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Edward Ward, Leisnoi's Newly Appointed Director (Feb 2024)

ANNUAL MEETING OF THE SHAREHOLDERS WILL BE HELD IN-PERSON ON

MAY 18, 2024

SATURDAY, MAY 18, 2024
9:30 AM, AKT

CROWNE PLAZA - AURORA RM.
109 W. INTERNATIONAL BLVD.,
ANCHORAGE, AK 99518

We are saddened to announce, Leisnoi Director Gordon Pullar, Jr., tendered his resignation in January 2024. Gordon, thank you for the many years of service, we appreciate everything you have done for Leisnoi.

On another note, the Board is pleased to announce the Appointment of Edward "Ed" Ward, who has graciously agreed to fill the vacant Director position. Ed will continue as a Director until the term expires in 2026, at that time he will have to run in the next annual election.

The Board would also like to note that Leisnoi's Nominations Committee utilized the Nominations process to assist in recommending the most qualified Board Endorsed Candidates, and the Board chose from these candidates to appoint a new director.

This Special Edition Newsletter is being provided to the Shareholders to help answer questions, so Shareholders may have a full understanding of initiatives proposed in the Leisnoi 2024 Proxy Statement & Materials.

NEW BENEFITS SETTLEMENT TRUST >>> RESOLUTION 2024-01 <<<

OVERVIEW

The Board of Directors is asking the shareholders to approve creating a new Benefits Settlement Trust.

Leisnoi has an existing trust that solely provides distributions. As Leisnoi entered into 2024, two new Shareholder Benefits are being put in place. These benefits include offering Educational Scholarships each year to eligible voting shareholders, and \$2,000 in Death & Burial assistance to original Leisnoi shareholders and their families. The Board of Directors believes the best way to fund these benefits and future benefits for our shareholders is to establish and create a new “Benefits Settlement Trust.”

The new Benefits Settlement Trust would have the ability to provide a broader variety of benefits, including funding elders’ benefits, cultural programs, community programs, education programs, and to assist in economic development, management and preservation of Leisnoi’s traditional Native land.

The new Benefits Settlement Trust is similar to the existing Trust in several ways, including the following:

- managed by Trustees;
- the number of Trustees will equal the number of Directors on the Leisnoi Board of Directors;
- only Leisnoi shareholders who own voting shares in Leisnoi (“Eligible Beneficiaries”) will be beneficiaries;
- any benefits received from the new Benefits Settlement Trust will generally be tax-free to the Shareholders.

Why is the Board of Directors proposing to create a new Benefits Settlement Trust?

The existing Trust only provides tax-free distributions to its Eligible Beneficiaries based on their pro rata ownership of voting shares in Leisnoi. The New Benefits Settlement Trust would have the ability to provide a broader variety of benefits. This includes the new Leisnoi scholarship program, future educational benefits, the new death and burial benefit, new cultural programs and the preservation of Leisnoi’s traditional land, including the re-establishment of our traditional village.

The Board of Directors has approved creating a new Benefits Settlement Trust. The Leisnoi shareholders also have to approve creating the new Benefits Settlement Trust. A majority vote at a meeting at which a quorum is present is sufficient to approve creating the new Benefits Settlement Trust.

A more complete description of the new Benefits Settlement Trust, as well as discussion of advantages, disadvantages and risks associated with the new Benefits Settlement Trust, can be found in the proxy materials. This special edition newsletter contains Q&A about the new Benefits Trust. Shareholders are strongly encouraged to read the entire Proxy Statement and Trust Agreement.

NEW BENEFITS SETTLEMENT TRUST

➤➤ RESOLUTION 2024-01 ◀◀

QUESTION & ANSWERS

WHAT WILL THE BENEFITS SETTLEMENT TRUST BE CALLED?

The new Benefits Settlement Trust will be called the Leisnoi Benefits Settlement Trust.

HOW IS THE NEW BENEFITS SETTLEMENT TRUST DIFFERENT FROM THE EXISTING TRUST?

The primary differences between the new Benefits Settlement Trust and the existing Trust is that the new Benefits Settlement Trust has broader ability to provide a greater variety of benefits to its beneficiaries, including elders' benefits, cultural programs, community programs, and to assist in economic development, management and preservation of Leisnoi's traditional Native land. The existing Trust only provides for distributions. The Trustees will determine what type of benefits, if any, will be provided by the new Benefits Settlement Trust.

WHAT ARE THE DUTIES OF THE TRUSTEES OF THE NEW BENEFITS SETTLEMENT TRUST?

The Trustees of the new Benefits Settlement Trust manage and operate the new Benefits Settlement Trust. They will make independent decisions regarding the management of the new Benefits Settlement Trust.

ARE TRUSTEES PAID FOR THEIR SERVICE AS TRUSTEES?

Trustees will not be paid for their service as Trustees.

IS THE NEW BENEFITS SETTLEMENT TRUST A NEW ALASKA NATIVE CORPORATION?

No. The new Benefits Settlement Trust will be a trust organized and subject to Alaska law. It will be a separate legal entity from Leisnoi and will file its own taxes, maintain its own books and records, and maintain its own bank accounts.

WHO WILL MANAGE THE NEW BENEFITS SETTLEMENT TRUST?

As the new Benefits Settlement Trust is a trust under Alaska law, it will be governed by Trustees. Pursuant to ANCSA, the Board is the only body with the authority to appoint Trustees of the Trust. The shareholders do not vote on who serves as a Trustee of the new Benefits Settlement Trust.

WHO WILL SERVE AS THE TRUSTEES OF THE NEW BENEFITS SETTLEMENT TRUST?

The number of Trustees will equal the number of Directors on the Leisnoi Board of Directors. If a person is elected to the Board of Leisnoi, that person automatically becomes a Trustee of the new Benefits Settlement Trust. If a person ceases to be a member of the Board that person automatically ceases to be a Trustee of the new Benefits Settlement Trust.

WHAT ASSETS CAN LEISNOI CONTRIBUTE TO THE NEW BENEFITS SETTLEMENT TRUST?

Leisnoi can contribute cash, stocks, land, and any other assets of Leisnoi to the new Benefits Settlement Trust.

QUESTION & ANSWERS CONTINUED

HOW WILL THE NEW BENEFITS SETTLEMENT TRUST BE FUNDED?

Leisnoi will create the new Benefits Settlement Trust and will contribute assets to the new Benefits Settlement Trust. If the new Benefits Settlement Trust is approved by the shareholders, the Board will have the discretion to determine the amount, timing, and nature of any additional contribution to the new Benefits Settlement Trust.

WHO WILL BE THE BENEFICIARIES OF THE NEW BENEFITS SETTLEMENT TRUST?

The beneficiaries will be the voting shareholders of Leisnoi. If a person acquires one or more voting shares of Leisnoi stock after the establishment of the new Benefits Settlement Trust, that person then automatically becomes a beneficiary of the new Benefits Settlement Trust.

The Board of Directors encourages Shareholders to:

**VOTE "YES"
ON 2024-01**

To approve establishing a new Benefits Settlement Trust to fund shareholder benefits.

CAN SHAREHOLDERS SELL THEIR INTEREST IN THE BENEFITS SETTLEMENT TRUST?

Shareholders will not be able to sell their interest in the New Benefits Settlement Trust. A shareholder may only transfer his or her interest in the new Benefits Settlement Trust by transferring his or her Leisnoi shares through gifting or inheritance.

CAN THE NEW BENEFITS SETTLEMENT TRUST DISTRIBUTE MONEY TO THE BENEFICIARIES?

Yes. Just like the existing Trust, one of the benefits that the new Benefits Settlement Trust can provide is in the form of distributions to the Eligible Beneficiaries of the new Benefits Settlement Trust. The Trustees will decide the timing and amount of any distribution.

ARE THERE LIMITATIONS ON BENEFITS SETTLEMENT TRUSTS?

Yes. The new Benefits Settlement Trust will be a trust governed by and subject to Alaska's laws governing trusts. ANCSA also sets certain limitations on the management, operations, and authorities of settlement trusts. For example, settlement trusts are prohibited from:

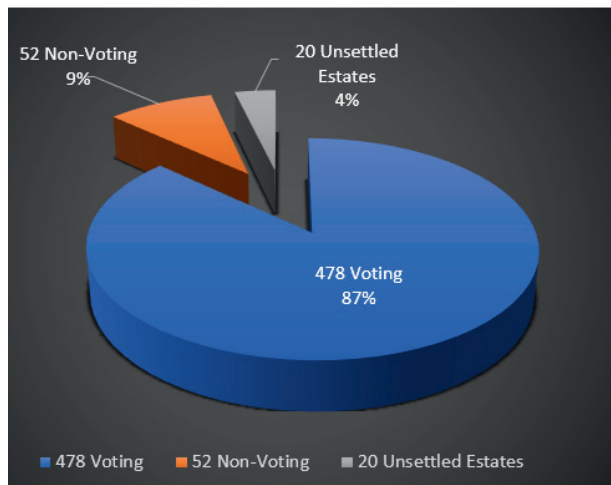
- (A) operating as a business;
- (B) alienating land or any interest in land received from Leisnoi (except if the recipient of the land is the settlor corporation or the land is conveyed for a homesite by the trust to a beneficiary of the trust who is also a legal resident under Alaska law of the Native village of the settlor corporation and the conveyance does not exceed 1.5 acres); or
- (C) discriminating in favor of a group of individuals composed only or principally of employees, officers, or directors of Leisnoi.

REDUCTION OF QUORUM REQUIREMENTS RESOLUTION 2024-02

OVERVIEW

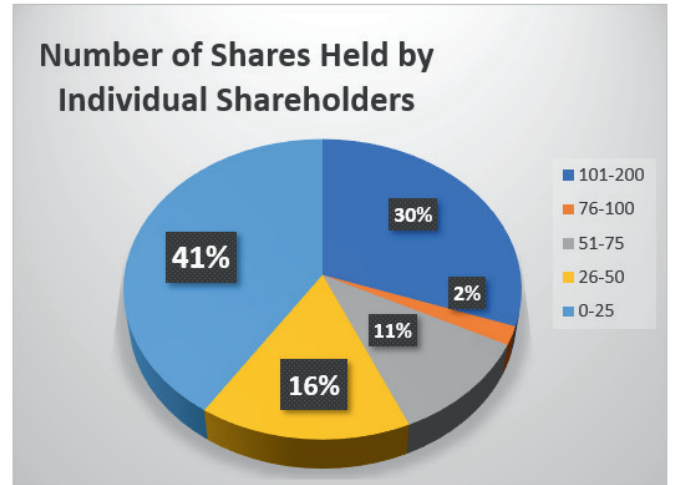
The following diagrams represent the dilution of Leisnoi shares. In the past 13 years, the average number of shares held went from 86 per person down to 53 shares. **Currently, the majority of Leisnoi Shareholders (57%) own less than 50 shares.**

Total Numbers of Shareholders: 552

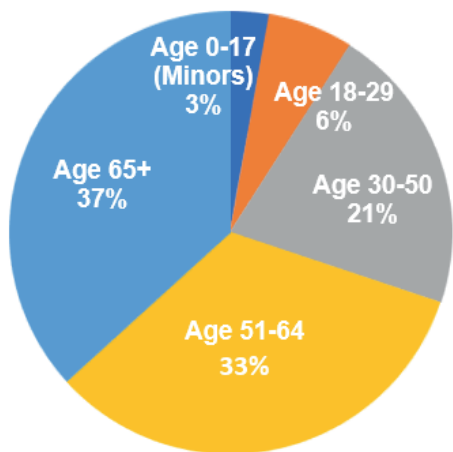


Total Number of Shares 29,530

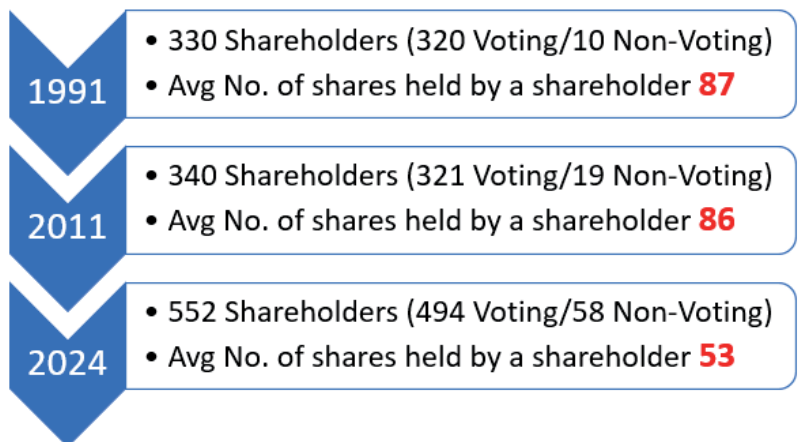
Number of Shares Held by Individual Shareholders



Age of Shareholders



Average Number of Shares Owned by the Shareholder



As Leisnoi plans for the future of our shareholders, we look to our past for guidance. This involves learning from our Elders, adapting to the needs of our community, and learning from our fellow Alaska Native Corporations.

As our corporation evolves and grows in size, we must do what it takes to embrace diversity and to meet the changing needs of our shareholders. In doing so, Leisnoi will be following in Koniag's (our regional corporation) footsteps and several other Native Corporations in Alaska, to bring a vote to our shareholders at our upcoming 2024 Annual Meeting to amend its Bylaws - Article II, Section 7 to reduce the number of votes required to hold an Annual Meeting.

Currently to hold an annual meeting we must have a quorum (minimum number of votes) of 50% plus one of the total number of shares eligible to vote, which may be present by proxy or in-person. The proposal will be to reduce quorum requirements to 33.3% of outstanding voting shares being present in-person or by proxy.

Meeting the current quorum requirement of 50% plus one is becoming more and more challenging every year as the number of shareholders increase and the average number of shares held by each shareholder decreases. As a result of this trend, shareholders who do not hold a significant number of shares are more likely NOT to vote, thus impacting our corporation's ability to meet quorum requirements.

If we are unable meet quorum requirements, we cannot legally hold an annual meeting and conduct important business, including electing directors who make the decisions to guide and govern Leisnoi. Reducing Leisnoi's quorum requirements can only be done by a vote of our shareholders.

The Board of Directors would like to encourage Shareholders to join them and vote "YES" on Shareholder Resolution 2024-02 to reduce the quorum requirement for shareholder meetings.

QUESTION & ANSWERS

WHY IS THE QUORUM REQUIREMENT CHANGE BEING PROPOSED IN THE PROXY?

If a quorum is not present, a shareholder meeting cannot proceed until a quorum is present. This typically requires the shareholder meeting to be delayed, with additional solicitation efforts to obtain a quorum. This delay and additional solicitation efforts can be costly. While Leisnoi has always been able to achieve quorum for its shareholder meetings, several times a quorum has not been achieved until shortly before the meeting date. The number of Leisnoi shareholders has increased substantially in the years since Leisnoi was established, while the average number of Leisnoi shares that a "typical" shareholder holds has gone down. **Currently, the majority of Leisnoi Shareholders (57%) own less than 50 shares.** The Board is concerned that this trend may make it harder in the future to achieve a quorum as shareholders with fewer shares may be less interested in and/or connected with Leisnoi, and will not participate in the annual meeting process. If an annual meeting cannot be held, directors can't be elected, and eventually the corporation could become involuntarily dissolved by the State.

QUESTION & ANSWERS CONTINUED

WHAT IS THE PROCEDURE TO CHANGE THE QUORUM REQUIREMENT FOR A LEISNOI SHAREHOLDER MEETING?

Leisnoi's Company Bylaws must be amended. A Bylaw amendment to reduce quorum requirements, must be approved by the Shareholders. Shareholder approval requires a majority vote of the voting shares present in-person or by proxy at an annual meeting.

WHAT IS THE PROPOSED QUORUM REQUIREMENT?

To change from 50% +1 to one-third (33.33%) of Leisnoi's shares with voting rights.

HAVE OTHER ANCSA CORPORATIONS USED THE SPECIAL RULE TO CHANGE THEIR QUORUM REQUIREMENT FOR SHAREHOLDER MEETINGS?

Yes, many of the Alaska Native Corporations have changed their quorum requirements for shareholder meetings as they were facing the same dilemmas with the dilution of shares. See below for a list of Native Corporations who have changed their quorum requirements.

WHAT IS A "SHAREHOLDER QUORUM REQUIREMENT"?

A quorum requirement is the minimum number of shares that must be present, in person or by proxy, for business to be transacted at a shareholder meeting.

IF LEISNOI'S SHAREHOLDERS APPROVE THE CHANGE IN THE QUORUM REQUIREMENT, WHEN WILL THE CHANGE BECOME EFFECTIVE?

The changed quorum requirement will generally apply to all Leisnoi shareholder meetings that take place after the 2024 Annual Meeting. It will not apply to the 2024 Annual Meeting.

What other Alaska Native Corporations have set quorum below 50%?

- Koniag, Inc.
- Natives of Kodiak
- Cook Inlet, Inc.
- Bristol Bay Native Corporation
- Maserculiq, Inc.
- NANA Regional Corporation
- Becharof Corporation
- Bethel Native Corporation
- Paug-Vik, Inc. Limited
- Shumagin Corporation
- Sitnasuak Native Corporation
- Ahtna, Inc.

DRIVING POSITIVE CHANGE FOR THE FUTURE OF OUR SHAREHOLDERS

101 W. BENSON BLVD., STE. 202
ANCHORAGE, AK 99503

Informational Meeting Schedule

KODIAK INFORMATIONAL MEETING

SATURDAY, APRIL 27, 2024

9:30 AM AKT

KANA-KONIAG CONFERENCE ROOM
194 ALIMAQ DR.,
KODIAK, AK 99615

WASHINGTON INFORMATIONAL MEETING

SATURDAY, MAY 4, 2024

10:00 AM PST

HILTON GARDEN INN
RAINER/ADAMS CONFERENCE RM
3801 ALDERWOOD MALL BLVD.,
LYNNWOOD, WA 98036

VIRTUAL INFORMATIONAL MEETING VIA ZOOM

SATURDAY, MAY 11, 2024

9:30 AM AKT

TO JOIN VIA ZOOM (PRE-REGISTRATION IS REQUIRED):

WWW.ZOOM.US/JOIN

MEETING ID: 821 2398 5898

Save
The
Date