

Afognak Native Corporation & Alutiiq, LLC
Small Business Subcontracting Compliance Policy

Purpose: It is a business goal of Afognak Native Corporation and its Alutiiq Family of Companies to provide maximum practical business opportunities to all categories of small business subcontractors, while maintaining full compliance with contract requirements and applicable subcontracting limitations under the FAR and SBA regulations.

Policy: The decision as to whether to engage a subcontractor in the performance of work is an operational business decision to be made at levels commensurate with the Company's signature authority matrix. Consistent with business qualifications, the needs of our Government customers, and the Company's internal capabilities, small and disadvantaged businesses shall have maximum opportunity to participate as subcontractors in federal government contracts awarded to Alutiiq companies. All subcontracting efforts shall be undertaken in full compliance with prime contract requirements and the SBA regulations that limit subcontracting.

Administration: Under the day-to-day administration of the company contract administrators, and consistent with customer needs, Alutiiq entities will ensure that tribally-owned entities, other Alaska Native Corporations, small businesses, veteran-owned small businesses, service disabled veteran small businesses, HUBZone companies, other 8(a) companies, and women-owned small businesses shall have an equitable opportunity to compete for subcontracts established in support of Alutiiq's federal contracts. Throughout the life of each contract, Alutiiq senior managers shall continue to build relationships and partnerships with these small business entities. Qualified small business entities in these categories shall be preferred over large businesses when evaluating subcontracting opportunities and teaming relationships.

Division Contract Manager shall have responsibility for evaluating and qualifying small business subcontracting partners throughout size appropriate due diligence and pre-qualification requests for information. Standard non-disclosure and teaming agreement procedures shall apply. Questions should be directed to the Legal Department.

Limitations on Subcontracting: Federal regulations, small business rules, and Alutiiq's Code of Conduct mandate strict compliance with contract performance requirements. These requirements establish that Alutiiq must perform a specified minimum of different types of contract with its own personnel. Compliance should be evaluated at all stages of a procurement, from early identification of an opportunity through teaming and subcontract relationships and then full contract performance. Contract Administrators and Program Managers have joint responsibility for tracking compliance on a monthly basis after contract award. Any incident of non-compliance must be reported to the Division Vice President, in conjunction with a remediation plan. The Division Vice President shall report non-compliance that extends beyond 60 days to the parent corporation President/CEO and the corporate General Counsel. The President/CEO, or his designee, shall have responsibility for all required external reporting that may be

required by contract, law, or regulation, and shall take whatever steps deemed necessary and appropriate to obtain compliance.

Distribution: Public.

Exceptions: None.

References:

13 CFR §124.510

13 CFR §125.6

FAR 19.811-3

FAR 52.219-14

Afognak / Alutiiq Signature Authority Matrix (Oct. 2007)

President/CEO Signature: Tom L. II

Dissemination Date: March 28, 2008