

# ALIBABA.COM LIMITED

## Remuneration Committee's Terms of Reference

### Definitions

1. For the purposes of these terms of reference (the *Terms*):

*Board* means the board of directors of the Company.

*Company* means Alibaba.com Limited.

*Company Secretary* means the company secretary of the Company.

*Directors* means the members of the Board.

*Listing Rules* means the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time).

*Remuneration Committee* means the remuneration committee established by the resolution of the Board in accordance with clause 3 of these Terms.

*Senior Management* means the executive directors and other members of senior management referred to in the Company's prospectus issued in connection with its initial listing on the Stock Exchange or in its most recent annual report and any such other officer of the Company and its subsidiaries determined by the Board from time to time as senior management of the Company.

*Shareholders* means the shareholders of the Company.

*Stock Exchange* means The Stock Exchange of Hong Kong Limited.

2. The word "remuneration", as used in these Terms, includes without limitation any salaries, bonuses, allowances, benefits (in cash or in kind), pension arrangements, compensation payments (including any compensation payable for loss or termination of office or appointment), incentive payments, share options, share appreciation rights and restricted share units and any other forms of share-based remuneration.

### Constitution

3. The Board has resolved to establish a committee of the Board known as the Remuneration Committee and has adopted these Terms as the terms of reference for the Remuneration Committee.

## **Membership**

4. The members of the Remuneration Committee shall be appointed by the Board from time to time from among the Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors. The chairman of the Remuneration Committee shall be appointed by the Board.

5. Each member of the Remuneration Committee shall disclose to the Remuneration Committee:

- (a) any personal financial interest (other than as a Shareholder of the Company) in any matter to be decided by the Committee; or
- (b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Remuneration Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions, and shall (if so required by the Board) resign from the Remuneration Committee.

6. At the invitation of the Chairman of the Remuneration Committee, the Chairman of the Board and/or Managing Director, external advisers and other persons may be invited to attend all or part of any meetings.

7. The Company Secretary shall be the secretary of the Remuneration Committee. The Remuneration Committee may, from time to time, appoint any other person with the appropriate qualification and experience as secretary of the Remuneration Committee.

## **Frequency and conduct of meetings**

8. Meetings shall be held at least once a year. The chairman of the Remuneration Committee shall convene a meeting upon request by any member of the Remuneration Committee.

9. Notice of any meetings shall be given at least 7 days prior to any such meeting being held, unless all members of the Remuneration Committee unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member of the Remuneration Committee shall be deemed waiver of the requisite length of notice by the said member. Notice of any adjourned meetings is not required if adjournment is for less than 7 days. Meeting papers should be sent in full to all members of the Remuneration Committee in a timely manner and at least 3 days before the intended date of a meeting of the Remuneration Committee (or such other period as agreed by its members).

10. The quorum of the Remuneration Committee shall be any two members of the Remuneration Committee. Meetings could be held in person, by telephone or by video conference.

11. Resolutions of the Remuneration Committee at any meetings shall be passed by a majority of votes of the members of the Remuneration Committee present. A resolution in writing signed by all the members of the Remuneration Committee shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.

12. Management of the Company is obliged to supply the Remuneration Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied must be complete and reliable. Where a member of the Remuneration Committee requires more information than is volunteered by the management of the Company, the relevant member of the Remuneration Committee should make additional necessary enquiries. Each member of the Remuneration Committee shall have separate and independent access to the management of the Company.

### **Annual General Meetings**

13. The Chairman of the Remuneration Committee, or in his absence, another member of the Remuneration Committee, or failing which his duly appointed alternate shall attend the annual general meetings of the Company and be available to answer questions thereat on the Remuneration Committee's activities and its responsibilities.

### **Authority**

14. The Remuneration Committee is authorised by the Board to discharge its duties within these Terms. It is authorised to seek any remuneration information it requires from the Directors and/or Senior Management who are directed to co-operate with the Remuneration Committee.

15. The Remuneration Committee is authorised by the Board to obtain external independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Remuneration Committee shall be provided with sufficient resources to discharge its duties. The Remuneration Committee should be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external remuneration consultant who advises the Remuneration Committee.

### **Duties**

16. The duties of the Remuneration Committee shall include:

- (a) making recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and Senior Management and on the establishment of a formal and transparent procedure for developing such remuneration policy;

- (b) being responsible for determining the specific remuneration packages of all executive Directors and Senior Management and to make recommendations to the Board of the remuneration of non-executive Directors. The Remuneration Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and Senior Management, remuneration levels within the Company and its subsidiaries and desirability of performance-based remuneration packages;
- (c) reviewing and approving any performance-based remuneration offered by the Company and its subsidiaries with reference to corporate goals and objectives resolved by the Board from time to time;
- (d) reviewing and approving the compensation payable to executive Directors and Senior Management in connection with any loss or termination of their office or appointment in order to ensure that such compensation is determined in accordance with the relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
- (e) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct in order to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- (f) ensuring that no Director or any of his associates is involved in deciding his own remuneration; and
- (g) advising the Shareholders on how to vote with respect to any service contracts of the Directors that require Shareholders' approval under the Listing Rules.

17. In carrying out its duties under these terms of reference, the Remuneration Committee should:

- (a) consult the chairman of the Board and/or the chief executive officer about their proposals relating to the remuneration of the other executive Directors and have access to professional advice if considered necessary;
- (b) provide the packages needed to attract, retain and motivate executive Directors and Senior Management of the quality required, but avoid paying more than is necessary for this purpose;
- (c) judge where to position the Company relative to other companies. They should be aware what comparable companies are paying and should take account of relative performance;
- (d) be sensitive to the wider scene, including pay and employment conditions within the the Company and its subsidiaries and elsewhere, especially when determining annual salary increases;

- (e) ensure that the performance-related elements of remuneration form a significant proportion of the total remuneration package of executive Directors and are designed to align their interests with those of Shareholders and to give the Directors incentives to perform at the highest levels; and
  - (f) ensure that share options offered by the Company to its Directors or Senior Management (if any) are in accordance with Chapter 17 of the Listing Rules, as applicable.
18. Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:
- (a) administer the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to Directors and/or Senior Management (subject to compliance with the provisions of the Listing Rules). It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to Directors and/or Senior Management to be at the discretion of the Remuneration Committee) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
  - (b) liaise with the trustee of any employee share scheme which is created by the Company for the benefit of employees, Senior Management or Directors;
  - (c) review the terms of executive Directors' service contracts from time to time; and
  - (d) advise the Board in relation to the preparation of the Board's remuneration report (if any) to shareholders.

### **Reporting procedures**

19. Minutes of the Remuneration Committee's meetings shall be kept and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director. Minutes of meetings of the Remuneration Committee shall record in sufficient detail the matters considered by the Remuneration Committee and decisions reached, including any concerns raised by Directors, members or dissenting views expressed. Draft and final versions of minutes of such meetings should be sent to all members of the Remuneration Committee for their comment and records respectively, in both cases within a reasonable time after such meetings.

20. Without prejudice to the generality of the duties of the Remuneration Committee set out in these Terms, the Remuneration Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless prohibited by applicable law or regulations.

### **Terms available**

21. The Remuneration Committee shall make available these Terms on request and by inclusion on the Company's website.