



HONORING OUR LEGACY, *Empowering* OUR FUTURE.

EVALUATING OPEN ENROLLMENT: A DECADE OF CAREFUL THOUGHT

BSNC was formed in 1972 as the Alaska Native Claims Settlement Act (ANCSA) regional Alaska Native Corporation (ANC) for the Bering Strait region. BSNC began with 6,333 original shareholders. Today, through the processes of gifting and inheritance, BSNC's shareholder base has grown to more than 8,200 shareholders.

A 1991 amendment to ANCSA expanded the ways ANCs could evolve by granting corporations, through a shareholder vote, the discretion to modify shareholder eligibility

criteria. This amendment allowed ANCs to enroll direct lineal descendants of original shareholders. Since then, six of the twelve regional corporations have elected to issue new shares to descendants.

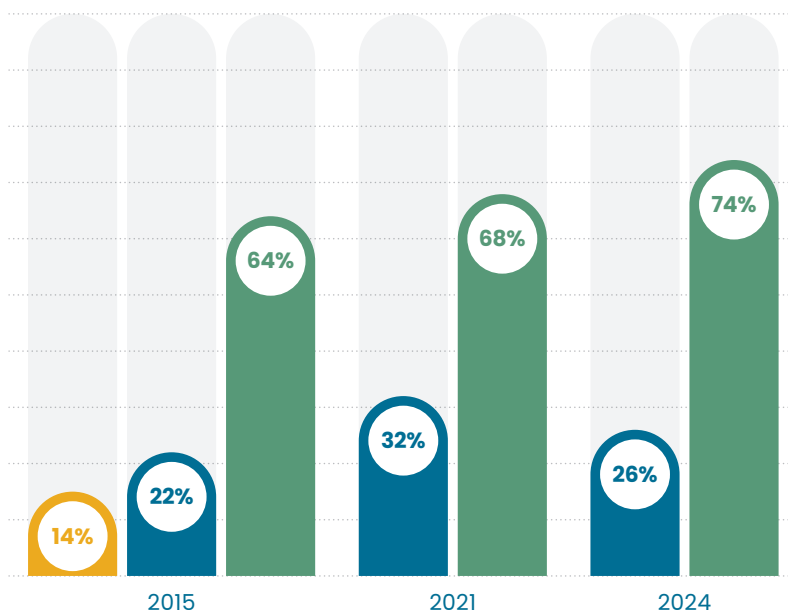
In 2012, the Board of Directors established the Open Enrollment Subcommittee to assess the feasibility of opening shareholder rolls to descendants of original shareholders. Over the years, the Board has conducted in-depth evaluations, considering shareholder feedback, financial analyses, and the long-term vision for BSNC's future. As part of this ongoing evaluation, the Board has conducted multiple shareholder surveys to gauge support for open enrollment.

In 2015, the Board tasked staff with measuring how shareholders at that time felt about BSNC



SHAREHOLDER INTEREST IN OPEN ENROLLMENT

- Unsure
- Oppose
- Support



issuing new shares of stock to descendants. The survey was conducted with a total of 604 individuals interviewed by random sample. Open enrollment was initially favored by 64% of respondents (with 22.1% opposed). However, this number declined once respondents understood the potential impact on future distributions.

In 2021, BSNC conducted a comprehensive shareholder survey, receiving 2,040 responses, representing 29% of BSNC's shareholder base at that time. The survey revealed strong interest in exploring open enrollment. A majority of respondents—68.2%, expressed a desire for BSNC to carefully examine this topic. Furthermore, 59.8% remained in favor even with the understanding that distributions could be impacted.

The 2024 shareholder survey reaffirmed strong support for open enrollment. Of the 2,059 shareholders who participated, 74% favored enrolling descendants born after December 18, 1971, and placing the question on the 2025 proxy for a shareholder vote. Of those who supported open enrollment in the first question, when asked if they would still support enrolling descendants even if it resulted in a reduction of distributions, 84% responded yes, while 16% opposed.

As demonstrated by the survey responses, shareholders have become increasingly receptive over the years to opening the rolls to descendants. Coupled with BSNC's steady financial growth, this provides shareholders with a greater sense of comfort in expanding the shareholder base and the benefits BSNC can offer.

In response to overwhelming shareholder support, the BSNC Board unanimously voted in December 2024 to present an open enrollment resolution for a shareholder vote on the 2025 proxy. The details of the

resolution were carefully developed based on shareholder feedback from the survey, ensuring that the proposed amendments reflect the priorities and concerns of Our People. This decision reflects the Board's commitment to shareholder input and its responsibility to ensure BSNC remains responsive to the needs of Our People. By placing the resolution on the proxy, the Board is empowering shareholders to determine the future of BSNC's enrollment policies, ensuring alignment with the corporation's mission, values and long-term sustainability.

