

# NANA changes policies for elections to board

**KOTZEBUE** — In response to issues raised by shareholders at the annual meeting in March, the NANA Board of Directors recently changed policies regarding proxies and nomination of at-large board members.

The board met May 22-25 in Kotzebue.

First, the board changed its method of handling board election proxies, in effect removing the advantage for incumbent board members.

Most corporations solicit full discretionary proxies from their shareholders and give them no choice of whom to vote for. NANA has used a ballot proxy which does give the shareholders a choice of candidates. However, each year about 2 percent of shareholders give the board full discretionary proxies, allowing the board to vote for the candidates of its choice.

The board practice has been to divide full discretionary proxy votes equally among incumbent board members facing opposition. Under the new policy, however, proxy votes will be distributed equally among all candidates.

The board's decision was based on the conclusion that in a close board election, the winners should be decided by the shareholders themselves, instead of the board. The board will urge shareholders to avoid full discretionary proxies since those proxy votes will have no impact on board elections in the future, according to NANA spokesmen.

The proxy policy applies only to the election of board members. The board will maintain its authority to vote pro-



## NANA

xies on other issues.

The board also changed the procedures for nomination of candidates to at-large positions on the board. The new procedure will allow more than one challenger for at-large seats. Any shareholder who obtains signatures representing a minimum number of shares will appear on the ballot. The minimum has not yet been decided.

An at-large seat will not be open again until 1991.

In other action related to internal policies, the board let stand current policy allowing the president to serve as a member of the board. The board cited two reasons for its decision:

- The current president, Willie Hensley, has been up for re-election to the board twice since he was appointed president. In the most recent election, Hensley received more votes than any other board candidate.

- In most corporations, the president or chief executive officer sits on the board of directors. Some Native corporations do not follow this procedure, but that usually happens when the president is a non-Native and therefore ineligible to serve on the board.