

TAIWAN GREATER CHINA FUND CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF TRUSTEES

I. PURPOSE

The primary functions of the Audit Committee (referred to below either as the Audit Committee or simply as the “Committee”) of the Taiwan Greater China Fund (the “Trust”) are to (i) oversee the accounting and financial reporting processes of the Trust and its internal controls over financial reporting, accounting, legal compliance and ethical behavior and, as the Committee deems relevant or appropriate, to inquire into the internal control over financial reporting of third-party service providers to the Trust, (ii) assist the Trust’s Board of Trustees (the “Board”) in its oversight of the Trust’s internal audit functions, (iii) oversee the quality and integrity of the Trust’s financial statements, the independent audit of those statements and other financial information provided by the Trust to shareholders, (iv) oversee, or, as appropriate, assist oversight by the Board of, the Trust’s compliance with legal and regulatory requirements relating to the Trust’s accounting and financial reporting, internal controls over financial reporting and independent audits, (v) approve the engagement of the Trust’s independent auditors and, in connection therewith, review and evaluate the qualifications, independence and performance thereof, (vi) act as a liaison between the Trust’s independent auditors and the full Board and (vii) prepare any reports of the Committee required by applicable securities laws or stock exchange listing requirements or rules to be included in any proxy statements, information statements or other documents. Consistent with these functions, the Committee should encourage continuous improvement of, and should foster adherence to, the Trust’s policies, procedures and practices at all levels.

The independent auditors for the Trust shall report directly to the Committee.

In meeting its responsibilities, the Committee is expected to:

Serve as an independent and objective party to review the Trust’s financial reporting process and internal control system.

Review and appraise the audit activities of the Trust’s outside auditors and internal auditing department.

Provide an open avenue of communication among the outside auditors, financial and senior management, the internal auditors and the Board.

Review such aspects of the Trust’s relationship with affiliated persons of the Trust, including potential conflicts of interest, as the Committee deems necessary or desirable.

The Committee shall have the resources and authority appropriate to discharge its responsibilities, including appropriate funding, as determined by the Committee, for payment of compensation to the Trust’s independent auditors for the purpose of conducting the audit and rendering their audit report, the authority to retain and compensate special counsel and other experts or consultants as the Committee deems necessary, and the authority to obtain specialized training for Committee members, at the expense of the Trust, as appropriate.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter.

II. ORGANIZATION

The Audit Committee shall be comprised of three or more Trustees as determined by the Board, each of whom shall be a Trustee who is not an “interested person” of the Trust (as defined in the Investment Company Act of 1940) and free from any relationship that, in the opinion of the Board, would interfere with the exercise of the Trustee’s independence from the management of the Trust. Each member shall meet the further restrictions set forth on Annex I.

Each member of the Committee must be financially literate, as that qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable time after appointment to the Committee. At least one member of the Committee must have accounting or related financial management expertise, as such qualification is interpreted by the Board in its business judgment.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board, and the members shall serve until their successors shall be duly elected and qualified. The Chair of the Committee may be designated by the full Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The action of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the action of the Committee.

The Committee may delegate any portion of its authority, including the authority to grant pre-approvals of audit and permitted non-audit services, to a subcommittee of one or more members. Any decisions of the subcommittee to grant pre-approvals shall be presented to the full Committee at its next regularly scheduled meeting.

III. MEETINGS

The Audit Committee shall meet at least two times each year, or more frequently as circumstances require. Either the Chair or a majority of the Committee’s members shall be authorized to call a meeting of the Committee and send notice thereof. The Committee shall ordinarily meet in person, provided that members may attend telephonically and the Committee may act by unanimous written consent. The Committee shall have authority to meet privately and to admit non-members by invitation, and may require members of management or others to attend meetings and to provide pertinent information as necessary. As part of its job to foster open communication, the Committee shall meet at least two times each year with management, and at least annually with the Trust’s outside auditors and the Trust’s internal auditor, in separate executive sessions if deemed appropriate by the Committee, to discuss any matters that the Committee or any of the foregoing believe should be discussed. The Committee may also meet with personnel of entities that provide significant accounting or administrative services to the Trust to discuss matters relating to the Trust’s accounting and compliance and such other matters

as the Committee may deem relevant. In addition, if required, the Committee as a whole or its Chair individually shall meet with management and the Trust's outside auditors semiannually to review the Trust's annual and semi-annual financial statements (consistent with IV.7 below). The Committee shall meet in November or December of each year to review the Trust's results of operation as they appear at that time and to determine whether to recommend the payment of a dividend or distribution in that year in accordance with the Trust's declared policies. The Committee shall prepare and retain minutes of its meetings and appropriate documentation of decisions made outside of a meeting by delegated authority.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Audit Committee shall:

1. Appoint and engage on an annual basis, and have the power to terminate the engagement of, the Trust's independent auditors and, in connection therewith, review and evaluate matters potentially affecting the independence and capabilities of such auditors. In reviewing and evaluating the auditors' qualifications, performance and independence, the Committee shall, among other things, obtain and review a report by the audit firm, at least annually, describing the following items:

all relationships between the independent auditors and the Trust, as well as all relationships between the independent auditors and any service provider to the Trust that the Committee considers to be material to the Trust's business; any material issues raised by the most recent internal quality control review or peer review of the audit firm or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by such firm, and any steps taken to deal with any such issues; and

the audit firm's internal quality control procedures.

2. Approve prior to appointment the engagement of the Trust's independent auditors to provide other audit or non-audit services to the Trust.

3. Develop, to the extent deemed appropriate by the Committee, policies and procedures for pre-approval of the engagement of the Trust's independent auditors to provide any of the services described in 2 above.

4. Have the power to consider the controls applied by the Trust's independent auditors and any measures taken by management in an effort to assure that all items requiring pre-approval by the Committee are identified and referred to the Committee in a timely fashion.

5. Review the arrangements for and scope of the Trust's annual audit and any special audits.

6. Review and approve the fees proposed to be charged to the Trust by its independent auditors for each audit and non-audit service.

7. Review and discuss with financial management and the Trust's outside auditors all financial statements and related disclosure documents prior to the filing of such reports with the Securities and Exchange Commission and, if feasible, prior to any public announcement of financial results for the periods covered thereby, including any certification, report, opinion or review rendered by the Trust's outside auditors, and resolve any disagreements between management and the Trust's independent auditors regarding financial reporting. The Chair of the Committee may represent the entire Committee for purposes of this review. In this connection the Committee shall:

Periodically consult with the Trust's outside auditors, without management being present if thought appropriate by the Committee, about the completeness and accuracy of the Trust's financial statements, and the critical accounting judgments utilized in the preparation of those financial statements;

Discuss with the outside auditors their judgments about the quality and appropriateness, as opposed to the acceptability, of the Trust's accounting principles and financial disclosure practices as applied in its financial reporting;

Discuss the Trust's disclosures with regard to its performance in any such reports;
and

Establish regular and separate systems of reporting to the Committee by each of management, the outside auditors and the Trust's internal auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to the appropriateness of those judgments.

8. Review the regular internal reports to management prepared by the Trust's internal auditor and any provider of administrative services to the Trust and management's response to these reports and, in consultation with the Trust's outside auditors, the Trust's internal auditor and any such provider of services, review the integrity of the Trust's financial reporting processes, both internal and external.

9. Review with the Trust's chief executive officer and/or chief financial officer in connection with their certifications on Form N-CSR any significant deficiencies in the design or operation of internal controls over financial reporting or material weaknesses therein and any reported evidence of fraud involving management or other employees who have a significant role in such controls.

10. Establish procedures for the receipt, retention and treatment of complaints received by the Trust relating to accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Trust, any provider of administrative services to the Trust, any principal underwriter for the Trust or any other provider of accounting related services for the Trust of concerns about accounting or auditing, and address reports from auditors of possible violations of federal or state law or any fiduciary duty.

11. Discuss generally the Trust's press releases concerning the results of its operations, as well as any financial information or guidance provided to analysts and rating agencies (if any), with regard to, for example, the types of information to be disclosed and the type of presentation to be made.

12. Review in a general matter, but not assume responsibility for, the Trust's processes with respect to risk assessment and risk management.

13. Set clear policies relating to the hiring by the Trust of employees or former employees of the Trust's independent auditors.

14. Investigate or initiate an investigation of reports of improprieties or suspected improprieties in connection with the Trust's accounting or financial reporting.

15. Review and reassess the adequacy of the Committee's Charter annually and recommend to the Board any changes deemed appropriate by the Committee. The Chair of the Committee may represent the entire Committee for purposes of this review.

16. Evaluate the Committee's own performance at least annually.

17. Following completion of the annual audit, review, separately if thought appropriate by the Committee, with each of management, the Trust's outside auditors, the Trust's internal auditor and any provider of administrative services to the Trust any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information, and consider and approve, if appropriate, either following such review or at any other time the Committee may deem appropriate, major changes to the Trust's auditing and accounting principles and practices as suggested by such persons. Thereafter, the Committee shall, as it deems appropriate, review with such persons the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.

18. Review performance of and fees paid by the Trust to proxy solicitors, custodians, legal counsel and any provider of administrative services.

19. Review legal compliance matters with the Trust's counsel, including the Trust's Code of Ethics and Officers' Code of Ethics.

20. Review any legal matter that could have a significant impact on the Trust's financial statements with the Trust's counsel.

21. Report its activities to the full Board on a regular basis and make such recommendations with respect to the above and other matters as the Committee may deem necessary or appropriate.

22. Perform any other activities consistent with this Charter, the Trust's By-Laws and governing law as the Committee or the Board deems necessary or appropriate.

V. ROLE

The function of the Audit Committee is oversight; it is management's responsibility to maintain appropriate systems for accounting and internal control over financial reporting, and the auditor's responsibility to plan and carry out a proper audit. Specifically, the Trust's management is responsible for (i) the preparation, presentation and integrity of the Trust's financial statements, (ii) the maintenance of appropriate accounting and financial

reporting principles and policies and (iii) the maintenance of internal control over financial reporting and other procedures designed to assure compliance with accounting standards and related laws and regulations. The independent auditors are responsible for planning and carrying out an audit consistent with applicable legal and professional standards and the terms of their engagement letter. Nothing in this Charter shall be construed to reduce the responsibilities or liabilities of the Trust's service providers, including the auditors.

Although the Committee is expected to take a detached and questioning approach to the matters that come before it, the review of the Trust's financial statements by the Committee is not an audit, nor does the Committee's review substitute for the responsibilities of the Trust's management for preparing, or the independent auditors for auditing, the financial statements. Members of the Committee are not full-time employees of the Trust and in serving on the Committee are not, and do not hold themselves out to be, acting as accountants or auditors. As such, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures.

In discharging their duties the members of the Committee are entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by (i) one or more officers of the Trust whom the member reasonably believes to be reliable and competent in the matters presented, (ii) legal counsel, public accountants or other persons as to matters the member reasonably believes are within the person's professional or expert competence or (iii) a Board committee of which the Committee member is not a member.

ANNEX I

Further restrictions:

(a) Employees. A Trustee who is an employee (including non-employee executive officers) of the Trust or any of its affiliates may not serve on the Committee until three years following the termination of his or her employment. In the event the employment relationship is with a former parent or predecessor of the Trust, the Trustee may serve on the Committee after three years following the termination of the relationship between the Trust and the former parent or predecessor.

(b) Business Relationship. A Trustee (i) who is a partner, controlling shareholder or executive officer of an organization that has a business relationship with the Trust or (ii) who has a direct business relationship with the Trust (e.g., a consultant) may serve on the Committee only if the Trust's Board determines in its business judgment that the relationship does not interfere with the Trustee's exercise of independent judgment. In making a determination regarding the independence of a Trustee pursuant to this paragraph, the Board should consider, among other things, the materiality of the relationship to the Trust, to the Trustee, and, if applicable, to the organization with which the Trustee is affiliated.

"Business relationships" can include commercial, industrial, banking, consulting, legal, accounting and other relationships. A Trustee can have such a relationship directly with the Trust, or the Trustee can be a partner, officer or employee of an organization that has

such a relationship. A Trustee may serve on the Committee without such a determination by the Board after three years following the termination of, as applicable, either (1) the relationship between the organization with which the Trustee is affiliated and the Trust, (2) the relationship between the Trustee and his or her partnership status, shareholder interest or executive officer position or (3) the direct business relationship between the Trustee and the Trust.

(c) Cross Compensation Committee Link. A Trustee who is employed as an executive of another entity where any executive officer of the Trust serves on that entity's compensation committee may not serve on the Committee.

(d) Immediate Family. A Trustee who is an Immediate Family member of a person who is an executive officer of the Trust or any of its affiliates may not serve on the Committee until three years following the termination of that employment relationship. Paragraph 303.02 of the NYSE Listed Company Manual defines "Immediate Family" to include 'a person's spouse, parents, children siblings, mothers-in-law and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than employees) who shares such person's home.'