

Notification of Changes to Election Rules and Procedures for Cape Fox Corporation

To all Cape Fox Corporation Shareholders,

The Cape Fox Corporation Board of Directors unanimously approved the following changes to the Election Rules and Procedures for Cape Fox Corporation. If you require a hard copy of the Election Rules and Procedures, please put in a request with Shareholder Services at shareholderservices@capefoxcorp.com or call (907)225-5163 x428 and one will be mailed to you.

Election Rules

Section 1.01: Solicitation of Proxies

Revisions to paragraph 1.01.040 Proxy Solicitations By Board of Directors:

(b) The solicitation of proxies on behalf of the board must be preceded or accompanied by a dated, written proxy statement, which shall include the following, plus any other information a reasonable shareholder would consider important in deciding how to vote:

(1) If the directors are being elected, a description of each director nominee of the board who has consented to act if elected and of each director whose term of office will continue after the shareholders' meeting. Each description must include:

(A) name, age, and state and city of residence;

(B) all positions and offices presently and previously held with the corporation and its subsidiaries;

(C) remaining term in office as director and all other periods of service as a director for the corporation and its subsidiaries;

(D) total number of board meetings, including regularly scheduled and special meetings, and the number of meetings of committees on which the nominee or director served, and the percentage attendance during the last fiscal year at meetings of the board, including regularly scheduled and special meetings, and meetings of committees on which the nominee or director served, including those meetings for which the absence was excused;

(E) the nature of any family relationship with any director, nominee, or executive officer of the corporation or its subsidiaries;

(F) business experience during the past five years, including:

(i) principal employment or occupation

(ii) the nominee's or director's employer; and

(iii) other directorships held for other entities;

(G) any of the following events that occurred during the past 10 years: voluntary or involuntary petition under any bankruptcy or insolvency laws, appointment of a receiver, pending criminal proceedings, except traffic violations or other minor offenses, a conviction or plea of nolo contendere in a criminal proceeding, except traffic violations or other minor offenses, and the entry of any final judgment, order, or decree, not subsequently reversed or vacated, that the nominee or director engaged in unethical or illegal business practices, violated fiduciary duties, or violated securities laws;

(H) disclosure of any prior conviction or plea of guilty or nolo contendere to a felony involving theft, fraud or other acts of dishonesty;

(I) financial transactions by the corporation since the beginning of the corporation's last fiscal year and presently proposed financial transactions by the corporation or its subsidiaries if:

(i) the transactions in the aggregate exceed \$20,000; and

(ii) the transaction is with the nominee, director, a member of the nominee's or director's family, or an entity, other than an affiliate of the corporation, where a nominee, director, or a member of the nominee's or director's family is employed by, is an officer or director of, or owns directly or indirectly, an interest in the entity.

(2) A statement of all current compensation or other remuneration distributed or accrued and of all future compensation or other remuneration contributed during the corporation's last fiscal year on behalf of:

(A) each of the five most highly compensated persons of the corporation, whether directors or officers for the director's or officer's services in all capacities to the corporation and its subsidiaries, naming each such person; and

(B) all officers and directors as a group, stating the number of persons in this group without naming them; future remuneration contributed includes amounts that were reported in the corporation's annual report for the last fiscal year for annuity, pension, or retirement plans and for deferred compensation or profit sharing plans; information need not be furnished regarding costs for ordinary and necessary business expenses or for personal benefits, group life, health, hospitalization, or medical reimbursement plans that do not discriminate in favor of officers or directors of the corporation and that are available generally to all salaried employees;

(3) a brief description, including the purpose and amount, of financial transactions by the corporation or its subsidiaries since the beginning of the corporation's last fiscal year and any presently proposed financial transactions by the corporation or a subsidiary if:

(A) the transactions in the aggregate exceed \$20,000; and

(B) the transaction is with a director, nominee, executive officer, or family member of a director, nominee, or executive officer, or is with an entity, other than an affiliate of the corporation, where the director, nominee, or executive officer or a family member is employed by, is an officer or director of, or owns, directly or indirectly, an interest in the entity;

(4) a brief description of all legal proceedings to which any director, nominee, or executive officer has been a party with interests adverse to the corporation or its subsidiaries during the last 10 years;

* * *

(7) a brief description of the board's leadership structure, including whether the same person serves as president and board chair, or as president and chief executive officer, the attendance policy for meetings, and a list of the board's committees, if any, performing audit, nominating, and compensation functions, the membership of each committee, the number of meetings held by each committee during the last fiscal year, and a brief description of the functions actually performed by each committee;

* * *

(15) for each matter that is to be submitted to a vote of the shareholders, other than the election of directors, a description of the proposal, a statement of the vote required for its approval, and the name of any director who has notified the corporation in writing that the director intends to oppose the proposed action;

Reason for Change: Provisions of the Alaska Administrative Code governing proxy solicitations for Alaska Native Corporations were amended in 2016. While those provisions of the Alaska Administrative Code only apply to ANSCA corporations with more than \$1M in assets and 500 or more shareholders, the Board believes it is prudent that the Cape Fox Corporation Election Rules and Procedures reflect these amendments.

Revision to paragraph 1.01.050 Proxy Solicitations by Others: All solicitations of proxies, other than solicitations by the board to which Section 1.01.40 of these Rules applies, must be preceded or accompanied by a dated, written proxy statement, which shall include the following information, plus any other information a reasonable shareholder would consider important in deciding how to vote:

* * *

(d) if directors are being elected, a description of each nominee of the participant who has consented to act if elected, each description must include the following information to the extent it applies:

(1) name, age, and state and city of residence;

(2) all positions and offices presently and previously held with the corporation and its subsidiaries, if any;

(3) the remaining term in office as a director and all other periods of service as a director for the corporation and its subsidiaries;

(4) the total number of board meetings, including regularly scheduled and special meetings, and the number of meetings of committees on which the nominee served, and the percentage attendance during the last fiscal year at meetings of the board, including regularly scheduled and special meetings, and meetings of committees on which the nominee served, including those meetings for which the absence was excused;

(5) the nature of any family relationship with any director, nominee, or executive officer of the corporation and its subsidiaries;

(6) business experience during the past five years, including:

(i) principal employment or occupation;

(ii) the nominee's or director's employer; and

(iii) other directorships held for other entities; and

(7) any of the following events that occurred during the past 10 years: voluntary or involuntary petition under any bankruptcy or insolvency laws, appointment of a receiver, pending criminal proceedings except traffic violations or other minor offenses, conviction or plea of nolo contendere in a criminal proceeding, except traffic violations or other minor offenses, and the entry of any final judgment, order, or decree, not subsequently reversed or vacated, that the nominee engaged in unethical or illegal business practices, violated fiduciary duties, or violated securities laws;

(8) information concerning any conviction of, or plea of guilty or nolo contendere to a felony charge involving theft, fraud, or other acts of dishonesty.

(e) a brief description of financial transactions by the corporation, including purpose and amount, with that participant, a member of the participant's family, or any entity since the beginning of the corporation's last fiscal year and presently proposed financial transactions by the corporation with that person or entity if:

(1) the transactions in the aggregate exceed \$20,000; and

(2) the participant in the solicitation or a member of his family is employed by, is an officer or director of, or owns, directly or indirectly, an interest in the entity who is a party to the transaction;

(f) a brief description of all legal proceedings to which each participant involved in the solicitation is a party with interests adverse to the corporation or its subsidiaries during the last 10 years;

* * *

(k) if the proxy statement relates to any matter where the law requires that notice be given to shareholders, or to a special shareholders' meeting for which any participant in the solicitation sought shareholder signatures on a document calling for the special meeting:

(1) a description of each matter which is to be submitted to a vote of the shareholders and a statement of the vote required for its approval; and

(2) a description of any substantial interest, direct or indirect by shareholders or otherwise, of each participant in the solicitation, or family member of that participant, in any matter to be acted upon at the meeting, unless the participant or family member owns shares in the corporation and would receive no extra or special benefits not shared on a pro rata basis by all other shareholders of the same class.

Reason for Change: Provisions of the Alaska Administrative Code governing proxy solicitations for Alaska Native Corporations were amended in 2016. While those provisions of the Alaska Administrative Code only apply to ANSCA corporations with more than \$1M in assets and 500 or more shareholders, the Board believes it is prudent that the Cape Fox Corporation Election Rules and Procedures reflect these amendments.

Section 2.01: Rules and Procedures Governing Shareholder Voting

Revisions to paragraph 2.01.040 Cape Fox Nomination and Proxy Committees:

(b) Proxy Committee. The Board of Directors shall appoint, from among the board members whose terms are not expiring at the annual meeting for which proxies are voted, a Proxy Committee consisting of three directors. The Proxy Committee members will be designated as the "Proxyholders" on the Official Cape Fox Corporation Proxy, and shall have discretion to vote all

proxies given to the corporation. If a candidate for whom proxies have been directed withdraws their candidacy, the Proxy Committee has discretionary authority to reallocate his or her votes among other candidates, unless the proxy indicates that this discretionary authority has been withheld. If a shareholder has indicated that such discretionary authority is to be withheld and a candidate for whom proxies have been directed is unable or unwilling to serve and their candidacy is withdrawn, those proxies shall not be counted except for quorum purposes.

Reason for Change: The Board of Directors believes it is in the best interest of the Corporation to amend the Cape Fox Corporation Rules and Procedures to clarify the role of the Proxy Committee.

By: Richard Shields Sr.
Richard Shields, Sr.

Date: 6-10-2021