

ALIBABA GROUP HOLDING LIMITED

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

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

I. PURPOSE

The Compensation Committee (the “Committee”) shall provide assistance to the Board of Directors (the “Board of Directors”) of Alibaba Group Holding Limited, a Cayman Islands company (the “Company”), by fulfilling the Committee’s responsibilities and duties outlined in Section IV.

II. STRUCTURE AND OPERATIONS

Composition and Qualifications

The Committee shall be comprised of three or more members of the Board of Directors, a majority of whom shall have been deemed by the Board of Directors to be “independent” as defined by Section 303A.02 of the New York Stock Exchange (the “NYSE”) Listed Company Manual or any successor provision thereto.

Appointment and Removal

The members of the Committee shall be appointed by the Board of Directors and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

Chairman

A chairman of the Committee (the “Chairman”) shall be appointed by the Board of Directors. The Chairman of the Committee will chair all regular sessions of the Committee and is responsible for setting the agendas for Committee meetings. In the absence of a Chairman of the Committee appointed by the Board of Directors, the Committee shall select a Committee member to preside over each meeting.

Delegation to Subcommittees

The Committee may form subcommittees composed of one or more of its members for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate to the extent permitted by law and applicable NYSE rules.

The Committee may delegate to one or more corporate officers of the Company (who need not be members of Senior Management, as defined below) the authority to make grants and awards of cash or options or other equity securities to any employee of the Company (other than

directors and members of the Company management identified as “Senior Management” pursuant to Instruction F to Form 20-F) under the Company’s incentive-compensation or other equity-based plans as the Committee deems appropriate and in accordance with the terms of such plan; provided that such delegation is in compliance with the relevant plan and with the laws of the Cayman Islands, the jurisdiction in which the Company is incorporated. In the event of such delegation, at each meeting of the Committee, the delegated officer(s) shall report to the Committee the awards made since the prior meeting.

III. MEETINGS

The Committee shall meet as frequently as circumstances dictate. The Chairperson of the Board of Directors or any member of the Committee may call meetings of the Committee.

As part of its review and establishment of the performance criteria and compensation of the Company’s Senior Management, the Committee should meet separately at least on an annual basis with the CEO, the Company’s principal human resources executive, and any other corporate officers, as it deems appropriate. However, the Committee should meet regularly without such officers present. No employee of the Company may be present during voting or deliberations with respect to determination of his or her compensation, except that members of the Committee who are partners in Lakeside Partners, L.P. (the “Alibaba Partnership”) may be present during voting or deliberations with respect to the establishment and allocation of any annual cash bonus pool for members of the Company’s “management” (as defined below) (a “Bonus Pool”), *provided*, that such persons are not present during voting or deliberations with respect his or her individual allocation of any such bonus pool. The term “management” shall mean those persons identified by the Company or the Committee from time to time as serving in senior supervisory roles at the Company and shall include, but need not be limited Senior Management.

All meetings of the Committee may be held by telephone, video conference, or other similar communication. The Committee may also act by unanimous written consent in lieu of a meeting.

Subject to the second preceding paragraph, (i) the Committee may invite to its meetings any director, management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities and (ii) any member of the Committee with an actual or potential conflict of interest with respect to any matter before the Committee shall be recused from such matter. Subject to any limitations set forth in the Company’s Corporate Governance Guidelines, the Committee may exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

A majority of the Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

IV. RESPONSIBILITIES AND DUTIES

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. These functions should serve as a guide with the understanding

that the Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate in light of business, legislative, regulatory, legal or other conditions or changes. The Committee shall also carry out any other related responsibilities and duties delegated to it by the Board of Directors from time to time, consistent with the Company's Memorandum and Articles of Association and applicable law.

Setting Compensation for Senior Management and Directors

1. Review, evaluate and, if necessary, revise the overall compensation policies of the Company.
2. Review and approve corporate goals and objectives relevant to the compensation, including annual performance objectives, if any, of members of Senior Management.
3. Evaluate the performance of Senior Management in light of such goals and objectives, and determine and approve the annual salary, equity-based incentives and other compensation or benefits, direct and indirect, of Senior Management.
4. In connection with management compensation programs:
 - (i) review and recommend to the full Board of Directors, or approve, new Senior Management compensation programs;
 - (ii) review on a periodic basis the operations of the Company's Senior Management programs to determine whether they are effective in achieving their intended purpose(s);
 - (iii) establish and periodically review policies for the administration of Senior Management compensation programs; and
 - (iv) take steps to modify any Senior Management compensation program that yields payments and benefits that are not reasonably related to Senior Management and corporate performance.
5. Establish and periodically review policies in the area of Senior Management perquisites.
6. Review and recommend to the full Board of Directors the remuneration to be paid to non-employee directors, as well as director's and officer's indemnification and insurance matters.
7. Review and approve employment contracts with the Company's Senior Management.
8. Review and recommend to the Board of Directors, any other contracts or transactions with current or former Senior Management of the Company with respect to consulting arrangements or other employment arrangements with the Company, severance, termination arrangements and loans to employees made or guaranteed by the Company.

9. Review and discuss with management, on at least an annual basis, management's assessment of whether risks arising from the Company's compensation policies and practices for all employees, including management, are reasonably likely to have a material adverse effect on the Company.

Administering the Bonus Pool

10. Review and recommend to the Board of Directors the amount of any Bonus Pool made available for management of the Company.
11. Set and approve the persons eligible to participate in any Bonus Pool and the proportion of any Bonus Pool to be allocated to (i) members of the Company's management who are not members of Lakeside Partners, L.P. (the "Alibaba Partnership") and (ii) members of the Company's management who are partners in the Alibaba Partnership (such portion of a Bonus Pool, the "Alibaba Partnership Allocation").
12. Review recommendations by the Alibaba Partnership with respect to what amount, if any, of any Alibaba Partnership Allocation should be deferred for future payment to partners and retired partners of the Alibaba Partnership and, following such review, set and approve the amount of such deferrals.
13. Review recommendations by the Alibaba Partnership with respect to the amounts paid to Senior Management, directors and members of the Partnership Committee of the Alibaba Partnership out of the Alibaba Partnership Allocation (including from any previously deferred Alibaba Partnership Allocations) and, following such review, set and approve the amount of Bonus Pool payments to such persons.

Monitoring Incentive and Equity-Based Compensation Plans

14. Review and approve, or recommend to the Board of Directors, the Company's non-equity incentive-compensation plans that are subject to the approval of the Board of Directors, and oversee the activities of the individuals responsible for administering those plans.
15. Review and make recommendations to the non-executive members of the Board of Directors with respect to all equity-based compensation plans of the Company and oversee the activities of the individuals responsible for administering those plans.
16. Review and make recommendations to the Board of Directors with respect to amendments to or equity issuances by the Company in connection with the Partner Capital Investment Plan (the "PCIP") or any successor thereof.
17. Determine performance targets for the Company's Senior Management with respect to such incentive-compensation plan and equity-based compensation plans.
18. Review and recommend to the Board of Directors, or approve, all equity-based awards made by the Company to directors, employees, and consultants of the Company or its affiliates.

19. Review and recommend to the Board of Directors, or approve, all equity-based awards made by the Company pursuant to the Company's equity-based plans (except the PCIP, unless such authority is delegated to the Committee by the Board of Directors), regardless of to whom such awards are made.
20. Review the Company's regulatory compliance with respect to compensation matters.
21. Monitor compliance by Senior Management with the rules and guidelines of the Company's equity-based plans.
22. Review and monitor employee pension, profit sharing and benefit plans.
23. Review and approve, or recommend to the Board of Directors, equity retention policies or agreements and, when requested by the independent members of the Board of Directors not nominated or appointed by the Alibaba Partnership, monitor compliance with such policies or plans and make recommendations to such independent directors with respect to enforcement or waivers of any such policies or agreements.

Reports

24. Report regularly to the Board of Directors including:
 - (i) following all meetings of the Committee; and
 - (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities.
25. The Committee shall provide such recommendations to the Board of Directors as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make such report.
26. Maintain minutes or other records of meetings and activities of the Committee.

V. COUNSEL AND CONSULTANTS

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and may, in its sole discretion, retain, obtain the advice of and terminate any compensation consultant, legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of any compensation consultant, legal counsel or other adviser retained by the Committee. The Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultant, legal counsel or other adviser retained by the Committee, as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall pre-approve any services to be provided to the Company or its subsidiaries by any of the Committee's compensation consultants.

VI. ANNUAL PERFORMANCE EVALUATION

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or appropriate. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.