

# ECOFIN GLOBAL UTILITIES AND INFRASTRUCTURE TRUST PLC

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## Audit Committee: Terms of Reference

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### Constitution

The Committee is appointed by the Board of the Company under these terms of reference:

### Membership

Except where the composition of the Board precludes it, the Committee shall comprise not less than three Directors of the Company appointed by the Board, all of whom shall be independent of the Investment Manager and at least one of whom shall have recent and relevant financial experience and with competence in accounting and/or auditing.

The Audit Committee as a whole shall have competence relevant to the sector.

The Chairman of the Committee shall be nominated by the Board but shall not be the Chairman of the Board.

The Company Secretary, or if applicable a representative of the Corporate Secretary, shall be Secretary of the Committee.

### Quorum

The quorum for meetings shall be two Directors present in person or by telephone. Other Directors may attend meetings at the invitation of the Committee but shall not be entitled to vote on any business transacted at the meeting.

### Meetings

Meetings shall be held not less than twice a year. A meeting of the Committee may be called by the Chairman of the Committee, any member of the Committee, or the Secretary. The external Auditor(s) may, if they consider it necessary or appropriate, request a meeting of the Committee and shall be entitled to attend any such meeting called by them.

Only Members of the Committee have the right to attend Committee meetings. However, representatives of the Investment Manager and the external Auditors or any other third party deemed appropriate may be invited to attend meetings as and when necessary.

Notice of meetings stating the venue, date and time of the meeting, together with an Agenda of matters to be considered and all relevant papers, shall be circulated to each member of the Committee, normally not less than five days before the date of the meeting.

In the absence of the Chairman of the Committee, the members present shall elect one of their number to chair the meeting.

Minutes of the proceedings of all meetings of the Committee and all Resolutions voted thereon shall be kept by the Company. Copies of the Minutes shall be circulated to all members of the Committee and to the Chairman of the Board. Any Director may upon request be provided with copies of the Minutes, provided their provision does not give rise to any conflict of interest.

### Duties

The duties of the Committee shall be to:

- a. Consider the appointment, resignation or removal of the external auditor and their terms of appointment, resignation or removal (including audit tendering);
- b. Review the relationship with external auditors, the scope of work and the fees payable for annual statutory audits, and the independence of the auditor;
- c. Review the scope and fees for any non-audit activities (including any half-year audit or review work), and make recommendations to the Board in relation thereto;
- d. Agree with the external auditor all issues in connection with compliance with accounting standards and/or any proposals which the external auditor makes in respect of compliance, or non-compliance, the relevant auditing standards;
- e. Review representation letter(s) requested by the external auditor before they are signed by the Company;
- f. Assess annually the external auditor's independence and objectivity, taking into account relevant UK law regulation, the FRC Ethical Standard and other professional requirements.

- g. Assess annually the qualifications, expertise and resources and independence of the auditor and the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures;
- h. Keep under review the Company's internal financial control systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems;
- i. Review reports (if any) and internal control reports of third party service providers;
- j. Review the management of financial matters, including the objectivity of the external auditors;
- k. Review proposed Chairman's Statement and Report of the Investment Manager and other narrative statements for inclusion in the Company's Annual or Half-Year reports;
- l. Review the Financial Statements to be published in the Company's Annual and Half-Year Reports and report to the Board on their content, in particular focusing on:
  - (i) Reviewing the consistency of accounting policies;
  - (ii) Reviewing any material adjustments raised by the audit;
  - (iii) Review of going concern and the Company's viability;
  - (iv) Reviewing compliance with relevant accounting standards;
  - (v) Approval of agreed Directors' Responsibility and Confirmation Statements.
- m. Satisfy itself that the Investment Manager has conducted the affairs of the Company in compliance with regulations applying to the Investment Manager, and in compliance with the Company's stated Investment Policy;
- n. Satisfy itself that the requirements of the Financial Conduct Authority's Listing Rules, related Regulations, Directives and legal requirements have been complied with;
- o. Meet periodically with the Company's Auditor(s), either together or with each Director separately as is deemed most appropriate, and with or without any representative of the Investment Manager or Administrator present as the Committee at its discretion considers appropriate, ordinarily not less than once per year;
- p. Ensure that the Chairman of the Committee attends the Company's Annual General Meetings and is prepared to respond to questions on the Company's published accounts and on the Committee's activities.

The Committee shall further:

- q. Discuss any problems, issues and/or reservations arising from any audit and any matters the auditor feels it necessary to bring to the attention of the Board, Shareholders or creditors;
- r. Be responsible for co-ordinating the work of the auditor and its relationship with the Company.

### **Authority**

The Committee shall have power to obtain any and all information from the Investment Manager, Administrator and Auditor as it considers necessary, may investigate any activities falling within its remit, obtain external legal advice and/or professional assistance at the Company's expense, and procure the attendance of any person(s) at any meetings of the Committee as it deems necessary or desirable in furtherance of its duties.

### **Reporting responsibilities**

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

Where requested by the Board, the Committee should review the content of the Annual Report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy and whether it informs the Board's statement in the Annual Report on these matters that is required under the Code.

The Committee shall compile a report on its activities to be included in the Company's Annual Report. The report should include an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the Committee considered in relation to the Financial Statements and how these issues were addressed, having regard to matters communicated to it by the auditor; and all other information requirements set out in the AIC Code of Corporate Governance.

*Approved on 25 September, 2019*