

Giving the Gift of Kavilco Shares: Questions and Answers

The Alaska Native Claims Settlement Act (ANCSA) permits Native corporation shareholders to give part or all of their shares as gifts. The following answers the most common shareholder questions about giving stock gifts. For a complete set of forms and information you may need for Kavilco Incorporated stock, you may download the forms from the website or contact:

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Q. *Who can give a gift of shares?*

A. Any Kavilco shareholder can gift their shares.

Q. *Who can I give my shares to?*

A. You can give your shares to your child, grandchild, niece, nephew, brother or sister, whether they are related to you by birth or by legal adoption.

Q. *What about my spouse or my spouse's relatives?*

A. The person you are giving your shares to must be related to you by blood or adoption, For example, a spouse's nephew may not be a recipient.

Q. *Does the recipient have to be an Alaska Native?*

A. The recipient must be either an Alaska Native or a descendant of a Native, including adopted descendants. No particular blood quantum is necessary to receive a gift of shares.

Q. *Why do shareholders give their shares away?*

A. Shareholders give shares for many reasons: Birthdays, graduations, to give Natives born after the enrollment cut-off date a stake in their corporation.

Q. *How many shares can I give away?*

A. You can give any number of shares, from one share to all of your shares.

Q. *Can a gift include a fraction of a share?*

A. No, the gift must be in whole shares. For example, if you give 25 shares to two children, one child will receive 12 shares and one will receive 13 shares.

Q. Can I undo my gift later? Can the recipient return the shares to me?

A. No. Once you have given your shares away you no longer have authority over them. The law does not provide for gifts to parents, grandparents, aunts or uncles, so the person you give your shares to cannot return them unless they are your brother or sister. We advise you to consider your gift carefully.

Q. What about a gift to a minor?

A. If the recipient is under the age of 18, a custodian must hold the shares (usually a parent or legal guardian) until the recipient reaches age 18.

Q. What are the tax consequences of a gift a shares?

A. We don't know. You and the recipient should consult with a tax advisor about any Federal or State tax liability because of this gift. Kavilco Incorporated is not responsible for any taxes that may be owed.

Q. Can I provide for family members or others to receive a gift of stock in any other way?

A. Yes, you can indicate how you want to leave your shares upon your death.

1. By formal will, or
2. By completing the Testamentary Disposition stock clause on the back of your stock certificate, or
3. By completing a special one-page Testamentary Disposition form to ensure how your shares are passed upon your death.

There are no restrictions on who can inherit your shares.

Q. How do I give a gift of shares?

A. You must properly complete the following documents, have them confirmed by a notary and return them to Kavilco:

1. Affidavit for Gift of Kavilco Stock
2. Affidavit for Receipt of Gift of Kavilco Stock (filled out by the person you are giving the shares to)
3. Affidavit of Native Status Relative to Kavilco Stock
4. Appointment of Custodian for Gift of Kavilco Stock to Minor (*if the person you are giving the shares to is under the age of 18*)

Q. How long does it take to give a gift of shares?

A. Once Kavilco has received the properly completed documents we will prepare new stock certificates that must be signed during a Board meeting by the President and Secretary of the Board of Directors. Board meetings are held every two (2) months: January, March, May, July, September and November.