



Frequently Asked Questions

For Vote on Kootznoowoo Permanent Fund Settlement Trust (“The Trust”)

Q: *Why do we have to vote on Termination of the Trust?*

A: The Trust Agreement from 1994 incorporates an “Anniversary Date” of 32 years, at which time a vote of the Unit Holders must occur to determine whether to terminate the Trust or Continue until the next Anniversary date.

Q: *Why does 50% of the Trust balance have to go to the Corporation if the Trust is terminated?*

A: The Trust Agreement from 1994, at Section 6, Paragraph (c), provides for this allocation of assets upon the termination of the Trust, and this allocation states that 50% shall go to Kootznoowoo, Inc. and the remainder to the Trust unit holders. There is no discretion to the Trustees or the Corporation to alter this allocation.

Q: *How much money would each unit holder and the Corporation receive if the Trust were terminated?*

A: The Trust currently has \$17.9 million. At current value, the unit holders would receive a one-time distribution of \$143 per unit or \$14,300 per 100 units; the Corporation would receive \$9 million.

Q: *How much has been distributed to individual unit holders since inception?*

A: The Trust has distributed \$17,023,914 to unit holders since inception. This is over \$27,000 per 100 units and close to double the amount of the original Trust balance. Current annual distributions average about \$1,200 per year.

Q: *What happens if the vote to Terminate the Trust fails?*

A: The Trust will continue to exist and will be maintained until the next Anniversary Date of 32 years, until 2058.

Q: *What percentage of shareholders must vote in favor of the Trust Termination Resolution to Pass the Resolution?*

A: The resolution requires seventy-five percent (75%) of ALL outstanding shares of the Corporation to vote in favor of the resolution, not just 75% of those participating in the proxy resolution voting. This is established in Section 6, Paragraph (e), of the Trust Agreement. This is an extremely high standard.

Q: *Why do the Trustees recommend a NO Vote?*

A: Because the Trust ensures financial benefits to unit holders now and into the future. These are stable, long-term, reliable payments over time that will have a greater monetary impact than a one-time pay out.