

Message from the President



Congratulations to the whaling captains and their crews for the successful harvest of Bowhead whale bounty during the 2020 Spring Bowhead Whaling Season! Nalukataq not only provides vital sustenance of our traditional and customary foods to the people of Barrow, but it also provides our community with Iñupiat spiritual

renewal, celebrating our unique and special blessings received throughout the year. This year's Nalukataq was made even more important and special as a result of the stress of the difficult COVID 19 news impacting the nation's morale, health and economic strength since March 2020. It is crucially important we continue the same strong traditions and customs of our ancestors and forefathers, who in the past also experienced fatal epidemics of monumental proportions (in some cases wiping out whole families and settlements) yet persevered and continued to pass on their strength to us and our children. Time and time again, our Iñupiat Values have helped us get through these hard times with honor, dignity, grace, and deeper appreciation for our traditional and customary cultural ways of life. In the words of the late Reverend Fred Klerekoper, "Iñupiat people of the Arctic Slope...I have faith in you."

UIC is continuing to do well, even with the devastating national, state, regional and local economic challenges caused by the COVID-19 pandemic. As you know from the annual report and audited financial statements mailed out in May, UIC had a record-breaking performance last year. We expect that 2020 will be another record year, both in revenues and earnings from operations. This made it possible for the Board of Directors to authorize a special shareholder dividend, which you should have already received. We, the UIC Board of Directors, were very happy to issue the dividend to the UIC shareholders, especially during this unusual time of economic uncertainty.

We look forward to providing more information and company progress reports to you at the re-scheduled Annual Meeting planned on being held virtually at 1PM ADT on October 24th 2020. More information on how to attend is coming soon to all UIC shareholders in their Proxy packets, or can be obtained either through the UIC Shareholder Portal at <https://portal.uicalaska.com/home> or directly by shareholders through the UIC Stock Department. In the interest of public health and safety, we urge all shareholders to participate in the annual meeting by voting early by proxy. Because our community's health and safety are top priorities, and to encourage you to vote your proxy, we will be offering a special early bird drawing of \$250 for 50 shareholders who submit their proxies on or before October 5, 2020, and we will also be holding an additional drawing for twenty-three (23) "virtual door prizes" to be selected from all of the shareholders who submit their proxy ballots before the close of proxy voting at 5PM ADT on October 23rd. We are taking extreme precautions to avoid exposing our UIC shareholders to the COVID-19 virus. Circumstances are changing on a daily basis, so we will continue to provide you with any needed updates to the annual meeting processes as those changes occur.

At the 2020 UIC Annual Shareholders Virtual Meeting there will be 3 board seats up for vote as well as a vote on a special shareholder Settlement Trust that will allow UIC to provide tax benefits to both UIC and to our shareholders. Please remember to vote early by proxy to assure UIC will achieve a quorum for the annual meeting and allow UIC to conduct important business. It is through your active participation that we can stand together strong and face the challenges to come.

If you have any questions, please feel free to contact the UIC Stock Department at:
Phone 1-855-ONE-UIC1 (1-855-663-8421)
Email: stock@uicalaska.com

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Delbert J. Rexford, President and CEO

UIC Shareholder Trust

An ANCSA settlement trust is intended to benefit UIC's shareholders and members of their immediate families as well as other Alaska Natives and descendants of Natives. On this year's upcoming annual meeting ballot, shareholders will be able to vote on whether such a trust should be established for UIC. The ballot asks shareholders to vote "YES" or "NO" on Shareholder Resolution 2020-01 – "Shall the UIC SHAREHOLDER TRUST be established as an ANCSA Settlement Trust effective October 24, 2020?"

What are the top three advantages of establishing a Settlement Trust?

- Cash distributions to shareholders from a Settlement Trust will be tax-free, unlike dividend payments, which are considered taxable income to the shareholder.
- The money UIC uses to fund the Settlement Trust for these cash distributions will now be tax-deductible to the company where it wasn't before.
- Trust assets will be protected from creditors and must be used to benefit shareholders, Natives, and their descendants and can't be used for any other ordinary business purpose.

The following are additional Q & As to provide you with more information about the Trust:

1. Exactly what is a settlement trust? A settlement trust is a legal entity, separate from UIC, organized under ANCSA to promote the health, education, and welfare of the Trust's beneficiaries and to preserve the heritage and culture of Alaska Natives, including UIC's shareholders. Settlement Trusts can provide significant long-term benefits for UIC and its shareholders and future generations, as well as tax advantages for both UIC and its shareholders.

2. Who is a Beneficiary of the Trust? Every UIC shareholder will become a Beneficiary of the Trust. Once the Trust is established, each shareholder will automatically own the same number of Trust Units in the Trust as that shareholder owns UIC shares (e.g., if you own 100 UIC shares, you will own 100 Trust Units).

If the shareholder's UIC shares are voting, that shareholder's Trust Units will also be voting. When UIC

shares are transferred (e.g., upon a gift of shares or death of a shareholder), the Trust Units linked to those shares will also automatically transfer to the same person receiving the shares.

3. What Benefits may be provided through the Trust?

- **The Cash Distribution Benefit:** The Board's plan is to use the Trust to provide UIC's Shareholders with Cash Distribution Benefits. Like a dividend based on the number of UIC shares owned, the Cash Distribution Benefit payment will be based upon the number of Trust Units each Beneficiary holds. Cash Distributions from the Trust should provide additional tax advantages because such distributions/benefits are normally not taxable and not reported on individual tax returns, unlike dividends.
- **Other Potential Future Benefits:** In the future, based on available funds and the judgment of the Trustees managing the Trust, other potential benefits may be available to UIC's shareholders through the Trust. Each of these types of possible future benefits would have its own specific eligibility requirements. Examples of such possible future benefits include: an Education Benefit for educational funds needed by a Beneficiary, a Bereavement Benefit to help in times of need upon the passing of a Beneficiary, a Homesite Lot Benefit (limited to 1.5 acres by ANCSA) for Beneficiaries who are legal Alaska residents of the Native Village of Barrow, and/or an Elder Benefit for Beneficiaries who are over 65-years-old. Similar benefits are currently provided through the UIC Foundation, UIC's funeral assistance policy, and UIC's Homesite Lot and Land Use programs, but the Trust would give UIC additional flexibility in how it provides assistance to eligible persons in need.

4. What Are the Tax Benefits from the Trust?

Shareholders as Beneficiaries receive an important tax break because distributions and benefits paid by the Trust (including Cash Distribution Benefits) to Beneficiaries are normally not taxable and not reported on individual tax returns. Contributions by UIC to the Trust are tax-deductible, and the Trust will make a special tax election that allows the Trust itself to be taxed at rates of 10% on ordinary income such as interest income and 0% on capital gains and dividends.

These are lower tax rates than currently paid by UIC and therefore will result in significant overall tax savings.

5. Who will manage the Trust? Each UIC Board Member will serve as a Trustee while serving as a director.

6. What will be contributed to the Trust? From time to time, the Board intends to transfer sufficient assets to the Trust to achieve the Trust's purpose and intent. At present time, the main focus will be on funding the Cash Distribution Benefit for shareholders. Because UIC's future financial status (including its future profits) is unknown and will depend on a wide variety of factors, the exact contributions to be made to the Trust also cannot be known at this time. Because assets placed in the Trust flow only one-way (and cannot go back to UIC), the Board will retain sufficient assets in UIC so that UIC can conduct its operations and pay all its debts and obligations, taking into account any and all Trust contributions.

7. Do any other Alaska Native Corporations have Settlement Trusts? Yes – in the past few years, a number of regional corporations and village corporations have successfully established settlement trusts under ANCSA. Approximately fifty Settlement Trusts have been established so far by other Alaska Native Corporations.

8. What is the Shareholder Voting Process to establish the Trust? Assuming a quorum of shareholders exists, a majority of UIC shares present at the meeting (including by proxy) must vote "YES" on Shareholder Resolution 2020-01 to establish the Trust as an ANCSA Settlement Trust. Cumulative voting will not apply (although it will apply in the election of directors), and each share of UIC voting stock will have one vote upon Shareholder Resolution 2020-01.

More information about the Settlement Trust can be found in the actual Proxy Statement to be mailed in early September and in the Trust Agreement which will be available on UIC's website at the same time. In the event of any conflict, the Trust Agreement will control these Q&As and the Proxy Statement.

UIC BOARD OF DIRECTORS

Price E. Brower, Chairman

Ned Arey, Sr., Vice Chairman

Delbert J. Rexford, President and CEO

Lloyd Kanayurak, Vice President

Richard Ungarook, Sr., Corporate Secretary

Beverly J. Shontz Eliason, Treasurer

Charles D. N. Brower, Director

Nagruk Harcharek, Director

Don Gray, Director

UIC SENIOR EXECUTIVE MANAGEMENT

Delbert Rexford, President and CEO

Jeevan Pokharel, Chief Operations Officer

Joseph Stanich, Chief Financial Officer

Rick Owen, General Counsel

Mike Hundley, Senior Vice President,
UIC Government Services

Clayton Arterburn, Senior Vice President,
Commercial Services

Jason Strickler, Vice President,
UIC Government Construction

Nagruk Harcharek, Director, Lands Dept.

Jamie Christensen, Manager, Stock Dept.

Julia Kim Executive
Assistant to President/CEO

New Plans for UIC Company

UIC recently re-energized an existing company called Qayaq



Construction to focus on statewide contracts administered from state governments, boroughs, as well as municipalities. This company, headed by newly hired General Manager Kodi Long, is an Alaska based heavy civil construction company with headquarters in Anchorage.

Qayaq Construction is specializing in building roads, pads, airports, underground utilities, as well as resource development projects. Qayaq Construction will focus on projects that improve horizontal infrastructure across Alaska while positively impacting communities throughout the state.

Qayaq Construction is ideally situated to tackle logistically challenging projects with both the support of Bowhead Marine and the remote experience of UIC Construction. The goal is to be diligent in growing the company to ensure a long sustainable future.

Services

Qayaq Construction can undertake both small and large construction projects across Alaska. Its leadership understands the nature of Alaska and has the technical and logistical experience needed.

Qayaq Construction is pursuing the following types of projects:

- Road construction
- Airport construction
- Seaport and seawall construction
- Underground utilities
- Resource developments (mines, pits, etc.)
- Erosion control and reclamation
- Site development

UIC Shareholder Photo Contest Winner!

Congratulations to **Jerica Aamodt** for winning this year's photo contest. Thank you to everybody else who entered their photos.



Alaska UIC Personnel Changes



Jamie Christensen joined UIC Corporate as Stock Manager in June. She was born in Utqiagvik and raised in Palmer. Her past experience includes providing administrative support for UIC and ASRC, while simultaneously continuing advanced graduate studies. She earned her Bachelor of Science in Religion

with a minor in Church Ministries from the John W. Rawlings School of Divinity at Liberty University. Additionally, Jamie attended Liberty University School of Business, where she earned a Master of Arts in Executive Leadership. As a UIC Shareholder, Jamie is passionate about serving the Iñupiat community of Utqiagvik, the shareholders of UIC, and the future generation of young leaders. She brings value to the corporation, community and shareholders by providing assistance with stock-related business, educational training opportunities, and community involvement.



Julia Kim joined UIC in June as the new Executive Assistant to the President and CEO. Julia is a lifelong resident of Barrow. After graduating from the University of Washington with a Bachelor of Arts in Business Management and minors in Law and Education, she returned home to give back to the community.

Upon returning to Barrow, Julia began working for the North Slope's regional government where she later served as the Deputy Advisor with the North Slope Borough Mayor's Office. Other previous job experience includes Grant Writer and Accounting Clerk at the North Slope Borough Department of Administration and Finance.



Kodi Long was hired in May as the General Manager for Qayaq Construction, LLC. Kodi, born in Eugene, Oregon, earned a Bachelor of Science in Construction Engineering Management from Oregon State University, and comes to UIC with over twelve years of related construction experience. He

started his career as a Construction Engineer Intern

with Fluor Corporation in Eugene, and a few years later, became a Project Engineer for a heavy civil contractor in Alaska. His most recent role as Senior Project Manager had him overseeing construction projects across all of Alaska.



Stephanie Gaff recently moved to Anchorage from Barrow to work as the Executive Assistant to the UIC Legal Department. She had previously fulfilled the roles of Corporate Executive Assistant to the President/CEO, and the Board of Directors; UIC Barrow Office Manager, and UIC Foundation

Director. Before that, Stephanie worked with UIC Science as a Project Manager.



Guy M. Bailly joined UIC Commercial Services in March as an Assistant Controller in the Anchorage office replacing Bob Cronen who retired in April 2020. Guy moved to Alaska in 1999 when he was in the Army. He has an accounting degree from Montana State University and is a Certified Public Accountant (CPA).

UIC Government Services New Employee



Rob Bierman was selected as the Vice President of the Engineering and Program Management (EPM) Group under UIC Government Services effective July 19, 2020.

He spent the last three years at UIC building a robust Business Development team and has

extensive experience in the Program Management arena. Rob will continue to act as the VP of Business Development while UICGS seeks a candidate to fill the vacated position.



UIC Annual Meeting and Voting

WHAT YOU NEED TO KNOW

- The 2020 UIC Shareholder's Annual Meeting has now been re-scheduled for **October 24, 2020 at 1:00 pm ADT**.
- This year's meeting will be held online only (through audio and video streaming), as a "virtual only" meeting.
- Information on how to attend this virtual meeting will be:
 - o Provided to all shareholders in their proxy packets,
 - o Posted on the UIC Shareholder Portal at <https://portal.uicalaska.com/home>, and
 - o Available through the UIC Stock Department.
- The UIC Stock Department will be sending out the proxy ballot package in early September, which will contain:
 - o the proxy statement listing all of the candidates running for the 3 open board of directors seats;
 - o the proxy ballot and its blue reply envelope;
 - o information about the Shareholder Trust to be voted on by shareholders; and
 - o a self-mailing comment card to submit shareholder comments.
- Because there will be no physical meeting place, all of our shareholders are urged to vote their proxies early through the mail, by fax, or by email to shareholdercomments@uicalaska.com
 - o There will be a special early bird drawing of \$250 for 50 shareholders who submit their proxies on or before October 5, 2020, and
 - o There will also be an additional drawing for 23 "virtual door prizes" (1 Grand Prize of \$2000 and 22 prizes of \$250 each) to be drawn from all shareholders who submit their proxies by the proxy deadline of 5PM ADT on October 23, 2020.
- For this upcoming annual meeting, the record date will be August 25, 2020. Please update your address with the UIC Stock Department by no later than 5PM that day.

Watch for your annual proxy statements and ballots in the mail soon.

Your vote is important!

Please vote by Proxy and plan to attend the online 2020 UIC Shareholder's Annual Meeting on Saturday, October 24th at 1:00pm. Watch for more information in the Proxy mail-out packet.

Unreachable Shareholders

Some of our UIC Shareholders have outdated or incorrect Post Office/USPS mailing addresses or have moved without leaving a forwarding address. If you know of someone who hasn't been getting dividend checks or other UIC mailings, please ask them to update their address in the UIC portal or to contact the UIC Stock Department at (907) 852-4460, email them at stock@uicalaska.com, or stop by our Alaska offices:



UIC Barrow Headquarters:
1250 Agvik St, Utqiagvik, AK 99723

Anchorage Office:
6700 Arctic Spur Road, Anchorage, AK 99518

Our new Shareholder Portal also has a "missing shareholders" list with names of shareholders who need to update their mailing addresses. Just go to <https://portal.uicalaska.com/home>, and click the link in the top header bar called "MISSING SHAREHOLDERS."

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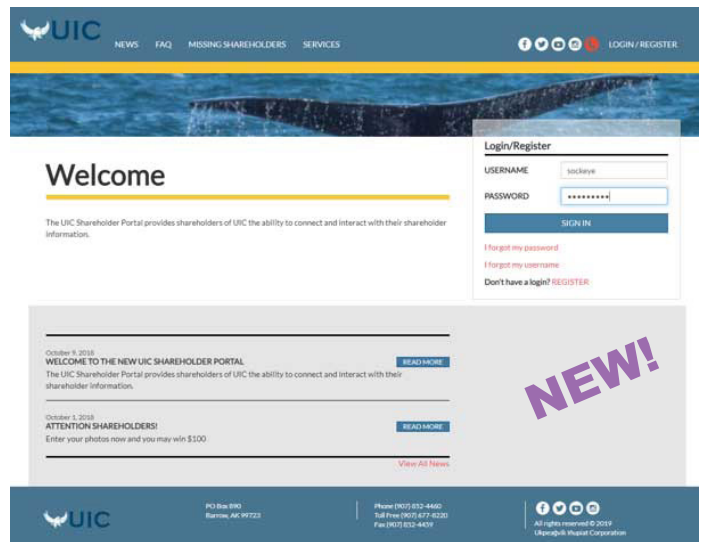
To help prevent the spread of COVID-19

Clean your hands often with soap & water for 20 seconds or hand sanitizer that contains at least 60% alcohol.

- Avoid people who are sick.
- Stay at least 6 feet away from other people.
- Wear a face mask around people that are non-family.
- Cover your cough or sneeze with a tissue and throw it away.
- Clean & disinfect frequently touched objects & surfaces daily.

UIC Shareholder On-line Portal

Check out the new, on-line portal to securely connect and interact with your UIC Shareholder information.



Log on to:

- View your profile, update your information.
- See your dividend payments
- Access forms

For more information: go to the UIC website at www.uicalaska.com and use the pull-down shareholder menu or go to <https://portal.uicalaska.com/home>





P.O. Box 890
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**Watch for your annual proxy statement
and ballots in the mail this September.**

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**Please vote by Proxy before 5PM ADT on October
23, 2020 and plan to participate online in the virtual
2020 UIC Shareholder's Annual Meeting at 1:00pm,
Saturday, October 24th.**

More information to come in your Proxy Packets!

**COMPASSION • RESOLUTION OF CONFLICT • LOVE AND RESPECT FOR OUR ELDERS AND ONE
ANOTHER • COOPERATION • HUMOR • SHARING • FAMILY AND KINSHIP • KNOWLEDGE OF
LANGUAGE • HUNTING TRADITIONS • RESPECT FOR NATURE • HUMILITY • SPIRITUALITY**