

## THE AFOGNAK ALUTIIQ PEOPLE OUR HISTORY & CULTURE

FEBRUARY 2009

The Alutiiq people are the indigenous people of the Kodiak Island Archipelago. We, the Alutiiq people, have inhabited our traditional lands for over 7,500 years. Afognak Native Corporation represents over 700 Native shareholders, which are descended specifically from the Village of Afognak, on Afognak Island, in the northern part of the Archipelago. Afognak's wholly-owned subsidiary, Alutiiq, is named after our people.

### LOCATION



The Kodiak Archipelago is located 225 air miles south of Anchorage in the Gulf of Alaska. Kodiak is a temperate rain forest with a mild climate. Afognak Island, our shareholders traditional home, is the second largest island of the Archipelago.

### HISTORY & CULTURE OF THE ALUTIIQ PEOPLE



The Alutiiq people traditionally carved petroglyphs into rocks all over the Kodiak Archipelago. These petroglyphs are the oldest representations of our culture and some of them have become our Alutiiq company logo.

Alutiiq people have been typically defined by our connection to land and sea. Traditionally, Alutiiq people lived in villages. The houses, called *ciqlluaq*, were sod covered structures built partially underground. Each person held a position within the community and was responsible for some aspect of life, be it hunting, fishing, cooking, sewing or gathering. Everyone was important and had a role in the village's survival.

Traditionally the Alutiiq people's primary food sources were marine mammals, fish, and migratory birds. These were hunted from kayaks with *atlatls* (throwing boards) and spears or fishing hooks. Subsistence activities were, and continue to be, the fundamental foundation of Alaska Native cultures.

At the time of pre-contact, the Alutiiq people's population was between 15,000 and 18,500. After 50 years of resistance survivors gathered at "Refuge Rock" where, in August of 1784, a Russian fur trader and his men claimed Kodiak as the capital of Russian America. It is estimated that between 2,500 and 3,000 Alutiiq people perished, primarily women and children. There were no Russian casualties. Over one hundred years later, in 1867, the United States purchased Alaska for \$0.02 an acre from Russia.



Petroglyphs carved in rock near the Village of Afognak

However, Alaska Native people were not allowed to vote until the Indian Citizenship Act of 1924. And it was not until January 3, 1959 that President Eisenhower signed the proclamation admitting Alaska as the forty-ninth state.

On March 27, 1964, one of the largest natural disasters in U.S. history destroyed our traditional home of Afognak with the "Good Friday" earthquake and tsunami. Following the

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### HISTORY & CULTURE OF THE ALUTIIQ PEOPLE



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destruction of our village many chose to relocate and build a new village on Kodiak Island, assisted by the philanthropic “Kodiak Island Lions Club”, hence named Port Lions. Others moved to the City of Kodiak and other parts of Alaska and the Lower 48.



Village of Port Lions, located on Kodiak Island, Alaska

### ALASKA NATIVE CLAIMS SETTLEMENT ACT



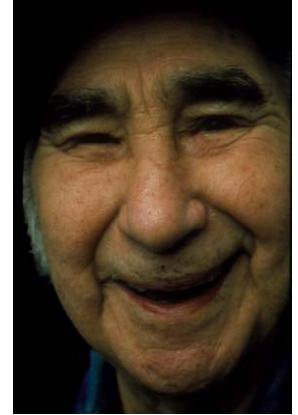
After oil was discovered in Prudhoe Bay in 1967, Congress realized indigenous land claims had to be addressed before any developments could occur. This led to the passage of the Alaska Native Claims Settlement Act (ANCSA) in 1971. ANCSA made a settlement of 44 million acres of land (making Alaska Natives the largest private land owner in the U.S.) and \$962.5 million in cash to 12 regional and 200 village corporations. ANCSA was an attempt by the federal government to try something different from the reservation system in the lower 48, which was viewed by many as a failure at that time. Native corporation enrollees were those Alaska Natives who were alive or born on or before December 18, 1971, and proved their lineage to their respective region and village. Congress termed Native corporation enrollees as “shareholders” – it is a lifetime enrollment that cannot be bought or sold.

Most Alaska Natives enrolled in both a regional and village corporation. The 13th Regional Corporation was later included in the settlement to represent those Alaska Natives who, for various reasons, had lost their village and/or village affiliation. ANCSA, although not perfect, provided Alaska Natives with an avenue of economic development and self-sufficiency. Some Native corporations have succeeded, while many others have struggled. Congress amended ANCSA to help Alaska Natives overcome barriers to economic development in rural Alaska by making Alaska Native Corporations eligible to participate in the Small Business Administration’s 8 (a) Program. This change made it clear that the government had an obligation to promote a long-term revenue stream as an integral part of the original ANCSA economic settlement.

### AFOGNAK NATIVE CORPORATION



Afognak Native Corporation was organized in 1977 through the merger of two ANCSA village corporations: Port Lions Native Corporation and Natives of Afognak, Inc. Afognak Native Corporation is governed by a nine member Board of Directors. All Board Members are Native shareholders and are elected by their fellow shareholders, serving 3 year terms.



Afognak Shareholder & Alutiiq Elder John Pestrikoff

Afognak owns 160,000 acres of land in the Kodiak Archipelago, primarily on Afognak Island. Our lands represent our most valuable asset, have formed the core of our financial success as a corporation, and demonstrate value through shareholder use for culture, subsistence, and recreation activities as well as the opportunity for economic development.

For 18 years Afognak participated in, and profited from, timber development ventures on Afognak Island. Then, in 1999, as Afognak’s timber development opportunities began to wane, we launched our 8(a) business. Today we continue to grow our key competencies as we learn to compete in the government and commercial contracting arenas. Today Afognak employs approximately 6,400 people in nearly every state, and several foreign countries with operations in: security, logistics/operations & maintenance, information technology, technical services and construction.



A home destroyed on Afognak Island from the 1964 tsunami

## SHAREHOLDER BENEFITS

FEBRUARY 2009



Shareholder descendants in a field of forget-me-nots at Afognak Village

Afognak Native Corporation represents over 750 Native shareholders, which are descended specifically from the Village of Afognak. As an Alaska Native Corporation, Afognak is responsible for meeting economic, social, and cultural obligations to its shareholders. Afognak is accomplishing this by providing benefits to individual shareholders and strengthening *Aq'wanermuit* "our community". It is important that these two areas co-exist because by unifying *Aq'wanermuit*, we develop a collective strength and by providing benefits to individual shareholders we empower every shareholder. Afognak's success has provided many benefits to our shareholders, including:

**Dividends.** In 2007 and again in 2008, Afognak paid \$12.2 million in dividends, providing the average shareholder (holding 100 shares) with \$23,860 each year. In 2006 Afognak paid \$11.1 million in dividends, providing the average shareholder with \$21,688.

**Shareholders Permanent Fund and Shareholder Settlement Trust.** The Afognak Board designed the Shareholders' Permanent Fund and Shareholder Settlement Trust so that dollars from our business development operations provide long-term economic benefit to our shareholders. As of December 2008, our Permanent Fund was valued at \$50.3 million and our Settlement Trust was valued at \$10 million.

**Cultural and Social Programs.** Each year Afognak supports programs and organizations that promote Alutiiq culture, traditional language revitalization, and community unity. Some of Afognak's prominent donations in 2008 included the Native Village of Afognak for cultural program support, the Alutiiq Museum and Archeological Repository for operations and support of various cultural programs, and the Alaska Native Heritage Center.

**Scholarship Programs.** Afognak offers two scholarship programs for shareholders and shareholder descendants (shareholders' children and grandchildren who want to attend traditional universities or vocational school. Since 2004 Afognak has helped students pursue 4 doctorate degrees; 14 masters degrees; 52 bachelors degrees; and 25 associates degrees.

**College Intern Program.** Afognak has both a formal summer and year-round intern program for our shareholders and descendants that provide college students the opportunity to gain on-the-job skills, competitive pay, and full benefits (for year-round interns) while earning their degree. In 2008 Afognak employed 3 college interns.

**High School Intern Program.** Shareholders and descendants of Afognak that are high school students have the opportunity to participate in a 4 week internship designed to provide them with on the job work experience. All participants work 40 hours a week over the course of the program. Travel to work sites in other states will educate interns about Afognak's lines of business. In 2009 Afognak hopes to employ 4 high school interns.

**Apprentice Program.** On-the-job training is provided to two shareholders and descendants who are interested in entering the workforce but lack experience. Apprentices receive training in the field of their choice for up to one year. Apprentices can serve in any U.S. location where space is available. Once finished with the program, participants will be encouraged to apply for a permanent full-time position within Afognak.

**Shareholder Hunting and Subsistence.** Afognak provides free housing and transportation for shareholders and their families wanting to do subsistence activities on Afognak Native Corporation land.

**Land Management.** Afognak manages and protects our traditional lands, providing opportunities for shareholders and their families to use the lands for subsistence, recreational and economic opportunities.



Afognak's Lands Security Officer, Shareholder Andy Christofferson, Patrolling Afognak Lands

Shareholder Owned Business Directory. Afognak advertises small businesses owned by shareholders and descendants. Advertising services include a free online directory on our Afognak.com website and printouts which are available at the Anchorage and Kodiak offices. Encouraging business partners and staff to take advantage of these services will increase business and quality of life for our shareholders.

Shareholder Small Business Growth Program. Shareholders and descendants that own small businesses are eligible to apply for up to \$5,000 in funds to support the maintenance and/or growth of their business. The funds can be used to purchase any material or activity that will further the business. Businesses that employ other shareholders and descendants receive priority in the application process.

Future Leaders Outreach Program. Shareholders or descendants that are high school students will have the opportunity to travel to Anchorage to participate in a one week intensive "life after high school" orientation. Students tour college campuses, learn about scholarships, get an overview of the Afognak's businesses, with work ethics and basic life skills as the main goals of the program. These activities will assist shareholders in identifying options for their future education and employment. Ten Alaska Native students participated in the first annual Summit in January 2009.

Shareholder Hire and Employment Supports. Shareholder Development provides shareholders and descendants with assistance in resume writing, completing employment applications, career counseling and conducting mock interviews. A database is used to link qualified shareholders and descendants up with employment opportunities within and outside the Corporation. Almost 100 shareholders and descendants received employment support by the Shareholder Development Department in 2008.



Afognak shareholders working in our Business Headquarters office, located in Anchorage, Alaska.

Statewide Partnerships. Afognak partnered with Bristol Industries to form the Shareholder Development Action Group. The purpose of the group is to build partnerships and share ideas between Native corporations and other organizations that practice Shareholder and Alaska Native hire.

Community Outreach and Advocacy. Annually, CH2MHill sponsors a three week training program where individuals are prepared for employment on the North Slope and guarantees employment to any individual that graduates from the program. For the first time, CH2MHill has agreed to give individuals that reside in Kodiak preference in the application process. Afognak will pay the transportation and drug-test costs for shareholders and descendants that are accepted into the program. The three week training will begin April 5, 2009.

Shareholder Employee Training Program. Shareholder and descendant employees can receive up to \$500 each year to receive the training they need to excel in the workplace, such as: computer skills; business; accounting; and leadership. 41 shareholder employees took advantage of this program and attended trainings/classes in 2008.

Management Training Program. Shareholders and descendants interested in management level positions can serve as a management intern in any area that Afognak does business. One intern will be hired for up to 18 months; 3 months spent getting familiar with Afognak, 6 months rotating between departments to find an area of interest, and the remainder of time receiving on the job training. This program is designed to groom shareholders for managerial positions within the Corporation. This program will begin in the Spring of 2009.



Afognak's Senior Vice President of Information Technology and shareholder, Karl McLaughlin.