



CODE OF BUSINESS CONDUCT AND ETHICS

Reviewed February 9, 2011

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CODE OF BUSINESS CONDUCT AND ETHICS

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I. INTRODUCTION

Copa Holdings, S.A., together with its subsidiaries, (“Copa”) is committed to conducting its business with honesty and integrity. The policies outlined in this code of business conduct and ethics (the “Code”) are designed to ensure that members of our Board of Directors (“directors”) and Executive Committee (“officers”), and employees and third party representatives such as contractors, consultants and agent of Copa Holdings, S.A. (“consultants”) act in accordance not only with the letter but also the spirit of the laws and regulations that apply to our business and the highest ethical standards of business conduct. Directors, officers, employees and consultants who violate this Code will be subject to disciplinary action.

Directors, officers, employees and consultants are expected to read the policies set forth in this Code and ensure that they understand and comply with them. Any violations of laws, rules, regulations, or this Code should be reported immediately to our Ethics Officer. Copa will not allow retaliation against a director, officer, employee or consultant for such a report made in good faith.

Any waiver of the provision of this Code for directors or executive officers of Copa may be made only by the Board of Directors (the “Board”) or a committee of the Board and must be promptly disclosed to shareholders of Copa.

Any questions about this Code or the appropriate course of conduct in a particular situation should be directed to our Ethics Officer.

II. RESPONSIBILITIES

A. Compliance with Laws, Rules and Regulations

1. All directors, officers, employees and consultants must respect and obey all laws that apply to our business, including international and local laws in the areas in which Copa operates. It is each individual’s responsibility to know and understand the Copa’s policies and the laws and regulations applicable to his or her job responsibilities (including insider trading laws), to comply with not only the letter but also the spirit of those policies, laws and regulations, and to always act with the highest ethical standards of business conduct. Furthermore, individuals must avoid not only actual misconduct but also even the appearance of impropriety. In the case of any questionable situation or conduct, they must consider how such individual and Copa would be perceived if the situation or conduct were publicized. Any questions as to the applicability of any law should be directed to the Ethics Officer of Copa.

2. Compliance with the laws and regulations of civil aviation authorities and safety and security regulations of the countries in which we operate, including all policies with respect to drug and alcohol control, is a fundamental responsibility of all directors, officers, employees and consultants of Copa.

3. If any policy of this Code conflicts with a applicable law in any of the countries in which we operate, our directors, officers, employees and consultants must comply with the law and should consult the Ethics Officer to understand the interpretation and application of this Code in

accordance with local law. If any policy in this Code conflicts with local custom or policy, our directors, officers, employees and consultants must comply with this Code.

B. Insider Trading

1. Copa has securities trading policy. All our directors, officers, employees and consultants must sign a certification acknowledging that they have reviewed this policy and agree to be bound by its terms. This policy provides, among other things, that our directors, officers, employees and consultants may not buy or sell stock of Copa when such persons are in possession of material, non-public information. Such persons are also prohibited from passing on such information to others who might make an investment decision based on such information. Material information includes any data, report, projection, plan or similar information concerning Copa, its business or its value that by its very nature may alter or influence the value of Copa's stock or that an investor in Copa would consider important in its decision to purchase, hold or sell Copa stock.

2. Our directors, officers, employees and consultants also may not trade in stocks of other companies in respect of which they obtain material non-public information through the course of their service to, or employment-with, Copa.

Any questions as to whether information is material or has been adequately disclosed should be directed to the Director of Internal Audit of Copa.

C. Conflicts of Interest

1. A conflict of interest occurs when the private interest of a director, officer, employee or consultant interferes – or appears to interfere – in any way with the interest of Copa. Conflicts of interest can arise when a director, officer, employee or consultant takes an action or has an interest that may make it difficult for the director, officer, employee or consultant to render objective decisions on behalf of Copa or to perform his or her duties effectively. Conflicts of interest also arise when a director, officer, employee or consultant, or a member of his or her family, receives improper personal benefits (including loans, guarantees of obligations, or acquisitions of interest in transactions involving Copa or its customers or suppliers) as a result of his or her position with Copa.

2. Service to Copa should never be subordinated to the personal gain and advantage of a director, officer, employee or consultant and all directors, officers or employees are accountable for acting in Copa's best interest. All material transactions or relationships that are, or could be reasonably expected to give rise to, a conflict of interest, must be approved by the Board of Copa. Potential conflicts of interest involving an executive officer or a director will be reviewed directly by the Audit Committee or by other independent members of the Board. Potential conflicts involving an employee of, or a consultant to, the Company, other than an executive officer, will be reviewed in accordance with the policies of the Company. In certain limited cases, activities giving rise to potential conflicts of interest may be permitted if they are determined not to be harmful to Copa. Any director, officer, employee or consultant who becomes aware of, or who has a question about whether a conflict or interest exists, should promptly bring it to the attention of the Ethics Officer, the Director of Internal Audit of Copa or the Audit Committee.

D. Corporate Opportunities

1. Directors, officers, employees and consultants owe a duty to Copa to advance Copa's legitimate business interest when the opportunity to do so arises. Accordingly directors, officers, employees and consultants are prohibited from taking for themselves personally any opportunities that arise or are discovered through the use of corporate property, information, or position and

from using corporate property, information, or position for personal gain, unless Copa has already been offered the opportunity and turned it down. Directors, officers, employees and consultants are further prohibited from competing with Copa directly or indirectly unless such competition is disclosed to, and approved in writing by, the Ethics Officer of Copa.

E. Confidential or Proprietary Information

1. Directors, officers, employees and consultants may learn information about Copa or its customers or suppliers that is not known to the general public or to competitors. Confidential or proprietary information includes information regarding trade practices, systems, marketing or strategic plans, fees and revenues, and other non-public information that might be of use to competitors, or harmful to Copa or its customers or suppliers if disclosed, or information that customers or suppliers of Copa have entrusted to it.

2. Directors, officers, employees and consultants must maintain the confidentiality of information entrusted to them by Copa or its customers or suppliers, except when disclosure is authorized or legally mandated. This obligation to protect confidential or proprietary information does not end when a director, officer, employee or consultant leaves Copa. Any questions about whether information is confidential or proprietary should be directed to the Ethics Officer of Copa.

3. Any individual who possesses confidential or proprietary information has an important responsibility to keep that information confidential within Copa, and to disclose such information internally only on a “need to know” basis. Individuals must be discreet with this information and avoid communicating matters in ways that are susceptible to interception or use by third parties.

F. Fair Dealing

1. Each director, officer, employee and consultant shall endeavor to deal fairly with Copa’s customers, competitors, suppliers, directors, officers, employees and consultants. No director, officer, employee or consultant shall take unfair advantage of anyone through manipulation, fraudulent inducements or concealment, misrepresentation of material facts, abuse of privileged information, or any other unfair-dealing practices.

G. Protection and Proper Use of Company Assets

1. Theft, carelessness, and waste have a direct impact on Copa’s profitability. Directors, officers, employees and consultants have a duty to safeguard Company assets and ensure their efficient use. Company assets should be used only for legitimate business purposes, and directors, officers, employees and consultants should take measures to ensure against their theft, damage, or misuse.

2. Company assets include intellectual property such as trademarks, business and marketing plans, salary information, and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of Copa policy.

H. Interaction with Public Officials

1. When dealing with public officials, directors, officers, employees and consultants must avoid any activity that is or appears illegal or unethical. The giving of gifts, including meals, entertainment, transportation, and lodging, to government officials could be restricted by law- in the countries in which we operate. Directors, officers, employees and consultants must obtain pre-approval before providing anything of value to a government official or employee.

2. In addition, the U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of Non-U.S. governments or Non-U.S. political candidates in order to obtain or retain business. Illegal payments to government officials of any country are strictly prohibited.

I. Political Contributions

1. Corporate funds, credit, property or services may not be used (directly or indirectly) to support any political party or candidate for public office, or to support or oppose any ballot measure, without the prior approval of the Board. Although directors, officers, employees and consultants are encouraged to support political parties and candidates with their personal efforts and money, Copa will not reimburse or subsidize them in any way for such political participation.

J. Gifts, Gratuities and Other Benefits

1. No director, officer, employee or consultant shall (directly or indirectly) offer or give any gift, , entertainment, service, “kickback” or other improper payment or consideration to any customer, supplier, government official or employee, or any other person in consideration for assistance or influence concerning any transaction or potential transaction involving Copa.

2. No director, officer, employee or consultant, or member of his or her immediate family, shall (directly or indirectly) solicit, accept or retain any gift, trip, discount, entertainment, service or other benefit from any organization or person doing business or competing with Copa, other than (i) modest and appropriate items within the norms of the industry, such as promotional articles or business meal invitations, that would not influence, and would not reasonably appear to be capable of influencing, such person to act in any manner not in the best interest of Copa or (ii) nominal benefits that have been disclosed to and approved by an, officer, a director or in the case of directors, the Board.

K. Outside Affiliations, Employment or Activities

1. Employment and participation in other activities outside of Copa could presumptively interfere with an individual’s duties as a director, officer or employee of Copa. Service by any officer or employee as a director, trustee or officer (paid, unpaid, elected, appointed or otherwise) of any business requires prior written approval from the Ethics Officer of Copa. Moreover, unless specifically requested by Copa, service by any officer or employee on a board or in an advisory position with other companies in the aviation industry is prohibited. Copa directors should inform the Board prior to accepting an appointment to the board of directors of another business corporation, in order to avoid potential conflicts of interest and determine whether the aggregate number of directorships and attendant responsibilities held by a director would interfere with such director’s ability to properly discharge his or her duties to Copa.

L. Full, Fair, Accurate and Timely Disclosure

1. It is crucial that all books of account, financial statements and records of Copa reflect the underlying transactions, financial condition and results of operations of Copa in a full, fair, accurate and timely manner. All directors, officers, employees and consultants who are involved in Copa’s disclosure process are required to know and understand the disclosure requirements applicable to Copa that are within the scope of their responsibilities, and must endeavor to ensure that Copa’s periodic reports, financial statements and other public communications contain full, fair, accurate, timely and understandable disclosure.

2. Furthermore, it is critical that financial statements and related disclosures be free of material errors. No director, officer, employee or consultant who is involved in Copa’s disclosure process shall knowingly:

- a. make or permit, or direct another to make or permit, materially false, incomplete or misleading entries in Copa's financial statements or records;
- b. fail to correct materially false, incomplete or misleading financial statements or records;
- c. sign, or permit another to sign, a document containing materially false, incomplete or misleading information;
- d. falsely respond, or fail to respond, to specific inquiries of Copa's internal auditors, or persons assigned to the investigation and /or, independent auditors registered public accounting firm or outside legal counsel; or
- e. coerce, manipulate, mislead or fraudulently influence any of Copa's auditors if such individual knows (or should reasonably know) that his or her actions, if successful, could result in rendering Copa's financial statements materially misleading.

III. COMPLIANCE STANDARDS AND PROCEDURES

No code of business conduct and ethics can replace the thoughtful behavior of an ethical director, officer, employee or consultant or provide definitive answers to all questions. Since Copa cannot anticipate every potential situation, certain policies and procedures have been put in place to help directors, officers, employees and consultants approach questions or problems as they arise.

A. Designated Ethics Officer

The Vice President of Human Resources of Copa has been designated as Copa's Ethics Officer with responsibility for overseeing and monitoring compliance with this Code. The Ethics Officer is the chairman of the Ethics Committee which shall consist of a minimum of three (3) officers, including the Legal Director and the Director of Internal Audit. The decisions will be made in general consensus with the Ethics Committee. The Ethics Officer reports directly to the Chief Executive Officer and also will make periodic reports to Copa's Audit Committee regarding the implementation and effectiveness of this Code as well as the policies and procedures put in place to ensure compliance with this Code.

B. Seeking Guidance

Directors, officers, employees and consultants are encouraged to seek guidance from supervisors, managers and other appropriate personnel when in doubt about the best course of action to take in a particular situation. In most instances, questions regarding this Code should be brought to the attention of the Ethics Officer

C. Reporting Violations

If a director, officer, employee or consultant knows of or suspects a violation of this Code, or of applicable laws and regulations, he or she must report it immediately to the Ethics Officer, the Director of Internal Audit or the CEO. If the situation requires it, the reporting person's identity will be kept anonymous.

Copa has established whistleblower procedures for submitting concerns regarding accounting, internal accounting controls or auditing matters to the Audit Committee and for submitting other concerns to the non-management directors of Copa. These whistleblower procedures can be accessed at www.copaair.com.

No individual will be subject to retaliation of any kind (or threat of retaliation) for reporting in good faith any ethical concerns, suspected securities law violations or other suspected misconduct. Any individual who believes that he or she has been retaliated against (or threatened or harassed) in violation of this Code should immediately report the matter to his or her immediate supervisor, the Ethics Officer or the Director of Internal Audit.

D. Investigations

Reported violations will be promptly investigated. It is imperative that the person reporting the violation not investigate on his or her own. However, directors, officers, employees and consultants are expected to cooperate fully with any investigation made by Copa into reported violations.

E. Discipline/Penalties

Compliance with this Code is a condition of employment for each officer, employee and consultant and a condition of service for each director. Conduct contrary to this Code is outside of the scope of employment or service, as the case may be.

1. Directors, officers, employees and consultants who violate this Code may be subject to disciplinary action, up to and including discharge, in accordance and compliance of the labor laws that govern these matters in each country in which the company operates.
2. Directors, officers, employees and consultants who have knowledge of a violation and fail to move promptly to report or correct it and directors, officers employees and consultants who direct or approve violations may also be subject to disciplinary action, up to and including discharge, in accordance and compliance of the labor laws that govern these matters in each country in which the company operates.
3. Furthermore, violations of some provisions of this Code are illegal and may subject the director, officer, employee or consultant to civil and criminal liability. In accordance with the laws that regulate this matter in the country that corresponds in accordance to the international treaties ratified by each country in which the company operates.