



SHAREHOLDERS OF TWELVE CLANS

Shareholder Rights

A shareholder is a tribal member of the Ho-Chunk Nation who is eligible to vote according to the Nation's constitution. Under the Constitution, a tribal member ("shareholder") is at least eighteen (18) years old and meets all other requirements established by the Ho-Chunk Nation. A shareholder is inherent right. One cannot become a shareholder through equity ownership such as "purchasing" a share or interest. Shareholder rights are not bought, borrowed, transferred, delegated, or earned.

The Shareholders do not manage the corporation but may receive dividends (as prescribed by Twelve Clans' Corporate Charter) and participate in the corporation through the election of Corporate Board members. Shareholders are to receive the corporation's audited financial statements prior to the close of the calendar year.

The Ho-Chunk Nation Legislature (Legislature) are the representatives of the owner of Twelve Clans – Ho-Chunk Nation – known as the Owner's Representative. Shareholders are to seek representation through and by the Owner's Representative.

Meetings of the Shareholders

The corporation is to hold regular meetings for shareholders each year in order to review the corporation's business activities and conduct any necessary elections for Directors. This meeting is to be held no later than the end of the calendar year requiring a 30-day mailed notice.

A meeting otherwise not held as a regular meeting is called a special meeting. Special meetings can be called upon by the Legislature or a majority of the Board of Directors for any purposes requiring a 5-day notice either mailed or notified personally.

The Owner's Representative are to attend shareholder meetings in their capacity as the representative of the owner and not in their capacity as the governing body of the Nation.

The regular or special meeting convenes when 60 shareholders are present constituting a quorum. If a regular meeting fails to reach a quorum of 60 shareholders, the Legislature can set a new date and the Board of Directors issue the appropriate notice thereof. If two attempts to hold the regular meeting fail, no further attempts to hold the regular meeting are imposed for that fiscal year.

Shareholder Voting

To be eligible to vote, shareholders must comply with the Nation's voting requirements. The Board of Directors nominates and puts forth director candidates for election by the shareholders in staggered class elections. Elections occur every two years. A quorum, signifying the minimum number of participants required for a valid meeting, is achieved when 60 shareholders are in attendance. Shareholders have the option to cast their votes either through a voice vote or by using a ballot. According to the Corporations Act, the decision that prevails is determined by the majority vote of the shareholders and must be physically present to vote.

The Ho-Chunk Nation Corporations Act and Twelve Clans' Corporate Charter inexplicitly prohibit proxy voting and online voting. Both legal frameworks governing Twelve Clans do not explicitly define what is 'present' and are highly susceptible to a legal challenge if Twelve Clans were to interpret 'present' by allowing virtual or proxy voting. In-person voting is required until further notice.

