

DOING BUSINESS WITH DELTA



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A. Overview

Delta has always been committed to the highest standards of safety, customer service and ethical conduct. We have an international reputation with the traveling and shipping public for doing business with integrity and in compliance with all legal requirements. This guide states some of the principles of business ethics and conduct that Delta and its suppliers must follow in dealing with each other. These principles are an absolute requirement for Delta employees and for anyone who seeks to do business with us.

To maintain our reputation, we must ensure that all of our business activities are conducted with integrity and the highest standards of ethics, and are in compliance with all legal requirements. We will only conduct business with companies that share this commitment. A failure by any supplier to follow these standards can result in actions by Delta up to and including termination of any contract, disclosure of legal violations and/or pursuit of other legal remedies.

Please review this document carefully and take whatever steps are necessary to ensure that your company's employees and representatives who may deal with Delta are informed of these standards. We recommend that all suppliers have their own codes of conduct and implement programs to ensure compliance with the law and ethical conduct.

Please note that all of the requirements in your contract(s) with Delta continue to apply, and that nothing in this document may be read as excusing performance from any contractual requirement. This guide is only a summary of some of the requirements for dealing with Delta, and does not purport to cover all of the legal and ethical standards that may apply to a supplier's dealings with us. Any questions regarding legal matters should be discussed with your own company's legal counsel.

B. Improper Payments

Any attempt to gain a favorable position by offering a Delta employee or representative any form of improper payment is unacceptable. Such attempts may result in the supplier being terminated and removed from our list of approved suppliers and could result in legal action, including possible criminal prosecution. "Payment," as used in this guide, includes anything of value.

Suppliers must not offer, and Delta employees or representatives are prohibited from soliciting or receiving, anything that could be considered a kickback or improper payment. This would include anything of value either in payment for, or to induce, a favorable action that benefits the supplier. Improper payments can come in many forms, including cash payments, loans, goods, services, employment offers, special opportunities to participate in suppliers' stock options or public offerings or any other favorable arrangements.

Throughout this guide, the standards regarding conflicts and dealings with our employees and representatives also apply to their close relatives. "Close relative" includes spouse, parent, stepparent, child, stepchild, sibling, stepsibling, nephew, niece, aunt, uncle, grandparent, grandchild and in-law.

C. Supplier–Furnished Entertainment, Gifts and Services

Delta recognizes that the management of business transactions may include entertainment such as dinners and social events. It is in large part through this possible interaction and professional exposure that the value and benefit of a relationship between a customer and a supplier are conveyed. Supply Chain Management publishes a list of gifts and entertainment exceeding \$50 within the company on a regular basis. Please keep this in mind when working with Delta employees and representatives. Perceptions of appropriateness will vary and prudence by supplier will need to prevail. Delta employees or representatives may receive a gift, entertainment or hospitality if these conditions are met:

- It is not something that could be perceived as intended to obtain favorable treatment
- It does not create the appearance of a bribe or any other type of improper payment
- Public disclosure would not even appear to be unlawful, unethical or inconsistent with Delta's business practices and Code of Ethics and Business Conduct.

The following are examples of acceptable practices:

- Suppliers offering nominal, non-cash promotional items with a value less than \$50 USD per person on an infrequent basis
- Delta employees or representatives participating in reasonable celebrations of significant business events outside the period between the start of the bidding process and the awarding of a contract
- Delta employees or representatives participating in supplier–sponsored meetings or information seminars at reasonable expense – never more than the employee or representative could have vouched for if he or she had incurred the expense.

D. What We Tell Delta's Own Supply Chain Management Employees

These are the standards we distribute to all Delta Supply Chain Management employees regarding gifts and entertainment. Be sure you know and understand these when you are dealing with our employees:

“Business gifts and entertainment are intended to build understanding and goodwill, but they can also make it harder to be objective about the person providing the gift or entertainment. In short, they can create their own “conflicts of interest.”

Gifts and entertainment fall into one of four categories:

A. Always OK: Certain types of gifts and entertainment are so small that they simply do not require further review. A gift or entertainment with a market value of \$50 or less in any twelve-month period does not require notice or review (as long as it is not in the “always wrong” category). The same is true of “de minimis,” or promotional items of nominal value, such as pens, calendars and coffee mugs which are given to customers in general.

B. Always wrong: There are other types of gifts and entertainment that are so negative, either in fact or in appearance, that they are NEVER permissible, and no one can approve these. Employees may NEVER...

- Solicit any gift or entertainment or anything of value
- Accept any gift or entertainment that would be illegal or result in any violation of law
- Accept any gift of cash or cash equivalent (such as gift certificates, loans, stock, stock options)
- Accept anything as a “quid pro quo,” or as part of an agreement to do anything in return for the gift
- Attend or participate in any entertainment with a supplier that is unsavory, sexually oriented or otherwise violates Delta’s commitment to mutual respect
- Accept any gift or entertainment that violates the employee’s own department’s more restrictive standards
- Participate in any activity that you know would cause a violation of his or her own employer’s standard by furnishing the gift or entertainment.

C. Reasonable and customary: Between the two extremes “always OK” and “always wrong”, there is a broad range of things that should be acceptable as long as they are viewed as reasonable. We strongly encourage our employees to exercise sound business judgment and seek advice on the appropriateness of contemplated events. Examples of transactions that fall into this category:

- Occasional meals with a business partner (frequent meals with the same business partner are not permitted without prior written approval)
- Ordinary sports, theatre and other cultural events
- Reasonable and customary gifts and entertainment
- Day trips away from the office to visit a supplier’s facilities.

The Supply Chain Management organization maintains a standard of reporting to senior management all transactions in which our employees receive items over \$50 in value from existing or potential suppliers. We believe that these procedures reinforce the importance of objectivity in supplier relations and ensures that our interactions with the supplier do not inappropriately cloud our professional judgement.

D. Questionable: Anything in excess approaches unacceptable behavior. Relationships require constant attention by both parties and awareness that the behavior of the parties will often be judged by stakeholders without the benefit of a full understanding of underlying circumstances leading to specific actions. As such, there will be instances in which transactions between existing or potential suppliers and Delta employees will appear “unacceptable” in part due to their frequency, excessiveness or lack of clarity as to appropriateness to a third-party observer. Extreme care needs to be exercised by supplier and employees in these instances, as the consequences of such activities can be adverse to one or both parties. It is best to obtain an objective view on contemplated transactions and satisfy the old saying “better safe than sorry.”

E. Conflicts of Interest

Even the appearance of a conflict of interest can be damaging to Delta or the supplier. For this reason, suppliers and Delta employees and representatives have to stay free of activities that could appear to create a conflict of interest. Delta’s suppliers must disclose promptly all information regarding financial and personal relationships, or arrangements with Delta employees or representatives or their close relatives, that could appear to influence the outcome of a negotiation or purchasing decision or that violates Delta’s standards.

Here is what we tell our Supply Chain Management employees about investing in suppliers:

Some investments are especially likely to raise issues. The following guidelines apply:

- Investments in a supplier that is a privately-owned company are not allowed if the employee is involved in the selection assessment or negotiations with the supplier.
- Investments in a publicly-traded supplier are not allowed if the investment is 1% or more of any class of securities listed on any of the national securities exchanges or regularly traded over the counter. Investments of less than 1% will ordinarily not be prohibited in the absence of other complicating factors which might indicate that a conflict is present.

Whether an investment creates a conflict or interest is a matter of good judgement. When deciding whether an investment might create a conflict, ask yourself these questions:

- Would the investment affect any decisions I will make at Delta?
- How would the investment be perceived by others inside of Delta, such as my co-workers – would they think it might affect how I do my job?
- How would it look to someone outside of Delta, such as a Delta customer, stockholder or the news media?

Here is what we tell our Supply Chain Management employees about working for suppliers:

“Any proposal to work for or provide any services to a supplier must first be approved in writing by the Vice President — Supply Chain Management. Certain circumstances create enough real or perceived conflict that they cannot be approved:

- If the employee is a manager or above at Delta
- If the employee would have any contact or dealings with Delta
- If the supplier provides services to a competitor or another air carrier
- If a close relative is in a management position with a supplier and the Delta employee deals with that supplier.”

Former Delta Employees

Unless otherwise approved by the Vice President — Supply Chain Management, if a former Delta employee in Supply Chain Management works for a supplier, whether as an employee or agent, the supplier must wait two years before allowing the employee to have any responsibility on behalf of the supplier with Delta. The two years start from the last employment date at Delta of the former Supply Chain Management employee. This limit helps avoid any appearance of favoritism and misuse of Delta information.

F. Duty to Report Violations; Non-Retaliation Policy

Suppliers are required to report promptly to Delta any violations of these standards committed by their own employees or representatives, or by any employee or representative of Delta. These reports may be made through the supplier's normal purchasing contact, or through Delta's Ethics and Compliance HelpLine, 1 800 253-7879. Delta prohibits any form of retaliation against anyone who in good faith reports misconduct; callers may remain anonymous. A supplier's disclosure to Delta of misconduct by the supplier's employee(s) does not guarantee that the misconduct will not adversely impact Delta's continued relationship with that supplier. However, Delta will generally view such a disclosure as evidence of the supplier's good faith intent to follow Delta's rules for supplier relationships. Suppliers are expected to cooperate fully in any investigation of potential misconduct.

G. Accuracy of Reporting

It is imperative that Delta's suppliers provide all requested data accurately and promptly, as this is critical to our passenger safety, customer service and financial results. Examples of supplier-reported information may include the following:

- Lead times
- Quality specifications
- Service and shipping data
- Prices and invoices
- Productivity volume (capacity)
- Types of products/services
- Audit-related disclosures
- Repair requirements and measurements
- Expense reporting
- Information regarding any possible misconduct or risk to safety.

H. Site Visits and Contacting Delta Employees

Delta requires that suppliers contact the Supply Chain Management departments regarding all site visits, contract-related activities and business discussions, as this allows Delta to properly and productively facilitate the arrangements between the suppliers and their direct customers within Delta. Delta's suppliers may contact their direct customers within Delta on matters concerning the operations of the day-to-day business; however, Supply Chain

Management must be aware prior to any meetings regarding these matters. For all other matters (termination of contract, bidding, purchase orders, etc.), the supplier's sole point of contact is the Supply Chain Management department. At any time, and without first contacting any other person or department in Delta, suppliers may contact the Delta Ethics and Compliance HelpLine at 1 800 253-7879 to report misconduct or to raise questions regarding Delta's Code of Ethics and Business Conduct.

I. Use of Delta's Facilities

Suppliers are not permitted to use any property or facilities of Delta for any purpose other than for providing services under contract to Delta. This includes telecommunications, computer and copying facilities.

J. Mutual Respect and Harassment-Free Work Environment

Delta is committed to fostering a workplace that is safe and professional and that promotes teamwork and trust. Hostility, harassment, unwelcome sexual advances and other unprofessional conduct are not tolerated — there is no place for them at Delta.

K. Firearms, Violence and a Safe Workplace

For the safety of all personnel, bringing explosives, incendiary devices and deadly or dangerous weapons of any kind onto Delta property or aircraft, for any purpose, is prohibited, except when specifically authorized in writing by Delta Security. Violence or threats of violence are also prohibited. All supplier employees need to know and follow Delta's work rules, including prohibitions on 1) unsafe work practices 2) possession or use of illegal substances, alcohol and other intoxicants while on Delta's premises or while conducting business for Delta and 3) misuse of legal drugs.

L. Supplier Diversity

Delta is committed to the development and utilization of small, minority and women-owned businesses. It is our policy to ensure that these businesses have an opportunity to compete for our contracts. We pride ourselves on selecting and maintaining a diversified team of qualified suppliers who are dedicated to achieving excellence.

M. Antitrust and Fair Competition Laws

Delta's suppliers must abide by all the antitrust and fair competition laws since these laws are designed to preserve the spirit of the free market economy and it is unlawful to do otherwise. Suppliers must never participate in anti-competitive conduct including the following:

- Price fixing
- Volume/capacity agreements among suppliers
- Market/customer allocation
- Collusive bidding
- Illegal price discrimination in products
- Reciprocal dealing requirements
- Tie-ins
- Group boycotts
- Attempts to monopolize any market
- Theft of trade secrets.

N. Delta's Intellectual Property

Delta's intellectual property includes its proprietary and confidential information, any material subject to copyright, its innovations and patentable ideas, and its trade and service marks including the Delta name. Except as expressly provided in a supplier's contract, suppliers may not use any intellectual property of Delta. Permission to use the Delta name, or to list Delta on any customer list, or to use the supplier's relationship with Delta for any purpose including promotional purposes, requires the prior written consent of the Vice President — Supply Chain Management.

O. Environmental Excellence

Delta is committed to doing more for the environment than simply complying with legal requirements. Compliance with laws is the foundation of our environmental commitment, but Delta is aiming higher. We want our company to be known for environmental excellence. We expect our suppliers to share this commitment.

When working for Delta, suppliers need to be sure their employees know what environmental laws apply. We expect suppliers to...

- act in an environmentally responsible way and ensure that their employees working on our premises do so also
- use non-hazardous materials where feasible

- minimize the impact of waste materials on the environment through recycling and effective controls
- understand that our goal is to move toward environmentally sustainable practices wherever feasible – this means being sensitive to environmental issues and finding ways to improve environmental performance even where the law does not require it.

P. International Business

If a supplier is conducting business for Delta outside the United States or obtains products or services for Delta from sources outside the United States, then the supplier must adhere to United States law governing imports, non-participation in illegal boycotts, and restrictions on trade with certain nations and persons. For example, if United States persons are prohibited from doing business with a particular country, then the supplier should not provide any products or services from that country. If the supplier is representing Delta in a foreign country, then the supplier must avoid any form of bribery and be committed to following the standards of the United States Foreign Corrupt Practices Act and any other applicable anti-bribery laws.

Q. Inside Information

Federal laws protect the investing public by making it illegal for those with “inside information” to use that information in buying or selling securities (stocks, bonds, options, etc.). This important rule can apply to anyone at Delta and their families, and to suppliers who deal with Delta.

“Inside information” means information that is not available to the public, and is “material”.

What is material information? If a reasonable investor would be likely to consider the information important in deciding whether to purchase or sell a security, it is material. Material information might include, for example, major route changes, significant new contracts, changes in dividends, mergers and acquisitions, earnings statements and forecasts, regulatory approvals, joint ventures and licensing agreements.

Material information may also be information obtained confidentially during the course of work for Delta about another company – for example, a customer or supplier.

If a supplier has knowledge of any of these kinds of information and the information is non-public, this is inside information and no employee of the supplier or of Delta may buy or sell the relevant securities using it. Delta and supplier

employees and agents also must never give someone outside a “tip” regarding non-public inside information. In the same way, suppliers should not “tip” or give Delta employees or their families inside information about their company, other than information necessary for the business relationship with Delta.

Securities law violations are taken very seriously. Violations can be prosecuted even when the amount involved was small or the “tipper” made no profit at all. Government agencies regularly monitor trading activities through computerized searches. Violations result in serious civil and criminal penalties against the individuals involved.

Those with access to inside information can lawfully trade in the market once the information is made public through established Delta channels and enough time has passed for the information to be absorbed by the public.

R. Unsolicited Bidding

Delta welcomes proposals from suppliers that will aid Delta in becoming more efficient and competitive. However, Delta will not tolerate attempts to circumvent its established contracting procedures through unsolicited bidding during a formal bid process. Suppliers will be notified when a bidding opportunity arises. When a product or service is available for bidding, invited suppliers must adhere to the bidding process outlined to them at that particular time. Please note that submitting unsolicited bids that violate Delta’s bidding rules may disqualify the supplier from obtaining future business with Delta.

S. Work Request Documentation

Delta’s suppliers must have proper documentation prior to providing any service or product to Delta since this is the only way the supplier and Delta can agree, in advance, on the terms of service arrangement. Delta suppliers must obtain either a purchase order, contract, or some other written documentation prior to providing Delta with any products or services. In addition, only written changes are acceptable when amending purchase orders, contracts or any other document that requests a product or service of a supplier.

Suppliers should note that members of Delta’s Supply Chain Management department are the only authorized agents of the company for executing contracts for purchased goods and services with suppliers. Contracts signed by Delta employees outside these organizations may be refused by Delta and may be declared immediately null and void at any time, at Delta’s discretion.

T. Roles

Supply Chain Management, in tandem with the business units, is responsible for supplier relationships which involve a long-term commitment to work together for the mutual benefit of both parties. Each Delta business unit is charged with exercising caution and due diligence when involved with the supplier selection process. The selection process must be aligned with Delta’s corporate strategy and need. Supply Chain Management provides the rules of engagement to ensure the decisions and outcomes are successful for both Delta and the suppliers.

Supply Chain Management is responsible for developing supply chain strategies, leading negotiations and the supplier selection process, facilitating corporate supplier relationships and executing supplier contracts. Delta business units and Supply Chain Management are jointly responsible for identifying business needs and opportunities, managing the working-level supplier relationships, and improving working interfaces and performance. Supply Chain Management also maintains records of suppliers’ performance in their assigned products and services areas, which are consulted as part of the “due diligence” effort to avoid rehiring suppliers who engaged in misconduct or poor performance in the past.

Supply Chain Management should be contacted in the event a supplier or potential supplier is approached by any Delta employee outside the Supply Chain Management organization regarding negotiations for pricing or any other contract-related items.

Any wrongful influence on the business unit or Supply Chain Management personnel by a supplier is unacceptable.

Likewise, Delta personnel must not wrongfully influence suppliers. Either situation will lead to adverse implications for both parties.

U. Continuous Improvement

We expect all suppliers that Delta conducts business with to exercise a continuous improvement mindset. Our expectations are that they initiate cost and waste reductions from their products and services such that Delta receives year over year improvements.



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