

## **TRILOMA EIG ENERGY INCOME FUND**

### **AUDIT COMMITTEE CHARTER**

**ADOPTED AS OF JUNE 24, 2015**

Triloma EIG Energy Income Fund, (the “Fund”) is a registered investment company. The Fund is advised by Triloma Energy Advisors, LLC (the “Advisor”) and sub-advised by EIG Credit Management Company, LLC (the “Sub-Advisor”). The Advisor also provides administrative services to the Funds directly and through third party sub-administrators.

The board of trustees (“the Board”) of the Fund has determined that the Audit Committee of the Board (the “Committee”) shall assist the Board in fulfilling certain of the Board’s oversight responsibilities. This Audit Committee Charter (the “Charter”) establishes the governing principles of the Committee.

#### **I. Purposes of the Audit Committee**

The purpose of the Committee is to serve as an independent and objective party to assist the Board in fulfilling its oversight responsibilities for the Fund’s accounting and reporting processes and the audits of its financial statements by overseeing and monitoring:

- A. The financial reporting processes of the Fund and its internal control over financial reporting and, as the Committee deems appropriate, the internal controls over financial reporting of certain third-party service providers;
- B. The quality and integrity of the Fund’s financial statements and the independent audit thereof;
- C. The Fund’s compliance with legal and regulatory requirements that relate to the Fund’s accounting, financial reporting, internal control over financial reporting and independent audits and other information provided by the Fund to governmental bodies and regulatory agencies;
- D. The appointment and the engagement of the Fund’s independent public accountant and, in connection therewith, the compensation, the qualifications, independence and performance of the Fund’s independent public accountant;
- E. The assessment and performance of the Fund’s internal audit function.

In discharging his or her duties, a member of the Committee is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by 1) one or more officers of the Fund, whom the trustee reasonably believes to be reliable and competent in the matters presented; 2) legal counsel, independent public accountants, or other persons as to matters the trustee reasonably believes are within the person’s professional or expert competence; or 3) Board committee of which the Committee member is not a member.

The Fund’s independent public accountant shall report directly to the Audit Committee.

#### **II. Membership and Qualifications**

The Committee of the Fund shall consist of at least three (3) members appointed by the Board, each of whom must be:

- A. An independent trustee and not an “interested person” of the Fund, as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the “1940 Act”), nor shall any member receive any compensation from the Funds except compensation for service as a member of the Board or a committee of the Board.
- B. 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. The Board may presume that an “audit committee financial expert” as defined in Item 3 of Form N-CSR (“ACFE”) satisfies the requirement in the foregoing sentence. The Board shall appoint at least one member of the Committee who is an ACFE. The Board shall determine annually whether any member of the Committee is an ACFE.

The Committee’s composition shall meet such other regulatory requirements relating to audit committees established from time to time by the U.S. Securities and Exchange Commission and any other applicable governmental entity or self-regulatory organization or law to which the Fund is subject.

The members of the Committee and the Chairman of the Committee shall be elected by the Board and shall remain in place until their successors are duly elected and qualified. The Board may replace members of the Committee for any reason, at any time.

### **III. Duties and Powers of the Audit Committee**

To carry out its purposes, the Committee shall have the following duties and powers:

- A. Approve prior to appointment the engagement of the Fund’s independent public accountant to annually audit and provide their opinion on the Fund’s financial statements, to recommend to those Board members who are not “interested persons” the selection, retention or termination of the Fund’s independent public accountant and, in connection therewith, to review and evaluate matters potentially affecting the independence and capabilities of the independent public accountant. In evaluating the independent public accountant’s qualifications, performance and independence, the Committee must, among other things, obtain and review a report by the independent public accountant, at least annually, describing the following items:
  - 1. All relationships between the independent public accountant and the Fund, including each non-audit service provided to the Fund and the matters set forth in Public Company Accounting Oversight Board Rule 3526, Communication with Audit Committees Concerning Independence;
  - 2. Any material issues raised by the most recent internal quality control review, or peer review, of the independent public accounting 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 the firm, and any steps taken to deal with any such issues; and
  - 3. The independent public accounting firm’s internal quality-control procedures.

- B. Approve prior to appointment the engagement of the independent public accountant to provide other audit services to the Fund or to provide non-audit services to the Fund, any of its investment advisors or any entity controlling, controlled by, or under common control with such an investment advisor (“advisor affiliate”) that provides ongoing services to the Fund, if the engagement relates directly to the operations and financial reporting of the Fund. [Such services that are individually less than \$10,000 may be approved by the Chairman of the Committee subject to subsequent ratification by the Committee at its next meeting;]
- C. Develop, to the extent deemed appropriate by the Committee, policies and procedures for pre-approval of the engagement of the Fund’s independent public accountant to provide any of the services described in B above;
- D. Consider the controls applied by the independent public accountant and any measures taken by the Fund’s management in an effort to ensure that all items requiring preapproval by the Committee are identified and referred to the Committee in a timely fashion;
- E. Consider whether the non-audit services provided by the Fund’s independent public accountant to the Fund’s investment advisor(s) or any advisor affiliate that provides ongoing services to the Fund, which services were not preapproved by the Committee, are compatible with maintaining the auditor’s independence;
- F. Review the arrangements for and scope of the annual audit and any special audits;
- G. Review and approve the fees proposed to be charged to the Fund by the independent public accountant for each audit and non-audit service;
- H. Consider information and comments from the independent public accountant with respect to the Fund’s accounting and financial reporting policies, procedures and internal control over financial reporting (including the Fund’s critical accounting policies and practices), to consider management’s responses to any such comments and, to the extent the Committee deems necessary or appropriate, to promote improvements in the quality of the Fund’s accounting and financial reporting;
- I. Consider information and comments from the independent public accountant with respect to, and meet with the independent public accountant to discuss any matters of concern relating to, the Fund’s financial statements, including any adjustments to such statements recommended by the independent public accountant, to review the independent public accountant’s opinion on the Fund’s financial statements and to review and discuss with management and the independent public accountant the Fund’s annual audited financial statements and other periodic financial statements;
- J. Resolve disagreements between management and the independent public accountant regarding financial reporting;
- K. Consider any reports of difficulties that may have arisen in the course of the audit, including any limitations on the scope of the audit, and management’s response thereto;
- L. Review with the Fund’s principal executive officer and/or principal financial officer in connection with required certifications on Form N-CSR any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein

and any reported evidence of fraud involving management or other employees who have a significant role in the Fund's internal control over financial reporting;

- M. Establish, or confirm the establishment of, procedures for the receipt, retention and treatment of complaints received by the Fund relating to accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Fund, its investment advisor, investment sub-advisor, administrator, sub-administrator, dealer manager, or any other provider of accounting related services for the Fund of concerns about accounting or auditing matters, and to address reports from attorneys or auditors of possible violations of federal or state law or fiduciary duty;
- N. Review in a general manner, but not as a committee to assume responsibility for, the Fund's processes with respect to risk assessment and risk management and discuss policies with respect to risk assessment and risk management with management;
- O. Require the preapproval of the Committee where the investment advisor, investment sub-advisor, fund and administrator hire employees or former employees of the independent public accountant;
- P. Investigate or initiate an investigation of reports of improprieties or suspected improprieties in connection with the Fund's accounting or financial reporting;
- Q. Report its activities to the full Board on a regular basis and to make such recommendations with respect to the above and other matters as the Committee may deem necessary or appropriate;
- R. Perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the powers provided in this Charter;
- S. Review and discuss the Fund's audited annual financial statements and unaudited semiannual reports with the Advisor and, in the case of the audited financial statements, the independent public accountant;”
- T. Consider and, if appropriate, recommend the publication of the Fund's annual audited financial statements in the Fund's annual report in advance of the printing and publication of the annual report, based on the Committee's review and discussions of such annual report with the independent public accountant, the Fund's officers and the Advisor; and (if applicable) prepare or approve the Committee report required to be included in the Fund's regulatory filings;
- U. Prepare an annual performance evaluation of the Committee for the Board's review and recommend changes as applicable;
- V. Review matters related to valuation of portfolio securities, including valuation policies, and oversee valuation process including fair value determinations, use of third-party vendors and pricing procedures. The Committee shall report and make recommendations to the Board regarding approval of valuation policies, fair value determinations and related matters;
- W. Review the adequacy of the internal controls over the Fund's Net Asset Value (the “NAV”) calculation (including the valuation of securities) and the independent public accountant's comments as to the adequacy of such controls;

- X. Assess the need for, and the adequacy of, the internal audit function of the Fund. The Committee shall be responsible for approving the hiring and firing of members of the Fund's internal audit department. The Committee may retain an independent third party to outsource the internal audit function of the Fund.

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 independent public accountant 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 to fulfill their duties under this Charter, the authority to obtain specialized training for Committee members, at the expense of the Fund, as appropriate, and ordinary administrative expenses of the Committee.

The Committee may, in accordance with applicable laws, delegate any portion of its authority to a subcommittee of one or more members, including the authority to grant pre-approvals of audit and permitted non-audit services, pursuant to the details of the pre-approval policies and procedures adopted by the Committee. Any decisions of the subcommittee to grant pre-approvals shall be presented to the full Committee at its next regularly scheduled meeting.

#### **IV. Meetings of the Committee**

The Committee shall meet on a regular basis as circumstances require and at least quarterly, and the chairman may call special meetings when necessary. The chairman or a majority of the members shall be authorized to call a meeting of the Committee and send notice thereof.

Committee members may attend Committee meetings telephonically (although they are encouraged to attend in person), and the Committee may act by written consent, to the extent permitted by law and by the Fund's By-Laws.

The Committee shall have the authority to meet privately and to admit non-members individually by invitation.

The Committee shall regularly meet in separate executive sessions with representatives of Fund management, the Fund's internal auditors or other personnel responsible for the Fund's internal audit function, where applicable, and the Fund's independent auditors. The Committee may also request to meet with internal legal counsel and compliance personnel of the Advisor and with entities that provide significant accounting or administrative services to the Fund to discuss matters relating to the Fund's accounting and compliance policies and procedures as well as other Fund related matters.

The Committee shall prepare and retain minutes of its meetings and appropriate documentation of decisions made outside of meetings by delegated authority.

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.

#### **V. Approval of the Charter**

The Board shall adopt and approve this Charter and may amend it on the Board's own motion.

The Audit Committee shall review this Charter at least annually and recommend to the full Board any changes the Committee deems appropriate.