CHINA SOUTHERN AIRLINES COMPANY LIMITED

REQUEST FOR PROPOSAL

中国南方航空股份有限公司公开竞价函

January 4th, 2021
2021 年 1 月 4 日

To whom it may concern 敬启者

(A) Background 背景

China Southern Airlines Company Limited ("CSACL") would like to introduce ten (10) to fifteen (15) used aircraft including B737-800, A320 and A320NEO to be delivered in 2021 – 2022 (hereinafter referred to as the "Aircraft" all together or "Each Aircraft" for individual) by means of operating lease. (The "Transaction").

中国南方航空股份有限公司（"南航"）拟通过经营租赁方式在 2021-2022 年引进 10-15 架二手飞机（"交易"），机型包括 B737-800、A320 和 A320NEO 飞机（单独或统称为飞机）。

(B) Request for Proposal 报价基础

If you are a Lessor who meets the requirements listed in Section (C) of this RFP below (a "**Qualified Lessor**"), you may submit a proposal for the Transaction for all Aircraft or some of the Aircraft. The terms of your proposal are expected to **strictly follow** (i) the terms set out in this RFP and (ii) the specific requirements of this Transaction which will be provided to you after we verify that you satisfy the requirements listed in part (C) and are a Qualified Lessor.

如果您是符合以下（C）要求的出租人，您可以就上述交易提交飞机报价。我们希望报价内容严格遵照本竞价函的条件及具体要求，该要求将在您通过出租人资质审核并确认为"符合资质的出租人"后提供给您。

CSACL will evaluate your proposal from the perspective of economic analysis, compliance with requirements of this RFP and of CSACL and any other factors which CSACL considers relevant. CSACL reserves the right to reject any or all proposals. Any or all agreements which are reached in connection with this Transaction shall subject to obtaining the relevant government approvals and/or the board approval of CSACL.

南航将从经济角度、是否符合竞价函中的要求及其他相关方面对报价进行评估。南航保留拒绝报价的权利。本交易达成的任何协议需经政府相关部门和/或南航董事会审批。

(C) Qualification of Lessor 出租人资质

The Lessor who submits a proposal shall meet the following requirements:
1. The country of domicile or incorporation of the Lessor, shall maintain diplomatic relations with the People's Republic of China. This is not applicable to the Lessor who is domiciled or incorporated in Mainland China, Hongkong SAR, Macau SAR or Taiwan.
2. The proposal for this transaction should include at least three (3) Aircraft with conditions complying with the requirements of Aircraft Type, Delivery Period and Age of the Aircraft as specified in Section (E) of this RFP and Lessor should have the ownership of such Aircraft when submitting the proposal.
3. The Lessor should have a portfolio of no less than thirty (30) aircraft inclusive of owned aircraft and confirmed orders.
4. As of the date of this RFP, the Lessor, any entity that has majority ownership or control (directly or indirectly) of the Lessor ("**Lessor Parent**"), any subsidiaries or any other entity which the Lessor or the Lessor Parent has majority ownership or control of (directly or indirectly), or any guarantor providing a guarantee of the Lessor's obligations to CSACL under the Transaction (if any) is not and shall not have been a party to a legal or administrative proceedings or arbitration against CSACL, any entity that has majority ownership or control (directly or indirectly) of CSACL ("**CSACL Parent**"), any subsidiaries or any other entity which CSACL or CSACL Parent has majority ownership or control of (directly or indirectly), as applicable("**China Southern Group Members**"). Any individuals who have been the directors, supervisors or executive officers of the companies which are currently or have been parties to legal or administrative proceedings or arbitrations against China Southern Group Members, shall not be employed by Lessor, Lessor Parent, any other entity which the Lessor or the Lessor Parent has majority ownership or control of (directly or indirectly), or any guarantor providing a guarantee of the Lessor's obligations to CSACL under the transaction (if any).
5. For one (1) year period prior to the date of this RPF, the Lessor shall have a net worth of no less than US$25,000,000 (Twenty-five million US Dollars), or shall be jointly and severally guaranteed throughout the Lease Term by an entity meeting that requirement.

提供报价的出租人必须满足以下条件：
1.出租人所在国需与中国保持正常外交关系；如出租人公司位于中国大陆，香港特别行政区、澳门特别行政区或台湾，则不适用此条件。
2.报价中符合本竞价函章节（E）中关于机型、机龄和交付时间要求的飞机架数不少于 3 架,且出租人在报价时拥有报价飞机的所有权；
3.出租人拥有的飞机和确认订单的飞机总计不少于 30 架；
4.截至本竞价函发布之日，出租人及其母公司、子公司、其母公司控制的其他公司和为其提供担保的第三方实体（若有）都与南航及南航的母公司、子公司及南航母公司控制的其他公司没有法律纠纷。出租人及其母公司、子公司、其母公司

控制的其他公司和为其提供担保的第三方实体（若有）未聘用并在整个租期内不得聘用曾与南航集团成员公司发生过法律纠纷的实体的董事、监事、高级管理人员；
5.在本竞价函发布之日前一年里，出租人资本净值不低于 2500 万美元，或由资本净值不低于 2500 万美元的第三方实体为其提供租期内的连带责任担保。

(D) Structure of Transaction 交易结构

The Lessor will lease Each Aircraft to CSACL by way of an operating lease (the "**Lease**"). Under the Lease, CSACL shall have no obligation to purchase the Aircraft upon expiry or termination of the Lease.

出租人将以经营租赁方式将每架飞机租赁给南航（“租赁”）。在经营租赁项下，南航在租赁期末没有购买飞机的义务。

Since the jurisdiction of incorporation and tax residence of the Lessor will affect the risk and economic cost of each Lease to CSACL. CSACL strongly requests that each Aircraft be leased to CSACL using a tax optimized structure, including through one or more intermediate special purpose vehicles (“**SPV**”) set up in any Free Trade Zone in China (“**FTZ China**”). The SPV could be owned or controlled by either Lessor or CSACL. In your proposal, please state clearly Lessor’s jurisdiction of incorporation, and whether the Lessor will set up an SPV within FTZ China, or lease the Aircraft through an SPV set up by CSACL. If, in your proposal, Lessor can accept to lease the Aircraft through SPV owned or controlled by either Lessor or CSACL, CSACL shall have the right to determine whether the CSACL or Lessor shall own or control the SPV in the LOI or lease agreement negotiation.

出租人的注册地和缴税居民身份不同会对南航的租赁成本有不同的影响,因此南航强烈要求每架飞机通过税收优化的结构把飞机租给南航，包括通过出租人或南航设于中国自由贸易区的项目公司转租赁给南航，项目公司可以由出租人或南航所有和控制。请在报价中清楚列明出租人所在地，出租人是否将在中国保税区设立项目公司，或者出租人是否愿意通过南航设立的保税区项目公司来开展租赁。如果在报价中出租人表示既可以接受通过由出租人所有或控制的项目公司租赁飞机，也可以接受通过南航所有或控制的项目公司租赁飞机，则南航在意向书或合同谈判中有权决定该项目公司是由南航和出租人中的哪一方设立或控制。

(E) Requirements of CSACL in respect of Lease 经营租赁要求

In respect of Each Aircraft: 对于每一架飞机

Lessor 出租人	Lessor shall be legally incorporated in a jurisdiction acceptable to CSACL. 出租人必须是在南航可接受的管辖区内合法设立的公司。
Lessee 承租人	CSACL. 南航
Aircraft Type, Delivery Period and Age of the Aircraft 机型、交付时间和机龄	Used B737-800, A320 and A320NEO (LEAP-1A26 Engine) to be delivered in 2021-2022 and the age of Aircraft should be less than 10 years at the time of delivery. 2021-2022 年交付且交付时机龄不超过 10 年的B737-800、A320 和A320NEO（LEAP-1A26 发动机）飞机。 The Aircraft should have at most three previous operators. 飞机历史运营人不超过 3 个。
Lease Term 租期	The term of leasing of the Aircraft will be 6-10 years. CSACL consider the age of the Aircraft and decide the lease term accordingly. 租期 6-10 年，具体租期将结合机龄具体考虑。
Rent 租金	CSACL highly recommended that, from the start of the Lease Term, the monthly rent for each Aircraft should be calculated based on the block-hour. Lessor shall provide a power-by-hour (PBH) rate for such period. 南航强烈建议在租赁期初，飞机月租金将根据飞机月度轮档小时计算。出租人需提供按月度飞机轮档小时计算的租金费率。 Lessor shall calculate and provide a fixed rent for the lease term after the PBH period. This fixed rent, once provided, will not be adjusted in accordance with swap rate changes and will be fixed throughout the lease term. 出租人需提供后续租期的固定月租金的金额。一旦提供该固定租金，不再根据掉期利率变化而调整，而且将在整个租期中保持固定。
Security Deposit 定金	1. For each Aircraft, a security deposit in an amount equal to two months' rent will be provided to Lessor as follows: a

net cash amount equal to US$100,000 will be paid to Lessor five（5）business days after the signing of LOI.

2. A net cash amount equal to the remaining of one month's rent less US$100,000 will be paid to Lessor five（5）business days after the signing of Lease Agreement.
3. Lessee will provide to Lessor a standby Letter of Credit by authenticated swift in an amount equal to two months' rent prior to delivery of the Aircraft and Lessor shall return to Lessee the cash portion of the security deposit received from Lessee immediately after receipt to the Letter of Credit. For avoidance of doubt, no confirming bank is needed.

It is acknowledged by Lessor that, the principal branches located in Guangzhou or other major PRC cities of Bank of China, China Construction Bank, Industrial & Commercial Bank of China and the Agricultural Bank of China shall be acceptable to Lessor as Letter of Credit issuing bank. Lessor will not require any such letter of credit to be confirmed by any local or overseas confirming bank.

Should the delivery of the Aircraft not occur as a result of any event or other circumstances which is not within the sole and direct control of Lessee, the cash Deposit (if any) shall be returned to Lessee and/or the Letter of Credit (if any) shall be cancelled and returned to the Lessee within five (5) business days, as the case may be.

对于每一架飞机，承租人将向出租人提供等同于两个月租金的定金。

1、意向书签署后 5 个工作日内支付 10 万美元的现金定金。
2、租赁合同签署后 5 个工作日内支付 1 个月租金减去 10 万美元后的金额作为现金定金。
3、飞机交付前，承租人委托银行以电开的形式向出租人提供等同于两个月租金的备用信用证，出租人收到信用证后（5 个工作日内）将现金定金退还给承租人。

出租人确认中国银行、中国农业银行、中国工商银行和中国建设银行在广州或各大中国主要城市的分行均可作为信用证的出证银行。出租人不要求信用证由当地或海外银行保兑。

如果飞机未能交付，且不是因为承租人单方面可控制的原

因，出租人需在5个工作日内返还承租人现金定金（如有）或退还信用证（如有）。

Conditions on Lessor's Right of Transfer or Assignment
出租人代位及出售条件

Lessor and Owner's rights of transfer, assignment or sale of its rights and/or obligations to a new party (the "Transferee") are subject to compliance with the following conditions:

1. Except for any Transferee which is domiciled or incorporated in Mainland China, Hongkong SAR, Macau SAR or Taiwan, the country of domicile or incorporation of the Transferee maintains diplomatic relations with the PRC.
2. The net worth of Transferee or the net worth of any parent of Transferee which guarantees in full the obligations of the Transferee is for the one (1) year period prior to such transfer assignment or sale, not less than Twenty-Five Million U.S. Dollars (US$25,000,000).
3. The transfer, assignment or sale will not increase the risk, cost or obligation to CSACL or decrease the rights of CSACL.
4. CSACL will not be obligated to pay any greater amount following such assignment or sale than it would have had to pay but for such transfer, assignment or sale and the Lessor will indemnify CSACL on demand for any loss suffered or cost incurred as a result of such transfer, assignment or sale.
5.Transferee, Aircraft owner (“Owner”) and Owner's lender (which, for the avoidance of doubt, may be represented by or acting through a security trustee or security agent) will, prior to such assignment or sale being effective, have given CSACL a quiet enjoyment undertaking or a confirmation that any quiet enjoyment undertaking previously given is still valid and in full force and in effect and an acknowledgment that each of Transferee, Owner and/or Owner's lender (which, for the avoidance of doubt, may be represented by or acting through a security trustee or security agent), as the case may be, agree to be bound by the terms.
6.The Transferee, any entity that wholly owns or controls the Transferee ("Transferee Parent"), any subsidiaries or any other entity which is majority owned or controlled (directly or indirectly) by the Transferee or the Transferee Parent, as applicable, is not and shall not have been party to a legal or administrative proceedings or arbitration against CSACL, any entity which directly or indirectly owns or controls majority of CSACL ("CSACL Parent"), any subsidiaries or any other entity [100%/majority] owned or controlled (directly or indirectly) by CSACL or CSACL Parent, as applicable, prior to or at the time

of such assignment or sale.
7. The Transferee shall be reputable with reasonable experience in aircraft leasing and have international operations (or will be managed or serviced by entities which are reputable with reasonable experience in aircraft leasing and have international operations).
8. The Lessor shall reimburse Lessee's reasonable and properly documented costs and expenses incurred in co-operating with Lessor or Owner (as the case may be) in connection with such proposed transfer including in providing technical personnel to be present in connection with any Lessor-required inspection of the Aircraft. Specifically, in respect of any transfer or sale, Lessor shall reimburse Lessee (i) the amount of US$50,000, in respect of transfers or sales, or US$20,000, in respect of grants of security of interest, for the Lessee's administrative time expended in connection with work relating to any such applicable transfer, sale or grant of security interest and (ii) in respect of its actual, reasonable and properly documented out-of-pocket expenses incurred with any re-routing, navigation charges, change in nameplates, registration and other fillings in respect of any such transfer, sale or grant of security interest.
9. Others.

出租人和所有人代位或出售须符合下列条件:
1.出租人和所有人所在国需与中国保持正常外交关系；如出租人公司位于中国大陆，香港特别行政区、澳门特别行政区或台湾，则不适用此条件；
2.在代位的前一年里，受让方或为受让方在租约项下的所有义务提供担保的母公司都拥有不少于 2500 万美元的净值；
3.代位或出售都不得减损承租人权利或增加承租人的风险、支出和义务；
4.承租人不得因代位或出售而支付更多费用，且出租人应赔偿应代位或出售而导致承租人承受的损失或支出；
5.受让人、飞机所有人和所有人的融资方均应向南航提供安享函；
6.受让人及其母公司、子公司、其母公司控制的其他公司都与南航及南航的母公司、子公司及南航母公司控制的其他公司没有并且不曾有过法律纠纷；
7.受让人或其管理公司应能够开展国际业务，具备合理的飞机租赁业务的经验和良好的信誉；
8.出租人应补偿承租人因配合该代位产生的合理费用，另外，出租人还应支付(i)五万美元代位费；(ii)两万美元再融资配合费用；(iii)以及由于配合上述工作而产生的航路、导

	航费用和相关登记注册等费用 9. 其他。
Permitted Sub-lessees 允许转租人	Lessee will be entitled to sublease the Aircraft to a Permitted Sub-lessee without the prior consent of the Lessor. A permitted Sub-lessees list will be agreed between Lessor and Lessee and included in the Lease. 承租人有权利在未经出租人同意的情况下将飞机转租给“允许转租人”。出租人将和承租人共同协商允许转租人的名单并将其包括在租赁协议中。
Agreed Value 投保价值	You are required to propose a schedule of Agreed Values which will decline annually over the Lease Term. 请提供飞机投保价值，该投保价值在租期内应逐年递减。
Transaction Expenses 交易费用	Lessor and Lessee will each bear its own legal and out- of-pocket expenses incurred in connection with the Transaction. 出租人和承租人应各自承担交易的法律费用和相关开支。
Technical conditions 技术条款	See Attachment A, B and C for technical conditions including but not limited to delivery condition and redelivery condition. 技术条款包括但不限于交付条件和退租条件参见附件 A、附件 B 和附件 C。

(F) Verification of Lessor's Qualification 审核出租人资质

If you are interested in the Transaction, please send us an email on or before 18:00 January 11th, 2021(Beijing Time) to the following contact together with evidence of your portfolio and value of your net asset or a guarantee as set out in above (C) 2, (C) 3 and (C) 5, and make a statement by email that you meet the requirement as set out in above (C) 4. We will verify your qualification and send the detailed requirements to all Qualified Lessor on or before 24:00 January 13th, 2021 (Beijing Time) by email.

如果您对上述交易感兴趣，请在北京时间 2021 年 1 月 11 日 18 点前发邮件给以下联系人并附上上述（C）2、（C）3 和（C）5 中要求的机位情况、飞机架数和净资产证据或相应的保证、并在邮件正文中声明符合上述（C）4 要求。我们将审核您的资质并在北京时间 2021 年 1 月 13 日 24 点前将具体要求以邮件方式发给所有符合资质的出租人。

Amy Zhang (张乐萌)
Fleet Planning, Strategic Planning & Investment Division
China Southern Airlines Company Limited
Email: zhanglma@csair.com

Yujie Chen (陈宇杰)
Fleet Planning, Strategic Planning & Investment Division
China Southern Airlines Company Limited
Email: chenyja@csair.com

Huiwan Xu (徐慧琬)
Aircraft Lease Management, Finance Division
China Southern Airlines Company Limited
Email: xuhuiwan@csair.com

Ginny Guo (郭鑫)
Aircraft Lease Management, Finance Division
China Southern Airlines Company Limited
Email: guoxind@csair.com

Mike Jiang (姜赫名)
Aircraft Lease Management, Finance Division
China Southern Airlines Company Limited
Email: jiangheminga@csair.com

Candice Lin (林婧如)
International Legal Affairs/ Laws & Standards Division
China Southern Airlines Company Limited
Email: linjingru@csair.com

(G) Submission of Proposal 提交报价

Please put four (4) hard copies of original of your proposal duly signed by an authorized signatory and an USB containing the electronic version of your proposal in an envelope and seal it and submit your proposal on February 3rd, 2021 (Beijing Time) at a designated place in CSACL Building located in No.68 Qixin Road, Guangzhou, China.

请将4份经授权签署的报价原件纸质版和一个存有报价电子版本的USB放入一个信封，密封后在北京时间2021年2月3日提交到位于中国广州齐心路68号指定地点。

(H) Modifications to RFP 竞价函修改

CSACL may, at its sole discretion, vary the terms of the RFP from time to time before the required time of submission of proposals referred to in (G) above. If CSACL varies the terms of the RFP, CSACL will notify you in writing.

在上述（G）中提到的报价截止日前，南航有权决定是否修改报价要求，如果有修改，南航会以书面形式通知。

(I) Evaluation of Proposal　报价评估

CSACL intends to conduct two rounds of the selection and evaluation of proposals for this Transaction.

After the receipt of the first proposal, CSACL will choose the proposals which are in compliance with Section (E) of this RFP (the "**Qualified Proposal**"). CSACL will arrange a meeting for each Lessor with Qualified Proposal to clarify the terms including but not limited to Rent, Lease Term, Technical Condition and Redelivery Condition. Lessor shall, based on the clarification, submit an updated proposal within required time which would be specified by email after the meeting. CSACL will evaluate these updated proposals which are in compliance with Mandatory Terms as defined in Attachment A, B and shortlist part of these proposals to the second round selection.

The Lessor(s) whose proposals are shortlisted will be invited to a meeting with CSACL to further discuss the terms. Similarly, Lessor(s) should submit an optimized proposal after meeting (the "**Second Proposal**"). Based on the result of the final evaluation of these **Second Proposal**s, CSACL will shortlist the proposals as the number of the aircraft in need. Lessor(s) whose proposals are shortlisted will be invited into LOI negotiations with CSACL.

Should CSACL and the said Lessor(s) fail to reach an agreement during LOI negotiations, CSACL reserves the right to invite the next ranking Lessor to enter into LOI negotiations with CSACL. CSACL further reserves the right to increase or decrease the number of aircraft (depending on the then current circumstances) for which proposals will be eligible for Lessors to enter into LOI negotiations with CSACL.

南航计划对本交易进行两轮报价评估。

收到报价后，南航将首先评估报价是否符合此竞价函中的（E）章节。对于符合要求的报价，南航将针对报价与出租人约谈，对租金、租期、技术条件和退租条款等方面进行澄清。约谈后，出租人需在规定的时间内提供修改后的报价。南航将对修改后的报价进行评估，选择符合此竞价函附件 A、附件 B 中的基础条款要求，且条件较优的飞机进入下一轮报价。

南航将与入围的出租人进行进一步约谈，约谈后要求出租人在规定的时间内提供第二轮报价，根据最终评估结果确定飞机数量，并与这些飞机的出租人进行意向书谈判。

如南航和相关出租人在意向书谈判中无法达成一致，南航有权根据需要邀请报价条件次优的飞机的出租人进行意向书谈判。南航进一步保留根据情况变化增加或减少飞机数量的权利。

（J）Confidentiality 保密

Please note that any information disclosed to you by CSACL concerning this Transaction shall be kept strictly confidential. Without the written consent of CSACL, any information shall not be disclosed to any third party.

请您注意，南航向您披露的任何涉及本交易的信息均应由您进行严格保密，未经南航书面同意不得对任何第三方披露。

For and on behalf of
China Southern Airlines Company Limited

Wu Rongxin
Senior Vice President
Strategic Planning & Investment Division