



STOCK ISSUANCE AND TRANSFER RULES

Adopted as of _____

Kikiktagruk Inupiat Corporation

The purpose of these Rules is to establish a systematic and orderly procedure for the issuance and transfer of the stock of Kikiktagruk Inupiat Corporation (“KIC” or “Corporation”). These rules are intended to implement the Articles of Incorporation and Bylaws of the Corporation, and the laws of the state of Alaska. In the event of a conflict between these rules and applicable law, the Articles and/or the Bylaws, the provisions of applicable law, the Articles and the Bylaws in that order shall be controlling.

Section 1: Application

- 1.1 **Applicable Only to Stock Originally Issue Under ANCSA.** These Stock Issuance and Transfer Rules (“Rules”) apply only to settlement common stock, as that term is defined in the Alaska Native Claims Settlement Act (“ANCSA”), as amended, which was originally issued by the Corporation pursuant to Section 8(c) of ANCSA. In the event the Corporation issues additional settlement common stock or other stock, these Rules shall be amended accordingly.
- 1.2 **Applicable Only So Long as the Restrictions on Alienation Apply.** These Rules apply only so long as the restraints on alienation of Settlement Common Stock found in ANCSA continue to apply. In the event the Corporation votes to terminate the alienability restrictions and issues Replacement Common Stock, these Rules shall be amended accordingly.

Section 2: Stock Issuance

- 2.1 **Resolution Authorizing Issuance.** All stock shall be issued in accordance with a resolution duly adopted by the Board of Directors of the Corporation. No stock shall be issued unless authorized by the Articles of Incorporation.
- 2.2 **Certificates.** Certificates shall be issued to all persons to whom stock has been issued. The certificates shall be in a form approved by the Board of Directors. The certificate shall be signed by the president and by the secretary/treasurer, and may be sealed with the seal of the Corporation or a facsimile thereof. The signatures of the officers may be facsimiles if the certificate is countersigned by a transfer agent or registrar, other than the Corporation itself or an employee of the Corporation. The certificate shall exhibit such information as may be required by law. In addition, all certificates issued after the adoption of these Rules shall exhibit the following legend:

The shares represented by this certificate are transferable only on the books of the Corporation by the holder thereof or by his or her duly authorized attorney or legal representative, upon surrender of this certificate properly endorsed or accompanied by the proper evidence of the succession, assignment or authority to transfer. The transfer, sale, assignment or alienation in any manner of the shares represented by this certificate and the voting, dividend and other rights belonging to such shares are subject to certain restrictions set forth in the Alaska Native Claims Settlement Act, the Articles of Incorporation and Bylaws of this Corporation, and any and all amendments thereto; to which restrictions the holder hereof assents by acceptance of this certificate.

- 2.3 **Stock Records Book.** The certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued.
- 2.4 **Will Forms.** The Corporation shall provide to each person to whom is issued one or more shares of stock in the Corporation a will form, in the form attached hereto as Exhibit A, for the purpose of allowing such person to make a testamentary disposition of their stock.

- 2.5 **Issuance of Stock to Minors.** Stock issued or transferred to a minor shall comply with the Uniformed Transfers to Minors Act (A.S.13.46.101 et seq.), and any successor statutes to the extent they apply to stock issued pursuant to ANCSA.
- 2.5.1 **Need for Custodian.** A custodian shall be appointed for all shareholders 18 years of age at the time the stock is transferred to them.
- 2.5.2 **Priority for Determining Custodian**
- 2.5.2.1 **Selection by Transferor.** So long as it is permissible under Alaska law for the person who is transferring stock to the minor child to determine the custodian, then the custodian shall be the person designated by such transferor, provided that such person accepts the custodianship. In the event the person does not accept, then if the transferor has provided for a successor custodian, such person shall become the custodian provided they accept the custodianship. If such person does not accept the custodianship, or if no successor custodian is designated by the transferor, then the custodian shall be determined in accordance with the priority set out in Subsection 2.5.2.2 below.
- 2.5.2.2 **Determination Pursuant to Statutory Priority.** In the event a custodian is not designated in the manner set out in Subsection 2.5.2.1 above, the custodian shall be selected in accordance with the following priority:
- (a) Such person, if any, as may be designated by the district or superior court of the State of Alaska;
 - (b) The legal guardian, if any, of the minor;
 - (c) A parent of the minor, as selected by the parents;
 - (d) An adult member of the minor's family, which may include a parent, stepparent, spouse, grandparent, brother, sister, uncle or aunt, whether of the whole blood or the half blood, or by adoption, or a member of the family with whom the minor has customarily lived.
- 2.5.3 **Notice to Potential Custodians.** On the basis of the information available to it, the Corporation shall attempt to determine the proper custodian for the minor shareholder. The Corporation shall send a letter to such potential custodian(s) outlining who is eligible to be the custodian. The Corporation shall include in the letter a Consent to Appointment as Custodian for ANCSA Stock, substantially the form attached hereto as Exhibit B. The letter shall inform the potential custodian that no stock may be issued or transferred to the minor until such time as a valid Consent to Appointment is received by the Corporation. The letter shall request the potential custodian, if amenable to accepting the custodianship, to sign the Consent to Appointment and return it to the Corporation, and if not amendable, to so inform the Corporation.
- 2.5.4 **Appointment of Custodian.** The Corporation shall designate the custodian in accordance with the priorities set out in Subsections 2.5.2.1 and 2.5.2.2 above from those persons who submitted a Consent to Appointment. The Corporation shall notify each person who submitted a Consent to Appointment of the person designated by the Corporation as custodian. In the event two or more persons of the same priority submit a consent to Appointment, the Corporation shall notify such individuals and request that they attempt to agree among themselves as to who should be the custodian. In the event they cannot agree, then the Corporation may either make the designation or refer the matter to a court of competent jurisdiction. In the event the Corporation is unable to determine who should be the custodian, or if the person who is required by law to be the custodian

refuses to accept the custodianship, the Corporation shall so advise all persons who submitted a Consent to Appointment, and request they resolve the issue in accordance with the provisions of Alaska law. At the option of the Corporation, it may file an action in any court of competent jurisdiction for a determination of the proper custodian.

- 2.5.5 Issuance of Stock. Upon receipt of a valid Consent to Appointment, or, if receiving more than one Consent, after determination of the proper custodian, the Corporation shall issue and/or transfer the stock and register it in the name of the custodian "as custodian for (name of minor child) under the Alaska Native Claims Settlement Act." No stock shall be issued to a minor until a Consent of Appointment is received by the Corporation.
- 2.5.6 Determination of Voting Rights. Stock issued or transferred to a custodian on behalf of a minor child shall carry voting rights only if the child is a Native or Descendant of a Native, as those terms are defined in ANCSA:

- 2.5.6.1 Definition of Native. Pursuant to Section 3(b) of ANCSA, a Native is defined as:
A citizen of the United States who is a person of one-fourth degree or more Alaska Indian (including Tsimsian Indians not enrolled in the Metlakatla Indian Community), Eskimo, or Aleut blood, or combination thereof. The term includes any Natives as so defined either or both of whose adoptive parents are not Natives. It also includes, in the absence of proof of a minimum blood quantum, any citizen of the United States who is regarded as an Alaska Native by the Native village or Native group of which he or she claims to be a member and whose father or mother is (or, if deceased, was) regarded as Native by any village or group. Any decision of the secretary regarding eligibility for enrollment shall be final.
- 2.5.6.2 Descendant of a Native. Pursuant to Section 3(r) of ANCSA, a Descendant of a Native is defined as:
- (a) a lineal descendant of a Native or of an individual who would have been a Native if such individual were alive on December 18, 1971, or
 - (b) an adoptee of a Native or a descendant of a Native, whose adoption
 - (1) occurred prior to his or her majority, and
 - (2) is recognized at law or in equity.

- 2.5.7 Receipt for Custodian Property. The Corporation shall receive a receipt from the custodian for all property issued to the custodian during the term of the custodianship. The Corporation may treat a canceled dividend or distribution check or a direct deposit confirmation as a receipt for the dividend or distribution. The Corporation may take such other steps as are necessary to facilitate the collection of receipts for custodian property.

2.5.8 Termination of Custodianship

- 2.5.8.1 Age of Minor for Termination
- (a) Custodianships created by will or inter vivos gift. Where the minor child has received the stock by will or inter vivos gift and a specific age for termination was stated in the will or gift documents, at the specific age, so long as it is between ages of 18 and 25.
 - (b) All other custodianships shall terminate when the minor child reaches the age of 18.

- 2.5.8.2 Transfers in Stock Records Book. The Corporation shall review its Stock Records Book monthly, before each distribution or dividend to be paid, and on the record date or date the Stock Records Book is closed for the annual meeting to determine whether any minor shareholders have reached the age at which their custodianship terminates. The Corporation will notify the custodian that the child has or will reach the age at which the custodianship terminates, and request the custodian to tender the stock certificate(s) to the Corporation. Upon receipt of the certificate, or if the certificate is not received by the Corporation, then, on or after the date of termination of the custodianship, the Corporation shall cancel the certificate and issue a new certificate in the name of the shareholder, and record the same in the Stock Records Book. If the Certificate was not received by the Corporation prior to its termination, then notice of such termination and reissuance shall also be given to the custodian.
- 2.5.8.3 Voting at Annual Meetings. In the event after the record date but prior to the date of a meeting of shareholders, a minor shareholder reaches the age at which a custodian is no longer required to hold the stock of such minor shareholder, then such custodianship shall be deemed terminated, but because the former minor shareholder was not of age as of the record date for the meeting, the former minor shall not be entitled to vote at the shareholder meeting. Any proxy granted or ballot cast by the custodian shall be valid.

Section 3: Stock Transfers

- 3.1 Restrictions on Transfers. Pursuant to Section 7 of ANCSA, settlement common stock may not be sold, pledged, subjected to a lien or judgement execution, assigned, treated as an asset under the bankruptcy or insolvency laws or otherwise alienated, except the stock may be transferred to a Native or a Descendant of a Native:
- (a) Pursuant to a court decree of separation, divorce or child support;
 - (b) By a holder who is a member of a professional organization, association, or board that limits his or her ability to practice his or her profession because he or she holds settlement common stock; or
 - (c) As an inter vivos gift from a holder to his or her child, grandchild, great-grandchild, niece, nephew, brother or sister.
- The Corporation shall make no transfers of stock except those permitted or required under law.
- 3.2 Voting Rights. Any stock transferred by the Corporation shall carry voting rights only if the transferee provides birth certificates or other documentation establishing that the transferee is a Native or a Descendant of a Native, as those terms are defined in the Alaska Native Claims Settlement Act and Section 2.5.6 of these Rules. When the transferee is a minor child, voting rights shall be determined on the basis of whether or not the child is a Native or a Descendant of a Native without regard to the race of the custodian. If the transferee is a Native or a Descendant of Native, the stock shall carry voting rights irrespective of whether the transferor had voting rights.
- 3.3 Transfers in Shares. Stock transferred by the Corporation shall be transferred only in whole shares to the recipients. If the Corporation is required to make an uneven allocation of whole shares, the allocation among the recipients shall be made by lot.

For purposes of this Section 3.3, the date of the transfer of stock by inheritance or by gift shall be the date upon which the ownership of the stock is transferred on the books of the Corporation.

3.4 Inheritance Transfers

- 3.4.1 Statutory Requirements. A.S. 13.16.705 governs inheritance determinations for ANCSA stock. That section provides that a Corporation shall determine the person or persons who are entitled to inherit the stock on the basis of an affidavit issued to it showing the right of the person entitled to the stock to receive it and have a new certificate issued. These Rules are designed to implement this section.
- 3.4.2 Testamentary Disposition Clauses. For purposes of these Rules, should a testamentary disposition clause be printed upon the back of the stock certificate, then it shall be considered a will form, and the rules and procedures governing will forms shall be applied to testamentary disposition clauses.
- 3.4.3 Determination for Basis for Inheritance. Upon learning of the death of a shareholder, the Corporation shall attempt to determine whether the stock is to pass by will, will form or under the intestacy laws of the state. The Corporation may send letters to known relatives, the Superior Court Clerk's Office of the judicial district in which the deceased lived, the magistrate of the community in which the deceased lived, and/or take any other action which the Corporation believes may reasonably lead to the discovery of a will or a will form and/or the identity of potential heirs.
- 3.4.4 Obtaining Copies of Will or Will Forms. The Corporation shall use its best efforts to obtain a copy of all wills and/or will forms. In addition, if a will provides for the transfer of stock to a trust, the Corporation shall use its best efforts to obtain a copy of the instrument creating the trust or, alternatively, a certificate of trust executed by the current trustee.
- 3.4.5 Transfers Pursuant to Will or Will Form
 - 3.4.5.1 Determination of Valid Will or Will Form
 - (a) Single Will or Will Form. In the event there is only one will or will form, the Corporation shall attempt to determine the validity of the will or will form. If the Corporation determines that the will or will form is valid, it shall use it as the basis for its inheritance determination. If the Corporation determines that the will or will form is invalid, it shall treat the deceased shareholder as having died intestate, and transfer the stock in accordance with the procedures outlined in Subsection 3.4.6 below.
 - (b) Multiple Wills and/or Will Forms. In the event there is more than one will and/or will form. The Corporation shall determine the validity of each. In the event the Corporation determines that only one of the wills or will forms is valid, it shall use such document as the basis for its inheritance determination. In the event there is more than one validly executed document, the Corporation shall make its inheritance determination in accordance with the terms of the validly executed document with the latest date that provides for the disposition of the Corporation's stock. A later dated, valid will shall be controlling over an earlier dated will form only if the later dated will specifically provide for the inheritance of the stock. If there are no validly executed documents, then the Corporation shall make its inheritance determination in accordance with the laws of intestacy, as provided in Subsection 3.4.6.
 - (c) Judicial Determinations. In lieu of making a determination as to the validity or priority of any document or documents, the Corporation may direct the executor or administrator of the will or estate, or the potential devisees or heirs, to seek judicial resolution of the matter.

- (d) **Effect of Corporation's Determination.** The determinations made by the Corporation pursuant to this section are solely for the purposes of fulfilling its obligations under A.S.13.16.705, and for no other purpose. Nothing in these Rules shall be construed to be legal determination as to the legality, validity or authenticity of any document, will, testamentary disposition or affidavit, or create a presumption or inference that any determination so made is a legal determination. Any person who relies on a determination made by the Corporation does so at his own risk, and the Corporation shall not be liable to any person for any decision except as specifically authorized by law. Any person aggrieved by a decision of the Corporation has the remedy set out in A.S.13.16.705.
- 3.4.5.2 **Transfers Pursuant to a Valid Will Form.** If the Corporation determines that a will form is the latest validly executed document which provides for the disposition of the Corporation's stock, then the Corporation shall notify each person who is listed on the will form of the number of shares which they will inherit. The Corporation shall also inform each person that they may renounce their inheritance, and shall send each person a renunciation form in accordance with the provisions of Subsection 3.4.5.3(a) below. After the period of time in which renunciations may be accepted by the Corporation, as set out in Subsection 3.4.5.3(c) below, has expired, the Corporation shall proceed to transfer the stock in accordance with the will form and any renunciations which have been received.
- 3.4.5.3 **Transfers Pursuant to a Will**
- (a) **Preliminary Determinations of Heirs.** The Corporation shall review the will to determine if it provides for the inheritance of the Corporation's stock. If it does provide for the inheritance of the Corporation's stock, either by specific bequest or through residuary clause, then the Corporation shall proceed in accordance with the procedures set out below. If it does not provide for the inheritance of the Corporation's stock, then the Corporation shall determine the proper heirs in accordance with the intestate procedures set out in Subsection 3.4.6.
- (b) **Affidavits.** The Corporation shall send an affidavit in the form attached hereto as Exhibit C and an explanatory letter to those persons who are listed as heirs in the will.
- (c) **Renunciation.** In addition to the affidavit, the Corporation shall send to each potential heir a letter explaining that the person, if they are determined to be an heir to the stock, may renounce their inheritance. The letter shall explain, to the best of the Corporation's knowledge, how the stock would be transferred in the event the person renounces their stock, and that the renunciation is not valid unless it is made within six (6) months of the death of the testator. The letter shall be accompanied by a renunciation form, attached hereto as Exhibit D. The renunciation form shall provide the person with the opportunity to make their relinquishment conditional upon the relinquishment by other, named heirs. The Corporation shall honor all properly executed Renunciation Forms which are made within the prescribed time limit which are not subject to any conditions, and shall honor all properly executed Forms made within the time limit which are subject to conditions upon the fulfillment of all conditions.
- (d) **Affidavit of Trustee.** A will may be provided for the transfer of stock to a trust. If a will provides for some or all of a decedent's stock to be transferred to a trust or trusts, the Corporation shall send an affidavit of trustee in the form attached hereto as Exhibit E and an explanatory letter to the current trustee of each trust. If a trust has no current trustee or the Corporation is unable to identify or locate the current trustee, the Corporation shall send a letter to the beneficiaries of the trust requesting that they take appropriate action for the appointment of a trustee.

- (e) **Conflicting Affidavits.** In the event the Corporation receives affidavits listing conflicting heirs, or in the event the affidavits conflict with the heirs as listed in the will, then the Corporation shall notify all persons who submitted affidavits, all persons who are named as heirs in any affidavit, and all persons who are named as heirs in the will, and see if they can agree on the proper heirs. In the event an agreement is reached which the Corporation believes is proper, all such persons shall submit revised affidavits. In the event an agreement is not reached, or in the event an agreement is reached but the Corporation believes that such agreement does not provide for the transfer of the stock to the proper heirs, then the Corporation may, in its discretion, refuse to transfer the stock, and direct the individuals involved to file suit in Superior Court to determine the proper heirs.

3.4.5.4 Distribution from Trust

- (a) **Affidavit for Distribution of Stock from Trust.** If the trustee determines that the trust requires a distribution of stock to a beneficiary or that, in the exercise of the trustee's discretionary authority under the trust, stock should be distributed to a beneficiary, the trustee may request that the Corporation transfer the stock to the beneficiary. Upon receipt of such a request, the Corporation shall send the trustee an affidavit for distribution from trust in the form attached hereto as Exhibit F.
- (b) **Transfer of Stock to Beneficiary.** Upon receipt of a properly executed affidavit for distribution from trust by the trustee requesting the transfer, the stock will be transferred to the beneficiary unless the Corporation determines such transfer would not be in accordance with the terms of the trust.
- (c) **Treatment as Inheritance Transfer.** The distribution of stock from a trust to a beneficiary shall be treated as part of the Corporation's inheritance transfer under 43 U.S.C. subsection 1606(h)(2) and A.S. 13.16.705. Any person aggrieved by a decision of the Corporation has the remedy set out in A.S.13.16.705.
- (d) **Judicial Resolution.** If the Corporation determines that a requested distribution of stock is not in accordance with the terms of the trust or that the trustee is refusing to make a required distribution, then the Corporation may, in its discretion, direct the individuals involved to file suit in Superior Court or may initiate its own suit to determine the proper distribution of stock.

3.4.6 Intestate Transfers

- 3.4.6.1 **Application of Rules of Intestate Succession.** The Corporation shall determine the heirs of stock in accordance with the rules of intestate succession when (i) the person dies intestate and/or no will or will form can be located; (ii) the person has a will or will form, but it is invalid for any reason; or (iii) the person has a valid will, but it does not provide for the inheritance of the Corporation's stock, either by direct bequest or through the residuary clause.
- 3.4.6.2 **Determination of Preliminary Heirs.** The Corporation shall attempt to determine, on the basis of information in its possession or readily available to it, the potential heirs of the deceased shareholder. The Corporation shall send a questionnaire, in the form attached hereto as Exhibit G, and affidavit to such potential heirs, requesting further information regarding the deceased heirs.

- 3.4.6.3 **Renunciation.** The Corporation shall also send to each potential heir a renunciation form and explanatory letter and shall comply with the procedures specified in Subsection 3.4.5.3(c) above.
- 3.4.6.4 **Transfer of Stock.** Upon receipt of properly executed affidavits, then, unless the Corporation has reason to believe that the person or persons named therein are not the proper heirs; the Corporation shall transfer the stock in accordance with the affidavits.
- 3.4.6.5 **Review of Information, Requests for Supplemental Information.** In the event the Corporation receives incomplete affidavits, or conflicting affidavits or information, or in the event that the Corporation for any reason questions the correctness of any information or affidavit it receives, the Corporation shall notify all interested parties and may request further information supplementing or supporting the affidavit(s). The Corporation shall delay transferring the stock until it receives the requested information.
- 3.4.6.6 **Conflicting Affidavits.** In the event the Corporation receives affidavits listing conflicting heirs, or affidavits listing as heirs the persons whom the Corporation believes are not the proper heirs under the laws of intestate succession, then the Corporation shall notify all persons who submitted affidavits and all persons who are named as heirs in any affidavit, and attempt to get them to agree as to the proper heirs. In the event an agreement is reached which the Corporation agrees is proper, all such persons shall submit revised affidavits naming the agreed-upon heirs, and the Corporation shall transfer the stock in accordance with such affidavits. In the event an agreement is not reached, or in the event an agreement is reached but the Corporation believes that such agreement does not provide for the transfer of the stock to the proper heirs, then the Corporation may, in its discretion, refuse to transfer the stock, and direct the individuals involved to file suit in Superior Court to determine the proper heirs.
- 3.4.7 **Treatment of Dividends and Distributions Pending Transfer of Stock.** All dividends and distributions, including but not limited to distributions made pursuant to Section 70) of ANCSA, which the Corporation makes between the date the Corporation learns of the death of a shareholder and the date the stock is transferred to the heirs, shall be placed in a trust account. The Corporation may commingle the dividends and distributions, but shall keep an accurate record of the deposits, any interest accruing thereon, and the disbursements. Upon transfer of the stock, the dividends and distributions, together with any accrued interest thereon, shall be distributed to the transferee of the stock, together with an accounting of the same.
- 3.4.8 **Suspension of Voting Rights.** Upon the death of a shareholder, the stock shall cease to have voting rights unless and until it is transferred to and registered in the Stock Records Book in the name of a Native or a Descendant of a Native.
- 3.4.9 **Escheat of Stock to Corporation.** If no heirs, claimants or other devisees of a deceased shareholder can be located by the Corporation, using reasonable diligence, for a period of seven (7) years after the death of the shareholder, then the Board of Directors, by resolution, may declare that the stock escheat to the Corporation. In the event of such stock escheat, the shares shall be transferred to the Corporation on the Stock Records Book and be held by the Corporation as non-transferable, non-voting Treasury Stock. Such shares shall not be entitled to any distributions made by the Corporation but shall be included in the determination of distributions under Sections 7(G) and 7(k) of ANCSA.

Notwithstanding any other provision of this Section 3.4.9; if after such stock has escheated to the Corporation, heirs or other devisees of the shareholder who held such stock at the time of his or her death are identified by or become known to the Corporation, then the Board may issue to such heirs the number of shares of treasury stock to which they would have been entitled had their inheritance

been determined prior to the escheat of the stock. In making such determination, the provisions of these Rules shall govern. No such transfer of treasury stock shall entitle the transferee thereof to any dividends paid or other distribution made for such shares except for those distributions made and dividends paid after the effective date of the issuance of such treasury stock to the transferee.

3.5 Inter Vivos Gifts

3.5.1 Persons to Whom Inter Vivos Gifts May Be Made. A shareholder may make an inter vivos gift of some or all of the person's stock to a child, grandchild, great-grandchild, niece, nephew, brother or sister so long as the recipient is a Native or a Descendant of a Native and the owner (including the beneficial owner) of the stock has reached the age of majority as defined by the laws of the State of Alaska. A gift may not be made by a custodian of the stock held by such individual in their capacity as a custodian.

3.5.1.1 Execution of Gifting Documents. The person shall fill out and deliver to the Corporation a questionnaire, in the form attached hereto as Exhibit H, together with such additional documents as may be requested therein, to provide the Corporation with the information necessary to determine that the gift meets the requirements of ANCSA and to complete the Stock Records Book. Such additional documents shall include the birth certificate of the recipient of the stock, or, if adopted, the adoption decree, and such other birth certificates as are necessary to demonstrate that the recipient is a child, grandchild, great-grandchild, niece, nephew, brother or sister of the person making the gift (hereinafter referred to as "transferor").

- (a) If the recipient is a child, the birth certificate of the child will be sufficient.
- (b) If the recipient is a grandchild, the birth certificate of the grandchild and of the grandchild's parent who is the child of the transferor must be provided.
- (c) If the recipient is a great-grandchild, the birth certificate of the recipient's parent who is the grandchild of the transferor and the birth certificate of the recipient's grandparent who is the transferor's child must be provided.
- (d) If the recipient is a niece or nephew, a copy of the transferor's birth certificate, the recipient's birth certificate, and the birth certificate of transferor's sister or brother who is the parent of the recipient.
- (e) If the recipient is a brother or sister, a copy of the transferor's birth certificate, the birth certificate of the recipient, and the birth certificate of the recipient's Native or Descendant of Natives parent's birth certificate if the recipient and transferor do not have the same parents.

The person shall fill out and submit to the Corporation a "Gift of Settlement Common Stock" form, in the form attached hereto as Exhibit I and incorporated herein by reference. The person shall also submit the person's stock certificate for the stock which will be transferred. If the recipient is a minor child, the procedures for appointing a custodian set out in Subsection 2.5 of these Rules shall be followed.

3.5.1.2 Review of Information. Upon receipt of the information specified above, the Corporation shall review the material and determine whether the gift is authorized under ANCSA. In the event the gift is authorized, the Corporation shall send the recipient an Acceptance of the Gift of Stock, in the form attached hereto as Exhibit J. In the event the gift is to a minor child, a custodian shall be appointed in accordance with the provisions of Subsection 2.5, and the Corporation shall send the custodian a custodian's acceptance of the gift of stock,

in the form attached hereto as Exhibit K. Upon receipt of the acceptance, the Corporation shall register the transfer in the Stock Records Book of the Corporation. The Corporation shall cancel the transferor's certificate and shall issue a new certificate to the recipient representing the number of shares transferred to the recipient. In the event the transferor has transferred to recipient less than all of the shares represented by the certificate tendered by transferor, the Corporation shall issue the transferor a new certificate representing the difference between the number of shares represented by transferor's original certificate and the number of shares transferred to the recipient. The Corporation shall also deliver the executed gift of settlement common stock form to the recipient. Notwithstanding provision hereof, the Corporation will not recognize the validity of an inter vivos gift of shares held by a custodian which is made by such custodian unless such gift is authorized by a final order of a court of jurisdiction, and a certified copy of such order is provided to the Corporation.

- 3.5.1.3 **Inter Vivos Gift by Custodian, Guardian or Conservator.** Notwithstanding any provision hereof, an inter vivos gift of shares held by a custodian, guardian or conservator, shall not be recognized by the Corporation and title to such shares shall not be transferred unless such gift is authorized by a final order of a court of jurisdiction and a certified copy of such order has been provided to the Corporation.
- 3.5.1.4 **Invalid Inter Vivos Gifts.** In the event the Corporation determines that the recipient is not entitled under ANCSA to receive an inter vivos gift, or that the transferor is not authorized to make such inter vivos gifts. The Corporation shall so inform the transferor and the recipient, and shall return to the transferor the materials submitted by transferor.
- 3.5.2 **Transfers by Endorsement and Delivery.** A shareholder may legally gift some or all of their stock to a person legally entitled to receive it by endorsement of the stock certificate or execution of a gifting document and delivery of the stock certificate and the gifting document, if any, to the recipient. The recipient may seek registration of the stock in their name by forwarding the stock Certificate and any gifting document to the Corporation for registration.
 - 3.5.2.1 **Procedure for Obtaining Registration.** Upon receipt of the stock certificate and any gifting document, the Corporation shall forward to such person the questionnaire referenced in Subsection 3.5.2.1 above, and request that they fill it out and provide the birth certificates and other documents referenced therein. If the recipient is a minor child, the Corporation shall also forward to the recipient the materials specified in Subsections 2.5.3 and 2.5.4 in order that a custodian may be appointed.
 - 3.5.2.2 **Review of Documents and Registration of Transfer.** Upon receipt of the information required by Subsection 3.5.2 above and, if the recipient is a minor child, the information required by Subsections 2.5.3 and 2.5.4, the Corporation shall review the material and determine whether the recipient meets the requirements of ANCSA for recipients of inter vivos gifts. If the recipient meets the requirements of ANCSA, the Corporation shall proceed to register the stock in the name of the recipient in the Stock Records Book of the Corporation and issue a new Certificate in the name of the recipient representing the shares transferred. To the extent the number of shares transferred is less than the number of shares represented by the transferor's certificate presented to the Corporation, the Corporation shall cancel the transferor's certificate and issue the transferor a new certificate representing the number of shares owned by the transferor after the transfer occurred. To the extent that the recipient is not entitled under ANCSA to receive an inter vivos gift, the Corporation shall so inform the recipient and the transferor. The Corporation shall return any document purporting to make a gift of the stock to the transferor. If the transferor's stock certificate has not been endorsed, the Corporation shall return it to the transferor. If the certificate

was endorsed, then the Corporation shall cancel the certificate and issue a replacement certificate to the transferor for the number of shares represented by the old certificate.

3.5.3 **Rescission of Inter Vivos Gift.** In its sole discretion, the Board of Directors may authorize the rescission of an inter vivos gift made pursuant to the provisions of this Section 3.5. Such action by the Board shall occur only if the original transfer arose from a mutual mistake regarding the donor's and recipient's understanding of the consequences of the gift. The Board's determination shall be based upon the information to be submitted pursuant to this subsection.

3.5.3.1 **Procedure for Obtaining Rescission.** The donor and the **done** shall file with the Corporation an application for the rescission of within three (3) years from the date the stock, which was gifted, was transferred on the books of the Corporation. Such application shall utilize a form provided by the Corporation and shall be executed by the donor and recipient (except as provided herein) and attested to by a notary public. Such application shall set out the circumstances giving rise to the gift and the reason for the requested rescission, among other information.

3.5.3.2 **Release and Indemnification.** Any rescission authorized pursuant to this Section 3.5.4 shall be contingent upon the donor and **done** executing and release of all claims which they may have against the Corporation for making the first transfer or for rescinding it, a waiver by the donor with respect to its rights to any payments for distributions made prior to the rescission and waiver by recipient of its rights to any distributions made after the rescission.

3.5.3.3 **Minor Recipient.** Should the recipient of a transfer sought to be rescinded pursuant to this section be a minor, then the application release and waivers shall be executed by both of the parents of the recipient if such parents are alive and if not by the recipient's guardian, and by the custodian of the recipient's stock who was appointed pursuant to these Rules, if the custodian is not also a parent or guardian of recipient. If the recipient has attained the age of 16 years, the recipient shall also execute the application.

3.5.3.4 **Processing Rescission.** Should the Board of Directors authorize the rescission of an inter vivos gift, then the Corporation shall transfer to donor on the Corporation's stock record books the ownership of the stock, which had been gifted to the recipient by donor. The rescission shall be effective as of the date of its approval by the Board of Directors.

3.6 **Transfers Pursuant to Court Decree.** Pursuant to ANCSA, settlement common stock may also be transferred to a Native or a Descendant of a Native pursuant to a court decree for separation, divorce or child support. Upon receipt of a court decree ordering transfer of the stock and the stock certificate representing such shares, the Corporation shall transfer the stock to the person or persons named in the decree. If the transferee is a minor child, the Corporation shall comply with the procedures for designating a custodian set out in Subsection 2.5 above.

3.7 **Transfers by Persons When Necessary to Practice Their Profession.** Pursuant to ANCSA, settlement common stock may also be transferred to a Native or a Descendant of a Native who is a member of a professional organization, association or board that limits his or her ability to practice his or her profession because he or she holds settlement common stock. A person requesting such a transfer shall submit the following to the Corporation:

- (a) Such documentation as the Corporation deems appropriate showing that the transfer of such person's stock is necessary to allow that person to practice their profession;

- (b) Documentation establishing that the person to whom the transfer is proposed is a Native or a Descendant of a Native.
- (c) The person's stock certificate. Upon receipt of satisfactory information demonstrating that the transfer is necessary to allow the person to practice their profession and that the proposed transferee is a Native or a Descendant of a Native, the Corporation shall proceed to transfer the stock to the proposed transferee, and shall cancel the old certificate and issue a new certificate in the name of the transferee. If the transferee is a minor, the Corporation shall comply with the Subsection 2.5 of these Rules governing the appointment of a custodian for the minor.
- 3.8 Registration and Issuance of Stock Certificate. For all stock transferred pursuant to this section, the Corporation will register the stock in the name of the individual in the Stock Records Book of the Corporation and issue a certificate for the shares as provided in Subsection 2.2 of these Rules. In the event the individual receiving the stock is a minor, then the Corporation shall comply with the procedures for appointing a custodian for the stock and registering the stock in the custodian's name, as provided in Subsection 2.5 above.
- 3.9 Replacement of Certificates After Transfer. The Corporation shall encourage existing shareholders who are transferred additional shares of stock to turn in their stock certificate(s) to the Corporation prior to the transfer, so that the Corporation may cancel their existing certificate(s) and issue a new certificate representing the total number of shares owned by the shareholder after the transfer.
- 3.10 Consolidation of Shares in Single Certificate. A shareholder may at any time submit to the Corporation two or more stock certificates, and request the corporation to cancel them and reissue a single certificate for all the shares represented by such certificates.

Section 4: Mutilated, Lost, Stolen or Destroyed Certificates

- 4.1 Mutilated Certificates. Should a shareholder desire the replacement of a mutilated certificate, he or she shall so inform the Corporation in writing, and tender the outstanding mutilated certificate. Upon receipt of these items, the Corporation shall issue a replacement certificate to the shareholder.
- 4.2 Lost, Stolen, or Destroyed Certificates. A shareholder who has had their certificate lost, stolen or destroyed shall submit to the Corporation an affidavit, in the form attached hereto as Exhibit L setting forth information concerning the certificate and how it was lost, stolen or destroyed, together with such fee as may time to time be adopted by the Board of Directors. If the Corporation deems the affidavit to be credible, the Corporation shall issue a replacement certificate to the shareholder.

Section 5: Changes in Stock Register

- 5.1 Change of Name. A shareholder who wishes to have his or her name changed in the Stock Records Book shall submit to the Corporation a certified copy of the court order or other legal document authorizing the name change together with the shareholder's outstanding certificate(s). Social Security cards will not be considered satisfactory legal evidence of a name change. Upon receipt of these materials, the Corporation shall change the name of the shareholder in the Stock Records Book, cancel the old certificate(s) and issue a replacement Certificate in the shareholder's new name.
- 5.2 Change of Address. Upon receipt from a shareholder of notice of a change of address, or, upon receipt from another of a change in a shareholder's address, after confirmation with the shareholder, the Corporation shall enter the corrected address in the Stock Records Book.

Section 6: Miscellaneous

- 6.1 **Amendment.** These Rules may be amended from time to time by resolution of the Board of Directors of the Corporation.
- 6.2 **Liability.** Nothing in these Rules shall be construed to create any liability to any individual or any right of action on behalf of any individual except as specifically authorized by law.

APPROVED AND ADOPTED this ____ day of _____, 20____ at Kotzebue, Alaska.

ATTEST:

Secretary

Chairman