



CALISTA CORPORATION

CODE OF BUSINESS ETHICS AND CONDUCT FOR DIRECTORS

Effective April 24, 2018

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1. Preamble

Calista Corporation (“Calista”) and its subsidiaries¹ link our proud past to a successful future through strong corporate leadership that advocates regional unity while enhancing our culture and our lands. Calista enjoys a worldwide reputation for integrity, honesty, and good faith in all dealings. Maintaining Calista’s reputation depends on maintaining the highest standards of conduct in all business endeavors. Calista’s Board of Directors (collectively, the “Board” and individually, a “Director”) has a responsibility to lead by example, and act with truth, sincerity, and fairness in all decisions. This Code of Business Ethics and Conduct for Directors (“Code”) is intended to focus the Board and each Director on areas of ethical risk, to provide guidance to help Directors recognize and deal with ethical issues, to provide mechanisms to report unethical conduct, and to foster a culture of honesty and accountability. Each Director must comply with the letter and spirit of this Code.

A fundamental aspect of strong corporate leadership is a commitment to the highest ethical standards of conduct by the Directors, corporate officers, and employees. In recognition of this principle, the Board has adopted this Code. Every Director is expected to maintain and foster these standards and has an obligation to promptly disclose to the Chair of the Board and General Counsel any action which is believed to be inconsistent with them. No code can anticipate every situation that may arise. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Board Chair and General Counsel.

2. Fiduciary Duties of Due Care and Loyalty

a. Due Care

Alaska Statute 10.06.450(b) requires that Directors perform their duties as members of the Board and committees in good faith, with sound business judgment and with the care, including reasonable inquiry, of an ordinarily prudent person. The Board and its committees take action as a body and Directors’ duties are exercised as a part of those bodies. Calista’s interests are served by full and open participation by all Directors in meetings. Directors shall conduct themselves professionally, with the highest standards of honesty, truth, accuracy, fairness and responsibility to Calista and all its shareholders. Directors shall not knowingly disseminate false or misleading information and shall act promptly to correct erroneous communications for which they are responsible. **Attachment A** to this Code contains a partial list of requirements imposed by the Duty of Care.

b. Loyalty

Directors must be loyal and act at all times in the best interests of Calista and its shareholders. Their loyalty must be to Calista and all its shareholders, not just to one group of shareholders. Directors must also put the corporate and shareholder good before their own personal interest. Once the Board has acted, a Director may seek change through Board action, but shall not

¹ For purposes of this Code, where the context requires, the term “Calista” shall include its subsidiaries and affiliates.

undermine public or shareholder confidence in the Board or Calista. **Attachment B** to this Code contains a partial list of requirements imposed by the Duty of Loyalty.

c. Corporate Business Opportunities

Directors have a duty to advance Calista’s business interests when the opportunity to do so arises. Except as prohibited elsewhere in this Code, a Director may engage in business other than Calista’s business. However, a Director is prohibited from personally exploiting a corporate business opportunity. A corporate business opportunity is (1) a business opportunity in one of Calista’s lines of business, or proposed expansion or diversification, (2) which Calista is financially able to undertake and (3) which may be of interest to Calista. A Director who learns of such a business opportunity in any way should disclose that opportunity to the Chair, General Counsel, and President in writing in order to facilitate a determination by the Chair and President, with notice to the General Counsel, of whether Calista is interested in taking advantage of the opportunity. If Calista is not interested in the opportunity, and the Director receives that notification in writing, then and only then, can a Director personally take advantage of the opportunity.

This restriction on personal exploitation of corporate business opportunities continues after a Director leaves the Board for those corporate opportunities which he or she learned of as a Director.

d. Conflicts of Interest

Directors must avoid any conflicts of interest with Calista and/or its subsidiaries. A conflict exists when a Director’s personal, business, or other direct or indirect interests or relationships interfere in any way with the interests of Calista and/or its subsidiaries. Even if an actual conflict may not exist, the appearance of a conflict is just as objectionable and should be dealt with as a conflict in most circumstances.

Business dealings that present or appear to present a conflict between the interests of Calista and those of a Director must be avoided. Such conflicts may arise because of employment or business activities of a Director or Relative. The term “Relatives” as used in this Code means spouses, children, grandchildren, parents, grandparents, brothers, sisters, parents-in-law by blood, adoption, or marriage and others who live in the same household as the Director. “Spouse” includes persons involved in a legal marital relationship or a relationship which, in Calista’s judgment, is characterized by the permanence, stability, and duration normally associated with a legal marriage. The term “Relatives” is primarily for matters involving conflicts of interest, but may be used as appropriate in other contexts to interpret and enforce this Code. Directors must also avoid conflicts while serving on committees and either disclose such conflict and avoid participating in decisions which may involve a conflict of interest or the appearance of a conflict, or resign from the committee.

Disclosure of a conflict of interest should be promptly given to the Chair and General Counsel so that appropriate action can be taken, including recusal from deliberations, voting, and chairing of applicable portions of Board or Committee meetings when necessary. In addition, Directors should notify the Chair and General Counsel before accepting appointments to the board

of directors or the advisory board of any public or privately-held company, so that such appointments may be considered in accordance with the requirements of this Code.

i. Contracts with Calista

As provided in the Bylaws, a contract in which a Director (or a Relative) has a personal interest or in which there is or might appear to be a conflict by reason of the Director's role or a Relative's connection as an owner, officer, director, or other connection with a non-Calista business can be approved by the Board, provided that (1) the nature of the relationship is fully and completely disclosed to the Board, (2) the contract is approved by the Board without the participation of any Director who has such an interest, and (3) the contract is just and reasonable for Calista. If any Director has a personal interest in matters which come before the Board, he or she should insure that interest is fully disclosed to the Board, that the Director does not participate in the decision on the matter, and that his or her non-participation is noted in the meeting minutes.

ii. Relationship with Competing Enterprise

Directors and Relatives shall not participate as owners, officers, or directors of any enterprise which is in competition with Calista except that they may serve as directors of a village corporation or any entity in which Calista has a business interest in the Calista region which is in competition with Calista. "In competition" means engaged in an enterprise which performs business activities, or buys, sells, or furnishes goods or services of a sort that makes up at least 5% of Calista's business operations in a geographical area where Calista markets business activities or goods of the same sort. Directors in violation of this provision should either resign from the competing enterprise or resign as a Calista Director. As with Contracts with Calista in Section 2.c., the relationship should be disclosed in writing to the Chair, General Counsel, and President. If, in any one instance, the Chair and President determine that there is not a competing interest, they shall notify the Director in writing, with notice to the General Counsel. The Chair and President determination may be appealed to the Corporate Governance, Employee & Compensation Committee.

iii. Gifts

Directors and Relatives shall not solicit or accept gifts, entertainment, services, loans, or other things of value ("Gifts") where they would or might appear to improperly influence the Director in the performance of his or her duties on behalf of Calista. Nor should any Director give Gifts to others where these might appear to improperly influence others in their relations with Calista. More restrictive rules than those set forth here apply to federal contractors. Directors must follow those more restrictive rules and regulations, as applicable.

Directors and Relatives may accept merchandise or advertising novelty gifts of nominal value, occasional meals, and infrequent entertainment or social invitations if they are wholly in keeping with good business ethics and do not suggest an improper relationship. They should not be extravagant or excessive, nor result in any favored treatment for the donor or impose any sense of obligation upon the Director. This section is not intended to prevent Directors or Relatives from accepting appropriate Gifts from other Relatives or friends, or Gifts made in accordance with Native cultural traditions. Nor is it intended to prevent reasonable compensation for legitimate

services actually provided. Acceptance of any Gift with a value of over \$200 from a single source which has or may be seeking business relations with Calista must be immediately disclosed pursuant to paragraph v below. Any Gift(s) from a single source which total over \$500 in value and which have been given to a Director in his or her capacity as a Director may be required by the Board to be remitted to Calista.

iv. Loans and Advances

No Director shall obtain a personal loan, personal loan guarantee, or a personal advance of funds from Calista except as provided by Alaska law, which requires a two-thirds vote of voting shares.

v. Reporting of Potential Conflict of Interest

Each Director shall complete a disclosure form (1) upon election or appointment, (2) immediately after each annual shareholder meeting, and (3) within 30 days of any acquisition of any interest or other occurrence affecting the Director or his or her Relative which may require disclosure under this Code. Each completed form shall be reviewed by the General Counsel who shall prepare a report, and recommendations if necessary, to the Board Chair regarding the disclosures. The report will make complete findings and recommendations concerning any potential conflicts of interest. The Chair shall refer the completed forms and General Counsel's reports to the Board.

3. Role of Directors

a. General

It is important to Calista's growth and success that Directors play an active role on the Board. They should be familiar with Calista's businesses, participate fully in Board meetings, and ask questions when appropriate. Directors should exercise independent judgment in their actions and not act at the direction of others. The Board's role is to set general policy and guidance to be implemented by the officers and management. Individual Directors do not have direct supervisory, hiring, or disciplinary authority over any Calista employees. Individual directors should refrain from having contact with employees except for contacts concerning scheduling of meetings, corporate-related travel, and similar administrative matters. The Board, as a group, has authority only over the supervision, evaluation, retention, and termination of the President and Chief Executive Officer, and not over other Corporation officers or employees. Unless specifically authorized by a vote of the full Board, no Director shall make commitments, hire personnel, or enter into contracts for goods or services on behalf of Calista. Directors shall avoid making or permitting the use of Calista's name in ways which could imply endorsement by Calista or which could embarrass Calista or its shareholders.

In carrying out their responsibilities to Calista (including the establishment of Calista's policies), Directors shall: (1) seek to deal fairly with Calista's customers, suppliers, competitors, and employees, and shall avoid taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice; and (2) protect Calista's assets, equipment, and property to ensure the efficient use of them and to ensure that they are used for legitimate business purposes. "Property" includes

tangible assets, such as money, physical materials, and real property, and also intangible property, such as business reputation, intellectual property, technology, computer programs, business plans, trade secrets, and other confidential or proprietary information.

b. Outside Activities

Directors are leaders in the Calista region and their communities and are encouraged to participate actively in organizations which seek to advance the welfare of shareholders and their descendants when that involvement does not create a conflict of interest with their duties as a Director.

c. Personal Behavior

Calista is best served by Directors who recognize that their conduct extends beyond the confines of the boardroom and corporate offices. Customers, shareholders, and others see Directors as representatives of Calista wherever they may be, even after work or while not on Calista business. By following the highest standards of conduct in their business and personal lives, Directors contribute to the integrity and image of Calista and thus advance the goals and objectives of all shareholders. When dealing with people as a Director or in other capacities, Directors should act in a manner consistent with this Code and which reflects favorably upon Calista.

4. Personal Benefit

No Director shall use corporate property for personal benefit unless such use has been specifically authorized as a part of a compensation benefit. Corporate property shall be used only to benefit Calista's business interests and to achieve corporate goals and objectives.

Directors will be reimbursed for the travel to attend Board and committee meetings and on other corporate business in accordance with policies or procedures adopted by the Board as provided in Article II, Section 11 of Calista's Bylaws. It is improper to seek reimbursement for travel or other expenses which are not related to Calista business.

a. Hiring of Relatives

Calista has no general prohibition against hiring Relatives of Directors, officers, or employees. However, Directors must not attempt to influence personnel issues involving Relatives. Should personnel issues directly involving a Director's Relatives, including issues of pay, benefits, disciplinary actions, or the like, come before the Board, that Director should disclose that relationship and, unless otherwise directed by the other Directors, not participate in any Board action. "Directly involving" as used in the prior sentence does not mean issues applying to all or a large group of employees but is intended to apply where the action involves only the Relative(s) or a small group of employees including the Relative(s).

5. Corporate Information and Confidentiality

Directors will have access to private corporate information obtained or developed in the course of Calista's business. This may include, but is not limited to, information concerning employees, customers, competitors, business opportunities, potential plans, partners, proposed or

current investments, revenue distributions under Section 7(i) of ANCSA, proposed or contemplated land exchanges or acquisitions, strategy concerning litigation or negotiations, mineral prospects or activities, or other information. All private corporate information obtained by a Director shall be used only for legitimate corporate purposes. Such information shall not be used by the Director or Relatives for any personal benefit or gain or to harm Calista while the Director serves as Director or after he or she leaves office. Such information shall be provided by Directors only to those who have a legitimate need for the information in the normal conduct of the business of the Corporation or as otherwise may be required by law. The restriction on use of corporate information shall continue after a Director leaves office. No Director or former Director shall make any use of such information in a way which is contrary to this Code.

Directors should refrain from the purchase or sale of securities or other property where such purchase or sale is based on confidential information or special knowledge acquired in connection with Calista's business.

In carrying out their responsibilities to Calista, Directors often learn confidential or proprietary information about Calista or other parties who have business dealings with Calista. Each Director, during his or her term as a Director, and for a period of 7 years after leaving the Board, must maintain the confidentiality of all such information, except when disclosure is authorized or legally-mandated. If a Director is legally required to disclose any such information, he or she must provide the Board Chair and General Counsel with prompt notice of such requirement. For purposes of this Code, "confidential information" includes all information that is created or used in support of Calista business activities, and all non-public information that might be of use to Calista's competitors, or harmful to the interests of Calista or other parties who have business dealings with Calista, if disclosed. The duty of confidentiality also applies to the confidential information of Calista's partners, subcontractors, and others with whom Calista does business.

A Director who breaches the duty of confidentiality shall be subject to the Disciplinary Procedures and sanctions set forth in this Code, and may also be personally liable for contract or tort damages sustained by Calista resulting from such breach. In addition, such Director will not be entitled to any indemnification from or by the Corporation in connection with such breach.

6. Political Contributions

No Director shall make, authorize, or permit any contribution, expenditure, or use of Calista funds or property for political purposes, except for contributions to or made by the Political Action Committee (PAC) described in Resolution 17-18. Any contributions made by Calista, other than those from the PAC, may be made only under the direction of the Board. The Public Advocacy and Engagement Committee (PAEC) described in Resolution 17-18 may make expenditures or use of Calista funds or property for political purposes. Directors are not prohibited from making political contributions from their own funds, but Directors shall not be reimbursed by Calista for political contributions made as an individual. Nothing in this Code shall prohibit Calista from endorsing any candidate or ballot proposition, but any such endorsements require prior approval of the Board.

Various federal, state, and local laws govern the conduct of persons who communicate with legislative or regulatory officials on behalf of Calista with the intent to persuade such officials to support Calista's interests. Although such communications (often referred to as "lobbying") are permitted, lobbyists may be subject to both federal and state registration, reporting, and financial disclosure requirements. Directors must consult with General Counsel before engaging in any lobbying activity. Directors may have long-established personal relationships with legislative and executive branch officers, employees, elected officials, or their immediate family members. If a Director has an established personal friendship, the Director may want to consider reviewing his or her situation with General Counsel. It is important to note that it is not enough that the Director merely document reciprocity in the Director's personal relationship to deter any questions of inappropriate behavior by the Director, the Director's friend, or Calista. In addition, the totality of the circumstances (length and nature of friendship, "but for" test, personal payment of gift, etc.) must be considered. Furthermore, certain gifts between personal friends may require Board approval.

7. Discrimination/Harassment

Calista is committed to human dignity, the protection of its employees, the creation of a positive work environment, and will not tolerate any form of discrimination or harassment. Subject to 43 U.S.C. § 1626(g), Directors shall not engage in any unlawful discrimination against employees or other Directors for any reason, including on matters relating to race, color, religion/creed, sex, national origin, age, disability, marital status, veteran status, pregnancy, sexual orientation, gender identity, transgender status, genetic information, citizenship, or other protected status. Directors shall not engage in discrimination or harassment of other Directors or any employee, shareholder, guest, vendor, or invitee of Calista. "Harassment" and "discrimination" include any unreasonable, repeated, or inappropriate verbal, sexual, or physical conduct (1) where such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile, or offensive work environment; (2) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; or (3) an employee's submission to or rejection of such conduct is used as a basis for employment decisions affecting the employee.

Examples of sexual and other harassment include, but are not limited to, unwelcome sexual advances, favors, and physical contact; offensive and hostile behavior; slurs, jokes, comments, objects, and pictures, whether verbal or non-verbal, printed or electronic, whether in English, Yup'ik, or any other language.

8. Self-Evaluation

To be most effective in providing the corporate leadership required to make Calista a success, the Board must engage in a regular process of evaluating how it is functioning; how effective it is at setting corporate policies, goals, and objectives; and how it is working to make Calista's Vision Statement, Mission Statement, and strategic plan a reality. At least once a year, the Board shall conduct a self-evaluation to make sure it is being as effective as possible. The purpose of the evaluation is to be certain that the Board is fulfilling its function of providing effective leadership, setting policy, monitoring the performance of management, and that the

Board is effectively representing shareholders. Some factors which Directors may wish to consider are listed on **Attachment C** to this Code.

The evaluation process should be done in a professional and business-like fashion and personal attacks or criticism should be avoided.

In conducting this self-evaluation, each Director may be asked to carefully evaluate his or her own performance, the performance of other Directors, the performance of the Board as whole, and the performance of Board committees. Evaluations should be done with an eye toward changes or improvements which could be made to ensure that adequate information, in an understandable format, is provided to the Board, and that meetings are conducted in a way which promotes open and effective Board discussion of options. This Board practice is intended to lead to appropriate and logical business decisions with a consensus on general corporate goals and objectives. In turn, the decisions of the Board are appropriately communicated to management and shareholders and ensures that management complies with Board direction, and that the Board otherwise functions effectively. After the Directors have each engaged in such self-evaluation, the Board as group should also evaluate changes or improvements which Directors feel need to be made.

9. Litigation

Particular problems arise when a Director, individually or as a director or officer of another corporation, participates in litigation against Calista. While Calista does not and could not take away the right of a Director to seek a judicial determination of legitimate good faith disputes against Calista, a Director who participates in litigation against Calista must be very careful to act in a way that is consistent with his or her duty of loyalty. Any such Director shall not: (1) be permitted to participate or vote on any matter relating to the litigation; (2) make any use of private corporate information obtained in his or her capacity as a Director; and (3) not seek to enlarge the litigation beyond that which is necessary to obtain a determination of the dispute at issue. Where the litigation is likely to be prolonged or involves issues of importance to the Director or to Calista, the Director, in consultation with the Director's own counsel, should consider whether it is impossible to comply with the duties of a Calista Director and consider resigning as a Director.

10. Drug, Alcohol, and Tobacco Use

Calista is deeply committed to maintaining a drug- and alcohol-free workplace for everyone's safety and protection. The use, sale, possession, manufacture, dispensing, or distribution of illegal drugs or controlled substances, when connected to the conduct of business and the work environment, threatens the safety of Calista and its employees. As a result, the possession or use of illegal drugs by any person on Calista premises or during working hours, including break or meal periods, is not allowed. Working under the influence of illegal drugs is strictly prohibited.

Calista prohibits the use of alcohol during regular business working hours (or a particular Director's regular business working hours as the case may be). In no event should any Director or employee be under the influence of alcohol during regular business working hours while on duty at the workplace. For purposes of this Code, "workplace" is defined as any Calista office worksite,

client site or office, or any other office or site where Calista personnel engage in work-related activities.

Calista retains the right to search any and all Calista property at any time and to use drug and alcohol testing to monitor compliance with these rules. Smoking is prohibited in Calista offices and buildings.

11. Compliance with Law and Federal Contracting Rules

It is Calista's policy to comply with all laws governing its business operations including all rules and regulations applicable to federal contracts performed by its subsidiaries. All Directors shall act in compliance with all laws and regulations and shall immediately report to the Board Chair (or Vice Chair if the allegation involves the Chair) and General Counsel if they believe Calista, any Director, officer, or employee of Calista is operating in violation of any law, regulation, or applicable code(s) including those federal contracting rules applicable to Calista's subsidiaries.

Directors should promote ethical behavior and should take steps to ensure that Calista: (1) encourages employees to talk to supervisors, managers, or other appropriate personnel when in doubt about the best course of action in a particular situation; (2) encourages employees to report violations of laws, rules, regulations, or applicable code(s) to appropriate personnel or through use of the Employee Hotline, where available; and (3) informs employees that Calista will not allow retaliation for such reports.

12. Director Participation

Calista is best served by Directors who actively participate in the Corporation. Attendance and participation at Board and committee meetings, workshops, retreats, and training sessions are essential to ensure that Directors remain informed about corporate affairs and participate in Board discussions and decisions. This section describes Director attendance expectations and differentiates between excused and unexcused absences.

In order to effectively carry out a Director's Duty of Care, attendance and participation at Board and committee meetings, conference calls, workshops, retreats, and training sessions is mandatory unless excused in writing by the Board Chair. A Director may attend either in person or via conference call/electronic meeting technology. A Director that is not able to attend and participate at a scheduled Board or committee meeting, workshop, retreat, or training session must notify the Board Chair in writing at the earliest opportunity.² An unexcused absence can subject the Director to discipline and/or sanctions under this Code.

In order for the absence to be considered excused, a Director must timely notify the Board Chair in writing, stating the reasons for the Director's inability to attend and participate. The Board Chair will evaluate the reasonableness of the excuse and determine whether the absence should be excused. An absence will be deemed unexcused when a Director does not timely notify the Chair in writing before his or her absence unless the circumstances make it unreasonable to expect such

² For purposes of this Section 12, "notify in writing" shall mean written notice sent via U.S. Mail, facsimile, or email.

notification. The Chair, in turn, shall notify the Director in writing if the absence is excused or unexcused. If the Director disagrees with the Chair's determination, the Director may elevate the determination of whether the absence is excused to the Corporate Governance, Compensation & Employee Committee, with an appeal to the full Board, whose decision shall be final. The Board, acting as a majority, shall determine, based on the information before it, whether an absence is deemed excused or unexcused, and impose appropriate sanctions, if any. Such determinations may be made before, or at the time of the absence, or at the next scheduled Board meeting. Any applicable sanctions shall be determined in accordance with Sections 13 and 14 below.

The failure to attend any of the below (whether excused or unexcused) shall constitute gross neglect of duty and shall be a basis to seek removal of a Director from office under Section 14(b)(viii) below, and result in automatic sanctions under Section 14(a), in addition to any other sanctions which may be imposed:

- (1) three consecutive meetings, workshops, retreats, or training sessions of the Board or a committee in a period of more than 21 days; or
- (2) two consecutive meetings, workshops, retreats, or training sessions of the Board or a committee in a period of more than 14 days, where the Director did not notify the Chair of his or her absence before the event; or,
- (3) one-third of the total number of meetings, workshops, retreats, or training sessions of the Board or a committee in a twelve-month period.

Neglect of Duty also includes a failure to consistently respond to emails or telephone calls requesting input from the Director, lack of follow-through on assignments, including failure to submit requested reports and/or lack of attendance and participation overall in the activities of the Board or committees, and may subject the Director to the Disciplinary Procedures and sanctions in Sections 13 and 14 of this Code.

In accordance with State of Alaska proxy regulations, Calista must state in its proxy statements the 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. If a Director is in attendance at meeting for substantially less than the entire duration of the meeting, the Board or committee, as applicable, may by motion rule that the Director was not in attendance at the meeting, in which event the minutes of the Board or Committee meeting shall state that the Director was absent from the meeting. The official meeting minutes will note Director arrival and departure times, if Directors arrive after the meeting starts or leave before it adjourns. The official meeting minutes will note any absence during roll calls and votes on Resolutions and Motions and will note whether those absences are excused or unexcused.

13. Disciplinary Procedures

A Director or former Director who is alleged to have violated this Code ("Respondent") is subject to the following disciplinary procedures.

Deliveries in this Section may be made in person, by certified mail return receipt requested, facsimile, or email with evidence of receipt. If deliveries are to be made to or by the Board Chair or Corporate Governance, Compensation & Employee Committee (“Committee”) Chair, but the allegations involve that person, they should be delivered to or by the Board Vice Chair or Committee Vice Chair, as applicable.

a. Individual Allegations. Allegations from an individual that a Director has violated this Code must be put in writing, signed, and dated by the person making the allegations (“Complainant”). The allegations must be sent to the Board Chair. Upon receipt, the Board Chair must send a copy to the Respondent, General Counsel, and Committee Chair.

b. Committee Concerns Regarding Possible Code Violations. The Committee may also raise concerns that a Director may have violated this Code. The Committee shall put its allegations in writing and deliver them to the Respondent, General Counsel, and Board Chair.

c. General Counsel’s Initial Determination. Whether the allegations are raised by an individual or the Committee itself, the General Counsel will make an initial written determination of whether, assuming all facts alleged are true, the conduct alleged could constitute a violation of this Code. General Counsel may consult with outside counsel in making this determination and/or refer the determination to outside counsel.

If the General Counsel determines that a Director may have violated this Code, then the allegations shall be referred to the Committee for investigation and determination of whether a violation has occurred. If the General Counsel determines that, even if all the facts alleged are true, there could be no violation of this Code, then the General Counsel shall inform the Complainant (if applicable), the Committee, and the Respondent that no further action will be taken. The determination shall be sent to the Complainant (if applicable), Respondent, Board Chair, and Committee Chair.

The Respondent or Complainant or Committee, as the case may be, may appeal this decision to outside independent counsel in writing, which appeal is sent to the Respondent or Complainant, as applicable, General Counsel, Board Chair, and Committee Chair. The appeal must be sent within 10 business days after receipt of General Counsel’s determination. The appeal must assume all facts as alleged are true; the limited issue on appeal is whether, assuming all facts are true, could the alleged facts constitute a violation of this Code, such that the matter should be referred to the Committee for investigation and determination of whether a violation has occurred.

Considering the written allegations, General Counsel’s written determination, and the appeal, independent counsel will make its own written determination whether, assuming all facts as alleged are true, the conduct alleged could constitute a violation of this Code. This written determination must be made within 10 business days of receipt of the appeal. The determination shall be sent to the Complainant (if applicable), the Respondent, General Counsel, Board Chair, and the Committee. If independent counsel determines that a Director may have violated this Code, then the allegations shall be referred to the Committee for investigation. If independent counsel determines that, even if all the facts alleged are true, there is no violation of this Code, no further action will be taken on those allegations.

d. If the General Counsel or independent counsel finds that there could be a violation of the Code, the Respondent shall be notified that he or she shall have 10 business days from receipt of the allegations to respond in writing. The response must be delivered to the Committee Chair, with a copy to General Counsel.

e. Committee Determinations. The Committee will meet as soon as practicable to review the allegations, General Counsel's and/or independent counsel's determination, any appeal from General's Counsel's determination, and Respondent's response. The Committee may in its discretion schedule a hearing to hear testimony from the Complainant, Respondent, and any other witness, or otherwise gather additional information, which includes directing General Counsel to gather additional information. The Complainant and Respondent may be represented by an attorney at the hearing and call witnesses or provide other evidence to the Committee. Neither an individual Complainant nor the Respondent shall participate in any deliberations or voting of the Committee. Members of the Committee are not disqualified from participating in any deliberations or voting of the Committee where a determination relates to allegations originating from the Committee. Within 21 days after receiving the Respondent's response or the conclusion of the hearing or other investigation, as the case may be, the Committee shall prepare a written determination, including any sanctions. The Committee's determination must be delivered to the Respondent, Complainant, General Counsel, and Board Chair. The Respondent shall also receive a copy of any investigation report.

The Committee may also refer the investigation of facts and/or determination of whether a Code violation occurred to an independent investigator or counsel.

f. The Respondent shall have 10 business days from receipt of the Committee's determination to respond in writing to the Committee Chair, with a copy to General Counsel, accepting or rejecting the Committee's determination. If the Respondent accepts the Committee's determination, the Committee shall implement its sanctions, if any, and shall report the matter and outcome to the Board. If the Respondent does not timely provide written acceptance or rejection of the Committee's determination, acceptance is presumed.

g. Appeals to the Board. If the Respondent timely rejects the Committee's determination, the full Board shall consider the matter at its next regularly-scheduled meeting or at a special meeting. In considering the matter, the Board shall review the materials considered by the Committee as well as any supplementary material or other oral or written evidence the Complainant, Respondent, or the Committee may wish to provide. The Complainant and Respondent may be represented by attorneys. Neither an individual Complainant nor the Respondent shall participate in any deliberations or voting of the Board. Members of the Committee are not disqualified from participating in any deliberations or voting of the Board where a determination relates to allegations raised by and/or adjudicated by the Committee. The Board shall issue a final written decision, including any sanctions, within 10 business days after the Board meeting. The decision shall be delivered to the Complainant (if applicable), Respondent, and General Counsel. The Respondent shall also receive a copy of any investigation report.

There shall be no appeal from the Board's final decision.

h. Except as otherwise provided in Calista's Bylaws, applicable law, best practices, or this Code, the fact that there is a Committee investigation and any Committee or Board action shall be held confidential unless and until the Committee or Board, as applicable, determines otherwise. The facts that are the subject of the investigation are not made confidential by virtue of the Committee or Board review and determination process.

i. A Director who files allegations of Code violations against other Directors that are determined to be generally frivolous in nature shall be subject to these Disciplinary Procedures and sanctions, including, without limitation, actual attorney's fees and costs.

j. The failure and/or refusal of a Director to accept delivery of a Complaint or other communications from the Committee or Board shall not prevent the Committee or Board from taking any action against such Director.

14. Sanctions

a. Automatic Sanctions

If a Director (1) fails to comply with any required disclosures of conflicts of interest, (2) fails to agree publicly and in writing to comply with this Code, or (3) violates the meeting attendance requirements of Section 12 which would constitute gross neglect, that Director shall be ineligible to receive any meeting fees, corporate benefits, or compensation to which the Director is otherwise eligible as a Director during the period of such failure, or in the case of the failure to attend three consecutive meetings, for so long as is determined by the Committee or Board, as applicable, under the Disciplinary Procedures. Once the Director's failure has been cured, or in the case of the failure to attend three consecutive meetings, once the Committee or Board, as applicable, has reinstated the right to receive stipends, benefits, and compensation, the Director shall again become eligible for all forms of compensation for which the Director is eligible. However, the Director shall not be compensated for the period of ineligibility.

b. Discretionary Sanctions

A Director who has been found to have violated this Code shall be subject to any or all of the following sanctions as determined by the Committee, or the Board solely on appeal:

- i. Private reprimand;
- i. Public censure and disclosure of the violation and sanctions;
- ii. Cessation of eligibility to receive Director stipend and/or mileage reimbursement;
- iii. Cessation of corporate benefits or compensation, if any, payable to Directors in their roles as Directors;
- iv. Request that the subject Director resign as a Director;
- v. To the extent permitted by law or Calista's Bylaws, loss of indemnification from the Corporation;

vi. Request that the subject Director pay for damages, including, without limitation, actual attorney's fees and costs, caused by his or her breach of this Code or deduction of such damages from his or her Board compensation;

vii. Commencement of lawsuit against the Director or former Director for injunctive relief or for damages caused by breach of this Code; and/or

viii. The Corporation's pursuit of the removal of the Director in accordance with applicable law or as provided in the Bylaws.

The Committee, or Board, on appeal, shall establish the appropriate sanction and the duration of that sanction in each instance of a violation of this Code. The Committee or Board, solely on appeal, may select any sanction listed above, or others deemed appropriate, without regard to whether other lesser sanctions have been imposed or considered. In determining the sanctions, the following factors, as well as others, may be considered: the seriousness of the infraction and the expected harm to the reputation or finances of the corporation that has resulted, its likelihood of repetition, prior violations by the subject Director or others, whether the subject Director or his or her Relatives personally profited from the violation, the Director's willingness to disclose the conduct, and the Director's efforts to mitigate the harm cause by any such violation.

15. Waiver of Code

The Board may consider granting a waiver of this Code only in extraordinary circumstances. A waiver will be granted when a conflict of interest or other situation arises for which the Board, with input from General Counsel, determines that a waiver is necessary or appropriate. Only the Board, with input from General Counsel, may grant such a waiver, and any such waiver must be disclosed to Calista's shareholders at the earliest practicable time.

16. Statement of Understanding

I certify that I have received, read, and understand this Code. I understand that Calista may change the Code and policies, practices, and procedures.

Signature

Date

Printed Name

ATTACHMENT A – Duty of Care

Some non-exclusive examples of what the Duty of Care requires of a Director:

- ◆ Perform his or her duties in good faith, in what the Director believes is in the best interests of Calista, and with the care expected of a prudent person engaged in similar activities;
- ◆ Attend and participate regularly at Board and committee meetings, conference calls, workshops, retreats, and training sessions;
- ◆ Comply with all applicable laws, regulations, and corporate policies;
- ◆ Review and, if necessary, ask reasonable questions about important matters requiring Board action;
- ◆ Timely read all material distributed to the Board;
- ◆ Keep informed of work delegated to committees and serve usefully when assigned to committees;
- ◆ Question information provided to the Board where the validity of the information is subject to doubt;
- ◆ Participate in Board and committee discussions and contribute usefully to the analysis of proposals which come before the Board or committees;
- ◆ Respect the boundaries between the Board’s role in policy development and oversight and Management’s role in the implementation of Board policy; and
- ◆ Act in good faith in making decisions guided by honest and fair business judgment.

ATTACHMENT B – Duty of Loyalty

Some non-exclusive examples of what the Duty of Loyalty requires of a Director:

- ◆ Never use his or her position on the Board or a committee to make a personal profit;
- ◆ Disclose personal interest before Board or committee action on transactions involving real or apparent conflicts of interest or personal advantage in the transaction;
- ◆ Abstain from voting on actions where the Director has a conflict of interest;
- ◆ Other than serving on the Board of a village corporation in the Calista region or as an employee, officer, or Director of an entity in which Calista has a business interest, not serve on the Board of, or act as an employee or officer of a business in competition with Calista;
- ◆ See that conflicting interests are recognized and treated objectively;
- ◆ Be concerned that all shareholders are dealt with fairly;
- ◆ Inform Calista of corporate business opportunities appropriate for the corporation before pursuing them personally;
- ◆ Protect the confidentiality of information received; and
- ◆ Does not use information gained while serving on the Board to personal advantage.

ATTACHMENT C – Director Evaluation Checklist

Some of the issues to be considered during Evaluation of Directors:

Board Meetings

- a. Do Directors attend Board and committee meetings?
- b. Do Directors arrive on time?
- c. Do Directors stick to the agenda?
- d. Do Directors come prepared for the discussion of agenda items?
- e. Do Directors help the Board Chair run effective meetings?
- f. Do Directors listen to other Directors and build on others' comments?
- d. Do Directors view failure as education?

Decision-Making

- a. Do Directors complement ideas and not change the focus to meet their own needs?
- b. Do Directors keep an open mind, ask lots of questions, learn from prior decisions?
- C. Do Directors recognize their personal decision-making bias?
- d. When making a decision affecting others, do Directors share the reasoning behind the decision?
- e. Do Directors overcome fear of change and never burn bridges?

Management Evaluation

- a. Do Directors establish and communicate performance standards for management?
- b. Do Directors regularly participate in evaluation of President/CEO and other management?
- c. Do Directors fairly evaluate performance based on those communicated performance standards?
- d. Do Directors suggest changes/improvements which can improve performance?

Monitoring Financial Performance

- a. Do Directors understand the key financial statements?
 - i. Balance Sheet?
 - ii. Income Statement?
 - iii. Cash Flow Statement?
 - iv. Statement of Retained Earnings?
- b. Do Directors read the auditor's letter?
- c. Is the audit clean, i.e., in conformance to generally accepted accounting standards (GAAP)?

Legal Obligations

- a. Do Directors generally adhere to the duty of care, duty of loyalty, follow Articles, Bylaws and the Code of Business Ethics and Conduct for Directors?
- b. Do Directors make certain Calista complies with laws and regulations?
- c. Do Directors accept and meet the fiduciary responsibility of directorship?

Training/Improvement

- a. Do Directors expand knowledge by attending board workshops, retreats, and training sessions?
- b. Do Directors request additional information when needed to make a good decision?
- c. Do Directors refer, rely upon, and follow the strategic plan?
- d. Do Directors assess and work on team building?

Community Service

- a. Are Directors involved in community service?
 - i. Unpaid public service in their community, i.e. city councils, etc.?
 - ii. Other policy organizations (profit and nonprofit) consistent with duties to Calista?

Assessment

- a. Do Directors, during appraisal of Directors' performance, maintain credibility, avoid personal attacks, and remain professional?
- b. Do Directors foster and create a culture of teamwork and loyalty to Calista?
- c. Do Directors approach the self-assessment process as an opportunity to improve performance?
- d. Do Directors focus on behaviors, not personalities or inference?
- e. Do Directors conclude with a clear understanding of what was discussed and what will change?