

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF KINGSOFT CLOUD HOLDINGS LIMITED

Adopted May 7, 2020; Amended December 20, 2022

Purpose

The Audit Committee (the “**Committee**”) is created by the Board of Directors (the “**Board**”) of Kingsoft Cloud Holdings Limited (the “**Company**”) to:

- assist the Board in its oversight of
 - the integrity of the Company’s financial statements and internal controls;
 - the qualifications, independence and performance of the Company’s external auditor;
 - the performance of the Company’s internal audit function;
 - the fairness and appropriateness of the Company’s Related Party Transactions (as defined below);
 - the Company’s compliance with legal and regulatory requirements; and
- such other duties as directed by the Board.

Membership

The Committee shall consist of three or more non-executive directors as determined from time to time by the Board, the majority of whom must be independent non-executive directors meeting the independence requirements from time to time as stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HKSE Listing Rules**”) (as amended from time to time). All Committee members shall be deemed by the Board to be independent and meet the independence and experiences of Rule 10A-3 of the Exchange Act and the Listing Rules of the Nasdaq Global Markets (the “**Nasdaq**”).

The chairperson of the Committee (the “**Chairperson**”) shall be designated by the Board, provided that if the Board does not so designate a Chairperson, the members of the Committee, by a majority vote, may designate a Chairperson. The Committee must be chaired by an independent non-executive director of the Company.

Each member shall, in the judgment of the Board, have the ability to read and understand the Company's basic financial statements. At least one member of the Committee shall, in the judgment of the Board, be an “**audit committee financial expert**” in accordance with the rules and regulations of the SEC and at least one member (who may also serve as the audit committee financial expert) shall, in the judgment of the Board, have accounting or related financial management expertise in accordance with Nasdaq listing standards. The Board shall recommend nominees for appointment by the Board to the Committee annually and as vacancies or newly created positions occur. At least one member of the Committee must be an independent non-executive director meeting the independence requirements from time to time as stipulated in the HKSE Listing Rules with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the HKSE Listing Rules.

Committee members shall be appointed by the Board and may be removed by the Board at any time.

Responsibilities

The basic responsibility of the members of the Committee is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, members should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors, to the fullest extent permitted by law. In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters.

Relationship with External Auditors

- The Committee shall be directly responsible for making recommendation to the board on the appointment, reappointment, compensation, retention, removal, evaluation, and oversight of the work of the external auditors (including resolution of disagreements between management and the external 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 external auditors shall report directly to and be ultimately accountable to the Committee. The Committee has the ultimate authority to approve all audit engagement fees and terms, with the costs of all engagements borne by the Company, and any questions of its resignation or dismissal.
- The Committee shall review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, act as the key representative body for overseeing the issuer's relations with the external auditor, and review the experience and qualifications of the senior members of the external auditors' team.
- The Committee shall discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences, and review, evaluate and approve the annual engagement proposal of the external auditors (including the proposed scope and approach of the annual audit).

- The Committee shall pre-approve the audit services and non-audit services (including the fees and terms thereof) to be provided by the Company’s external auditor pursuant to pre-approval policies and procedures established by the Committee. The Committee may, from time to time, delegate its authority to pre-approve services to one or more Committee members or members of the management, provided that such designees present any such approvals to the full Committee at the next Committee meeting.
- The Committee shall discuss with the external auditor its responsibilities under generally accepted auditing standards, review and approve the planned scope and timing of the external auditor’s annual audit plan(s) and discuss significant findings from the audit and any problems or difficulties encountered, including any restrictions on the scope of the auditor’s activities or on access to requested information, and any significant disagreements with management.
- The Committee shall develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, “**external auditor**” includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The audit committee should report to the board, identifying and making recommendations on any matters where action or improvement is needed.
- The Committee shall evaluate the external auditor’s qualifications, performance and independence, and shall present its conclusions with respect to the external auditor to the full Board on at least an annual basis. As part of such evaluation, at least annually, the Committee shall:
 - obtain and review a report or reports from the Company’s external auditor:
 - describing the external auditor’s internal quality-control procedures;
 - describing any material issues raised by (i) the most recent internal quality-control review, peer review or Public Company Accounting Oversight Board (“**PCAOB**”) review, of the independent auditing firm, or (ii) any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the auditing firm; and any steps taken to deal with any such issues;
 - describing all relationships between the external auditor and the Company consistent with applicable requirements of the PCAOB regarding the external auditor’s communications with the audit committee concerning independence; and
 - assuring that Section 10A of the Securities Exchange Act of 1934 has not been implicated.
 - review and evaluate the lead audit partner of the external auditor team(s), as well as other senior members;
 - confirm and evaluate the rotation of the audit partners on the audit engagement team as required by law;

- consider whether the external auditor should be rotated, so as to assure continuing auditor independence; and
- obtain the opinion of management and the internal auditors of the external auditor's performance.
- The Committee shall establish policies for the Company's hiring of current or former employees of the external auditor.

Relationship with Internal Auditors

- At least annually, the Committee shall evaluate the performance, responsibilities, budget and staffing of the Company's internal audit function and review and approve the internal audit plan. To facilitate such review and evaluation, the Committee may seek advice or assistance from the external auditor.
- At least annually, the Committee shall evaluate the performance of the senior officer and employees responsible for the internal audit function of the Company, and make recommendations to the Board and/or management regarding the responsibilities, retention or termination of such officers and employees.

Review of Financial Information; Disclosure and Oversight of Financial Reporting System, Risk Management, Internal Control Systems and Other Compliance Matters

- Prior to the filing of the Company's annual reports on Form 20-F and quarterly and interim earnings releases with the SEC (the "**SEC Financial Reports**"), the Committee shall (1) meet to review and discuss with management and the external auditor the SEC Financial Reports, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," to the filing of the Company's Form 20-F and quarterly and interim earnings releases with the SEC; (2) review and approve the financial statements and data disclosed in the SEC Financial Reports. Prior to such review, the Committee may delegate detailed drafting and/or review responsibilities relating to any SEC Financial Reports to members of the management.
- The Committee shall monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing these reports before submission to the board, the Committee should focus particularly on:
 - any changes in accounting policies and practices;
 - major judgmental areas;
 - significant adjustments resulting from audit;
 - the going concern assumptions and any qualifications;
 - compliance with accounting standards; and
 - compliance with the HKSE Listing Rules and legal requirements in relation to financial reporting.

- The Committee shall review with management, the internal auditors and the external auditor, in separate meetings whenever the Committee deems appropriate:
 - any analyses or other written communications prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative Generally Accepted Accounting Principles (“GAAP”) methods on the financial statements;
 - the critical accounting policies and practices of the Company;
 - the clarity of the financial disclosures made by the Company;
 - information regarding any “second” opinions sought by management from an external auditor with respect to the accounting treatment of a particular event or transaction;
 - the effect of major transactions, related party transactions, any regulatory and accounting (including tax) initiatives, including with respect to variable interests entities of the Company, as well as off- balance sheet transactions and structures, on the Company’s financial statements; and
 - any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles.
- The Committee, or the Chairperson with the assistance of the management and the external auditor, shall review any of the Company’s financial information and earnings guidance provided to analysts and ratings agencies, as the Chairperson deems appropriate.
- The Committee shall, in conjunction with the Chief Executive Officer and Chief Financial Officer of the Company, review the Company’s disclosure controls and procedures and internal control over financial reporting. The review of internal control over financial reporting shall include whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to affect the Company’s ability to record, process, summarize and report financial information, any fraud involving management or other employees with a significant role in internal control over financial reporting, and any non-compliance with the HKSE Listing Rules and other legal requirements in relation to financial reporting. The Committee shall also review any special audit steps adopted in light of material control deficiencies.
- The Committee shall review and discuss with the external auditor and management any current accounting trends and developments, and take such action with respect thereto as may be deemed appropriate.

- The Committee shall review and discuss with the external auditor any audit problems or difficulties and management's response thereto, including those matters required to be discussed with the Committee by the auditor pursuant to established auditing standards, as amended from time to time, such as:
 - any restrictions on the scope of the external auditor's activities or on access to requested information;
 - any accounting adjustments that were noted or proposed by the auditor but were not adopted or reflected;
 - any communications between the audit team and the audit firm's national office regarding auditing or accounting issues presented by the engagement;
 - any management or external control letter issued, or proposed to be issued, by the external auditor; and
 - any significant disagreements between management and the external auditor.
- In connection with its oversight responsibilities, the Committee shall be directly responsible for the resolution of disagreements between management and the external auditor regarding the Company's financial reporting.
- The Committee shall review the Company's policies and practices with respect to risk assessment and risk management, including discussing with management the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures.
- The Committee shall oversee and evaluate:
 - 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 the Company of concerns regarding questionable accounting or auditing matters.
- The Committee shall review the Company's compliance with laws and regulations, including major legal and regulatory initiatives. The Committee shall also review any major litigation or investigations against the Company that may have a material impact on the Company's financial statements. The Committee shall meet and discuss these matters with management and others as appropriate, including the General Counsel or an officer with similar duties and responsibilities of the Company.
- The Committee shall oversee compliance with the Company's Code of Business Conduct and Ethics and report on such compliance to the Board. The Committee shall also review and consider any requests for waivers of the Company's Code of Business Conduct and Ethics for the Company's directors, executive officers and other senior financial officers, and shall make a recommendation to the Board with respect to such request for a waiver.

- The Committee shall review potential conflicts of interest involving directors, including whether such directors may vote on any issue as to which there may be a conflict.
- The Committee shall review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.
- The Committee shall review the Company's financial controls to review the Company's risk management and internal control systems.
- The Committee shall discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.
- The Committee shall consider major investigation findings on risk management and internal control matters as delegated by the board or on its own initiative and management's response to these findings.
- Where an internal audit function exists, the Committee shall ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the issuer, and to review and monitor its effectiveness.
- The Committee shall review the group's financial and accounting policies and practices.
- The Committee shall review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response.
- The Committee shall ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter.
- The Committee shall report to the Board on the matters in this code provision; and to consider other topics, as defined by the Board.

Reporting to the Board

- The Committee shall report to the Board periodically. This report shall include a review of 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 Company's related party transactions, the independence and performance of the Company's external auditor, the performance of the internal audit function and any other matters that the Committee deems appropriate or is requested to include by the Board.
- The Committee should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditors. The Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors.
- The Committee shall report, at least annually, to the Board, summarizing its work for the period for Board evaluation.
- The Committee shall review and assess the adequacy of this charter periodically and recommend any proposed changes to the Board.

Related-party Transactions

- The Committee shall review and approve all related party transactions (as defined in Item 7 of Form 20-F) (the "**Related Party Transactions**"), including, but not limited to, transactions between the Company, on the one hand, and enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the Company, on the other hand. The Committee shall consider all relevant factors when determining whether to approve a related-party transaction, including (i) the benefits to the Company of the transaction; (ii) whether such transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances; (iii) the materiality of the transaction to the Company; and (iv) the extent of the related party's interest in the transaction. No director may participate in the approval of any transaction in which such director is a related party, but such director is required to provide the Committee with all material information concerning the transaction. The Committee may, at its sole discretion, submit any Related Party Transactions that it deems material to the Company to the Board for further review and approval.
- The Committee shall review and approve the procedures according to which Related Party Transactions are identified, reviewed and approved in accordance with the Company' Policy of Related Parties Transactions adopted from time to time.

Authority and Delegations

The Committee is authorized (without seeking Board approval) to retain special legal, accounting or other advisers and may request any officer or employee of the Company or the Company's outside counsel or external auditor to meet with any members of, or advisers to, the Committee.

The Committee shall have available appropriate funding from the Company as determined by the Committee for payment of:

- compensation to any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- compensation to any advisers employed by the Committee; and
- ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may delegate its authority to the Chairperson when it deems appropriate and in the best interests of the Company.

Procedures

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter, but not less frequently than quarterly. The Chairperson shall preside at each meeting and, in the absence of the Chairperson, one of the other members of the Committee shall be designated as the acting chair of the meeting. The Chairperson, in consultation with the other committee members, shall determine the frequency and length of the committee meetings and shall set meeting agendas consistent with this charter.

The Committee shall meet separately, periodically, with management, with internal auditors (or other personnel responsible for the internal audit function) and with the external auditor.

Voting on Committee matters shall be on a one vote per member basis. All matters submitted for voting shall require voting by a majority of the Committee. The Chairperson could cast a tie-breaking vote when the Committee has a deadlock.

Limitations Inherent in the Committee's Role

It is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with GAAP and applicable rules and regulations. This is the responsibility of management and the external auditor. Furthermore, while the Committee is responsible for reviewing the Company's policies and practices with respect to risk assessment and management, it is the responsibility of the Chief Executive Officer and senior management to determine the appropriate level of the Company's exposure to risk.