

# Pinnacle Airlines Code of Business Conduct

## Introduction

Pinnacle Airlines Corp and its subsidiaries, (collectively referred to as “Pinnacle” or the “Company”), have long maintained the highest ethical standards in the conduct of the Company's business. These ethical policies go beyond rules set by law, as we know that our employees' and the public's trust in Pinnacle is both a serious responsibility and a strong tradition. While it is not possible to develop a detailed set of rules which cover all circumstances, or which serve as a substitute for good judgment and ethical conduct, the purpose of this Code is to set forth the business ethics of the Company in a written format which provides clear guidance to the directors, officers and employees of the Company (collectively referred to herein as “Employees”). By following the policies embodied in this Code, we will support the achievement of our mission as a corporation, provide attractive and secure opportunities for all employees, and continue the tradition of integrity in all of the Company's business dealings. It is the policy of the Company that each of its employees comply with both the letter and spirit of this Code.

## I. General Guidelines

All employees have a personal responsibility to ensure that their actions meet the highest ethical standards, and to abide by this Code and the laws, rules and regulations that apply to their work. Generally, you must:

1. Conduct the business of the Company honestly, ethically and in good faith. You must use good judgment in conducting the business of the Company. Occasionally, you may find yourself in a situation where your responsibilities under the law or this Code are unclear. In that circumstance, you must consult with the Chief Compliance Office to be certain that you are using good judgment and acting consistent with the law and this Code.
2. Cooperate fully and honestly with the Company in any Company investigation or proceeding concerning your conduct or the conduct of other persons or entities with which the Company has a business relationship.
3. Become familiar and comply with the laws, rules and regulations applicable to Pinnacle and applicable to your responsibilities within the Company. Seek the advice of the Chief Compliance Officer if you have any questions in this regard.
4. Recognize the continuing obligation of all employees to maximize shareholder value.
5. Report promptly to the Code of Business Conduct hotline or through other methods described in this Code any violations or suspected violations of this Code and/or the law.
6. Comply with the rules, regulations and policies of Pinnacle as adopted and amended by the Board of Directors, Standing Committees of the Board, the Executive Management Team (anyone at or above the level of Vice President), or your managers.

## II. Workplace Safety

Safety is and always has been our top priority. Pinnacle's number one guiding principle is to “Never Compromise Safety.” Each employee must do everything he or she can to ensure the safety of our co-workers and passengers. Specifically, you must:

2. Understand and follow the safety and health rules and practices that apply to your job.
3. Take precautions necessary to protect the Company's employees, passengers and equipment from harmful or dangerous situations.
4. Immediately report accidents, injuries, hazards, unsafe practices or conditions.
5. Not possess firearms or other weapons on Company premises or on Company business (except as permitted for pilots by federal law).
6. Not retaliate against or threaten anyone for the good faith reporting or supplying of information about a policy or conduct concern implicating safety.

### **III. Conflicts of Interest**

Business decisions must be made in the best interest of the Company and based on sound business judgment, not motivated by personal interest or gain. Also, it is imperative that employee conduct not reflect adversely on the Company. In that regard, you are required to:

1. Avoid personal conflicts of interest or the appearance of such conflicts that could reflect adversely on you or Pinnacle. Among such situations might be the hiring of, or purchasing from, a close or distant relative or "significant other" or a person or entity with whom you or such a relative or "significant other" has a significant relationship. Pinnacle discourages any dating, romantic or sexual relationship between employees who have a direct or indirect reporting relationship or over whom one has, directly or indirectly, hiring, firing, promotional, demotional, job placement or investigative authority, as well as between employees and vendors when the employee has the capacity, directly or indirectly, to influence the business relationship. Management and employees also are discouraged from engaging in personal relationships even when they do not violate this policy. Management and/or other employees proposing to engage in or engaged in discouraged personal relationship are expected and required to disclose promptly the existence of the relationship to the Chief Compliance Officer. Failure to disclose a discouraged personal relationship will subject an individual involved in the relationship to disciplinary action by Pinnacle, up to and including separation from Pinnacle. Engaging in a discouraged relationship, even if disclosed, may lead to consequences relating to the participants' employment conditions or status, up to and including separation from Pinnacle.
2. Disclose in advance to the Chief Compliance Officer any relationship, proposed hiring or purchasing, that might be perceived as a conflict of interest, even if the decision to hire or purchase is to be made by another person within Pinnacle.
3. Avoid direct or indirect involvement or management in business activities that compete with Pinnacle or with entities that have a business relationship with Pinnacle.
4. Refrain from directly or indirectly selling goods or services to Pinnacle, otherwise acting as a service provider or vendor to Pinnacle, or acting as a service provider to any outside concern that competes with or does business with Pinnacle.
5. Refrain from any deviation from established rules and practices for pricing, issuance, exchange, upgrade, reserving or refunding of any tickets or reservations involving travel for friends, relatives and fellow employees or any other person or entity as to which you have a personal interest.
6. Refrain from taking advantage of your position at Pinnacle to earn a personal profit from Company property, information, employees, or business opportunities.

As amended thru 8/14/08

7. Refrain from supervising a family member or anyone with whom you have or had a close personal relationship without prior approval of the Chief Compliance Officer.
8. Refrain from any employment outside of the Company with a competitor, distributor, supplier or travel agency or any other person or entity with which Pinnacle has a business relationship. Refrain from such outside employment which might (in the Company's sole discretion) interfere with your ability to fulfill your responsibilities to the Company, embarrass or discredit the Company, create a conflict of interest or the appearance of such conflict or affect your objectivity and independence in carrying out your duties to the Company.
9. Protect and ensure the efficient use of Company assets. The Company's assets, whether tangible or intangible, are to be used only by authorized employees or their designees and only for legitimate business purposes. You must refrain from using employees, materials, equipment, logos, trademarks or other assets of the Company for any unauthorized or non-business purpose. Personal use of items such as telephones, facsimile equipment, computers and similar equipment must not be excessive (as determined in the sole discretion of the Company), and must have no material cost to the Company and in no way violate any policy or practice of the Company.
10. Refrain from abusing or compromising your employee benefits and privileges, including pass travel privileges.
11. Refrain from conduct on or off duty which is detrimental to the best interests of other employees or the Company. Such conduct might include that which would be perceived as unfair or inappropriate by other employees, as conferring an unfair benefit, for the purpose of obtaining sexual favors or compromising Company confidential information.
12. Refrain from engaging in fundraising or personal business for profit on Company property or time unless such activity is Company sponsored, is approved in advance by Pinnacle Airlines Human Resources Department, or is charitable in nature and not (in the Company's sole discretion) detrimental to the best interests of other employees or the Company.
13. Refrain from the possession, sale, purchase, delivery, use or transfer of alcohol or illegal substances on Company property or at Company functions unless authorized by the Company.

#### **IV. Non-Discrimination and Harassment**

The employees of Pinnacle are its greatest asset. Pinnacle is committed to maintaining a corporate culture in which men and women of all ages, races, physical abilities, preferences and backgrounds are treated with dignity and respect. In that regard, you are required to:

1. Treat all employees and prospective employees fairly based upon performance, merit and ability without regard to race, color, religion, creed, sex, national origin, age, disability, sexual orientation, veteran status or other occupationally irrelevant characteristics.
2. Fully comply with the zero tolerance, discrimination and harassment and affirmative action policies of the Company.
3. Not retaliate against employees for filing in good faith a complaint of discrimination or harassment or for participating in good faith in an internal EEO investigation.

#### **V. Business Relationships**

As amended thru 8/14/08

Pinnacle is committed to business relationships with third parties that embrace and demonstrate high standards of ethical business behavior. All purchasing decisions must be made based on the best value received by Pinnacle. In connection with business relationships, you must:

1. Neither solicit nor accept gifts for your personal use or benefit, such as favors, money, gift certificates, tickets, meals, entertainment, goods or services, from persons or entities attempting to acquire or maintain business from Pinnacle or from customers, vendors, suppliers, governmental bodies or other individuals or entities doing business with Pinnacle, except that it is permissible to accept gifts (other than money or a cash equivalent which are never permissible to accept) having a value of up to \$75 per year from a single source in the ordinary course of a business relationship where custom and practice dictate that such conduct is appropriate. Except as is reasonable and customary in Pinnacle's business relationships, gifts should not be employed to influence individuals or groups who are in a position to award contracts or affect the award of contracts, business, or other benefit to Pinnacle or to you personally. Payments that violate United States or foreign law, including bribes or kickbacks to employees of any of those entities, are strictly prohibited. Gifts to persons or entities that are customary and legally permissible under applicable law are permissible. This may include gifts or favors of reasonable value or business breakfasts, lunches, business trips, or dinners that are customary business practices.
2. Meals that occur in conjunction with business meetings and conferences may be accepted. Invitations to business functions or conferences that involve customer, vendor or supplier provided overnight rooms or other accommodations may be accepted only with the prior approval of the Chief Compliance Officer or a member of the Executive Management Team.
3. Deal fairly with the Company's customers, vendors, suppliers, competitors and employees. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.
4. Formalize all vendor, supplier and business relationships with outside parties in written agreements after arms-length negotiations and in accordance with the Company purchasing policies.
5. Refrain from committing the Company, verbally or in writing, to any obligations other than in strict accordance with the approval authority granted to your position within the Company by your manager. In no event may such authority extend beyond that defined in the "Capital Asset Expenditures Management Program and Authorization for Expenditure Preparation and Approval" policies of the Company. Good judgment, thorough cost benefit analysis and competitive bidding practices must be performed prior to any commitment of the Company's funds.
6. Refrain from using trade secrets, patents, or proprietary materials of third parties without the appropriate license agreements or consents, including the use of packaged computer software.

## **VI. Political Activities**

Employees may participate and contribute to political organizations and campaigns and the Company encourages employee participation in the governance of their communities. Such participation, however, must be done personally. The financial and other resources of Pinnacle shall not be used for the purpose of supporting, directly or indirectly, any political issue, the campaign of any candidate for political office, or any political party (foreign or domestic). Such resources further shall not be used to reimburse any employee for any political contribution the employee may have made or any political activity in which the employee may have engaged.

As amended thru 8/14/08

Nothing in this Code shall prohibit support of political candidates or issues through lawful political action committees or individual support allowed by law.

## **VII. Financial Reporting and Controls**

Pinnacle is responsible to maintain its financial records in compliance with the law, generally accepted accounting principles and the Company's system of internal controls and accounting policies. Specifically, you are responsible, to the extent that your job requires, for:

1. Honest, accurate, understandable and timely recording, reporting and retention of information.
2. Full, fair, accurate, timely and understandable disclosure in reports and other documents that the Company files or submits to the SEC.
3. Accurately reflecting in all financial books, records and accounts all transactions and events.
4. Complying with SEC requirements and generally accepted accounting principles.
5. Maintaining an adequate internal control structure and procedures for financial reporting.
6. Certifying, to the best of your knowledge, that accounting entries or financial transactions fairly represent the Company's financial condition and results of operations as outlined and requested by the Vice President and Chief Financial Officer.

You are specifically prohibited from:

1. Making or omitting an entry that intentionally hides, disguises or misrepresents the true nature of any transaction.
2. Recording false or artificial transactions.
3. Altering, destroying, mutilating, concealing, covering up, or falsifying the Company's financial records for the purpose of rendering those records to be incorrect, misleading, or unavailable for use in an official proceeding.
4. Providing false, incomplete, or misleading information to an internal or external auditor.
5. Fraudulently influencing, coercing, manipulating, or misleading an auditor of the Company's financial statements for the purpose of rendering those financial statements to be misleading in any material way.
6. Deferring the recording of items that should be expensed within the proper accounting period.
7. Maintaining undisclosed or unrecorded funds, assets, liabilities, or contingencies.
8. Approving or making a payment with the intention that it is to be used for any purpose other than that described by the document supporting the payment.

## **VIII. Antitrust Compliance**

As amended thru 8/14/08

The fundamental objective of the antitrust laws is to promote competition and free enterprise for the benefit of all consumers. It is the personal responsibility of all Pinnacle employees to conduct the activities of the Company in conformity with these laws.

The antitrust laws prohibit agreements among competitors that restrain competition. In particular, agreements with competitors to fix prices, limit discounts, rig bids, divide or allocate markets or otherwise not compete are violations of the antitrust laws and may result in criminal liability for the Company and any employees who are involved. It therefore is the Company's policy that no employee should enter into any agreement, or engage in any communication, with the employees of a competitor with regard to competitively sensitive subjects, including in particular (1) prices

As amended thru 8/14/08

and terms and conditions of sale or travel and (2) market entry or exit, including schedule or frequency changes.

Any employee who is uncertain whether a particular course of conduct is permissible under the antitrust laws should consult with the Chief Compliance Officer before acting.

## **IX. Confidentiality**

In the course of our work, many of us have access to confidential information. The Company's success is dependent upon its ability to maintain certain information in confidence. Examples of confidential information include: information about new products, marketing plans, suppliers, potential litigation, litigation, potential acquisitions, divestitures, contracts, joint ventures, alliances, security methods and procedures, inventions, processes, methods, business plans, financial performance, financial projections, trade secrets, business plans, mergers or acquisitions, personnel matters, or any other matter considered or reasonably expected to be considered confidential by the Company. With respect to confidential information, you are required to:

1. Refrain from disclosing any confidential information unless such disclosure is required or protected by law or is made to persons within the Company who have a need to know. This includes keeping the Company's confidential documents secure and avoiding the inadvertent disclosure of Company business matters in conversations with individuals outside the Company and those inside the Company without a need to know.
2. Refer all requests from the news media to the Vice President of Marketing.
3. Refer all inquiries from shareholders to Vice President and Chief Financial Officer.

## **X. Insider Trading**

It is illegal and against Company policy for any employee to trade in the Company's stock while in possession of material non-public information (defined below). This restriction applies to all employees as well as all members of their immediate families living in the same household and applies to all transactions in Company stock whether the transaction occurs on the open market, pursuant to a stock option exercise and sale of the underlying stock, or pursuant to the employee's direction with respect to Company stock held on his or her behalf in the Employee Stock Plan. The purchase or sale of securities of any other company, including our customers or suppliers, also is prohibited if you possess material non-public information regarding that company. Selective disclosure of material inside information about the Company or others who trade in its securities (or "tipping") also is prohibited.

Information is generally deemed "material" if it is important enough to affect a reasonable investor's decision to buy, sell or hold Company stock. Examples might include earnings figures, projections of future earnings or losses, news of a pending or proposed alliance, merger or asset purchase, a major new contract or contract cancellation, information regarding any litigation, a change in dividend policies, a change in management, news of a significant sale of assets or the disposition of a subsidiary, and the gain or loss of a major supplier. Either positive or negative information may be material.

Information that has not been widely disseminated to the financial community or reported to the media is generally deemed "non-public." Information, though released, may remain non-public for some period of time, typically at least one business day, until the financial markets have digested it. The analysis of whether information is material or non-public requires the consideration of many factors. When in doubt, you should assume the information is material and non-public.

The Company's insider trading policy prohibits transactions in Company stock by all employees at the director level and above (and certain other employees designated as Company "insiders") during certain quarterly "blackout periods." The blackout periods commence 30 days prior to the scheduled public announcement of the Company's quarterly or annual financial results and continue until one full business day following the announcement. Additional blackout periods may be imposed on an as needed basis to the extent deemed necessary by the Chief Compliance Officer to comply with the federal securities laws.

Executive officers and certain other management employees of the Company must comply with additional requirements when trading in the Company's securities. Those requirements include the avoidance of "short swing" trading, the avoidance of certain transfers during blackout periods, and the filing of periodic reports relating to their trading activities. Please consult the Chief Compliance Officer with any questions or concerns regarding Company securities.

## **XI. Monitoring Compliance With the Code**

It is the responsibility of each employee of Pinnacle to abide by this Code. This Code shall be provided to all "Employees" (directors, officers and employees). The directors, officers, managers, and certain other designated employees shall, on an annual basis, provide an acknowledgement of compliance to the Pinnacle Airlines Human Resources Department, Memphis, TN.

Pinnacle's Vice President and Chief Financial Officer is responsible for the administration of the Code and serves as the Chief Compliance Officer and has overall responsibility for the management of the program. For this purpose, the Chief Compliance Officer reports directly to the CEO and the Audit Committee of the Board of Directors. The Chief Compliance Officer's responsibility includes, but is not limited to, applying the Code to specific situations in which questions may arise and interpreting the Code in a particular situations.

Any waivers of the code for executive officers or directors may be made only by the Board of Directors and must be promptly disclosed to shareholders, along with the reasons for the waiver. Any waivers by others shall be promptly reported to the Audit Committee of the Company.

## **XII. Reporting Violations of the Code**

Violations of this Code of Business Conduct cannot and will not be tolerated. Consequences for such violations may include disciplinary action up to and including termination of employment. Individuals who have willfully failed to report known violations will also be subject to disciplinary action. Any person who believes that provisions of this Code have been or will be violated should promptly report any such violation or possible violation by calling the Pinnacle Airlines Code of Business Conduct hotline at **1-877-778-5463** or logging on the Pinnacle Airlines web site ([nwairlink.com](http://nwairlink.com)), linking to the Code Business of Conduct page, and linking to the Pinnacle Airlines hotline web site. Persons may also report a violation via email to [PinnacleHotline@report-it.com](mailto:PinnacleHotline@report-it.com) or mail correspondence directly to the hotline as follows:

**Report It  
C/O Pinnacle Airlines  
P.O. Box 163  
Oakdale, New York 11769**

Employees reporting good faith concerns regarding questionable accounting, internal accounting controls or auditing matters are permitted to do so on a confidential and anonymous basis. When calling the above hotline telephone number or logging on the hotline web site, the caller will be provided a password and login identification where he/she can call back or login at a later date and respond anonymously to questions or other communications regarding the reported incident.

Employees will be unable to establish this anonymous communication feedback channel if they report violations via regular mail or electronic mail.

An employee may report any violation of the Code or applicable law directly to the Company's Legal Counsel by writing to the **Pinnacle Airlines Legal Counsel, c/o Baker, Donelson, Bearman, Caldwell & Berkowitz, 165 Madison Avenue, Suite 2000, Memphis, TN 38103** or email to [schafetz@bakerdonelson.com](mailto:schafetz@bakerdonelson.com). If employees wish to register any complaint to the Audit Committee of the Board of Directors regarding accounting, internal accounting controls or auditing matters, or deliver an anonymous submission of such concerns, they may write to the **Chairman of the Audit Committee, 1689 Nonconnah Blvd., Suite 111, Memphis, TN 38132**. Employees are encouraged (but not required) to provide their names and contact information when communicating directly with the Corporate Legal Counsel or Chairman of the Audit Committee in case the concerns reported require further information.

Good faith reporting of violations or possible violations of this Code or applicable law will not result in adverse consequences to the person reporting them even if the perceived violations are ultimately proven not to have occurred.

This Code is intended to provide guidance to employees. It is not intended to be, nor can it be, an exhaustive list of approved or non-approved conduct.

Should an ethical question arise with respect to any proposed conduct that cannot be resolved with the help of this Code, discuss the question with your supervisor. If further guidance is necessary, feel free to contact the Chief Compliance Officer. Remember that honesty, prudence and fairness are the touchstones of good business conduct.

**PINNACLE AIRLINES CODE OF BUSINESS CONDUCT  
ACKNOWLEDGEMENT**

I, \_\_\_\_\_, have been provided the Pinnacle Airlines Code of Business Conduct. I have read and I understand the Code. I am committed to observing both the letter and spirit of the Code. I may, in good faith, report possible violations of the Code, without adverse consequences to me, even if the violations are ultimately proven not to have occurred. I acknowledge that I may do so on a confidential and anonymous basis as provided in the Code.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Employee Number

\_\_\_\_\_  
Date

The certificates shall be distributed by and should be returned directly to the **Pinnacle Airlines** Human Resources Department, Memphis, TN.