

ALIBABA GROUP HOLDING LIMITED

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

(Adopted on September 2, 2014 by the Board of Directors)

I. PURPOSE

The Audit Committee (the “Committee”) of Alibaba Group Holding Limited, a Cayman Islands company (the “Company”), is appointed by the Board of Directors of the Company (the “Board of Directors”) to assist the Board of Directors in monitoring (1) the integrity of the financial statements of the Company, (2) the independent auditors’ qualifications and independence, (3) the performance of the Company’s internal audit function and independent auditors, (4) the compliance by the Company with legal and regulatory requirements, (5) the Company’s accounting and financial reporting processes and the audits of the financial statements of the Company and (6) any other matters falling within the Committee’s authority or responsibility under the applicable laws and regulations. It is the responsibility of the Committee to provide an open avenue of communication between the Board of Directors, management, internal audit department and the independent auditors of the Company.

II. COMMITTEE MEMBERSHIP AND APPOINTMENT / REMOVAL OF COMMITTEE MEMBERS

The Board of Directors shall appoint the members of the Committee. Members of the Committee shall be appointed by the Board of Directors and may be removed by the Board of Directors in its discretion. The Committee shall consist of a minimum of three (3) members. The Committee shall comply with all applicable provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations of the Securities and Exchange Commission (the “SEC”) and the securities exchange on which the Company’s securities are listed, including those related to independence, as applicable.

Each member of the Committee must be able to read and understand fundamental financial statements and otherwise must comply with all financial literacy requirements of the securities exchange on which the Company’s securities are listed. In addition, at least one member of the Committee must have accounting or related financial management expertise, as the Company’s board interprets such qualification in its business judgment and in accordance with the rules and regulations of the SEC and the securities exchange on which the Company’s securities are listed. At least one member of the Committee will be an “audit committee financial expert,” as determined by the Board of Directors in accordance with SEC rules. Vacancies on the Committee shall be filled by majority vote of the Board of Directors at the next meeting of the Board of Directors following the occurrence of the vacancy or by unanimous written consent of the Board of Directors. No member of the Committee shall be removed except by majority vote of the Board of Directors.

III. MEETINGS

The Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall meet periodically in separate executive sessions with management, the independent auditors and the Company's internal auditors to discuss any matters that the Committee or any of these persons or firms believes should be discussed privately, and shall have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate.

The Board of Directors may designate one member of the Committee as its chairperson (the “Chairperson”) and in the absence of any such designation by the Board of Directors, the Committee shall designate by majority vote of the full Committee one member of the Committee as its Chairperson. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment shall constitute a quorum. The Committee may also act by unanimous written consent in lieu of a meeting.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. Subject to any limitations set forth in the Corporate Governance Guidelines of the Company, the Committee may exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

The Committee shall provide reports to the Board of Directors and keep written minutes of its meetings. In connection therewith, the Committee should review with the Board of Directors any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, or the performance of the internal audit function.

IV. AUDIT COMMITTEE'S AUTHORITIES AND RESPONSIBILITIES

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of all compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors engaged by the Committee. In addition, the Company shall provide for the funding of all ordinary administrative expenses of the Committee that are necessary or appropriate to carrying out the duties of the Committee.

The Committee shall, on an annual basis, evaluate its performance under this Charter and evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. As part of its evaluation, the Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board of Directors, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee

to complete its work in a thorough and thoughtful manner. The results of the evaluation shall be reported to the Board of Directors, orally or in writing, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board of Directors' policies or procedures.

Financial Statement and Other Disclosure Matters

The Committee shall:

1. Review and discuss with management and the independent auditors the quarterly financial statements and the annual audited financial statements of the Company, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
2. Review (a) earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, and (b) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
3. Review and discuss any reports from the independent auditors on:
 - (i) All critical accounting policies and practices to be used.
 - (ii) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors.
 - (iii) Other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
4. Review the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
5. Discuss guidelines and policies to govern the process by which risk assessment and management is undertaken.
6. Periodically review and discuss with management the Company's policies and procedures for and use of swaps hedging risks and for other purposes.
7. Unless otherwise preapproved pursuant to the Company's Related Party Transaction Policy, review and approve or ratify all related party transactions (which term, for the purposes of this charter, refers only to transactions that would be required to be disclosed pursuant to Form 20-F), including amendments to existing related party transactions in accordance with the Company's Related Party Transaction Policy.

8. Review the CEO and CFO disclosure and certifications under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.
9. Discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

The Committee shall report to, and discuss with, the Board of Directors the results of its review and discussions with respect to each of the foregoing matters.

Oversight of the Company's Relationship with the Independent Auditors

The Board of Directors delegates to the Committee the express responsibility and authority to, and the Committee shall:

1. Be solely and directly responsible for the appointment, compensation, retention, evaluation and oversight of the work of independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company and, where appropriate, the termination and replacement of such firm. Such independent auditors shall report directly to and be ultimately accountable to the Committee.
2. Obtain and review a report from the independent auditors at least annually regarding (a) the independent auditors' internal quality control procedures, (b) any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditors and the Company. Evaluate the qualifications, performance and independence of the independent auditors. If the independent auditors provide non-audit services, consider whether the provision of non-audit services is compatible with maintaining the independent auditors' independence.
3. Meet with the independent auditors prior to the audit to discuss the planning and staffing of the audit.
4. Review with the independent auditors any audit problems or difficulties and the Company's response(s).
5. Oversee the independence of the independent auditors, including the rotation of the audit partners of the Company's independent auditors as required by the Sarbanes-Oxley Act of 2002 and the rules and regulations of the SEC, as well as the rotation of the audit firm to ensure compliance with any applicable statutes, rules or regulations.

6. From time to time, consider whether there should be rotation of the independent auditor due to independence or other considerations such as service quality, and present its conclusions to the Board of Directors in case if such proposal is formed.
7. Set clear hiring policies for employees or former employees of the independent auditors.

Pre-Approval of Audit and Non-Audit Services

The Board of Directors delegates to the Committee the express responsibility and authority to, and the Committee shall:

1. Pre-approve all auditing services and all non-audit services (other than “prohibited non-audit services”) to be performed by its independent registered public accounting firm, and to consider whether the performance by the outside auditors of such non-audit services is compatible with maintaining the independence of the outside auditors.
2. Such pre-approval may be given as part of the Committee’s approval of the scope of the engagement of the independent registered public accounting firms or on an engagement-by-engagement basis or pursuant to pre-established policies.
3. The authority to pre-approve non-audit services may be delegated by the Committee to one or more of its independent members, but such member’s or members’ non-audit service approval decisions must be reported to the full Committee at the next regularly scheduled meeting.
4. The Company shall disclose in its Annual Report on Form 20-F (and interim reports, to the extent such disclosure is required by law) any approval of non-audit services during the period covered by the applicable report.
5. The independent registered public accounting firms shall not be retained to perform the non-audit services prohibited by applicable law and the rules of the SEC.
 - (i) The following shall be “prohibited non-audit services”: (1) bookkeeping or other services related to the accounting records or financial statements of the Company; (2) financial information systems design and implementation; (3) appraisal or valuation services, providing fairness opinions or preparing contribution-in-kind reports; (4) actuarial services; (5) internal audit outsourcing services; (6) management functions or human resources; (7) broker or dealer, investment adviser or investment banking services; (8) legal services and expert services unrelated to the audit; and (9) any other service that the Public Company Accounting Oversight Board prohibits through regulation.
 - (ii) Notwithstanding the foregoing, pre-approval is not necessary for minor non-audit services if: (1) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its registered public accounting firm during the fiscal year in which the non-audit services are provided; (2) such services were not recognized by the Company at the time of the engagement to be non-audit

services; and (iii) such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Oversight of the Company's Internal Audit Function

The Committee, to the extent it deems necessary or appropriate shall:

1. Review the appointment of an internal auditing executive and the Chairperson of the Committee meets separately with such executive at least once every quarter.
2. Discuss with the independent auditors and management the internal audit department's responsibilities, independence, budget and staffing and any recommended changes in the planned scope of the internal audit work.
3. Review the significant reports to management prepared by the internal audit department and management's responses and report any material issues to the Board of Directors.

Oversight of the Company's Internal Control and Process

The Committee, to the extent it deems necessary or appropriate shall review and discuss with management, the internal auditors, if applicable, and the independent auditors the adequacy and effectiveness of the Company's internal controls and processes, including any changes, significant deficiencies or material weaknesses in those controls reported by the independent auditors or the internal auditors, if applicable, or management and any special audit steps adopted in light of any material control deficiencies, and any fraud, whether or not material, that involves management or other Company employees who have a significant role in the Company's internal controls. The Committee shall review and discuss with management, the internal auditors, if applicable, and the independent auditor the Company's major financial risk exposures and the steps management has taken to monitor and control those exposures, including the Company's guidelines and policies with respect to risk assessment and risk management.

Compliance Oversight Responsibilities

The Committee shall:

1. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
2. Discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports, which raise material issues regarding the Company's financial statements or accounting policies and report any such issues to the Board of Directors.

3. Provide procedures to receive, retain, and examine complaints, as well as procedures to handle employee complaints on a confidential basis (i.e., whistle-blower protection).
4. Oversee system for compliance with legal, regulatory requirements and ethical codes.

V. LIMITATION OF AUDIT COMMITTEE'S ROLE

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted principles and applicable rules and regulation. These are the responsibilities of management and the independent auditors.