

AUDIT COMMITTEE CHARTER OF GDS HOLDINGS LIMITED

This Audit Committee Charter was amended and restated by the Board of Directors (the “Board”) of GDS Holdings Limited (the “Company”) on October 18, 2016 and became effective upon the effectiveness of the Company’s Registration Statement on Form F-1 filed with the U.S. Securities and Exchange Commission relating to the Company’s initial public offering.

I. Purpose

The purpose of the Committee is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

The Committee’s responsibilities are limited to oversight. The Company’s management is responsible for establishing and maintaining accounting policies and procedures in accordance with generally accepted accounting principles (“GAAP”) and other applicable reporting and disclosure standards and for preparing the Company’s financial statements. The Company’s independent auditors are responsible for auditing and reviewing those financial statements.

II. Interpretation

Terms used but not defined in this Charter shall have the same meanings as those used in the Articles of Association of the Company (as may be amended and adopted from time to time) (the “Articles”).

III. Composition

The Committee must consist of three Directors, subject to any available exception. Each Committee member must satisfy the independence requirements of the Nasdaq Stock Market LLC (“NASDAQ”) and the more rigorous independence rules for members of the Audit Committee issued by the U.S. Securities and Exchange Commission (the “SEC”), subject to any available exception. Each Committee member must be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement. In addition, at least one member of the Committee must be an audit committee financial expert as defined under SEC rules.

Committee members may be removed from the Committee, with or without cause, by the Board. Unless a chairperson is designated by the Board, the Committee may designate a Chair by majority vote of the full Committee membership. For the avoidance of doubt, in the event of any vacancy on the Committee, the Committee shall be authorized to recommend, notwithstanding the membership requirements stated in the foregoing paragraph, any Independent Director to fill such vacancy and to serve as an interim member of the Committee, subject to the Board’s final approval of such appointment. Any Independent Director so appointed shall serve on the Committee until such time as a replacement who satisfies the membership requirements stated in the foregoing paragraph is appointed.

IV. Meetings

The Committee must meet at least once during each fiscal quarter. Meetings may be called by any Committee member or Secretary of the Committee.

The Committee may invite to its meetings any persons it deems appropriate to carry out its duties and responsibilities. The Committee may appoint a Secretary who will be entitled to attend all meetings and minute the proceedings.

V. Procedures

Three Committee members shall constitute a quorum sufficient for the Committee to take action. The Committee shall act by a vote of a simple majority. Resolutions may be made at any Committee meeting or by all Committee members signing a resolution in writing sent to all Committee members.

Committee members may participate in a Committee meeting by means of telephone, video conference or similar communications equipment without the need for physical proximity with one another.

The chairperson will determine the meeting agenda, in consultation with the Committee members.

VI. Authority

The Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Articles that are applicable to the Committee or this Charter.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be necessary or appropriate. The Company must provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any advisors employed by the Committee and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may conduct or authorize investigations into any matters within the scope of the duties and responsibilities delegated to the Committee.

VII. Duties and Responsibilities

Interaction with the Independent Auditor

1. Appointment and Oversight. The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor (including resolution of any disagreements between Company management and the independent

auditor regarding financial reporting) and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company, and the independent auditor and each such other registered public accounting firm must report directly to the Committee. The Committee, or the Chair of the Committee, must pre-approve any audit and non-audit service provided to the Company by the independent auditor, unless the engagement is entered into pursuant to appropriate preapproval policies established by the Committee or if such service falls within available exceptions under SEC rules.

2. *Annual Report on Independence.* The Committee must ensure that the

independent auditor shall prepare and deliver to the Committee, at least annually, a written statement delineating all relationships between the independent auditor and the Company, must actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the independent auditor, and, if the Committee determines that further inquiry is advisable, must take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence.

Internal Audit

1. *Internal Audit Plan.* The Committee must review and approve the Company's internal audit function charter, review and approve the annual internal audit plan. The Committee must ensure coordination between the internal and external auditors, ensure that the internal audit process is adequately resourced, and generally monitor its effectiveness.

2. *Internal Audit Review.* The Committee must review and discuss the annual internal audit reports prepared by the internal auditor.

Annual Financial Statements and Annual Audit

1. *Audit Problems.* The Committee must discuss with the independent auditor any audit problems or difficulties and management's response.

2. *Form 20-F Review.* The Committee must review and discuss the annual audited financial statements with management and the independent auditor, including the Company's disclosures under "Item 5. Operation and Financial Review and Prospects."

Other Duties and Responsibilities

1. *Oversight of Related Person Transactions.* The Committee must review and pre-approve (i) any proposed transaction between the Company or any of its subsidiaries or consolidated affiliated entities and any of the officers, Directors or shareholders of the including all transactions required to be disclosed under SEC rules, and (ii) any services provided by the Company's independent auditors to the Company's executive officers or members of their immediate family.

2. *Review of Earnings Releases.* The Committee must review the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

3. *Internal Controls and Risk Management.* The Committee must review the Company's internal financial controls and risk managements systems. In particular, the Committee must review polices to identify and assessing business risks and managing their impact, review internally and externally assurance reports from and ensure timely effectiveness of managements' corrective actions.

4. *Code of Business Conduct.* The Committee must review the Company's program to monitor compliance with the Company's Code of Business Conduct and Ethics.

5. *Complaint Procedures.* The Committee must establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential and anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

6. *Reports to the Board of Directors.* The Committee must report regularly to the Board regarding the activities of the Committee.

7. *Committee Self-Evaluation.* The Committee must at least annually perform an evaluation of the performance of the Committee.

8. *Review of this Charter.* The Committee must annually review and reassess this Charter as conditions dictate and submit any recommended changes to the Board for its consideration.

VIII. Delegation of Duties

In fulfilling its responsibilities, the Committee is entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.