

## **PINNACLE AIRLINES CORP.**

### **COMPENSATION COMMITTEE CHARTER**

#### **Purpose**

The purpose of the Compensation Committee is to assist the Board of Directors (the "Board") of Pinnacle Airlines Corp. (the "Company") in discharging the Board's responsibilities relating to compensation of the Company's directors and executive officers, including the overall responsibility for overseeing the director and officer compensation plans, policies and programs of the Company.

The Compensation Committee is also responsible for producing an annual report on executive compensation as required by the Securities and Exchange Commission for inclusion in the Company's proxy statement or Form 10-K.

#### **Committee Membership**

The Compensation Committee shall consist of at least three members. The members of the Committee shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee, and may be replaced by the Board. The members of the Committee shall meet the independence requirements of the rules of the Nasdaq Stock Market.

#### **Authority and Responsibilities**

##### Compensation

The Committee, meeting in executive session, shall annually review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation amounts based on this evaluation.

The Committee also annually shall review and make recommendations to the Board concerning the compensation amounts of the members of the Board and all executive officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended, as specifically designated from time to time by the Committee). The CEO may be present during such review, but may not vote.

The Committee annually, based upon the recommendation of senior management, shall set an aggregate amount for non-executive management (i.e., managers and above and excluding the executive officers) bonuses and equity incentives, allowing the senior management of the Company to allocate each of the two pools among non-executives, and requiring senior management to report the allocation back to the Compensation Committee.

The Committee shall annually review and make recommendations to the Board with respect to all director and officer compensation plans, policies and programs, including incentive compensation plans and equity-based plans. The Company shall not, without stockholder

approval, amend any outstanding director or employee stock option to reduce the exercise price thereof (except for appropriate adjustments in the case of a stock split or similar change in capitalization); or offer to exchange outstanding director or employee stock options for options having a lower exercise price; or offer to exchange outstanding director or employee options having an exercise price above the current market price for cash, restricted stock, or other consideration.

The Committee shall annually review the risks that arise from the Company's compensation policies and determine whether such risks are reasonably likely to have a material adverse effect on the Company. If the Committee determines that the Company's compensation policies do create an unreasonable amount of risk for the Company, the Committee shall inform the Board of such determination, and make appropriate recommendations.

The Committee shall have the sole authority to retain and terminate any compensation consultant, independent legal counsel and other Committee advisors to be used to assist in the evaluation of director, CEO or senior executive compensation and shall have sole authority to approve the advisor's fees and other retention terms.

All such compensation amounts, goals, objectives, plans, policies and programs (as well as the amounts actually ultimately payable pursuant thereto in any given year) shall be subject to approval by the Board before implementation by the Company, and any such approval must have been by a majority of the independent directors of the Company.

The Company will not grant equity-based compensation on a backdated or springloaded basis.

#### Employment, Severance and Other Employment-related Agreements

The Compensation Committee shall have the authority to review and make recommendations to the Board with respect to all employment, severance and other employment-related agreements and arrangements for officers and senior employees of the Company.

#### General

The Committee shall have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

The Committee may form and delegate authority to subcommittees when appropriate.

The Committee shall make regular reports to the Board.

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Compensation Committee shall annually review its own performance.