



## **ALIBABA GROUP HOLDING LIMITED**

# **AUDIT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER**

*(Adopted on September 2, 2014 by the Board of Directors and amended on August 28, 2024)*

### **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 and effectiveness of the Company’s internal audit function and independent auditors (including to ensure coordination between them and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company), (4) the compliance by the Company with legal and regulatory requirements, (5) the Company’s accounting and financial reporting processes, policies and practices 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 or otherwise specified and delegated by the Board. 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 and to act as the key representative body for overseeing the Company’s relations with the independent auditor.

### **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 exchanges on which the Company’s securities are listed, including The Stock Exchange of Hong Kong Limited (the “SEHK”) and the New York Stock Exchange (“NYSE”), 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 exchanges 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 Board of Directors interprets such qualification in its business judgment and in accordance with the rules and regulations of the SEC and the securities exchanges 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 the rules of the SEC and the securities exchanges on which the Company's securities are listed. 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 on its decisions or recommendations 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 authorities and responsibilities of the Committee shall include such responsibilities and authorities required by the rules and regulations of the SEC and the securities exchanges on which the Company's securities are listed, including without limitation the relevant code provisions of the Corporate Governance Code as contained in Appendix C1 to the Rules Governing the Listing of Securities on SEHK (the "Hong Kong Listing Rules"), in addition to the authorities and responsibilities as set out below. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time, consistent with the Company's articles of association and applicable law. 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. Monitor, review and periodically discuss with the Board of Directors, the senior management and the independent auditors (the Committee must meet with the independent auditors at least twice a year) the integrity of the financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports of the Company, including the Company's specific disclosures in the annual report under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and review significant financial reporting judgements contained in them. In reviewing these reports before submission to the Board of Directors, the Committee shall focus particularly on:
  - (i) Any changes in accounting policies and practices;
  - (ii) Major judgmental areas;
  - (iii) Significant adjustments resulting from audit;
  - (iv) The going concern assumptions and any qualifications;
  - (v) Compliance with accounting standards;
  - (vi) Compliance with the rules and regulations of the SEC and the securities exchanges on which the Company's securities are listed and legal requirements in relation to financial reporting; and
  - (vii) Any significant or unusual items that are, or may need to be, reflected in the reports and accounts (with due consideration given to any matters that may have been raised by the Company's staff responsible for the accounts and financial reporting function, the compliance officer or the auditors).
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; and
  - (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 and Connected Transaction Policy, review and approve or ratify all related party transactions (as defined in Form 20-F); review all connected transactions of the Company, including any such transactions that would require approval by independent directors pursuant to the Hong Kong Listing Rules.
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, reappointment, removal, compensation, retention, evaluation and oversight of the work of independent auditors (including approving the terms of engagement of the independent auditors, resolution of disagreements between management and the independent auditors regarding financial reporting and addressing any questions of the independent auditor's resignation and dismissal) 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, staffing, nature and scope of the audit and reporting obligations.
4. Review with the independent auditors any audit problems or difficulties and the Company's response(s).
5. Review and monitor the independence and objectivity of the independent auditors and the effectiveness of the audit process in accordance with applicable standards, 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 auditors 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.
8. Review the independent auditors' management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response.
9. Ensure that the Board of Directors will provide a timely response to the issues raised in the independent auditors' management letter.

### **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. Develop and implement policy to 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(s), and to consider and report and make recommendations to the Board (if needed) whether the performance by the outside auditors of such non-audit services (i) is compatible with maintaining the independence of the outside auditors or (ii) requires further action or improvement.
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 firm(s) 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 (a) in its annual report (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, and (b) an analysis of remuneration in respect of audit and non-audit services provided by the independent registered public accounting firm(s), which must include, in respect of each significant non-audit service assignment, details of the nature of the services and the fees paid.

5. The independent registered public accounting firm(s) 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(s) 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 (3) 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 shall meet 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 shall:

1. review and discuss with management, the internal auditors, if applicable, and the independent auditors (i) the adequacy and effectiveness of the Company's internal control systems and processes, to ensure that management has performed its duty to have effective systems, including adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting functions, (ii) any changes, significant deficiencies or material weaknesses in those controls reported by the independent auditors or the internal auditors, if applicable, or management and (iii) 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 auditors the Company's internal controls, 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.
2. Consider major investigation findings on internal control matters as delegated by the Board of Directors or on its own initiative and to consider management's response to these findings.

## **Compliance Oversight Responsibilities**

The Committee shall:

1. Establish and review 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, possible improprieties in financial reporting, internal control or auditing matters, or other matters. The Committee shall ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.
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. Establish a whistleblowing policy and system for employees and those who deal with the Company (e.g., customers and suppliers) to raise concerns, as well as procedures to receive, handle, retain and examine employee complaints on a confidential basis (i.e., whistle-blower protection).
4. Oversee systems 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.