

JPMorgan Chinese Investment Trust plc
Audit Committee –Terms of Reference
(adopted on 27th July 2004 and 25th May 2010)

Purpose

The Audit Committee is a committee of the Board of JPMorgan Chinese Investment Trust plc, established to review the principles, policies and practices adopted in the preparation of the accounts of the Company and to ensure that the interim and annual financial statements of the Company and any other announcement relating to the Company's financial performance comply with all statutory requirements.

The Audit Committee shall also review the work of the Company's external auditors and of the internal controls of JPMorgan Asset Management (UK) Limited ('JPMAM'), in so far as they impact on the Company to ensure the adequacy and effectiveness of their financial, operating, compliance and risk management controls.

The Audit Committee shall also review the management of corporate governance, risk and regulatory compliance as it relates to the Company, and report its findings to the Board.

Membership

The Committee shall be appointed by the Board from amongst the independent Directors of the Company and shall consist of not less than 2 members. At least one member of the Committee shall have recent relevant financial experience. A quorum for meetings shall be 2 members. Membership shall be identified in the Annual Report.

The Chairman of the Committee shall be appointed by the Board.

Attendance at Audit Committee Meetings

Any other Board members shall attend if invited by the Committee.

Any representative of JPMAM, including Internal Audit and Compliance, and the Company's external Auditors shall attend at the invitation of the Committee. The Committee shall meet with the external Auditors at least once a year (without management present, if required). That meeting shall take place around the time of finalisation of the Report and Accounts but frequency of Board meetings may dictate the date.

The Company Secretary shall be the Secretary of the Committee and shall be responsible for preparing the agenda and producing and circulating the minutes to all Directors.

Frequency of Meetings

The Committee shall meet not less than twice per year to coincide with the half year and year ends and meetings may be held immediately before or after a Board meeting. The Company's Auditors may request a meeting with the Committee at any time if they consider that one is necessary.

The notice of each meeting, together with an agenda of items to be discussed, shall be forwarded to each member, and any other person required to attend, no later than five working days before the date of the meeting.

Authority

The Committee is authorised by the Board:

- to investigate any activity within its terms of reference;
- to seek any information it requires in order to perform its duties. JPMAM and its employees shall co-operate with any request made by the Committee; and
- to obtain outside legal or other independent professional advice at the Company's expense and such advisers may attend meetings as necessary.

Responsibilities

The responsibilities of the Committee shall be to:

- give due consideration to laws and regulations, the provisions of the Combined Code, the requirements of the Listing Rules and the AIC Code for the purpose of financial reporting and reviewing the financial statements;
- consider the appointment of the external Auditors and assess their independence, ensuring that key partners are rotated at appropriate intervals;
- recommend the audit fee to the Board and approve any fees in respect of non audit services provided by the external Auditors and to ensure that the provision of non audit services does not impair the external Auditors' independence or objectivity;
- discuss with the external Auditors the nature and scope of the audit and to review their quality control procedures and steps taken by the external Auditors to respond to changes in regulatory and other requirements;
- oversee the process for selecting the external Auditors and make appropriate recommendations through the Board to the shareholders to consider at the AGM ;
- review and approve the external Auditor's engagement letter and review the external Auditors' management letter and JPMAM's response to the external Auditors' findings and recommendations;
- review the external Auditors' audit report;
- confirm all relevant audit information is available to the Auditors;
- review on an annual basis the external Auditors' independence and effectiveness;
- review JPMAM's and the independent Auditors' reports on the effectiveness of systems of internal control;

- review and challenge, where necessary, the actions and judgments of JPMAM in relation to the half year and annual financial statements before submission to the Board, paying particular attention to:
 - critical accounting policies and practices, and any changes in them
 - decisions requiring a major element of judgment
 - the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed
 - the clarity of disclosures
 - significant adjustments or unadjusted differences arising from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with stock exchange, regulatory and other legal requirements
 - reviewing the Company's statement on internal control systems prior to endorsement by the Board and to review the policies and process for identifying and assessing business risks and the management of those risks by the **Company**; and
- review JPMAM's procedures, to the extent that they may impact on the Company, for handling allegations from whistleblowers to ensure that there is a proportionate and independent investigation of such matters and appropriate follow-up action.
- review the effectiveness of the Company's policies and procedures for the identification, assessment and reporting of risks.
- consider other topics as defined by the Board.

Reporting procedures

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board, and the Chairman of the Committee or, as a minimum, another member of the Committee, shall attend the Board meeting at which the accounts are approved.

The Committee members shall conduct an annual review of their work and these terms of reference and make recommendations to the Board.

The Committee's duties and activities during the year shall be disclosed in the annual financial statements.

The Chairman of the Committee shall attend the AGM and shall answer questions, through the Chairman of the Board, on the Committee's activities and their responsibilities.