

## **PRESIDENT'S MESSAGE**

To Members of the Midwest Airlines Family:

When Midwest Airlines quietly entered the airline industry in 1984, we knew our company's success would be built on strong, ethical principles and our core values-- service to the customer, honesty and integrity, responsiveness and mutual respect.

These values form the foundation of our corporate Code of Conduct. The Code provides meaningful guidelines for employees, officers and directors of Midwest Air Group, Inc. and Midwest Airlines and its subsidiaries, including Midwest Connect, when dealing with a broad range of circumstances. (Throughout the Code all these entities are referred to collectively as "Midwest Airlines".) The Code addresses our contacts with each other, customers, suppliers and the general public.

An attempt has been made to foresee situations that could arise and address those situations in the Code, but occasionally you may have questions or need advice. At any time, we encourage you to speak freely with the Legal Department for guidance. The Code outlines procedures for reporting violations. It is important for you to know that your reports will always be held in strictest confidence and you never need to fear reprisal.

Our values are the cornerstone of our success. We could not have attained our successes without the commitment of each and every one of our employees, officers and directors to live our values and the Code on a daily basis. Thank you.

Sincerely,

Timothy E. Hoeksema  
Chairman of the Board, President  
and Chief Executive Officer

## **MIDWEST AIRLINES CORE VALUES**

Midwest Airlines is built on business values that express a shared commitment and ensure our success. These values provide guidance in the conduct of our business.

### **Service to the Customer**

Our success is dependent on providing service that anticipates and satisfies customer needs and expectations. Every customer is treated with courtesy and care. Employees are selected because of a special attribute – we are people who care and show we care in the service we provide to others.

### **Mutual Respect**

Every employee is treated as an individual, with dignity and respect, and recognized for his or her contributions. Every department and position within Midwest Airlines is important to achieving our mission and vision. Our team-based work environment builds an appreciation of the role each individual and function plays.

### **Responsiveness**

The environment in which the airline industry operates is volatile and fiercely competitive. To be successful, we must anticipate and be ready to respond quickly to competitive action and changing economic conditions.

### **Honesty and Integrity**

We adhere to the highest standards of honesty and integrity in the conduct of our business and with each other. Honesty is good business, since it inspires trust and openness in our relationships. Integrity is doing the right thing even when no one else knows.

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## **I. ETHICS ON THE JOB**

### **1. Asset Protection**

Midwest Airlines' assets are the resources with which it conducts business. Assets include financial assets such as cash, physical property such as buildings and aircraft, as well as intangible assets such as confidential information, business plans and ideas – whether stored on paper, computer media or as knowledge. Intangible assets are often more valuable than physical assets and are usually more difficult to protect from theft and unauthorized use.

All assets owned by the company are for conducting Midwest Airlines business and are not for personal use or consumption. Prohibited personal use of company assets include the use of company labor or material to build or fabricate items for personal use, the personal use of company vehicles, and unauthorized use of company names and brand identities. Personal use of items such as telephones, facsimile equipment and computers for conducting non-Midwest Airlines business should not be excessive, should be restricted to off-hours and should have no significant incremental cost to the company. Employees must comply with the [Email/Intranet policy guidelines available on the IT Department Intranet site](#). Each of us is responsible for the assets under our direct control, and we have responsibility to be attentive and alert for situations that may lead to loss, theft or misuse of assets.

### **2. Accurate Records and Information**

Midwest Airlines is required to maintain financial records that accurately and fairly present its activities and transactions. All supporting documents, including agreements, invoices, check requests, expense reports, and time and attendance reports are required to fairly and accurately reflect the information contained therein.

No false or misleading entries may be made in any books or records of the company including aircraft log books, for any reason. No fund, asset or account of the company may be established for any purpose unless it is accurately and fairly recorded on the books and records of the company. All errors and adjustments, regardless of who may benefit from the error, should be promptly corrected and recorded when discovered. Accounting information should be prepared in conformance with the corporate financial instructions and policy guidelines as well as all applicable laws and regulations.

The need for completely accurate and proper recording of information extends beyond the accounting and financial functions of the company. All of us must honestly and fairly record information within our areas of responsibility, including attendance and time worked, operations reports, market research results, financial schedules and expense reports.

### **3. Public Disclosure and Reporting**

Reporting of financial information to stockholders and to the Securities and Exchange Commission requires the highest standard of honesty and fairness. The harm that could be done to the company's reputation and to its stockholders by fraudulent or misleading reporting can be severe. Dishonest financial reporting can also result in civil or criminal

penalties to the individuals involved or the company. Consequently, the reporting of any false or misleading information in internal or external financial reports is strictly prohibited. See Financial Leaders Code of Ethics for additional guidance specifically for Financial Officers.

#### **4. Confidential Business Information**

In the course of our work, many of us have access to confidential information, including business plans; marketing, sales and distribution information; service and route developments; financial information; and personnel and salary information.

Disclosure of confidential information outside the company, especially to competitors, could be harmful to us. Consequently, confidential information should be properly protected and disposed of in accordance with our record retention policy. Care should be exercised when discussing confidential business information in public or in the presence of employees not authorized to have access to such information.

If someone outside the company asks about confidential matters, do not provide the information unless you are authorized to do so. If you are not authorized, refer the person to your manager, the Public Relations Department, or the Legal Department.

All employees, officers and directors are required to execute a Confidentiality Agreement upon joining the Company. The agreement extends to all matters in which the company has a business interest. The Agreement obligates us if we leave the company not to disclose or misuse any confidential information acquired while employed.

In the ordinary course of business, information is acquired about other companies, including customers, suppliers and competitors. We should not acquire such information through improper means, such as corporate espionage, nor should we hire an employee of a competitor to get confidential information or encourage employees of competitors to disclose confidential information about their employer.

#### **5. Use of Confidential Information for Stock Trading Purposes**

Those employees, officers and directors with access to material non-public information have been identified as Insider Traders and consequently are subject to federal regulations regarding the confidential information they possess. Insiders may not use their confidential information to profit by buying or selling Midwest Air Group, Inc. securities before the confidential information is released to the public. Further, all Insider trades must fall within the approved trading window and be cleared by the Chief Financial Officer. Insider trading rules also apply to the Insider's immediate family. Employees not identified as Insiders who have received confidential information or inadvertently gained access to confidential information are subject to the same restrictions as Insiders.

#### **6. Misrepresentation and Misunderstandings**

Honesty and trustworthiness build long-lasting relationships and attract similar behavior by those with whom we deal. We must endeavor to deal fairly with the company's

customers, suppliers, competitors, and employees. No one may take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts or any other unfair dealing practice. In the interest of dealing fairly with customers, suppliers, competitors or employees, if you notice an obvious error or mistake, whether the error is in our favor or not, you should promptly correct it.

#### **7. Compliance with Laws and Regulations**

The Company proactively promotes compliance with all applicable laws, rules and regulations and will have a comprehensive corporate compliance program to support compliance by all concerned.

#### **8. Compliance With Antitrust Laws**

The company is committed to engaging in no activity that violates or appears to violate antitrust laws. In contacts with competitors, it is illegal to discuss pricing policies, sales terms, inventory levels, business and marketing plans, or any other confidential matters. If a competitor raises any of these issues, no matter how casually, stop the conversation immediately, explain that it is against our policy to discuss such matters, and if necessary, leave the gathering. All incidents of this nature should be reported to the Legal Department.

#### **9. Gifts and Entertainment**

Our goal is to avoid all situations in which our personal interest may conflict, or appear to conflict, with the company's business interests.

Sometimes gifts and entertainment can create a conflict of interest wherein accepting the gift may influence a business decision or appear to do so. Such gifts can include money, tangible property, services and discounts on purchases of goods and services.

To avoid even the appearance of a conflict of interest, gifts should not be accepted if they could reasonably be construed to unduly influence a business relationship or create an obligation. Small gifts or entertainment routinely offered in the ordinary course of a business relationship are acceptable. When in doubt about the propriety of accepting a gift or entertainment, it is recommended that prior approval of an officer or the Legal Department be obtained.

Employees negotiating with or transacting purchases from vendors or suppliers on behalf of the company are not permitted to participate in sales incentive contests, games or promotions that confer personal benefits to the employee. Participation in sales incentives is acceptable when sponsored or approved by the company.

#### **10. Solicitation of Gifts for Charitable Causes**

Both the receiving and giving of charitable gifts can be construed to unduly influence our business relationship with a supplier or customer. While employee participation in public service, including charitable organizations and events is encouraged, solicitation of vendor contributions to charitable organizations or for use in conjunction with company

events must not conflict nor appear to conflict with the company's business interests and should receive prior authorization of a senior manager.

### **11. Expense Reimbursement**

The company will reimburse employees, officers and directors for reasonable and necessary expenses incurred in the conduct of company business. We should exercise care in incurring expenses and avoid selection of expensive hotel accommodations and meals. The Travel and Entertainment Expense Reimbursement Policy should be consulted for further guidance. Authorizers of expense reports must judge the reasonableness of expenses incurred by employees and counsel employees on these matters if necessary.

### **12. Flight and Ground Safety**

There is nothing more important in our company than the safety and security of our passengers and employees. Safety and security shall never be compromised to achieve productivity, efficiency or financial goals or competitive advantage. Safety concerns can be reported anonymously to 1-877-MEA-SAFE.

### **13. Sexual and Other Unlawful Harassment and Other Abusive Conduct**

Midwest Airlines is committed to providing a work environment that is free of discrimination, unlawful harassment and other abusive conduct. Actions, words, jokes or comments based on an individual's sex, race, ethnicity, age, religion or any other legally protected characteristic will not be tolerated. Sexual harassment (both overt and subtle) is a form of employee misconduct that is demeaning to another person, undermines the integrity of the employment relationship, and is strictly prohibited. Any conduct that is abusive, demeaning, threatening or disrespectful of another employee, company official, passenger or other person with whom the company has a business relationship constitutes a violation of our interests and values and is also prohibited. Anyone engaging in sexual or other unlawful harassment or other abusive conduct will be subject to disciplinary action up to and including termination of employment.

Any employee who wants to report an incident of sexual or other unlawful harassment or other abusive conduct should promptly report the matter to his or her supervisor or the appropriate Human Resources Department representative. If either of these is unavailable or the employee believes it would be inappropriate to contact either of these, the employee should immediately contact the Senior Vice President of Human Resources or the Legal Department. Employees can raise concerns and make reports without fear of reprisal.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment or other abusive conduct must promptly advise the appropriate Human Resources Department representative or the Senior Vice President of Human Resources, who will assist in handling the matter in a timely, confidential manner.

#### **14. Alcohol and Drug Abuse**

The manufacture, possession, distribution, dispensation, sale or use of alcohol, illicit drugs and/or other controlled substances by employees on company premises is prohibited except in the case of individual use of legally obtained prescription drugs or the serving of alcoholic beverages in connection with an authorized event on company premises. Drug tests required by law or company policy are performed where appropriate.

## **II. ETHICS OFF THE JOB**

This section describes ethical standards for conduct outside of the workplace.

### **1. Conflicts of Interest**

A “conflict of interest” occurs when an individual’s private interest interferes in any way – or even appears to interfere – with the interests of the company as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her company responsibilities objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the company.

The Company prohibits all improper conflicts of interest. Employees and officers are required to communicate potential conflicts to the Legal Department. Whenever uncertainty exists regarding whether a situation constitutes an improper conflict of interest, employees and officers shall seek the advice and counsel of the Legal Department.

In the event of a potential conflict of interest by a director, the director shall consult the Board Affairs and Governance Committee, which shall, in turn, advise the Board with a recommendation regarding whether the situation does or does not constitute an improper conflict of interest in which case the conflicting activity is prohibited.

### **2. Corporate Opportunities**

Employees, officers and directors are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of company property, information or position; (b) using company property, information, or position for personal gain; and (c) competing with the company. Employees, officers and directors owe a duty to the company to advance its legitimate interests above their own when the opportunity to do so arises.

Loans to or guaranteeing obligations of employees, officers and directors is prohibited.

### **3. Community Service**

Participation in civic, community or charitable activities on one's personal time is encouraged. If an organization for which you volunteer in a decision-making role is confronted with a decision involving the company, you should carefully consider whether you can act independently. If in doubt, consult the Legal Department for guidance.

### **4. Political Participation**

Midwest Airlines will make no illegal political contributions or payments to political organizations or candidates. Employees should feel free to participate in the political process or make political contributions as individuals and on their own time. When expressing views in public or on political issues, make it clear that you are speaking as an individual and avoid giving an appearance that you are speaking as a Midwest Airlines representative unless you have been authorized to speak for the company.

### **5. Personal Problems including Alcohol and Drug Abuse**

Problems stemming from drug and alcohol abuse, family and marital conflict, depression, stress, and financial and legal burdens may affect job performance. Employees should consult the company's confidential employee assistance program for help.

## **III. RESPONSIBILITY FOR COMPLIANCE**

Violations of the Code of Conduct are serious offenses that may result in disciplinary action, suspension, dismissal or civil action by the company. Violations of the Code that are also violations of law may result in fines, penalties or other legal remedies.

Employees, officers and directors are responsible for their own compliance with the Code, the Confidentiality Agreement, Financial Leaders Code of Ethics and other related policies. Questions of interpretation should be directed to the Legal Department.

We all have a responsibility to be observant and to report violations of the Code. Employees and officers should report potential or perceived violations to the Legal Department. Violations or suspected violations of accounting, internal controls or auditing matters, may be reported to the Whistleblower hotline (1-800-596-5429) which is answered by the Chair of the Board Audit Committee. All alleged violations will be fully investigated, and anyone reporting any such matter may do so anonymously and should not fear reprisal or retaliation of any kind.

Directors are required to report violations to the Board Audit Committee or a third party designated to receive such information.