Schroder UK Mid Cap Fund Plc
Terms of Reference

For the Audit Committee

Role

1. The role of the Audit Committee is to ensure that the Company maintains the highest standards of integrity in financial reporting and internal control.

Membership

2. The Committee shall be appointed by the Board and shall consist of not less than three members all of whom shall be independent non-executive Directors of the Company. At least one member of the Committee should be considered by the Board to have recent and relevant financial experience. A quorum shall be two members.

3. The Chairman of the Committee, who shall not be the Chairman of the Board, shall be appointed by the Board.

4. Membership of the Committee shall be reviewed by the Board from time to time.

5. The Committee may invite such persons as it deems appropriate to attend meetings.

Meetings

6. The Committee shall meet at least twice a year inter alia to consider the interim and annual reports.

7. Meetings may be held more frequently if the Committee deems necessary or if required by the Company's auditors.

8. The Company's auditors will be advised of the timing of Committee meetings and invited to meetings when appropriate and the Committee will have access to the auditors at any time if it so requires.

Secretary

9. The Company Secretary shall be the secretary of the Committee and shall attend all meetings of the Committee.

Authority

10. The Committee is authorised by the Board to investigate any activity within its terms of reference and seek any information it may require. It is authorised to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Role and Responsibilities

11. The responsibilities of the Committee shall be:-

Financial Statements

(a) to monitor the integrity of the financial statements of the company, and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgements contained in them;

(b) to review and, if appropriate, recommend to the Board, the Company's annual and interim reports;

Internal Control

(c) to monitor and review annually whether an internal audit function is required;

(d) to monitor the Company's accounting and financial internal control systems, and to monitor the internal control systems of the Investment Manager and/or custodian and to make recommendations on any improvements to such systems;

(e) to monitor the Company's procedures for ensuring compliance with regulatory and financial reporting requirements and its relationship with the relevant regulatory authorities;

External audit and relationship with the external auditor

(f) to discuss any matters arising from the audit and recommendations made by the auditors;

(g) to make recommendations to the board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;

(h) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;

(i) to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;

(j) to consider other topics, as requested and defined by the Board.

Reporting Procedures

12. The Committee Chairman, or in his absence the elected chairman of the relevant meeting, shall report on the issues raised at the meeting to the Board at the earliest opportunity.

13. The Secretary shall produce and circulate the minutes of meetings of the Committee to all members of the Board.

14. 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 its responsibilities.