

ExpressJet Holdings, Inc.
ExpressJet Airlines, Inc.



February 12, 2004

Dear Co-worker:

I am pleased to transmit to you the most recently updated version of our ethics code, the Principles of Conduct. The Principles continue to emphasize the high standards that we believe are fundamental to our success, and update certain information that has changed as we evolve as a separate company and operate under new rules adopted in the wake of much-publicized corporate scandals at other companies. We have historically been successful in maintaining the highest ethical standards and our goal is to continue to do so. It's good business and, quite frankly, it's the right thing to do.

The Principles of Conduct constitute our core policies. They codify our standards and apply in the boardroom, in the executive offices and on the front line. They must govern each of our individual actions. As a company, we function as a series of individual actions; failure in any area destroys the wholeness or integrity of the collective effort. My commitment to you is that we will not ask more of you than we ask of the Board, our officers or any other employee. As we abide by these Principles, we will benefit ourselves as employees, our stockholders and the communities we serve.

Please read and re-read these Principles. Their substance continues to be reflected in our employee handbook, and we will keep the most up-to-date version on our website to be available to everyone. I encourage you to share them with our business partners, as we expect them to adhere to the same standards when representing us or in any other way associated with us. Review them carefully and refer to them as needed. Although broad in scope, they are necessarily phrased in general terms and are of limited length, so don't hesitate to ask someone else when you are uncertain of their specific application to an action you want to take. That person may be your supervisor, someone in the Human Resources Department or Legal Department, or our Corporate Compliance Officer.

Thank you for your efforts to continue our success and to do so in a way that we can all be proud of at the end of the day.

Sincerely,

Jim Ream
President and Chief Executive Officer

PRINCIPLES OF CONDUCT

INTRODUCTION

ExpressJet's reputation for integrity and excellence is a valuable asset and fundamental to our success. These Principles of Conduct are rules. They relate to your employment and should guide all employees, as well as members of our Board of Directors ("directors"), in complying with our ethical and legal obligations. These Principles do not replace or limit any fiduciary or other duties placed upon employees or directors by applicable law. The Principles cannot address in detail every possible problem or decision you may face. Therefore, the most important sources of guidance must be your good judgment, personal integrity, sensitivity to what is right and a strong desire to do nothing that might bring discredit upon you or ExpressJet (ExpressJet Holdings and ExpressJet Airlines are also collectively referred to in these Principles as the "Company").

COMPLIANCE WITH LAW

ExpressJet's policy is to observe and comply with all applicable laws, rules and regulations. ExpressJet and its employees must, at all times, maintain strict compliance with the letter and the spirit of the law. No employee or director is authorized to deviate from this requirement.

If you have any questions concerning the legality of a proposed course of action, the scope of a law or regulation, or the interpretation or application of a law, contact the Corporate Compliance Officer or the Legal Department for clarification, guidance and assistance before taking the proposed course of action.

INTERNAL RULES AND REGULATIONS

ExpressJet expects its employees to uphold at all times the highest moral and ethical standards. Employees are also responsible for knowing and following Company policies and standards. ExpressJet prohibits dishonesty, misrepresenting facts, falsifying records, or misappropriating Company assets, including the inappropriate use of waivers, seat inventory, tickets, travel passes or other travel benefits.

INTEGRITY OF BUSINESS AND ACCOUNTING RECORDS AND DISCLOSURE

ExpressJet's books and records must be maintained accurately, in reasonable detail, and in accordance with generally accepted accounting principles. No records or information will be manipulated for the purpose of altering or distorting business results, and no deliberately false or inaccurate entries will be made for any purpose. Employees must cooperate with the Company's internal and independent auditors, and no director or employee may take any action to fraudulently influence, coerce, manipulate or mislead any such auditors.

It is ExpressJet's policy to comply with applicable laws, rules and regulations governing its public disclosures. The Company strives for full, fair, accurate, timely and understandable disclosure to its various constituencies, consistent with its legal duties and business objectives.

CONFLICTS OF INTEREST

Each director and employee owes a duty of loyalty to ExpressJet. If an employee or director's association with (or financial interest in) another person or entity would reasonably be expected to interfere with the employee or director's independent judgment in the Company's best interest, that association or financial interest creates a conflict of interest. Some associations or financial interests of family members (as described below) may also create conflicts of interest. Employees must avoid situations that involve them in a conflict of interest. If an employee believes he or she may have a conflict of interest, the employee must report the conflict in writing to the Corporate Compliance Officer. Directors should avoid situations that involve them in a conflict of interest. If a director believes he or she may have a conflict of interest, the director should make appropriate disclosure to the other directors and take appropriate steps (e.g., recusal from interested votes) to insulate such conflict of interest.

Employees may not knowingly maintain investment or financial interests in, or any financial relationship, management or advisory position with, ExpressJet's suppliers, customers or competitors that are substantial or that would otherwise adversely affect their independent judgment in the Company's best interest. Customary transactions conducted on standard commercially available terms are not considered conflicts, such as mutual fund holdings or insubstantial ownership interests (generally not more than one percent of the outstanding shares) in publicly traded securities. Employees may not accept from or give to any supplier, customer or other person doing business with the Company gifts, loans, services, hospitality or entertainment reasonably considered lavish or excessive. Any gift or entertainment that could create obligations or influence a business decision is beyond the reasonable limit. Employees are prohibited from soliciting or accepting salaries, fees, commissions or any other type of compensation, rebates, or rewards for ExpressJet doing business with suppliers, customers, or other persons.

A conflict of interest for an employee may also exist as a result of investments, relationships or other matters involving an employee's spouse, parents, children, siblings; mothers and fathers in-law; sons and daughters in-law; brothers and sisters in-law and any person who lives in the same household as the employee or such other person. If you have any doubt, please consult with the Corporate Compliance Officer.

CORPORATE OPPORTUNITIES

Directors and employees are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position, or using corporate property, information or position for personal gain. Directors and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

CONFIDENTIALITY

Directors and employees must maintain the confidentiality of non-public, proprietary information entrusted to them by the Company, its customers or its suppliers and use that information only to further the business interests of the Company, except where disclosure or other use is authorized by the Company or legally mandated. This includes information disseminated to employees in an effort to keep them informed or in connection with their work activities, but with the instruction, confidential labeling, or reasonable expectation that the information be kept confidential.

ANTITRUST COMPLIANCE

ExpressJet's policy is to make its own commercial decisions in the Company's best interest, independent of understandings or agreements with competitors. Employees and directors must avoid conduct that violates the antitrust laws, including understandings or agreements between competitors regarding prices, terms of sale, division of markets, allocations of customers or any other activity that restrains competition, whether by sellers or purchasers. Please direct any questions about this policy to the Legal Department.

TRADING ON INSIDE INFORMATION

Inside information includes any non-public information, whether favorable or unfavorable, that investors generally consider important in making investment decisions. Examples include financial results not yet released, imminent regulatory approval of an alliance or other significant matter such as a new route, purchase or sale of a business unit or significant assets, threatened litigation, or other significant facts about a business. No information obtained as the result of employment at, or a director's service on the Board of the Company may be used for personal profit or as the basis for a "tip" to others unless such information is first made generally available to the public. Please see the Company's Statement of Policy Regarding Compliance with Federal Securities Laws on the insidecoair.com website for additional details, and the Company's policy on confidentiality described above.

PROTECTION AND PROPER USE OF COMPANY ASSETS

Directors and employees should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have an adverse impact on the Company and its profitability. Company assets may only be used for legitimate ExpressJet business purposes.

RELATIONSHIPS WITH GOVERNMENTS AND FOREIGN CORRUPT PRACTICES ACT

No payments, goods or services may be given to any official or employee of the government of the United States or any of its states or municipalities, or to any political party, party official or candidate for political office in the United States, to secure a desired government action or any sale, purchase, contract or other commercial benefit.

Federal law prohibits directors, employees and agents of ExpressJet from offering or giving cash, travel or other goods or services, either directly or indirectly, to foreign officials, foreign political parties, party officials or candidates for foreign political office for the purpose of obtaining, retaining or directing business to any person.

Certain “facilitating” payments may be made to foreign persons if they are lawful where made, customary, nominal in value and not in consideration of any improper action by the recipient. These payments are permissible only for obtaining or expediting the performance of established clerical procedures or ministerial acts by lower-level foreign government employees. In each case, any proposed payment must be pre-cleared and authorized by the Corporate Compliance Officer.

POLITICAL CONTRIBUTIONS

Neither ExpressJet funds nor assets may be used to support the campaign of any candidate seeking political office or the activities of any political party, except in compliance with applicable law and with the advance approval of an authorized ExpressJet corporate officer. This rule prohibits unauthorized financial contributions, whether direct or indirect, the unauthorized purchase of tickets to fund-raising events, or the unauthorized contribution of Company-paid employees, facilities, equipment, transportation or other services.

ExpressJet encourages employees to participate in political activities on their own and to support personally the candidate or political party of their choice.

ENVIRONMENTAL PROTECTION COMMITMENT

ExpressJet, as a responsible corporate citizen, complies with all applicable federal, state, and local environmental laws and regulations. ExpressJet has an Environmental Policy and an Environmental Procedures Manual that establish operational and emergency response procedures to ensure compliance and minimize potential environmental impacts resulting from day-to-day operations. Each relevant facility maintains copies of the manual. All employees have the responsibility to act in an environmentally safe manner. Any questions about compliance with the manual or any environmental laws and regulations should be directed to the Corporate Compliance Officer.

EQUAL EMPLOYMENT OPPORTUNITY

ExpressJet is committed to the principles of equal employment opportunity which are more fully described in the employee handbook. Recruiting and hiring, compensation, promotions, layoffs, terminations and social and recreation programs will be based upon the qualifications of the candidates without regard to race, color, religion, gender, sexual orientation, national origin, citizenship, age, veteran status, or disability. Harassment for reasons related to race, color, religion, gender, sexual orientation, national origin, citizenship, age, veteran status, or disability is strictly prohibited. For more information, please refer to the employee handbook or postings at your workplace.

OCCUPATIONAL SAFETY AND HEALTH

The safety, health and welfare of employees are a first level priority. No matter how urgent the project, always take the time to work safely. All employees are required to comply with safe work practices, rules and regulations.

INTELLECTUAL PROPERTY

ExpressJet expends a great deal of time, effort and money to protect our intellectual property. We are sensitive to issues regarding the improper use of our intellectual property and avoiding the improper use of intellectual property of others, including but not limited to copyrights, trademarks, trade secrets and patents. In fulfillment of our legal obligations with respect to intellectual property rights, ExpressJet adheres to copyright laws, including the application of those laws to copyrighted work in print, video, music, computer software or other electronic formats. Employees must not make any unauthorized reproduction of any copyrighted work.

REPORTING VIOLATIONS

Communicate violations, including concerns you may have about possible violations, of any of the Principles of Conduct immediately to the Corporate Compliance Officer. These may include accounting and audit matters. A sample reporting form is attached. All reports are confidential, and no one will be penalized for filing a report in good faith. If you desire, you may also communicate concerns you may have about accounting or audit matters to the Director-Internal Audit, who maintains an email address, along with the Chairman of the Company's Audit Committee of the Board of Directors and the General Counsel at xjitinternalaudit@expressjet.com to receive information relating to these matters.

EXCEPTIONS TO THE PRINCIPLES OF CONDUCT

In certain situations, an exception to the Principles of Conduct, or the special handling of a particular matter, may be warranted. Generally, requests for exceptions must be submitted in writing to the Corporate Compliance Officer. Approvals will also be in writing and must be obtained in advance of the action requiring the exception. For example, these policies normally prohibit ExpressJet from purchasing goods or services from an employee-owned business. Certain exceptions to this policy are allowed, on a case-by-case basis, to allow ExpressJet to purchase unique goods or services only available from an employee-owned business. A form for requesting such an exception is attached. Any exceptions to these Principles of Conduct for executive officers or directors may be made only by the Board of Directors or an authorized Board committee, and must be promptly disclosed to the Company's stockholders.

If you have questions concerning the legality of a proposed course of action, the scope of a law or regulation, or the interpretation or application of a law, contact the Corporate Compliance Officer for clarification, guidance and assistance before taking the proposed course of action.

IMPLEMENTATION

All managers are responsible for making sure that every employee under their supervision is aware of the Principles of Conduct and the obligation to report violations promptly.

CONSEQUENCES OF FAILURE TO COMPLY WITH PRINCIPLES

Employees of the Company who do not comply with these Principles are subject to appropriate discipline, up to and including termination of employment and referral to the appropriate government agency. Directors who do not comply with these Principles applicable to them will be referred to the Company's Board of Directors or an appropriate committee of the Board, and may be referred to the appropriate government agency.

**EXPRESSJET AIRLINES CORPORATE COMPLIANCE PROGRAM
CONFIDENTIAL ACTIVITY REPORT**

Instructions: Use this form to report a concern that the Company (or someone acting on the Company's behalf) or an employee may be acting illegally or violating the Principles of Conduct. Please do not use this form to report instances in which you believe the Company may be a victim of illegal acts; instead, report those occurrences to Corporate Security – Continental Airlines, Inc.

TO: Corporate Compliance Officer, HQSCE
ExpressJet Airlines, Inc.
P.O. Box 4607, HQSCE
Houston, TX 77210-4607
Fax: (713) 324-5024

My concern is (attach additional documentation, if necessary): _____

Please explain how you became aware of this situation: _____

Other people who may be contacted about this situation are:

<u>Name</u>	<u>Position or Title</u>
1. _____	_____
2. _____	_____
3. _____	_____

YOU MAY SUBMIT THIS FORM ANONYMOUSLY. HOWEVER, IT MAY ASSIST OUR INVESTIGATION IF WE CAN CONTACT YOU FOR FURTHER DETAILS. IF YOU CHOOSE TO PROVIDE CONTACT INFORMATION, PLEASE DO SO BELOW. IN EITHER CASE, AS NOTED BELOW, COMPLETION OF THIS FORM IS A PROTECTED ACTIVITY.

My name is (Please print) : _____ . I can be contacted at the following phone numbers:
(home) _____ (work).

I prefer to be called at my ___ (home) / ___ (work) number during the following times:

Signed: _____ Date: _____

COMPLETION OF THIS FORM IS A PROTECTED ACTIVITY. YOU WILL SUFFER NO ADVERSE EMPLOYMENT ACTION FOR PROVIDING INFORMATION ON THIS FORM IN A GOOD-FAITH ATTEMPT TO BE TRUTHFUL. HOWEVER, YOUR OWN MISCONDUCT WILL NOT BE ABSOLVED THROUGH THE USE OF THIS REPORT. PLEASE NOTE: FAILING TO REPORT MISCONDUCT OR WILLFULLY REPORTING FALSE INFORMATION CAN RESULT IN DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.

EXPRESSJET AIRLINES, INC.

Potential Conflict of Interest
Request for Corporate Approval/Clarification

DATE: _____

TO: _____ Vice President

FROM: _____ Sr. Director / Director

CORPORATE MAIL CODE: _____ PHONE NUMBER: _____ - _____

SUBJECT: Potential Conflict of Interest

Your approval is requested to contract for goods/services with an ExpressJet employee or other related party or to otherwise clarify that no conflict of interest exists

DESCRIBE NATURE OF POTENTIAL CONFLICT

(including name, employee number, division, relationship to other parties, etc.; attach additional documentation, if necessary)

DESCRIBE NATURE OF GOOD / SERVICES (attach additional documentation, if necessary):

DESCRIBE BUSINESS NEED FOR TRANSACTION (attach additional documentation, if necessary)

ANY WRITTEN CONTRACT / DOCUMENT MUST BE ATTACHED.

APPROVED / DISAPPROVED – VICE PRESIDENT (DATE)

If approved, forward to Legal Department (HQSCE)

APPROVED / DISAPPROVED - LEGAL DEPARTMENT (DATE)

If approved, forward to Internal Audit (HQSCE)

APPROVED / DISAPPROVED - INTERNAL AUDIT (DATE)

This approval is good through _____ (date) at which time the relationship must be re-examined by the above parties for approval. The date is to be furnished by Internal Audit.

This form must be returned to the Director / Sr. Director who initiated the process. When all approvals are obtained, a copy of this completed form is to be attached to all invoices before a payment will be processed.