares.
- You will be required to provide documentation proving the relationship to the persons you wish to give stock to. This will include a family tree, birth certificates, or adoption decrees.
- It is possible, but unlikely, that the IRS could consider the gift taxable to the person receiving the stock.

Please contact Shareholder Relations for more details on stock gifting at 442-3165.

Form # 1

STOCK GIFTING PROCEDURES

1. Verify the person requesting to gift stock is a Kikiktagruk Inupiat Corporation shareholder. BIA enrollment books.
2. Verify the identity of the shareholders by asking their social security number and birth date.
3. Review items 4, 5, 6, 7, & 8 from form two with the shareholder so they understand what the gift of shares means, including:
 4. They know that the stock may only be transferred to their child, grandchild, great grandchild, and niece, nephew, who is related by blood or adoption.
 5. That we require proof of relationship (using birth certificates and a family tree).
 6. That we will contact the person being given stock in writing for their approval.
 7. That the stock cannot be taken back; that the heirs to the recipient will inherit; that the recipient or custodian will vote the shares; that the recipient will receive any dividends paid.
 8. That the shareholder giving the shares did not receive anything in exchange for giving the shares.
9. Verify there is no check hold code for the shares (such as child support), which may affect the gifting of stock.
10. Write to each person named as a potential recipient to obtain the following:
 - a) Signed form to accept the stock (Form #3 or 4). This is mainly for the protection of adoptive parents who may not wish to have their child know about the biological family.
 - b) There may be other concerns and all recipients should have the right to refuse stock.
 - c) Signed Affidavit of Identity (Form #5).
 - d) Complete form W-9 if a new shareholder.
11. When all of the above have been received, complete the stock Gifting Transfer Form (Form #7).

Form #2

ACCEPTANCE OF THE GIFT OF STOCK

I understand that I am to receive _____ shares of stock as a gift from _____ . I hereby state that I have not transferred or promised anything of value to _____ in order to obtain these shares. If this gift is approved, I understand that I will become a shareholder in the Kikiktagruk Inupiat Corporation with the following rights and responsibilities:

1. At annual meeting time, I will be eligible for voting the shares I will own from this gift.
2. I will be responsible for the future ownership of this stock in that I may:
 - a) Give the stock to my child, grandchild, great grandchild, niece or nephew who is an Alaskan Native or of Alaska Native descent.
 - b) Complete this will on the reverse side of the stock certificate so that upon my death, the stock will be transferred to the heirs I have listed.
 - c) Decide not to complete a Will, with the result that upon my death, the inheritance laws of the State of Alaska will determine the heirs of to my stock.
3. At distribution or dividend time, I will receive a certain amount of money determined by the shares I will own from this gift.

I have read the above paragraphs and understand the rights and responsibilities associated with this gift of stock. My signature below indicates my acceptance of this gift from

_____.

Signature

Date

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____.

Notary Public in and for the State of Alaska

My Commission expires: _____

Form #3

CUSTODIAN'S ACCEPTANCE OF THE GIFT OF STOCK

I understand that MY CHILD, _____ is to receive _____ shares of stock as a gift from _____. I hereby affirm that I have not transferred or promised anything of value to _____ in order that my child would obtain these shares. If this gift is approved, I understand that my child will become a shareholder of Kikiktagruk Inupiat Corporation with the following rights and responsibilities:

- 1. At annual meeting time, I will be responsible for voting the shares of my child, _____, will own from this gift. Once my child has reached the age of 18, _____, (s)he may vote as (s)he chooses.
- 2. Also upon reaching the age of 18, _____ will be responsible for the future ownership of this stock in that (s)he may:
 - a) Gift the stock to my child, grandchild, great grandchild, and niece or nephew who is an Alaskan Native or of Alaska Native descent.
 - b) Complete the will on the reverse side of the stock certificate so that upon his/her death, the stock will be transferred to the heirs (s)he has listed.
 - c) Decide not to complete a Will, with the result that upon my death, the inheritance laws of the State of Alaska will determine the heirs to my stock.
- 3. At distribution or dividend time, my child will receive a certain amount of money determined by the shares (s)he will own from this gift.

I have read the above paragraphs and understand the rights and responsibilities associated with this gift of stock. My signature below indicates my acceptance of this gift, on behalf of my child, from _____.

Signature _____
Date

Custodian for: _____

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____.

Notary Public in and for the State of Alaska

My Commission expires: _____

**KIKIKTAGRUK INUPIAT CORPORATION
AFFIDAVIT OF IDENTITY**

Complete Name: _____

Have you ever used any other first or last names? (If yes, write in maiden name, other married names, and/or adoptive names)

Date of Birth: _____

Social Security Number: _____

Current Mailing Address: _____

Are you an Alaskan Native: () Yes () No () Uncertain

Is so, please indicate degree of Native blood (such as ½, ¼, 1/16 etc.): _____

Type Amount

() Eskimo _____

() Indian _____

() Aleut _____

Prior to this inheritance or gift, were you already enrolled to Kikiktagruk Inupiat Corporation either as an original shareholder or an heir to other Kikiktagruk Inupiat Corporation stock?

() Yes () No () I don't know

Are you enrolled to a Regional Corporation?

() Yes () No () I don't know

If so to which Corporation _____

Custodian's Signature

Date

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____.

Notary Public in and for the State of Alaska

My Commission expires: _____

**KIKIKTAGRUK INUPIAT CORPORATION
AFFIDAVIT OF IDENTITY (FOR MINORS)**

Child's Complete Name: _____

Has the child ever used any others first or last names? (If yes, write in maiden name, other married names, and/or adoptive names) _____

Child's Date of Birth _____ Custodian's Date of Birth _____

Child's Social Security Number _____ Custodian's Social Security Number _____

Child's Mailing Address _____ Custodian's Mailing Address _____

Is the child an Alaskan Native: () Yes () No () Uncertain

If so, please indicate degree of Native blood (such as 1/2, 1/4, 1/16 etc.): _____

Type Amount

() Eskimo _____

() Indian _____

() Aleut _____

Prior to this inheritance or gift, was the child already enrolled to Kikiktagruk Inupiat Corporation either as an original shareholder or an heir to other Kikiktagruk Inupiat Corporation stock?

() Yes () No () I don't know

If so to which Corporation _____

Custodian's Signature

Date

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____.

Notary Public in and for the State of Alaska

My Commission expires: _____

STOCK GIFTING TRANSFER FORM (CONT'D)

_____ Name Relationship	_____ Social Security Number
_____ Address Shareholder I.D.	_____ Number of Shares
_____ Date of Birth	_____ Voting/Non-Voting
_____ Custodian	_____ Custodian I.D.

Completed by: _____

Date Transferred: _____

Form #7

STOCK GIFTING TRANSFER FORM

Name of Shareholder Giving Stock: _____

Number of Shares: _____

Shareholder I.D.: _____

Certificate Number(s): _____

Stock Recipients:

(1)

_____	_____	_____
Name	Relationship	Social Security Number
_____	_____	_____
Address	Shareholder I.D.	Number of Shares
_____	_____	_____
Date of Birth	Voting/Non-Voting	
_____	_____	_____
Custodian	Custodian I.D.	Other Codes

(2)

_____	_____	_____
Name	Relationship	Social Security Number
_____	_____	_____
Address	Shareholder I.D.	Number of Shares
_____	_____	_____
Date of Birth	Voting/Non-Voting	
_____	_____	_____
Custodian	Custodian I.D.	Other Codes

(3)

_____	_____	_____
Name	Relationship	Social Security Number
_____	_____	_____
Address	Shareholder I.D.	Number of Shares
_____	_____	_____
Date of Birth	Voting/Non-Voting	
_____	_____	_____
Custodian	Custodian I.D.	Other Codes

REQUEST FOR STOCK GIFTING

I, _____, certify the following:

1. I am a shareholder of Kikiktagruk Inupiat Corporation (KIC). My social security number is _____. My current address is _____.
2. I own _____ shares of KIC stock.
3. I understand that I may give shares while I am still alive to my child, grandchild, great grandchildren, niece and/or nephew, who are related to me by blood or adoption.
4. I understand the person(s) who are to receive shares from me will be contacted in writing before the shares are transferred to get their approval.
5. I understand that I cannot take the shares back once they are given. Alaska's laws of inheritance will determine who receives the shares in the event of death of the person named above to which I have given shares. I will no longer have voting rights for the shares transferred. I understand I will no longer receive dividends or rights for the shares transferred. I understand I will no longer receive dividends or distributions for the shares transferred. The person(s) to whom I am giving shares will have full control over the shares, and the shares may be given to someone else, or sold if KIC's shares become marketable.
6. I hereby certify that I have not received anything of value nor was I promised anything in return for the shares I wish to give.
7. I authorize KIC to transfer shares, as my gift to the following person(s):

I HAVE ATTACHED THE APPROPRIATE BIRTH CERTIFICATES AND HAVE FILLED IN THE FAMILY TREE TO SHOW MY RELATIONSHIP TO THEM.

Name: _____

Address _____

Number of shares to be given: _____ / _____
Degree of Native Blood

Relationship: _____

Birthdate: _____ / _____
Social Security Number

Custodian's Name
(If under 18) _____