

Investment Consulting, Inc. (AIC), an affiliated registered investment adviser under the Investment Advisers Act of 1940, to provide certain investment and financial advice in support of Fiduciary Counselors' determinations. AIC is the full service investment-consulting subsidiary of Aon Consulting, providing investment management consulting services to institutional tax-exempt funds. Aon Consulting has investment consulting operations in the United States, United Kingdom, Canada, Continental Europe, Australia and New Zealand. Worldwide, Aon Consulting has about 125 people in its investment consulting practice. AIC has offices in seven U.S. cities and a U.S. staff of about forty.

Neither Fiduciary Counselors nor AIC provides any other services to Northwest or its affiliates other than the independent fiduciary and related services they provide in connection with the proposed contribution of Pinnacle Stock to the Plans. An affiliate, Aon Risk Services of Minnesota, does provide insurance brokerage services to Northwest. However, the fees paid to Aon Risk Services of Minnesota and the fees paid to Fiduciary Counselors represent less than 1 percent (1%) of the revenue of Aon Corporation, one of the nation's largest risk management and benefits consulting companies, which is the ultimate parent company of Fiduciary Counselors, AIC, Aon Consulting and Aon Risk Services of Minnesota.

In connection with the November 5, 2002 Independent Fiduciary Agreement between Fiduciary Counselors and Northwest (the Agreement), Northwest has agreed to pay Fiduciary Counselors an annual fee that would cover both the independent fiduciary and investment management services to be provided by Fiduciary Counselors and the investment advisory services to be provided by AIC. The initial fee was remitted directly to Aon Consulting, a parent company of both Fiduciary Counselors and AIC. Aon Consulting internally allocated 25 percent (25%) of the fee to Fiduciary Counselors, which comprised less than 5 percent (5%) of Fiduciary Counselors' annual revenue, and 75 percent (75%) to AIC, which comprised less than 5 percent (5%) of AIC's revenue. So long as there is no change in control of Fiduciary Counselors or AIC, future payments will be allocated in a similar manner.

12. At the request of Northwest's management, Morgan Stanley & Co. Incorporated (Morgan Stanley) prepared a preliminary valuation study of Pinnacle Airlines, dated September 24, 2002, which Fiduciary Counselors may

take into account in determining the valuation of the Pinnacle Stock to be contributed to the Plans.<sup>8</sup> Morgan Stanley, as part of its investment banking and advisory business, is continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate, estate and other purposes. In connection with its investment banking and advisory business, Morgan Stanley has represented a number of companies in the airlines industry. The Applicant represents that the Independent Fiduciary has unfettered discretion to choose the methodologies and the ultimate values of the Pinnacle Stock contributed to the plans and the related Put Option. The Independent Fiduciary is not required to use only the Morgan Stanley valuation.

13. Under the terms of the Agreement, Fiduciary Counselors makes all the decisions on behalf of the Master Trust and the Plans regarding the acceptance of the proposed in-kind contribution of Pinnacle Stock, determines (with the assistance of the qualified independent appraiser engaged by the Independent Fiduciary) the value of the Pinnacle Stock held by the Master Trust from time to time, and make such other decisions with regard to the Pinnacle Stock as are contemplated by the Exemption Application as it may be ultimately approved. In this regard, Fiduciary Counselors has retained Eclat Consulting to prepare a valuation of the Pinnacle Stock that will serve as the basis for Fiduciary Counselors' determination.

In making this determination to accept the securities, the Independent Fiduciary shall have discretion to negotiate the final terms and conditions of the contribution, including the registration, shareholder and put rights. The contributed Pinnacle Stock would be held as an "Investment Fund" within the Master Trust, under the management and control of the Independent Fiduciary as investment manager thereof, until such time as the Independent Fiduciary determines it is in the best interests of the Plans' participants and beneficiaries to dispose of such Pinnacle Stock.

The Independent Fiduciary shall thereafter, until all transactions

<sup>8</sup> Morgan Stanley is listed in the Securities and Exchange Commission Form S-1 registration statement for the Pinnacle Stock IPO as one of the underwriters for the IPO of the Pinnacle Stock.

contemplated by the Exemption Application are concluded or it has been replaced by another independent fiduciary as hereinafter provided, continue to serve as Independent Fiduciary and continue to discharge the functions assigned to it as such in accordance with the provisions of the Exemption Application.

The Independent Fiduciary confirms that it is (and shall continue to be during the term of its engagement hereunder) an "investment adviser" within the meaning of the Investment Advisers Act of 1940, and further acknowledges that, with respect to its duties pursuant to the Agreement, it is a fiduciary as defined in section 3(21) of ERISA. The Independent Fiduciary shall act for the exclusive benefit and in the sole interest of the Plans and their participants and beneficiaries and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The Independent Fiduciary represents that, in evaluating the proposed Exemption Transactions, it has reviewed those documents that it deems relevant to the transactions including, but not limited to: (i) Copies of the current documents for the Plans and the Master Trust including all amendments thereto, as well as current summary plan descriptions and all other disclosures provided to participants and beneficiaries in the Plans regarding the Master Trust; (ii) copies of the Plans' most recent Form 5500 filings and all other financial and other information regarding the Plans reasonably requested by the Independent Fiduciary; (iii) copies of (or electronic access to) Northwest's most recent filings made with the Securities and Exchange Commission (SEC) as requested in order for the Independent Fiduciary to perform its obligations hereunder, including reasonable access to internal staff and outside professionals engaged by Northwest or the Plans regarding the Master Trust; and (iv) copies of (or electronic access to) Pinnacle Airlines' most recent filings made with the SEC as requested in order for the Independent Fiduciary to perform its obligations hereunder, including reasonable access to internal staff and outside professionals engaged by Pinnacle Airlines.

The Agreement states that, as compensation for the services to be rendered by the Independent Fiduciary and its affiliates in connection with the Agreement, Northwest shall pay to the