

The Eyak Corporation Director's Code of Conduct

I. THE DUTIES OF LOYALTY AND OF DUE CARE

Directors must be loyal to The Eyak Corporation. Directors must act at all times in the best interest of the Corporation and its shareholders, and subordinate self-interest to the good of the Corporation.

Directors should never use their position on the board to make a personal profit.

A. DUE CARE

Directors must perform their duties in good faith, with sound business judgment, and with the care of a prudent person. Directors shall be diligent on their efforts to:

1. implement Eyak's Corporate Mission Statement;
2. respond to shareholders in the context of the Mission Statement;
3. attend Board and committee meetings regularly;
4. analyze corporate reports, information, and corporate action to ensure they meet the standards of business excellence;
5. study the corporate business environment;
6. comply with all State proxy regulations and all corporate policies, expend corporate funds prudently, and maintain accurate travel records;
7. respect the boundaries between the Board's role in policy development and management's role in the implementation of Board policies; and
8. participate in other organizations that seek to advance the welfare of shareholders and their descendants when that involvement does not conflict with the director's duty to the Corporation.

B. CORPORATE BUSINESS OPPORTUNITIES

Except as described elsewhere herein, a director may engage in business other than the Corporation's business, so long as he or she does not pre-empt or usurp a corporate business opportunity. A corporate business opportunity is defined as: (1) an opportunity in the Corporation's line of business or proposed expansion or diversification, (2) which the Corporation is financially able to undertake, and (3) which may be of interest to the Corporation. A director who learns of such a business opportunity must disclose the opportunity to the Corporation. If the Board does not intend to take advantage of the opportunity, then and only then may the director take advantage of the opportunity.

Directors are encouraged to disclose to the Corporation all opportunities they believe may be subject to this section.

C. CONFLICTS OF INTEREST

The Eyak Corporation Board of Directors is bound by the conflict of interest rules contained in Alaska Statute 10.06.478 and Article IX, Section 5 of the Restated Bylaws of the Corporation, collectively, the ("Conflict of Interest Rules").

In light of the Conflict of Interest Rules already binding on the Corporation and in light of business, ethical, legal, and practical issues and regulations facing Native corporations, the general encouragement of shareholder hire, especially in small communities, and being mindful of avoiding the appearance of impropriety or undue influence or insider opportunity, directors shall comply as follows:

1. All directors shall advise the Chairman of the Board (or the President if it involves the Chairman) immediately upon becoming aware of an actual or potential conflict of interest. The Chairman shall ensure that the matter is brought before the Board.
2. Directors cannot be employed as full time, paid, non-contract employees of The Eyak Corporation or a subsidiary of The Eyak Corporation.
3. A director may not vote on or participate in discussion of any matter or item involving:
 - i. direct dealings between the Corporation and a director, the director's spouse or immediate family members, or an entity owned or controlled by any of them;
 - ii. claims, disputes, or lawsuits between the corporation and a director, the director's spouse or immediate family members or any entity owned or controlled by any of them; and
 - iii. any other dealing or relationship between the corporation and any person or entity whereby a pecuniary benefit not available to all shareholders of the corporation would actually or potentially be conferred on the director, the director's spouse, the director's immediate family members, or any entities owned or controlled by any of them.

Any director with a conflict or potential conflict as defined in 3 above must disclose any actual or potential conflict and abstain from participating in any meeting during any discussion or voting on any matter involving or related to the actual or potential conflict.

Failure to disclose any actual or potential conflict of interest shall be treated as a possible violation of this Code of Conduct and dealt with under the Enforcement and Disciplinary Procedures in Section II.

D. BUSINESS TRANSACTIONS

1. Competitors - Without prior disclosure to the Board of Directors a director may not act as an officer, director, general partner, trustee, or manager of, or beneficial owner of more than a 5% equity interest in, any other corporation, partnership trust, or other business enterprise that is in competition with the Corporation. "In competition" as used herein shall mean engaged in an enterprise that performs business activities or buys, sells or furnishes goods or services of a sort that makes up at least five percent of the Corporation's business operations, in a geographical region where the Corporation markets its business activities, goods, or services of the same sort.

2. Director Contracts with the Corporation - Alaska Statute 10.06.478 implicitly requires disclosure of financial dealings between the Corporation and its officers and directors. Article IX, Section 5 of the bylaws of the Corporation addresses contracts or other transactions between Eyak and any other corporation.

The Corporation is cognizant of the need to respect the privacy of an individual's business dealings; it also recognizes that requiring disclosure of significant financial transactions between the Corporation and other entities in which a director of the Corporation, or his or her spouse or children, has an interest is proper.

Except as limited herein, directors of the Corporation must disclose to the Board of Directors the terms of any contract or transaction entered into by the Corporation and any other corporation or concern (collectively an "Entity") during the current fiscal year or proposed to be entered into by the Corporation and an Entity if:

- i. during the fiscal year the transaction(s) with such Entity exceed, in the aggregate, \$10,000; and
 - ii. the director of the Corporation, or the director's spouse and/or children, is an officer or director of, employed in a managerial position by, or owns, directly or indirectly, an interest in, such Entity.
3. Suppliers - Directors must avoid any direct or indirect interest in or relationship with a supplier that could affect their conduct in carrying out their responsibilities to the Corporation. Without prior disclosure to the Board, directors may not be employed by a supplier, customer or any entity with whom the Corporation has a contract for goods or services.
4. Loans and Loan Guarantees - No director of Eyak or a director of its subsidiaries shall obtain a loan or loan guarantee from the Corporation, except as permitted by law. Alaska Statute 10.06.485(a) states:

...A loan may not be extended to a director without approval of two-thirds of the voting shares. An employee or officer who is also a director is considered a director for purposes of this section. A shareholder is not disqualified from voting on a loan to a shareholder as a director because of personal interest.

E. CORPORATE GIFTS AND PROPERTY

1. Receipt of Gifts - Gifts of cash from suppliers or others who do business, or have expressed an interest in doing business, with the Corporation, are absolutely prohibited. No director, including the director's spouse and children, shall solicit gifts of any value. Where customary and not in violation of applicable law or regulation, non cash gifts may be accepted under specific circumstances outlined below.

The Corporation recognizes that on occasion, gifts of goods, services or consumables may be offered to directors by business affiliates and that the offer of these goods or services may be customary in the industry, culture, or country in which business is conducted. Gifts of services, consumables or entertainment (each a "Gift") may be

accepted by directors, including their spouses and children, provided, however, that receipt of Gifts is subject to the following restrictions:

- i. The acceptance of any Gift must be customary and closely related to the business at hand.
- ii. The receipt of any Gift with a value in excess of \$100 must be immediately disclosed to the Board.
- iii. Any single Gift with a value of more than \$250 from any person or entity with whom the Corporation does business shall be remitted to the Corporation and may be retained by the recipient only if specifically authorized by the Board. Gifts from any person or entity with whom the Corporation does business that have an aggregate value exceeding \$250 within one year shall be remitted to the Corporation and may be retained by the recipient only if specifically authorized by the Board.
- iv. Gifts from any person or entity with whom the Corporation does business that have an aggregate value exceeding \$250 within one year shall be remitted to the Corporation and may be retained by the recipient only if specifically authorized by the Board.

Gifts shall be valued at their estimated fair market value. Business dinners in the ordinary course of corporate business are not considered gifts.

2. **Corporate Giving** - Corporate gifts with values exceeding \$100, including but not limited to, goods or materials from corporate-owned operations, must be authorized by the Chairman or subsidiary President or designee division manager. The purpose of such gift must be customary for the business or country and not in violation of any applicable law or regulation. All such gifts must be fully disclosed to the board.
3. **Corporate Property** - No director shall use corporate property for personal benefit unless such use has been specifically authorized as a part of a compensation benefit or employment contract. Corporate property shall be used for the benefit of the Corporation's business interests and achievement of corporate goals and objectives only.
4. **Government Business Activities** - Corporate policy, as well as various state and federal regulations and laws, prohibit giving or offering gratuities to government officers or employees to secure a contract or secure favorable treatment with respect to any aspect of a government contract.
5. **Political Contributions** - Directors may not make a contribution by or in the Corporation's name to any federal election campaign. Directors must comply with applicable state and local laws, and state and local election campaign contributions by the Corporation may be made only under the direction of the Board. Directors will not receive reimbursement for any political contribution made as an individual.

F. CONTROL AND USE OF CORPORATE INFORMATION

All directors are required to execute the Corporation's Confidentiality Agreement (see attachment 2).

Examples of prohibited acts of disclosure or use of proprietary corporate information include, but are not limited to the following:

1. selling or giving private corporate information to a competitor or other third party;
2. knowingly converting a corporate business opportunity for personal use or the use of a third party (see Corporate Business Opportunities Section, page 1);
3. acquiring real estate which the director knows is of interest to the Corporation;
4. using private corporate information in the course of outside employment; and
5. using private corporate information in connection with trading or dealing in goods, materials, property, or stock or other securities.

G. NONCORPORATE ACTIVITIES

The Corporation's endorsement of the appointment or election of a public official shall be made only by the President of the Board on behalf of the Board after Board approval.

Directors are encouraged to be involved in public service to advance the welfare and interests of shareholders and their descendants. Those engaged in public service or partisan politics must not use materials or property of the Corporation without approval.

H. COMPLIANCE WITH LAWS AND REGULATIONS

Directors are subject to numerous federal, state, and local statutes and regulations. It is their responsibility to become familiar and comply with all applicable laws.

Directors may request through the Corporation's Chairman advice from the Corporation's legal counsel regarding compliance with any applicable law.

I. CONDUCT

Directors are expected to act in a manner that does not reflect adversely on their positions as directors or on the Corporation. Such adverse conduct includes, but is not limited to:

1. Acts which involve dishonesty
2. Fraudulent acts
3. Embezzlement
4. Substance Abuse
5. Gross abuse of authority or discretion
6. Gross neglect of duty

The directors of the Corporation, in conjunction with this Code of Conduct agree to be bound by the drug and alcohol testing policy established by the Board, which is similar to the testing policy adopted for the Corporation's employees.

J. INTERNAL CORPORATE GOVERNANCE AND STANDARD OF BEHAVIOR FOR DIRECTORS

In participating in meetings involving the Board of Directors of the Corporation, each director shall maintain a standard of behavior that reflects Eyak's Corporate Mission Statement and promotes the respect and confidence of his or her fellow directors and the officers, employees and shareholders of the Corporation. Specifically, each director shall:

- i. attend Board and committee meetings regularly;

- ii. be familiar with the Bylaws of the Corporation;
- iii. be prepared for Board and committee meetings by having reviewed and read materials to be presented and discussed;
- iv. comply with the rules and procedures implemented by the Board for conducting Board and committee meetings, including: (i) placing matters to be considered by the Board on the official agenda prior to the meeting; (ii) following the order of business set forth in the agenda; (iii) presenting opinions on matters before the Board in accordance with the rules for being recognized and addressing the meeting; and (iii) demonstrating common courtesy to others in attendance;
- v. be respectful to fellow directors and remain open to other's ideas;
- vi. refrain from participating in gossip;
- vii. acknowledge that the Board acts as a group and not individuals, and once the Board has acted, a director may seek change through Board action, but shall not undermine public or shareholder confidence in the Board or the Corporation; and
- viii. maintain the confidentiality of corporate information disclosed at Board and committee meetings in accordance with the Confidentiality Agreement, this Code of Conduct, and applicable law.

II. ENFORCEMENT AND DISCIPLINARY PROCEDURES

A. PROCEDURE

Any director who is alleged to have violated the provisions of this Code of Conduct may be subject to the following disciplinary procedure:

1. The Chairman of the Board will bring the allegation to the attention of the charged director in writing and the Governance Committee.
2. The director charged with the violation shall be notified of the allegation and shall respond in writing to the allegation to the Governance Committee within 10 working days of receiving notice of the allegation from the Chairman of the Board.
3. The Governance Committee will present a written determination to the charged director within 21 days of receiving the director's written response. The determination will include findings regarding the validity of the allegation and, if indicated, recommended sanctions.
4. If the director accepts the Governance Committee's determination, the Governance Committee shall, except as provided in the next sentence, proceed to enforce its recommendation of sanctions, if any, and shall report the matter and outcome to the Board. If the charged director is alleged to have engaged in fraudulent or dishonest acts, gross neglect of duty, or gross abuse of authority or discretion with reference to the Corporation, the Governance Committee shall refer the matter to the full Board for final determination in accordance with subparagraph 6, below.

5. If the director does not indicate acceptance or rejection of the Governance Committee's determination, in writing, within five days of its presentation to him or her, acceptance shall be presumed.
6. If: (i) the charged director rejects the Governance Committee's determination; or (ii) the director has been charged with engaging in fraudulent or dishonest acts, gross neglect of duty, or gross abuse of authority or discretion with reference to the Corporation, the Board shall: (1) upon notice to the charged director, meet to consider the matter, including the record and all materials considered by the Governance Committee and any supplemental materials or other evidence the charged director or the Governance Committee staff may wish to provide; and (2) issue a final, written decision not earlier than 14 days and not later than 30 days after the director's rejection of the Governance Committee's determination or, in the case of (ii) above, the matter is referred to the Board by the Governance Committee.

A director charged with a violation of this Code of Conduct may not participate in a vote of the Governance Committee or Board concerning his or her alleged violation.

B. SANCTIONS

1. Discretionary Sanctions

A director who is found through the above procedure to have violated the provisions of this Code of Conduct shall be subject to any or all of the following sanctions:

- i. private reprimand by the Board;
- ii. public censure and disclosure of the violation and sanctions;
- iii. cessation of eligibility to receive meeting fees;
- iv. removal from an officer position on the Board;
- v. cessation of eligibility to receive all other forms of compensation, including travel expenses;
- vi. a request to resign;
- vii. to the extent permitted by law, loss of the right to indemnification by the Corporation;
- viii. in an appropriate case, and where permitted by law, the Board may seek removal of the director by order of the Superior Court, pursuant to AS 10.06.460-463 or its successor.

The Board shall establish, in each case, the appropriate sanction and length of time each sanction shall endure. In making this determination, the Board may consider all factors it deems relevant, including, but not limited to, the seriousness of the infraction; the likelihood of repetition; the extent of probable damage to the finances or reputation of the Corporation; whether the director or his or her family personally profited, financially or otherwise, from the prohibited conduct; and the director's willingness and ability to take steps to mitigate the harm caused by the violation.

2. Automatic Sanctions

In addition to the enforcement procedures and disciplinary actions set forth above, a director who fails to: (1) comply with all disclosure requirements as set forth in the Bylaws and Alaska Corporations Code, (2) execute an acknowledgment agreeing to comply with this Code of Conduct, (3) execute the Corporation's Confidentiality Agreement, or (4) swear an oath of allegiance to the Corporation at or following the annual meeting of shareholders, shall be ineligible to receive meeting fees, and other forms of compensation, including travel expenses. Once the director's failure has been

rectified, he or she shall become eligible to receive all forms of compensation to which he or she is otherwise entitled as a director. The director will not be compensated for the period of ineligibility of compensation.

In addition to the enforcement procedures and disciplinary actions set forth above, a director who breaches the Confidentiality Agreement set forth in Attachment 2 (demonstrated by a 2/3 vote of the remaining directors) shall not be entitled to review any proprietary or confidential information unless and until the Board determines the breach has been rectified. Provided further, the Corporation shall deny indemnification, to the extent permitted by law, to a director who has not fully completed, executed, and complied with all forms of disclosure and compliance statements required by the Corporation, who has not executed an acknowledgment agreeing to comply with this Code of Conduct, or who has not acted in good faith and in a manner the director reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to a criminal proceeding, who had reasonable cause to believe the conduct was unlawful.

III. DEFINITIONS

Affiliate-An "affiliate" is a for-profit or nonprofit corporation, partnership, trust, foundation, joint venture, or organization, including subsidiaries, of which The Eyak Corporation owns 5% or more.

Board-The "Board" refers to the Board of Directors of The Eyak Corporation.

Bribe-A "bribe" includes the giving or receiving of cash goods, right of action, property, thing of value or other gifts with the intention of inducing illegal or wrong conduct or to acknowledge performance or omission of such act. Also see "kickbacks".

Code of Conduct -"Code of Conduct" means this Director's Code of Conduct.

Corporation-"Corporation" means The Eyak Corporation, together with its subsidiary companies, including divisions of subsidiary companies, and affiliates.

Confidentiality-"Confidentiality" is the state of being confidential; treated as private and not for publication, including but not limited to statements made within the protected state of an Executive Session.

Conflicts of interest-A "conflict of interest" is a conflict between one's obligation to the corporate good and one's self-interest, or that of a third party.

Director-A "director" is a member of the Board of The Eyak Corporation.

Employee-Owned Business-An "employee-owned business" is one in which an officer, director or employee has a financial interest.

Eyak -"Eyak" means The Eyak Corporation.

Gift-A "gift" is any tangible or intangible benefit received by a director from any present or prospective supplier or customer in return for no payment or for payment of less than market value.

Interest-An "interest" is reportable if it is directly or indirectly held or engaged in by the director and director's spouse (if any), parents, siblings, children, or grandchildren. "Interest" includes but is not limited to: (1) Any business that furnishes any property or service to the Corporation; and (2) any other personal or business relationship with any supplier that benefits the involved director materially.

Private Corporate Information-"Private corporate information" includes all confidential or proprietary information, whether technical, business, financial, legal, or otherwise, concerning the Corporation and its affiliates. It also includes any private and proprietary information obtained by virtue of the director's position.

Proprietary-"proprietary" is information in which the corporation and its directors have a protectable interest.

Supplier-A "supplier" is any business organization or agent thereof that furnishes, offers, or has expressed an interest in offering any property, right or service to the Corporation.

**ATTACHMENT 1
COMPLIANCE STATEMENT**

I, _____, certify and acknowledge that I have read the Director's Code of Conduct and I agree to comply fully with both the letter and the spirit of the Director's Code of Conduct.

Dated the _____ day of _____ 20_____.

Position: _____

ATTACHMENT 2
THE EYAK CORPORATION
-Board of Directors-
Confidentiality Agreement

In consideration of my fiduciary duties as a director of The Eyak Corporation and the compensation and other benefits that I will receive as a director, I agree to comply with this Confidentiality Agreement (the “Agreement”).

1. I understand and acknowledge that as a director of the Corporation, I will review and consider a variety of confidential and sensitive information. “Confidential Information” may include any number of different forms, and includes, but is not limited to business, operation, finance, strategic, personnel, litigation, executive session, and other proprietary information of The Eyak Corporation and its subsidiaries and affiliates (collectively referred to as the “Corporation”). Confidential Information does not include information that has been made public by the Corporation. I agree that if I am unsure whether information is confidential, I will treat it as confidential.

2. I understand and acknowledge that Confidential Information constitutes a valuable, unique, and special asset of the Corporation, and that unauthorized disclosure of Confidential Information could result in serious harm or liability to the Corporation.

3. I will keep all Confidential Information private and confidential, and will use my best efforts to prevent inadvertent or unauthorized disclosure. I will not, without prior written consent of the Corporation, disclose Confidential Information to anyone. I will only use Confidential Information in furtherance of my duties as a Director.

4. I understand and agree that monetary damages may not be a sufficient remedy if I breach this Agreement, and that the Corporation will be entitled to obtain an injunction, specific performance, or other equitable relief if I breach this Agreement. In the event that I am compelled to disclose Confidential Information, I will notify the Corporation in advance so it may address the underlying issue or seek appropriate redress.

5. I understand and agree that my obligation to comply with this Agreement survives expiration of my term as a director.

6. All directors of the Corporation must sign this form of confidentiality agreement. The Corporation’s waiver or failure to enforce this Agreement in one instance will not be deemed to be a waiver of the Corporation’s right to enforce this Agreement in another instance.

7. I agree and acknowledge that this Agreement does not detail all of my duties

to maintain Confidential Information or limit my obligations as a director as required by law. Nor does this agreement limit my duty to report a violation of law.

This Agreement has been duly executed by the parties as of the date first written below.

THE EYAK CORPORATION

By: _____

Title: _____

DIRECTOR

Signature: _____

Date: _____

ATTACHMENT 3
OATH OF OFFICE FOR BOARD OF DIRECTORS OF THE EYAK CORPORATION

Having been duly elected as a Director of Eyak Corporation, I do hereby pledge and affirm that, during my term in said office and any extension thereof, I shall, to the best of my ability, conduct myself in good faith, exercising due care and judgment exclusively for the best interests of the corporation according to the laws of the State of Alaska, the Alaska Native Claims Settlement Act, and the Bylaws and Director's Code of Conduct of The Eyak Corporation.

Director Name: _____

Date _____ Signature, _____