

**ALIBABA GROUP HOLDING LIMITED
CORPORATE GOVERNANCE GUIDELINES**

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

INTRODUCTION

The Board of Directors (the “Board”) of Alibaba Group Holding Limited (the “Company”) has adopted these corporate governance guidelines to describe the principles and practices that the Board will follow in carrying out its responsibilities.

These guidelines will be reviewed by the Nominating and Corporate Governance Committee of the Company from time to time to ensure that they effectively promote the best interests of the Company and its shareholders and that they comply with all applicable laws, regulations and stock exchange requirements and the Company’s memorandum and articles of association (the “Articles”). The Board may modify these guidelines from time to time.

A. Role and Responsibility of the Board

The Board directs and oversees the management of the business and affairs of the Company in accordance with all applicable laws and regulations. In this oversight role, the Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the shareholders. The Board is responsible for selecting and overseeing the Chief Executive Officer (the “CEO”) and other executive officers, who are charged by the Board with conducting the business of the Company, setting the long-term business strategy of the Company and determining executive officer compensation.

B. Board Composition, Structure and Policies

1. ***Board Size.*** The Board shall initially consist of nine directors and any changes to the size of the Board will be made in accordance with the Articles.
2. ***Independence of Directors.*** The Board shall make an affirmative determination at least annually as to which directors are independent. An “independent” director shall be defined in accordance with Section 303A.02 of the New York Stock Exchange (the “NYSE”) Listed Company Manual or any successor provision thereto. The NYSE independence definition includes a series of objective tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible for determining affirmatively, as to each independent director, that no material relationships exist which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director’s business and personal activities as they may relate to the Company and the Company’s

management. As the concern is independence from management, the Board does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding.

3. ***Chairman of the Board.*** The Board shall elect a Chairman of the Board (“Chairman”) who shall preside as chairman at meetings of the Board in any way it considers in the best interests of the Company. The Board does not require the separation of the offices of Chairman and CEO or that the Chairman otherwise be an independent director.
4. ***Director Qualification Standards.*** Potential director candidates shall be nominated for election to the Board in accordance with the Articles. The Nominating and Corporate Governance Committee shall be solely responsible for reviewing the qualifications of and selecting candidates for those director seats to which it has nomination and appointment rights pursuant to the Articles. In evaluating director candidates, the Nominating and Corporate Governance Committee shall look for persons with a high degree of integrity, deep experience relevant to the advancement of the Company’s business, and an appreciation for the mission, vision and values of the Company. The Nominating and Corporate Governance Committee shall monitor the number of independent members of the Board, the skills and experience of its members and the necessary qualifications for directors to serve on the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee of the Board and take these matters into consideration when evaluating candidates. In addition, the Nominating and Corporate Governance Committee shall consider any other factors it considers appropriate, which may include age, gender, cultural background, ability to work collegially with the other members of the Board, connections with the Company’s businesses, potential conflicts of interest, legal considerations such as antitrust issues, corporate governance background, financial and accounting background, executive compensation background and the size, composition and combined expertise of the existing Board members.
5. ***Change in Present Job Responsibility.*** Non-executive directors who experience a material change in professional responsibility or position or a change giving rise to a potential conflict with the Company should notify the Chairman of the Board of the change. The Nominating and Corporate Governance Committee will evaluate the director’s new status and recommend to the Board the action, if any, to be taken.
6. ***Director Orientation and Continuing Education.*** Management, working with the Board, will provide an orientation program for new directors and coordinate director continuing education programs. The orientation programs are designed to familiarize new directors with the Company’s businesses, strategies and challenges and to assist new directors in developing and maintaining skills necessary for the performance of their responsibilities. The Company will provide access to information and meetings with management to educate directors on matters relevant to the Company and its business on an ongoing basis. The Company also encourages director participation in external accredited director education programs on an

ongoing basis and shall provide reasonable reimbursement for such courses.

7. ***Term Limits.*** Directors will be elected for three-year terms (except for certain directors in the initial three year period following the initial public offering of the Company's ordinary shares) and may serve multiple terms.
8. ***Retirement Policy.*** The Board does not believe that age alone should determine whether an individual should serve as a director and therefore has not adopted a mandatory retirement age for directors.

C. Board Meetings

1. ***Frequency of Meetings.*** The Board currently plans at least four meetings each year, with further meetings to occur (or action to be taken by unanimous consent) at the discretion of the Board.
2. ***Selection of Board Agenda Items.*** The CEO shall set the agenda for Board meetings with the understanding that the Board is responsible for providing suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the Chairman of that committee. Any member of the Board may request that an item be included on the agenda.
3. ***Distribution of Meeting Materials.*** Briefing materials and other relevant information shall be distributed to the directors a reasonable amount of time before each Board meeting.
4. ***Access to Management and Independent Advisors.*** Directors shall have free access to all members of management and employees of the Company and are encouraged to speak directly to any member of management regarding any questions or concerns they may have. Generally, any meeting or contact that a director wishes to initiate with an employee should be arranged through the Company's CEO or General Counsel. In addition, as necessary and appropriate, the Board and each of its committees may consult with independent legal, financial, accounting and other advisors, at the Company's expense, to assist in their duties to the Company and its shareholders.
5. ***Executive Sessions.*** To ensure free and open discussion and communication among the non-executive directors of the Board, absent unusual circumstances, the non-executive directors will meet in executive session with no members of management present at regularly scheduled Board meetings and at other times, as needed. If the group of non-executive directors includes directors who are not independent, at least once a year an executive session including only independent directors should occur.

D. Committees of the Board

The Board shall have at least three committees: the Audit Committee, the Compensation

Committee and the Nominating and Corporate Governance Committee. The Board shall adopt a written charter for each committee outlining the purpose and responsibilities of the committee. Each committee shall report regularly to the Board summarizing the committee's actions and any significant issues considered by the committee. Each committee shall, in accordance with its charter, determine the frequency and timing of its meetings. The Board shall designate one member of each committee as chairman of such committee. Committee chairmen shall be responsible for setting the agendas for their respective committee meetings.

1. ***Committee Composition and Appointments.*** The Articles require that each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee be comprised of no fewer than three members. The Audit Committee shall be comprised of such number of independent directors as required from time to time by the rules of the NYSE or otherwise required by law. Each of the Compensation Committee and the Nominating and Corporate Governance Committee shall have a majority of independent directors. In addition, each committee member must satisfy the membership requirements set forth in the relevant committee charter. A director may serve on more than one committee.

The Nominating and Corporate Governance Committee shall be responsible for identifying Board members qualified to fill vacancies on any committee and recommending that the Board appoint the identified members to the applicable committee.

2. ***SoftBank Observation Right.*** For so long as SoftBank Corp., a Japanese corporation ("SoftBank"), is entitled to committee observation rights pursuant to that certain Voting Agreement dated as of September 18, 2014 (the "Voting Agreement"), by and among the Company, SoftBank and the other parties thereto, the SoftBank Director (as defined in the Voting Agreement) shall be entitled to receive the same notice of meetings of each committee of the Board as is provided to members of such committees and to receive copies of all materials distributed to committee members generally in connection with such meetings, in each case at the same time that such notice and such materials are provided to committee members. Upon prior notice to the relevant committee, the SoftBank Director may attend, observe and participate in any discussions at any meeting of a committee to which he has not been appointed by the Board (an "Observation Committee"), *provided, however,* that the SoftBank Director shall in no circumstances have any right to participate in any vote, consent or other action of an Observation Committee; and *provided, further,* that the SoftBank Director may be excluded from any meeting of an Observation Committee or portion thereof and may be prohibited from receiving any related materials or portion thereof, to the extent (a) required by law, (b) any communication from counsel protected by attorney-client privilege will be delivered during such meeting or in such materials and the presence or receipt, as applicable, of the SoftBank Director would be reasonably likely to cause such communication to not be privileged, or (c) the Board determines in good faith that there exists, with respect to the subject matter of such committee meeting or related materials, an actual or potential conflict of interest between the SoftBank Director or SoftBank and the Company such that a similarly positioned member of such Observation

Committee would be recused from such matter in accordance with the Articles, these corporate governance guidelines, the charter of the Observation Committee or any code of ethics, code of conduct, related party transaction policy or other statement of governance or ethical principles adopted by the Company or the Board.

E. Expectations of Directors

The board is ultimately responsible to shareholders for ensuring the long term success of the Company. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. ***Commitment and Attendance.*** All directors are expected to make every effort to attend all meetings of the Board, meetings of the committees of which they are members and the annual meeting of shareholders. Members are encouraged to attend Board meetings and meetings of committees of which they are members in person but may also attend such meetings by telephone, video conference or other similar communication.
2. ***Participation in Meetings.*** Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.
3. ***Loyalty and Ethics.*** In their roles as directors, all directors owe a duty of loyalty to the Company. The Company has adopted a Code of Ethics to provide guidelines for ethical conduct by directors, officers and employees of the Company. All directors are expected to adhere to the provisions of the Code of Ethics. Directors with a personal interest in any matter before the Board shall disclose such interest to the Board and be recused from any discussion or decision affecting such interest.
4. ***Other Directorships and Significant Activities.*** Serving on the Board requires significant time and attention. Directors are expected to spend the time needed and meet as often as necessary to discharge their responsibilities properly. Without specific approval from the Nominating and Corporate Governance Committee, no executive director may serve on any public company boards other than the Company's Board and boards of investee companies of the Company, and no member of the Audit Committee may serve on more than two additional public company audit committees unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee. Directors should advise the chairman of the Nominating and Corporate Governance Committee before accepting membership on other boards of directors or other significant commitments involving affiliation with other

businesses, non-profit entities or governmental units.

5. **Confidentiality.** The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

F. Management Succession Planning

The Nominating and Corporate Governance Committee shall be responsible for conducting a periodic review and assessment of succession policies for the CEO and other senior managers of the Company and shall recommend changes to the Board, as it deems appropriate.

G. Evaluation of Board Performance

The Board, acting through the Nominating and Corporate Governance Committee, should conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee should periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board, acting through the Nominating and Corporate Governance Committee. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter.

H. Board Remuneration

The Board, acting on recommendation of the Compensation Committee, shall determine the remuneration to be paid to non-employee directors for their services as directors, which shall be in the form of a combination of cash and equity. Employee directors will not receive any additional remuneration for their services as directors other than their remuneration as employees of us or our related entities. The Compensation Committee will periodically review the form and amount of compensation to be awarded to non-executive directors.

I. Approval of Related Party Transactions

The Audit Committee shall review and approve all related party transactions.

J. Equity Incentive Plans

Any adoption of a new equity incentive plan and any material amendments to such plans will be subject to the approval of the non-executive directors.

K. Communications with Shareholders

The Company will hold annual general meetings once a year. Shareholders who would like to communicate with, or otherwise make his or her concerns known to, the Board or the independent directors as a group, may do so by writing to the attention of the Corporate Secretary

at:

Alibaba Group Holding Limited
c/o Alibaba Group Services Limited
26th Floor, Tower One, Times Square
1 Matheson Street
Causeway Bay, Hong Kong

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. The Company will review and forward such communications to the appropriate party provided that the communication is not determined to be primarily commercial in nature or otherwise related to an improper or irrelevant topic. Such communications may be done confidentially or anonymously.