



CHOGGIUNG LTD.

Shareholder Newsletter

SPRING 2019



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Choggiung Ltd.'s mission is to be a profitable corporation ensuring current and future shareholder benefits as we protect our land and respect our people and heritage.

Snake Lake—Cover Photo by April Roehl

Chairman's Message



I hope this newsletter finds you well and glad! Just five days into our new calendar year, we were met with shareholder approval of the Choggiung, Limited Settlement Trust. You voted and the message was clear – almost 94% of the Shareholder vote said open the Trust! Since then we have contributed an initial amount of \$250,000 in cash to seed the Trust. The Settlement Trust presents many opportunities to provide benefit to our Shareholders well into the future. We plan to consistently contribute to the Trust to build a Permanent Fund that can be self-sustaining. To those who voted to approve the Settlement Trust – give yourselves a pat on the back. This action bodes well for building a way to grow, preserve, and share wealth for and with our Shareholders!

Last year, our Board of Directors gave clear direction to our company leadership through development of long-term strategic objectives. From that direction our management team brought back a plan with measurable objectives, which the Board approved and are measuring success against. I am happy to report significant progress has been made to reach those strategic objectives.

I'd like to share some of our big accomplishments – Choggiung acquired a controlling interest in Bristol Industries, we achieved net income greater than our 7(j) money, we issued a dividend of \$1.00 per share in May of 2018, and approved a dividend of \$1.25 per share to be paid the end of May of 2019, we sought and received approval to open the Choggiung, Limited Settlement Trust, we created four new full time employment opportunities in Dillingham, we approved and implemented a new shareholder bereavement benefit, we made significant improvements to our real estate holdings in Dillingham, we opened two new companies intended to earn an 8(a) Certification, passed a new Land Resource Policy, we cultivated organizational culture through adoption of corporate values, and provided new educational and training opportunities for our employees.

Among our actions, the Board adopted a Board slate approach to our annual elections. We strongly believe a stable Board will lead to better outcomes for the Corporation and its shareholders. Please read more about this decision later in the newsletter.

I hope you can join me to commend our Board and Management for the impressive growth that has been achieved so far. Just as important as celebrating our advancement, we must always look forward to what is next. That is why our Board conducts an annual Strategic Planning Session. This year our emphasis was to build on our strengths, provide greater focus on our strategic objectives, and agree on an aspirational vision that will set us apart. One by one, Board members presented their vision through pictures they drew and, as I listened, saw that each of us had similar soaring ambitions. Visuals of the globe, skyscrapers, ships and rockets represented growth. Flora and fauna represented preservation of lands and culture. And drawings of people represented shareholders, employees and customers and the responsibility of the corporation to these important stakeholders.

Through this process our vision became clear - **To grow, preserve, and give without boundaries.** Along with our Corporate Mission Statement, Values, and Strategic Objectives, this vision gives inspiration to our employees to interpret its meaning and understand why we exist. I believe this vision will last for generations and will be what propels our corporation into the future.



A handwritten signature in black ink that reads "Jack Savo Jr." in a cursive style.

Jack A. Savo Jr., Chairman of the Board

NOTICE TO SHAREHOLDERS

Choggiung Limited will hold its Annual Meeting of Shareholders in Dillingham, Alaska on Saturday, September 28, 2019 at the Dillingham Elementary School Gymnasium. at the meeting, Choggiung will celebrate its 45th year in business! This is a great opportunity to meet with Choggiung's Board of Directors and staff, and hear the exciting things happening in your Corporation!

Proxy materials will be mailed July, 2019. The proxy will have information on board candidates running for 3-year terms, along with the 2019 Annual Report. Further details on the board candidate selection process will follow.

Choggiung shareholders will have the opportunity to submit their proxies through Choggiung's online voting system, return proxies by mail, or by fax. There will be additional cash prizes for those who submit proxies online. Included in your proxy materials will be Choggiung's online voting instructions accessible by going to www.choggiungvote.com.



Board Recruitment Changes

Over the past year and a half, the Choggiung Limited Board of Directors studied the effects of changing the board election process. After careful consideration, significant growth, and future prospects the Board decided it was in the best interest of shareholders for the board to adopt a new process and rules for annual elections.

This year, the Board has solicited complete applications including a declaration of candidacy, a candidate questionnaire, resume, and letters of recommendation from shareholders interested in being elected to the Board. The Board Chairman appoints a nominating committee to screen interested candidates and make a recommendation to the Board of Directors candidates to be listed on the Board solicited proxy statement. A key consideration was the Board opted to allow up to four candidates to be listed for three seats that are up for election annually.

The decision to make this change was solidified by the rapid growth the corporation has experienced in the last year with the purchase of Bristol

Companies and subsidiary growth in our wholly owned federal contracting. The acquisition and other startups introduced significant new revenue, net income and complexity. The Board also approved a long-term Strategic Plan, Corporate Values, and a Corporate Vision. With the intricacy of these changes a stable, experienced, and knowledgeable Board is vital to promote consistent results. With the modified board slate approved, Choggiung Directors have strengthened the election process to promote stable operations going forward.

In July, 2019 you will receive your Choggiung Limited proxy information that will include the Board endorsed candidates. This July proxy mailing is a change from previous years. With a change in the Corporation's fiscal year, the March annual meeting has now moved to the last weekend in September. Please make sure to update your address prior to the July mailing date to ensure that you receive your proxy information in a timely manner.

Highlight

SPECIAL MEETING OF SHAREHOLDERS January 5, 2019

Thank you to everyone who participated in the Choggiung Ltd. Special Meeting held in Dillingham, AK on January 5, 2019! Whether you voted in person or by proxy, we appreciate your participation. This year we were able to hire the Dillingham High School, England Trip group to cater the meeting. They did a wonderful job, we left the meeting full and happy!

The Choggiung Limited Board of Directors is pleased to announce that the Choggiung, Limited Settlement Trust has been approved. Since the Trust has been established, the Choggiung, Limited Settlement Trust Board of Trustees have approved a shareholder dividend to be paid out at \$1.25 per share by the end of May 2019.



Pauline Filipek.



Degan Nelson and Mark Bielefeld.



Shannon Clouse and Robyn Chaney.



Choggiung Board Directors: Jack Savo Jr., Jean Barrett, Kevin Tennyson and John Heyano.



Daisey and Harriet Barnes.



Dee Dee Bennis registering with Choggiung staff.



Carol Luckhurst with Son, Vernon Hiratsuka.



Choggiung Investment Company, LLC Sells Old Courthouse, Seeds Settlement Trust Permanent Fund



The building located at 715 Seward Street in Dillingham that was formerly occupied by the State of Alaska Court System has been sold to the Curyung Tribal Council. The building was vacated in 2016 when Choggiung Investment Company, LLC (a wholly owned subsidiary of Choggiung Limited) completed construction of a new building where the State of Alaska has moved to and occupies to this day.



Old Courthouse in Dillingham, AK

Over the years since the building was vacated, management of Choggiung searched for ways to put the building back to use. In late 2018, the Tribe approached Choggiung and expressed their interest in putting the building to use. Over the winter Curyung's Investment Committee vetted options for occupancy and ownership which resulted in the Tribal Council approving the purchase of the property in March 2019. Cameron Poindexter, President & CEO of Choggiung expressed his excitement by saying, "Choggiung is thrilled for the potential of this building to come back to life, and even more delighted to know that our Tribal counterpart is going to be the one to revive the building's part in the community."

The sale of the building is a win-win for the corporation and the Tribe. The Corporation will relieve itself of annual expenses related to the

property, is able to raise money for the Choggiung, Limited Settlement Trust, and generate a corporate tax benefit. The Tribe is able to fulfill its longstanding goal of developing a community gathering place, upgrade its office environment, and plan for future programming and benefits for its members. Courtenay Carty, Tribal Administrator put it this way, "By moving into this space we have room to grow, gather, and practice traditions again! It is a dream that has been discussed for quite some time by our Tribal citizens and amongst the Chiefs. We are so fortunate to be finally making this dream a reality."

The



President & CEO of Choggiung Ltd., Cameron Poindexter and Administrator for Curyung Tribal Council, Courtenay Carty

proceeds from the sale will be contributed to the Choggiung, Limited Settlement Trust. The money will further seed the Trust and build wealth for its beneficiaries, Choggiung shareholders. The trust was approved in January of 2019 by shareholders with an overwhelming majority voting to open the trust. The purpose of the trust is to provide benefits to shareholders of Choggiung. As noted in another story, Choggiung's recently approved dividend will be paid from the Settlement Trust. When the Trust was opened, an initial amount of \$250,000 was contributed to the Trust by Choggiung, Limited.

Choggiung and BBNC's (Owners) Subsidiary Bristol Infrastructure Design Services, LLC (BIDS) Receives 8(a) Certification

As part of Choggiung's overall business and growth strategy, Choggiung and subsidiaries are always looking for ways to gain a competitive advantage. One such advantage is through the SBA 8(a) Business Development Program. Once a certification is awarded, our companies can market this contracting method to the federal government. Contracting officers in the government can choose to award contracts to 8(a) Certified firms without putting it out to bid while meeting Small Business

Development goals created by the Small Business Administration.

Bristol Infrastructure Design Services, LLC submitted an application to the Small Business Administration (SBA) and was awarded the certification. As we look for new opportunities to develop our business, this certification remains part of our overall strategy to win contracts and keep generating income to benefit our shareholders. With this new capability, we are excited to begin generating positive financial results!

Land Department—Dugan Nielsen, Land Manager



Choggiung Ltd. Headquarters on the Nushagak River.



Nushagak River.

Spring 2019 is starting out to be a busy one for the Land Department. Our first project of the season was the Moose Habitat Enhancement Project. A crew of four (shareholders) executed this year's project safely and successfully. The project area was 113+ acres and enhanced habitat for moose by tipping willows!

The Land department and the upriver LUP crew will be assisting BBNC staff with this year's NEQA king salmon derby. The Neqa Derby is organized by the BBNC Education Foundation and is in its second year. The derby raises funds for the BBNC Education Foundation which offers vocational and degree seeking scholarships as well as grants for cultural programs. The Derby also educates participants in Native traditions and place names. The Derby headquarters will be hosted at the Chog camp again this year. We wish the derby another successful fundraising year as well as a safe and fun event!

The Land Use Permit program has completed issuing this year's commercial permits. We have our veteran Land Use Program crew returning and we are looking forward to another safe season on the Nush.

Early summer, we will be conducting exploratory "pot holing" at our 9.5-mile gravel pit. (This effort is intended to reveal the remaining viable resource and assist with development of a responsible mining plan.)

Career/Work Enhancement Scholarship

Choggiungs Career/Work Enhancement scholarship is to provide assistance to Shareholders who wish to enhance their employability. Enhancement can be for the purpose of gaining knowledge or skills to get a job, change jobs or for enhancing skills in a current job.

Eligible individuals include any Choggiung Ltd. Shareholder who is at least 18 years of age or a high school or GED graduate. This scholarship can cover tuition or registration fees for a particular class or workshop.

Applicants may apply more than one time per year, however, in no case will an applicant be awarded more than \$500 per fiscal year in Enhancement scholarships. The scholarship shall be paid directly to the organization or institute.

To obtain an application please visit www.choggiung.com or stop by our office at 104 Main Street in Dillingham.

If you have questions please contact Tish Olson at 907-842-5218.

Bereavement Benefit

In the event of the death of a shareholder or spouse of a shareholder, a representative of the deceased may apply for a (one-time) payment of up to \$500 to assist in with funeral expenses. The request must be made within 60 days after the death of a shareholder or spouse. Additional information and application can be found at <http://www.choggiung.com/shareholders/shareholder-forms/>. If you have questions regarding this program, please contact our office at 907-842-5218.

EMPLOYEE SPOTLIGHT: April Roehl



April Roehl began her career with Choggiung Ltd. in 1985 as an on-the-job training program participant, assisting with general office work. Over the years, April has picked up valuable skillsets that propelled her to advance at the Corporation. The hard work, learning, and continuous

employment led April to advance within the accounting department to a bookkeeper and later was promoted to Finance Manager. Some highlights of April's service to Choggiung Ltd.; she makes sure all employees get paid with accuracy and consistency, creates and improves our general ledger – the way we categorize our income and expenses, handles accounts payable and receivable with impeccable timing and fairness, and has conducted apartment management. When needed, she has accepted the challenge of serving as interim CEO. April now serves as Choggiung's Finance Director. The role is well deserved as April continues

to learn and grow, exhibits strong leadership, implements efficiency gaining systems and technology, and works to develop those who report to her.

April has 6 children and 1 grandchild. In her free time, she enjoys spending time outdoors in the garden, raising chickens, subsistence fishing and harvesting berries to share with family. She spends a lot of time on Snake Lake working on her 2 cabins. Her favorite traditional food is salmon (King Salmon strips) and salmonberries.

In April's time with Choggiung, her most memorable accomplishments have been those that have had significant strategic benefit to the Corporation and its future. Among them, completion of her first SBA 8(a) Small Business Development Program application and participating in an organized externship at BBNC which has resulted in selection of software to help automate many of our accounting processes and work toward the end goal of becoming paperless. We are lucky to have such a committed, loyal, and energetic employee as April. When you see her around, be sure to let her know you appreciate the work she does for all of us shareholders!

EMPLOYMENT OPPORTUNITIES

The Bristol Inn is seeking motivated individuals for the following positions:

- Hotel Assistant Manager
- Front Desk Clerk

The Bayside Diner is seeking applicants for the following positions:

- Cook (full-time with benefits)
- Waitstaff

Choggiung Ltd. Is hiring for a Maintenance Assistant through BBEDC's Seasonal Employment Program. For an application please visit www.bbedc.com or call 907-842-4370.

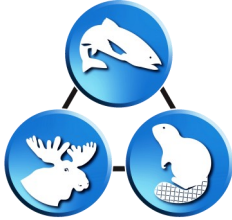
For additional information you can visit www.choggiung.com or contact the Choggiung office at 907-842-5218 for a complete job description and application.

Choggiung Limited and Subsidiaries—Board of Directors

Jack Savo Jr., Chairman
Jean Barrett, Vice Chair
Kevin Tennyson, Secretary

Inez Bielefeld, Treasurer
Ida Backford, Director
Thomas Tilden, Director

John Heyano, Director
Frank G. Woods III, Director
Olga Kropoff, Director



CHOGGIUNG LTD.

P.O. Box 330
Dillingham, AK 99576



Save the Date!

45th Annual Meeting of Shareholders
Saturday, September 28, 2019
Dillingham Elementary Gym

The Alaska Native Claims Settlement Act (ANCSA) was signed on December 18, 1971; Choggiung Limited was incorporated on July 3, 1973. In the past 45 years Choggiung has grown from 1,049 original shareholders to 2,222 shareholders today. Please join us in celebrating our 45th year of incorporation at the Annual Meeting of Shareholders on Saturday, September 28, 2019 at the Dillingham Elementary Gym.

The meeting is for the purpose of electing three directors who will serve three-year terms ending in 2022, and to address any other business that may come before the Shareholder's meeting.

