China Southern Airlines Company Limited
Procedural Rules of Remuneration and Assessment Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 In order to establish a sound assessment and remuneration management system for the Directors and senior management of China Southern Airlines Company Limited (the "Company") and improve the corporate governance structure, the Company established the remuneration and assessment committee (the "Remuneration and Assessment Committee") of the board of directors (the "Board") and formulated the Procedural Rules in accordance with the "Company Law of the People's Republic of China", the "Code of Corporate Governance for Listed Companies", the "Measures for the Administration of Independent Directors of Listed Companies", the "Rules Governing the Listing of Stocks on Shanghai Stock Exchange", The "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited", the "Articles of Association of China Southern Airlines Company Limited" (the "Articles of Association") and other relevant provisions.

Article 2 The Remuneration and Assessment Committee is a specialized working organization established by the Board which shall be accountable to the Board and provide advice and recommendation for decision-making of the Board. The Remuneration and Assessment Committee shall be mainly responsible for, based on the needs of operation and management of the Company, researching and formulating the assessment standards for the

Directors and senior management of the Company to conduct assessment and make recommendations; developing and reviewing the remuneration policies and plans for the Directors and senior management of the Company, as well as other matters delegated by laws, regulations, the Articles of Association and the Board.

Article 3 The Remuneration and Assessment Committee shall, under the leadership of the Board, carry out its work in accordance with the duties, authorities and relevant procedures of the Procedural Rules, and shall adhere to the spirit of integrity, conscientiousness and diligence in its practice. The Remuneration and Assessment Committee shall fulfill the resolutions of and tasks assigned by the Board and strive to safeguard the interests of the Company and all shareholders, and shall not violate laws, regulations, the requirements of the CSRC, the rules of the stock exchange in the place where the Company's shares are listed and the Articles of Association.

Chapter 2 Composition

Article 4 The Remuneration and Assessment Committee shall comprise more than three Directors, over half of which shall be independent Directors.

Article 5 Members of the Remuneration and Assessment Committee shall be nominated by the chairman of the Board, over half of the independent Directors or more than one-third of all Directors and shall be elected and removed by the Board.

Article 6 The Remuneration and Assessment Committee shall have a chairman, who shall be an independent Director elected from the members of the

Remuneration and Assessment Committee and shall be responsible for the work of the Committee.

Article 7 The term of office of members of the Remuneration and Assessment Committee shall be in line with the term of office of the Board and the members may be re-elected upon the expiry of the current term of office. Any member who ceases to be a Director of the Company or who acts as an independent Director but ceases to be independent as required by the Articles of Association during the term shall automatically lose the qualification as a member and the replacement shall be made by the Board in accordance with the provisions of the Procedural Rules.

Article 8 The human resources department of the Company is the day-to-day supporting organization of the Remuneration and Assessment Committee, and shall be responsible for meeting materials and related preparations; the Board office shall be responsible for the day-to-day liaison and organizing meetings, and provide necessary assistance to the day-to-day supporting organization.

Chapter 3 Terms of Reference

Article 9 The major terms of reference of the Remuneration and Assessment Committee are:

(1) to research and develop the evaluation criteria of the Directors and senior management and conduct the assessment based on the Company's operation practices;

(2) to develop and review the remuneration policies and plans for all

Directors and senior management and conduct performance appraisal on all Directors and senior management;

(3) to supervise the implementation of the Company's remuneration system;

(4) any other matters delegated by the Board.

Article 10 The Remuneration and Assessment Committee shall put forward proposals to the Board for the followings:

(1) remuneration of the Directors and senior management;

(2) formulation or change of equity incentive schemes, employee stock ownership plans, and entitlements granted to the incentive participants and fulfilment of conditions for exercising the entitlements;

(3) the arrangement of stock ownership plans for subsidiaries to be spun off by the Directors and senior management;

(4) other matters required by laws, administrative regulations, the rules of the CSRC and the Articles of Association.

Article 11 The chairman shall perform the following duties:

(1) to convene and preside over meetings of the Committee;

(2) to review and sign the reports of the Committee;

(3) to review the resolutions and recommendations of the Committee and the implementation thereof;

(4) to report to the Board on behalf of the Committee;

(5) other duties that shall be performed by the chairman of the Committee.

Article 12 Should the Board fails to adopt or fully adopt the recommendations from the Remuneration and Assessment Committee, the Company shall record the opinions from the Remuneration and Assessment

Committee and the specific reasons for failure to adoption in the resolutions of the Board, and make disclosures.

Article 13 The working group subordinated to the Remuneration and Assessment Committee shall be responsible for performing the preliminary works for decision-making and shall provide the following relevant information of the Company:

(1) results of performance of the major financial indicators and operation objectives of the Company;

(2) the management scope and the major functions and duties of each of the Company’s senior management;

(3) results of performance of the indicators involved in the Directors' and senior management's position working performance assessment system;

(4) the operating performance of the Directors and the senior management in respective of innovation and profit generation;

(5) the relevant calculation basis of the remuneration distribution plan and distribution method formulated according to the operating results of the Company;

(6) the implementation of various remuneration systems at the request of the Committee.

Article 14 Procedures for the assessment of the Directors and the senior management performed by the Remuneration and Assessment Committee are as follows:

(1) the Directors and the senior management shall report on their work

performance and deliver self-assessment report to the Remuneration and Assessment Committee;

(2) the Remuneration and Assessment Committee conducts performance assessment on the Directors and the senior management according to the performance evaluation criteria and procedures;

(3) the Remuneration and Assessment Committee proposes the amount of remuneration and award method for the Directors and the senior management according to the position performance assessment results and remuneration distribution plan. After the proposal is approved by the Committee, it shall be reported to the Board.

Article 15 Where the Remuneration and Assessment Committee violates any laws, administrative regulations, departmental rules and the provisions of the Articles of Association and the Rules in the course of performing its duties and causes loss to the Company, it shall be liable for compensation.

Chapter 4 Rules of Procedure

Article 16 The Remuneration and Assessment Committee shall hold a meeting based on the actual needs and the meeting notice shall be given to all members 5 days prior to the meeting. The meeting shall be presided over by the chairman of the Committee. In the event that the chairman of the Remuneration and Assessment Committee is unable to attend the meeting, a member who is also an independent Director shall be appointed to preside over the meeting. The chairman of the Committee is entitled to propose the convening of an extraordinary meeting. The

timeframe of the notice may be less than 5 days after obtaining the approval from all members.

Article 17 The meeting of the Remuneration and Assessment Committee shall not be held unless more than two-thirds of members attend the meeting. Each member shall have one vote and the resolutions made by the meeting must be approved by over half of all members.

Article 18 Voting of the meeting of the Remuneration and Assessment Committee shall be conducted by show of hands or by poll (including by correspondence).

Article 19 A meeting of the Remuneration and Assessment Committee may be held in the form of, including but not limited to, physical meetings, teleconference such as video meetings and conference call meetings, combination of physical meeting and teleconference, etc. The members of the Committee should attend the meetings in person and express whether they vote in favor of, against or abstain from voting for the matters to be considered at such meetings. Should any member of the Committee be unable to attend the meeting in person, he/she should review the meeting materials in advance, form his/her specific opinion, and appoint another member of the Committee in writing to attend the meeting on his or her behalf. Among which, an independent Director shall authorize another independent Director to attend on his/her behalf. The power of attorney shall specify the extent of authorization and its time limit.

Article 20 The Directors and senior management may be invited by the Remuneration and Assessment Committee to attend its meetings as non-voting delegates when necessary. The invited departments shall made explanations or answers to the enquiries and questions concerning themselves or its department raised by the Remuneration and Assessment Committee.

Article 21 The Remuneration and Assessment Committee, if necessary, may appoint intermediate institutions to provide professional advice for its decision-making at the Company's expense.

Article 22 Where a member of the Remuneration and Assessment Committee is interested in any matter discussed at the meeting, such member shall abstain from voting. If a valid resolution cannot be made due to the member abstained from voting, such resolution shall be submitted directly to the Board for consideration.

Article 23 The convening procedure and voting method of the meeting of the Remuneration and Assessment Committee and the remuneration policies and distribution plan passed at such meetings shall comply with the relevant laws, regulations, the Articles of Association and the Procedural Rules.

Article 24 The meeting of the Remuneration and Assessment Committee shall have meeting resolutions and records (or minutes) of meetings. The resolutions and records (or minutes) of the meetings shall be signed by the members attending the meetings. Relevant documents, schemes, plans, meeting resolutions and records (or minutes of meetings) shall

be handed over to, and maintained by, the Board Office.

Article 25 Resolutions passed by and voting results of the meeting of the Remuneration and Assessment Committee shall be reported to the Board in writing.

Article 26 Members of the Committee and all persons attending the meeting, together with the related personnel shall have the obligation for keeping the discussed matters confidential and shall not make any unauthorized disclosure.

Chapter 5 Supplementary Provisions

Article 27 The Procedural Rules shall be formulated by the Board of the Company and shall come into force since the date of the Board's approval by resolution.

Article 28 For the matters which are not covered by the Procedural Rules, they shall be executed in accordance with the relevant laws and regulations of the State and the Articles of Association. In the event that the Procedural Rules are in conflicts with the laws and regulations promulgated by the State or the Articles of Association amended through valid procedure, the relevant laws and regulations of the State and the Articles of Association shall prevail, and the revised version shall be reported to the Board for consideration and approval.

Article 29 The term “more than” referred to herein shall include the given figure, and “over” shall not include the given figure.

Article 30 The “senior management” in the Procedural Rules shall refer to the senior management stated in the Articles of Association and the senior

management appointed by the Board.

Article 31 The Procedural Rules shall be amended and interpreted by the Board of the Company. In the event of any inconsistency between the English and Chinese versions of the Procedural Rules, the Chinese version shall prevail.