

KIKIKTAGRUK INUPIAT CORPORATION  
P.O. BOX 1050  
KOTZEBUE, ALASKA 99752

PROXY INSTRUCTIONS AND STATEMENT

Annual Meeting  
November 12<sup>th</sup> at 5:30 PM  
Virtual Meeting  
(pre-recorded)

**KIKIKTAGRUK INUPIAT CORPORATION**  
**P.O. BOX 1050**  
**KOTZEBUE, ALASKA 99752**  
**Phone (907) 442-3165, Fax (907) 442-2165**

The enclosed Proxy Card is solicited by the Board of Directors of Kikiktagruk Inupiat Corporation (“KIC”) for the Annual Meeting of Shareholders on November 12, 2020, at 5:30 P.M. You may view the meeting electronically via a link provided at <http://kikiktagruk.com>. To assure your representation at the Annual Meeting, you are urged to submit the Proxy Card to Hutchings & Associates, the certified public accounting firm that serves as the election judge. You may also e-vote your proxy at [KICvote.com](http://KICvote.com). Whether you return the Proxy Card or e-vote, your proxy must be received by the election judge by 5:00 P.M. on November 9, 2020. You may confirm that the election judge has received your proxy by contacting Hutchings & Associates by telephone at 907-563-2727 or by email at [rod@ha-akcpa.com](mailto:rod@ha-akcpa.com).

Due to public health concerns, this year’s annual meeting will be a pre-recorded virtual meeting. The meeting will take place entirely by electronic communication. There will be no in-person voting on the day of the meeting. More information about the virtual meeting can be found in the notice of the annual meeting.

**PROXY COMMITTEE**

The Board of Directors has appointed a Proxy Committee consisting of members of the Board who are not up for election. The members of the Proxy Committee are: Cheryl Edenshaw; Daisy Lambert; Harold Lambert; Kathleen Sherman; Martin Shroyer; and Claude Wilson, Jr. If you give your proxy to the Proxy Committee, the committee is responsible to have your proxy voted the way you mark it.

**REVOCAION OF PROXIES**

You may revoke your proxy by filing a written revocation with the election judge or by timely filing a later-dated proxy with the election judge. KIC encourages all Shareholders to submit a paper proxy or vote online.

**VOTING SHARES**

The record date for determining those shareholders eligible to vote was September 25, 2020. On that date, KIC had 183,279 shares of stock outstanding and entitled to be voted, and there are (number of shares x 2) cumulative votes for Board directors. For each share you own (or hold as custodian for a minor under the age of 18) you may cast one vote for each matter voted on. **EXAMPLE:** Since two directors are to be elected, if you own 100 shares, you have 200 total votes (100 x 2 = 200). Shareholders may exercise cumulative voting rights when voting for directors. Therefore, you may distribute your total number of votes any way you wish.

Continuing with the example in the preceding paragraph in which you had 200 votes, you may cast all 200 votes for one candidate, or cast 100 votes each for two of the candidates, or divide your votes any other way you choose. If you use check marks rather than specifying the number

of votes for each candidate, your votes will be divided equally among the candidates whom you check.

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

Enclosed in this packet is the KIC Annual Report. The Annual Report covers the operations and audited consolidated financial statements of KIC for the fiscal year 2019, which ended on December 31, 2019. KIC's independent principal certified public accounting and audit firm was BDO of Anchorage, Alaska. Representatives of BDO are not expected to participate in the virtual meeting. In addition to auditing the financial statements of KIC, BDO was also engaged to advise on tax matters, prepare tax returns, and provide accounting assistance. Approximately 29.4% of the fees paid to BDO were for non-audit services.

## **PROXY SOLICITATION**

The cost of this proxy solicitation is borne by KIC. Solicitations will be made by use of mail, except that directors, officers, and employees of KIC may make solicitations of proxies by telephone or by personal contact. In addition, in order to ensure that a quorum is present at the Annual Meeting of Shareholders, radio, television, and newspaper advertisements may be used. The cost of this proxy solicitation is not expected to exceed amounts which the corporation would normally spend on a solicitation for an election of directors and the salaries and wages of regular employees and officers.

## **SPECIAL PROXY SOLICITATION, INSTRUCTIONS**

If you plan to campaign for votes or solicit proxies for the Annual Meeting of Shareholders, please be aware that the solicitation of proxies for Alaska Native corporations is regulated by Alaska law. Administrative regulations regarding the solicitation of proxies are in force (3 Alaska Administrative Code 08.305-08.365). A violation of these regulations could result in the State of Alaska issuing sanctions or invalidating proxies obtained in violation of the law. Alaska laws require that you include certain disclosures in your proxy solicitations. In addition, Alaska law requires that you file with the State of Alaska, Department of Commerce, Community, and Economic Development, Division of Banking and Securities certain proxy solicitation materials. There is information concerning the proxy solicitation requirements at the following web address: <https://www.commerce.alaska.gov/web/dbs/anca.aspx>. For questions concerning the regulation of proxy solicitations, you may contact the Division of Banking and Securities toll-free at (888) 925-2521, by email at [anca@alaska.gov](mailto:anca@alaska.gov), or at the following address: 550 W. 7<sup>th</sup> Ave Suite 1850, Anchorage, Alaska 99501.

## **BOARD OF DIRECTORS**

The Bylaws of KIC provide that the Board of Directors will consist of seven members who will serve three-year staggered terms. At this year's Annual Meeting of Shareholders, you will be electing two Board members for terms expiring in 2023. The two nominees with the highest number of votes will be placed in the seats. The KIC Board of Directors invited shareholders to apply for inclusion on the board solicited proxy and all eligible shareholders who applied were

accepted for inclusion. The following nominees and directors of the corporation have made assurances that they have no convictions or pending criminal proceedings, excluding traffic offenses or other minor offenses, and have not been in bankruptcy, have not been subject to the appointment of a receiver, and have not been found in a civil action to have engaged in unethical business practices, violated fiduciary duties, or violated securities laws in the past ten years. The following are a list of nominees that have agreed to serve and directors whose terms continue beyond the date of the 2020 Annual Meeting of Shareholders:

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### NOMINEES FOR ELECTION AS DIRECTORS

**Norman B. Flood, Jr.**, age 59, Juneau, Alaska. Norman has worked for Goldbelt, Inc. for the last 28 years and he currently holds the position as Executive Assistant to the Board of Directors.

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**Derek B. Haviland Lie**, age 33, Kotzebue, Alaska. Derek has worked as a Housing Assistant for Maniilaq Association, and has also worked for the Northwest Arctic Borough Planning Commission and the City of Kotzebue Planning Commission. Derek previously worked for KIC as an Assistant Properties Manager and a Fuel Truck Driver.

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**Lance N. Kramer** (incumbent), age 49, Kotzebue, Alaska. Lance is currently a member of the Board of Directors for KIC and for NANA Regional Corporation. Lance previously served on the Board of Directors for KIC from 2018-2020. Lance is a Pastor at Change Point Kotzebue – Grace Community Church. Lance also serves as the Chair on the Kotzebue Sound Subsistence Advisory Council and serves on the Kotzebue Sound Fisherman’s Association Board. He is a commercial fisherman, has appeared as a talent for National Geographic, and has worked as both the Trespass Supervisor and the Senior Director of Lands for NANA Regional Corporation. In 2019, Lance attended 11/12 of the Regular Board Meetings, 5/6 of the Special Board Meetings, and 11/14 of the Committee Meetings. All absences were excused absences. Lance attended more than 84% of all meetings of the Board and the committees on which he served.

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**Erica Doreen Nelson**, age 45, Kotzebue, Alaska. Erica has been employed as the Recruiter/Administrator for the Alaska Technical Center since October 2017 to the present. Her prior employment for 12.5 years was with the Robert Aqqaluk Newlin Sr. Memorial Trust. In 2014-2017 she was elected to serve on the NWABSD Board of Education and held the executive position of Parliamentarian until her term ended.

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**Hiram Walker, Sr.**, age 64, Kotzebue, Alaska. Hiram has been employed with the Northwest Arctic Borough as a Project Manager for the past 3 ½ years.

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### **KIC Directors whose term will continue until the annual meeting in 2021**

**Cheryl “Argagiaq” Edenshaw**, age 65, Kotzebue, Alaska. Cheryl is employed by the Northwest Arctic Borough School District as the Director of the Alaska Technical Center. She also serves on the Alaska Workforce Investment Board. Her past affiliations include service on the Kotzebue Advisory School Council, Native Village of Kotzebue, City of Kotzebue and Aqqaluk Trust. Cheryl is currently the Vice-Chair of the Kikiktagruk Inupiat Board of Directors. In 2019, Cheryl attended 12/12 of the Regular Monthly Board Meetings, 6/6 of the Special Board Meetings, and 14/14 of Committee Meetings. Cheryl attended more than 100% of all meetings of the Board and the committees on which she served.

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**Daisy Ann “Agvan” Lambert**, age 61, Kotzebue, Alaska. Daisy attended and graduated from Kotzebue High School. From 1977-1978, she attended Everett Business College and received a certificate as a Full Charge Bookkeeper. Daisy is currently employed by Maniilaq Association as a Senior Accountant. In the past several years, her employment included Accountant I with the Northwest Arctic Borough School District, General Manager with KIC Facilities Management, Travel Clerk with TECK Alaska, and Senior Accounting Technician II with Maniilaq Association. Past affiliations include sitting on the Northwest Arctic Borough School District Board of Education for nine years, Kotzebue City Council for three years, Native Village of Kotzebue Council for three years, Northwest Inupiat Housing Authority Board of Commissioners for three years, Kotzebue Advisory School Council for three years, Kotzebue Women’s City League President and Kotzebue Softball Association Treasurer. Daisy currently serves as the Treasurer of Kikiktagruk Inupiat Corporation. In 2019, Daisy attended 12/12 of the regular Board Meetings, 6/6 of the Special Board Meetings, and 14/14 of Committee Meetings. Daisy attended 100% of all meetings of the Board and the committees on which she served. Daisy Lambert is the sister of director Harold Lambert.

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**Claude Wilson, Jr.**, age 55, Kotzebue, Alaska. Claude currently works as a Power Plant Supervisor for the Kotzebue Electric Association. In 2019, Claude attended 11/12 of Regular Board Meetings, 6/6 of Special Meetings, and 14/15 of Committee Meetings with two excused absences. Claude attended more than 93% of all meetings of the Board and the committees on which he served.

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**KIC Directors whose term will continue until the annual meeting in 2022.**

**Harold Ikitchiq Lambert**, age 60, Kotzebue, Alaska. Harold currently works for OTZ Telephone as a Lineman/OSP Supervisor. He has worked with OTZ Telephone for 24 years. His past employment includes 17 years at the Kotzebue Electric Association as a Power Lineman, and Heavy Equipment for NANA Oilfield Services. He is a member of the Kotzebue Lions Club, has served as a Board member for the Kotzebue Electric Association for the past 15 years, and is a member of the Northwest Arctic Borough Planning Commission. In 2019, Harold attended 12/12 of the Regular Board Meetings, 6/6 of the Special Board Meetings, and 15/15 of the Committee Meetings. Harold attended more than 100% of all meetings of the Board and the committees on which he served. Harold Lambert is the brother of director Daisy Lambert.

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**Kathleen Napaaqtuq Sherman (Uhl)**, age 49, Kotzebue, Alaska. Kathleen is currently employed as a Program Technician with the State of Alaska, Department of Fish and Game. She previously worked as the Senior Executive Assistant for NANA Regional Corporation. Kathleen is a member of the Northwest Arctic Borough School Board. She has served on the Kikiktagruk Inupiat Corporation Board of Directors since 2014 and is currently the Secretary. In 2019, she attended 12/12 of the Regular Board Meetings, 6/6 of the Special Board Meetings, and 15/15 of the Committee Meetings. Kathleen attended 100% of all meetings of the Board and the committees on which she served.

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**BOARD LEADERSHIP, STRUCTURE, AND ATTENDANCE POLICY**

Each year, after the annual meeting of shareholders, the Board of Directors meets to select its officers including the chair, the secretary, and treasurer. Attendance is taken at the beginning of each Board meeting and noted in the minutes.

**2019 STANDING COMMITTEES OF THE BOARD**

The Board may establish committees of the Board. Members of the committees are designated by the Chair.

**Finance Committee**

KIC's Finance Committee, chaired by Daisy Lambert, performs various functions relating to financial matters of the corporation. The other members of the Finance Committee are Cheryl Edenshaw, Kathleen Sherman, Harold Lambert, Claude Wilson, Jr., Martin Shroyer, and Lance Kramer. The committee held 9 meetings during the last fiscal year.

**Policy Committee**

KIC's Policy Committee, chaired by Kathleen Sherman, reviews and approves policies and certain standard operating procedures of the corporation. The other members of the Policy Committee are

Cheryl Edenshaw, Lance Kramer, Daisy Lambert, Harold Lambert, and Claude Wilson Jr. The committee held 2 meetings during the last fiscal year.

### **Land Committee**

KIC's Land Committee, chaired by Harold Lambert, reviews land policies, land sales, and land purchases. The other members of the Land Committee are Cheryl Edenshaw, Daisy Lambert, Kathleen Sherman, Martin Shroyer, Lance Kramer, and Claude Wilson, Jr. The committee held 5 meetings during the last fiscal year.

### **Government Services Committee**

KIC's Government Services Committee, chaired by Cheryl Edenshaw, reviews 8(a) business development opportunities, as well as current projects. The other members of the Government Services Committee are Martin Shroyer, Claude Wilson Jr., Daisy Lambert, Harold Lambert, and Kathleen Sherman. The committee did not have a formal meeting during the last fiscal year.

## **TRANSACTIONS BETWEEN KIC AND OTHER ENTITIES**

KIC has a wind farm lease with Kotzebue Electric Association ("KEA"). In 2019, the total amount KIC received from KEA for the wind farm lease was \$24,557.56. Martin Shroyer and Claude Wilson are employed by KEA. Harold Lambert is a board member of KEA.

## **REMUNERATION OF OFFICERS AND DIRECTORS**

The following table states the remuneration distributed or accrued to each of the five most highly compensated directors or officers during the calendar year that ended December 31, 2019:

<b>Name:</b>	<b>Position/Company:</b>	<b>Total Remuneration:</b>
Thomas Kennedy	CEO – KIC	\$ 351,895
Jennifer Heisey	President – MST	\$ 244,505
Henri Fuentes	Program Manager - MST	\$ 189,104
Eleanor Davis	GM - AUS	\$ 185,206

The total amount paid to all above-named officers and the Board of Directors (a group consisting of 12 persons) was \$1,207,180. Directors of KIC are paid a fee of \$250 per Regular and Special Board meeting. Directors are also paid a fee of \$62.50 for authorized business travel days and committee meetings, except for attendance at Finance Committee meetings which are paid at \$125.

**By Order of the Board of Directors**  
**Kathleen Sherman, Secretary**  
**October 2, 2020, Kotzebue, Alaska**