

BlackRock Energy and Resources Income

Audit and Management Engagement Committee Terms of Reference

(as adopted on 25 July 2023)

There shall be established a Committee of the Board, duly constituted in accordance with Article 116.1 of the Company's Articles of Association, to be known as the Audit and Management Engagement Committee.

The Company has no employees. With effect from 2 July 2014 BlackRock Fund Managers Limited (the 'Manager') was appointed as the Company's Alternative Investment Fund Manager. BlackRock Investment Management (UK) Limited (the 'Investment Manager') continues to act as the Company's investment manager under a delegation agreement with the Manager. The Company Secretary is BlackRock Investment Management (UK) Limited.

Membership

The members of the Committee shall be appointed by the Board of Directors, on the recommendation of the Nomination Committee in consultation with the Chairman of the Audit and Management Engagement Committee. The Committee shall consist of at least two members.

All members of the Committee shall be independent non-executive directors and shall not be associated with any Manager appointed by the Company. The Board shall satisfy itself that at least one member of the Committee has competence in accounting and/or auditing and the Committee as a whole has competence relevant to the sector in which the Company operates.

The Chairman of the Board will not be a member of the Committee.

Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the Director remains independent.

The Chairman of the Committee shall be appointed by the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

Only members of the Committee have the right to attend Committee meetings. However, the external auditor will be invited to attend meetings of the Committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.

Secretary

The Company Secretary or their nominee shall act as Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

BlackRock Energy and Resources Income

Quorum

The quorum necessary for the transaction of business shall be two Committee members.

In the event that one of the members is unable to attend a meeting, to ensure a quorum is present the Chairman has the authority to co-opt one of the other Directors, including, if necessary, any non-independent non-executive director from the Board, should such action at his absolute discretion be deemed necessary.

Frequency of Meetings

The Committee shall meet at least twice a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

Outside of the formal meeting programme, the Committee Chairman will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chairman and the external audit lead.

Notice of Meetings

Meetings of the Committee shall be convened by the Secretary at the request of any of its members, or at the request of the external audit lead partner, the Manager or the Chairman of the Company if they consider it necessary.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors in a timely manner. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.

Minutes

The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee Chairman.

BlackRock Energy and Resources Income

Annual General Meeting

The Chairman of the Committee should attend the Annual General Meeting to answer shareholder questions on the Committee's activities.

Duties

The Committee should carry out the following duties:

A. Internal Controls, Financial Reporting and Risk Management Systems

The Committee shall:

- (i) keep under review the adequacy and effectiveness of the internal financial controls and internal control and risk management systems and on a regular basis carry out a review of their effectiveness and report on that review in the Annual Report; and
- (ii) reasonably satisfy itself that such systems meet relevant legal and regulatory requirements and initiate further investigations as it sees fit as to the effectiveness of the systems of control; and
- (iii) Review the Company's Risk Register on a regular basis and consider any changes in the Risk environment (as advised by the Manager or otherwise) as they arise or are identified; and
- (iv) Perform a robust assessment of the Company's emerging and principal risks and report to the Board on these, including a description of the Company's principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated. (*UK Code Provision 28*). Principal risks should include, but are not necessarily limited to, those that could result in events or circumstances that might threaten the Company's business model, future performance, solvency or liquidity and reputation. In deciding which risks are principal risks the Committee will consider the potential impact and probability of the related events or circumstances, and the timescale over which they may occur; and
- (v) review and approve the statements to be included in the Annual Report concerning internal controls and risk management.

In particular, the Committee shall review and challenge where necessary,

- (i) the consistency of, and any changes to, significant accounting policies both on a year on year basis and across the company/group;

BlackRock Energy and Resources Income

- (ii) the methods used to account for significant or unusual transactions where different approaches are possible;
- (iii) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- (iv) the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made including the going concern assumption to be made by the Board and the assumptions made in assessing the longer term viability of the Company and the appropriateness of the time period over which the assessment is made; and
- (v) all material information presented with the financial statements, such as the investment manager's review and the corporate governance statement (insofar as it relates to the audit and risk management).

The Committee shall:-

- (i) monitor the integrity of the financial statements of the Company including its annual and half- yearly reports, interim management statements and any other formal announcement relating to its financial performance, reviewing significant financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the auditor.
- (ii) review final drafts of the Company's half-year and annual accounts and other financial statements to ensure that the Company's results and financial position are represented accurately and fairly to shareholders. The Committee shall receive such drafts with reasonable notice;
- (iii) review the Company's investments with particular reference to the valuation of any unquoted securities or physical assets and maintenance of the Company's investment trust status under Chapter 4 of Part 24 of the Corporation Tax Act 2010 (formerly Section 842 of the Income and Corporation Taxes Act 1988); and
- (iv) review semi-annual reports from the Manager on its activities as AIFM; a representative of the Manager will attend meetings on request; and
- (v) review semi-annual reports from the Depositary on its activities; a representative of the Depositary will attend meetings on request.

BlackRock Energy and Resources Income

Narrative reporting

Where requested by the Board, the Committee should review the content of the annual report and accounts 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 performance, business model and strategy.

B. External Audit

The Committee shall:

- (i) consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditors. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
- (ii) take primary responsibility for the relationship with the external auditors including (but not limited to):
 - a) recommendations on their remuneration, including fees for audit or audit related services, and that the level of fees is appropriate to enable an adequate audit to be conducted;
 - b) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - c) assessing on an ongoing basis their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditors as a whole, including the provision of any audit related services;
 - d) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
 - e) monitoring the auditor's, compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the company compared to the overall fee income of the firm, office and partner and other related requirements; and
 - f) assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditors on their own internal quality procedures;
 - g) evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the

BlackRock Energy and Resources Income

need to include the risk of the withdrawal of their auditor from the market in that evaluation.

- (iii) meet regularly with the external auditors, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditors at least once a year, without management being present, to discuss their remit and any issues arising from the audit;
- (iv) review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- (v) review the findings of the audit with the external auditors. This shall include but not be limited to, the following:
 - a) a discussion of any major issues which arose during the audit,
 - b) any accounting and audit judgements,
 - c) levels of errors identified during the audit; and
 - d) review the effectiveness of the audit process.
- (vi) review any representation letter(s) requested by the external auditor before they are signed by management;
- (vii) review the management letter and management's response to the auditor's

C. Management Engagement

The Management Engagement terms shall be discussed by the Committee annually, prior to the annual results announcement being released.

The Committee shall:

- (i) Reasonably satisfy itself that the management contract is fair and that the terms remain competitive and sensible for shareholders;
- (ii) reasonably satisfy itself, through regular monitoring and evaluation, that systems of internal control and risk management put in place by the Investment Manager in respect of the Company are adequate to meet relevant legal and regulatory requirements;
- (iii) develop and recommend to the Board a policy on the supply of audit related services by the external auditor to

BlackRock Energy and Resources Income

avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter. The policy will specify the types of audit related work from which the external auditors are excluded. If audit related services are provided, disclosure should be made in the annual report regarding auditor objectivity and independence. A copy of the policy is attached as Appendix 1.

- (iv) reasonably satisfy itself that matters of compliance are under proper review. The Committee shall have direct access to the Manager's Compliance Officer, and shall receive a report from the Manager each year confirming that the management company has conducted the Company's affairs in compliance with the regulations applying to it;
- (v) consider whether the continuing appointment of the Manager on the terms of the management contract is in the interests of shareholders as a whole, and make recommendations to the Board thereon together with a statement of the reasons for their view;
- (vi) consider the appointment or re-appointment of the Manager and the level of management fees and make recommendations to the Board thereon; and
- (vii) review with the Manager any material issues arising from their work that the Investment Manager wishes to bring to the attention of the Committee, whether privately or otherwise.

D. Third Party Service Providers

The Committee shall:

- (i) consider and make recommendations to the Board regarding the appointment of third party service providers; and
- (ii) ensure that third party service providers comply with the terms of their respective agreements with the Company and that the provisions of such agreements follow industry practice, remain competitive and are in the best interests of shareholders

E. Reporting Responsibilities

The Committee Chairman shall:

- (i) report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. The report shall include:
- (ii) the significant issues that it considered in relation to the financial statements (required under paragraph A(i)) and how these were addressed;

BlackRock Energy and Resources Income

- (iii) its assessment of the effectiveness of the external audit process (required under paragraph B(ii)(f)) and its recommendation on the appointment or reappointment of the external auditor; and
 - (iv) and any other issues on which the Board has requested the Committee's opinion.
- (i) The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and
 - (ii) 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 audit; and all other information requirements set out in the Code.
 - (iii) In compiling the reports referred to above the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters that have informed the Board's assessment of whether the Company is a going concern. The report to shareholders need not repeat information disclosed elsewhere in the annual report and accounts, but could provide cross-references to that information.

F. Compliance, Whistleblowing and Fraud

The Committee shall:

- (i) review the adequacy and security of the Manager's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- (ii) review the Company's procedures for detecting fraud;
- (iii) review the Manager's systems and controls for the prevention of bribery and receive reports on non-compliance;
- (iv) review reports from the Manager's Money Laundering Reporting Officer and the adequacy and effectiveness of the Manager's anti-money laundering systems and controls; and
- (v) review reports from the Manager's Compliance Officer and keep under review the adequacy and effectiveness of the Manager's compliance function.

BlackRock Energy and Resources Income

G. Internal audit

The Committee shall consider annually whether there is a need for an internal audit function and make a recommendation to the Board accordingly. The reasons for the absence of such a function should be explained in the relevant section of the annual report.

Other Matters

The Committee shall:

- (i) have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- (ii) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (iii) give due consideration to laws and regulations, the provisions of The UK Corporate Governance Code (formerly the Combined Code), the Market Abuse Regime and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules as appropriate;
- (iv) oversee any investigation of activities which are within its terms of reference;
- (v) work and liaise as necessary with all other board committees;
- (vi) at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- (vii) review with representatives of the Investment Manager, the Administrator and such other persons as it sees fit any matter within its terms of reference including matters of concern to the Investment Manager's Internal Audit or Compliance Departments.

Authority

The Committee is authorised:

- (i) to seek any information it requires from any Director or employee of the Manager, Investment Manager or Secretary and Administrator and to direct all such Directors and employees to co-operate with any request made by the Committee in order for it to perform its duties;
- (ii) to obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter

BlackRock Energy and Resources Income

within its terms of reference;

- (iii) to call any employee of the Manager / and or Investment Manager to be questioned at a meeting of the committee as and when required; and
- (iv) to have the right to publish in the Company's Annual Report details of any issues that cannot be resolved between the Committee and the Board.

References to the "Board" are to the board of directors of the Company.

References to the "Chairman" are to the Chairman of the Committee. References to the "Committee" are to the Audit Committee of the Company.

References to "the Manager" are to the Manager of the Company and /or any person to whom the Manager has delegated roles or duties to under the management agreement effective 2 July 2014 including, without limitation, the delegation of discretionary control of the Company's assets.

BlackRock Energy and Resources Income

APPENDIX 1

Revised Ethical Standard (December 2019)**AUDIT COMMITTEE PRE-APPROVAL POLICY**

Statement of Principle

The Audit Committee (the “Committee”) of the Board of Directors is required to pre-approve the audit and audit related services performed by the independent statutory auditor or any of its affiliates (collectively, the “Audit Firm”) in order to ensure that the provision of such services do not impair the independence of the Audit Firm.

The term of any pre-approval is 12 months from the date of pre-approval, unless the Committee specifically provides for a different period. Periodically, the Committee may review and revise this Policy.

Permitted Audit Related Services for Public Interest Entities

As per paragraph 5.40 of the Revised Ethical Standard, an audit firm carrying out statutory audits of public interest entities and, where the audit firm belongs to a network, any member of such network, shall not provide to the audited entity, to its UK parent undertaking or to its worldwide controlled undertakings, services other than those set out in Exhibit I and II, subject to the approval of the audit committee after it has properly assessed threats to independence and the safeguards applied in accordance with this Ethical Standard.

Pre-Approval

This Policy establishes two different approaches to pre-approving audit and non-audit services. Proposed services may either (1) require the specific pre-approval of the Committee (“Specific Pre-Approval”) or (2) be pre-approved without consideration of specific case-by-case services (“General Pre-Approval”). Unless a type of service has received General Pre-Approval pursuant to this policy, it will require Specific Pre-Approval by the Committee.

Audit Services

The Committee has provided General Pre-approval of all annual Audit Service engagement terms and fees as listed in Exhibit I.

Audit-Related Services

For permissible Audit-Related Services listed in Exhibit II, Specific Pre-approval should be sought from the Committee.

The Committee may approve the provision of the services referred to in Exhibit II, provided that the following requirements are complied with:

- a) they have no direct or have immaterial effect, separately or in the aggregate on the audited financial statements;

BlackRock Energy and Resources Income

- b) the estimation of the effect on the audited financial statements is comprehensively documented and explained in the additional report to the Committee; and
- c) the principles of independence laid down in Directive 2006/43/EC are complied with by the Audit Firm.

Tax Compliance and Advisory Services

The Audit Firm does not provide any such services to the Company therefore no approvals are required.

Prohibited Non-Audit Services

A list of prohibited non-audit services which are subject to outright prohibition in Regulation 80 of The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (SI 2019/177) is attached to this policy as Exhibit 1.

Delegation

In the intervals between the scheduled meetings of the Committee, the Committee delegates authority under this Policy to the Chairman of the Committee (the “Chairman”) to pre-approve Audit and Audit Related Services. The Chairman shall report any pre- approval decisions under this Policy to the Committee at its next scheduled meeting. The Committee can modify, at its discretion, the pre-approval originally granted by the Chairman.

This modification can be to the form or the nature of services pre-approved, the level of fees approved, or both.

The Committee expects pre-approval of Audit and Audit Related services by the Chairman pursuant to this delegated authority to be the exception rather than the rule and may modify or withdraw this delegated authority at any time. The Committee does not delegate its responsibilities to pre-approve services performed by the Audit Firm to management.

BlackRock Energy and Resources Income

EXHIBIT I

Audit Services

- a) Annual audit of financial statements (including quarterly or semi-annual reviews, if applicable) and other procedures required to be performed to be able to form an opinion on the PIEs financial statements.
- b) Consultation by management as to accounting or disclosure treatment of transactions or events and/or the potential impact of final or proposed rules, standards, or interpretations by regulators or standard setting bodies.

EXHIBIT II

Audit-Related Services

Services required by law or regulation and exempt from the non-audit services cap

- Reporting required by a competent authority or regulator under law or regulation for example;
 - Reporting to a regulator on client assets;
 - in relation to entities regulated under the Financial Services and Markets Act 2000 (FSMA), reports under s166 and s340 of FSMA;
 - Reporting to a regulator on regulatory financial statements;
 - Reporting on a Solvency and Financial Condition Report under Solvency II.
- In the case of a controlled undertaking incorporated and based in a third country, reporting required by law or regulation in that jurisdiction where the auditor is permitted to undertake that *engagement*;
- Reporting on internal financial controls when required by law or regulation;
- Reporting on the iXBRL tagging of financial statements in accordance with the European Single Electronic Format for annual financial reports;
- Reports, required by or supplied to competent authorities / regulators supervising the *audited entity*, where the authority / regulator has either specified the auditor to provide the service or identified to the entity that the auditor would be an appropriate choice for service provider;
- Services which support the entity in fulfilling an obligation required by UK law or regulation, including listing requirements where: the provision of such services is time critical; the subject matter of the engagement is price sensitive; and an it is probably that an objective, reasonable and informed third party would conclude that the understanding of the entity obtained by the auditor for the audit of the financial statements is relevant to the service, and where the nature of the service would not compromise independence;

Services subject to the non-audit services cap

- Reviews of interim financial information; and providing verification of interim profits not otherwise required by law or regulation;
- Where not otherwise required by law or regulation, non-audit and additional services, as defined in this Ethical Standard provided as auditor of the entity, or as *reporting accountant*, in relation to information of the *audited entity* for which it is

BlackRock Energy and Resources Income

probable that an objective, reasonable and informed third party would conclude that the understanding of the entity obtained by the auditor is relevant to the service, and where the nature of the service would not compromise independence;

- Extended audit or assurance work that is authorised by those charged with governance performed on financial or performance information and/or financial or operational controls, in an *entity relevant to an engagement* or a third-party service provider, where this work is closely linked with the audit work;
- Additional assurance work or agreed upon procedures, authorised by those charged with governance performed on material included within or referenced from the annual report of an *entity relevant to an engagement*;
- Reporting on government grants;
- Reporting on covenant or loan agreements, which require independent verification, and other reporting to third parties with whom the *entity relevant to an engagement* has a business relationship in accordance with Appendix C of this Ethical Standard;
- Services which have been the subject of an application to the Competent Authority in accordance with Regulation 79 of The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (SI 2019/177);
- Generic subscriptions providing factual updates of changes to applicable law, regulation or accounting and auditing standards.

Where such services are provided, they shall not include any elements of those services subject to outright prohibition in Regulation 80 of The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (SI 2019/177) (as set out in EXHIBIT III). The prohibitions in this Regulation have been amended to require an extended cooling in period for services linked to an audit entity's internal audit function. No other non-audit or additional services shall be provided to the *audited entity*, its UK parent undertaking and its worldwide controlled undertakings by the *audit firm* or any member of the firm's network.

BlackRock Energy and Resources Income

Exhibit III

Prohibited Non-Audit Services for Public Interest Entities

An audit firm carrying out the statutory audit of a public interest entity, or any member of the network to which the audit firm belongs, shall not directly or indirectly provide to the audited entity, to its UK or EU parent undertaking or to its controlled undertakings any prohibited non-audit services in:

- a) the period between the beginning of the period audited and the issuing of the audit report; and
- b) the financial year (or period if longer than one year) immediately preceding the period referred to in point (a) in relation to the services listed in points (e) and (h) of the second subparagraph.

For these purposes, prohibited non-audit services shall mean:

- (a) tax services relating to:
 - (i) preparation of tax forms;
 - (ii) payroll tax;
 - (iii) customs duties;
 - (iv) identification of public subsidies and tax incentives unless support from the audit firm in respect of such services is required by law;
 - (v) support regarding tax inspections by tax authorities unless support from the audit firm in respect of such inspections is required by law;
 - (vi) calculation of direct and indirect tax and deferred tax;
 - (vii) provision of tax advice;
- (b) services that involve playing any part in the management or decision making of the audited entity;
- (c) bookkeeping and preparing accounting records and financial statements;
- (d) payroll services;
- (e) designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems;
- (f) valuation services, including valuations performed in connection with actuarial services or litigation support services;
- (g) legal services, with respect to:
 - (i) the provision of general counsel;
 - (ii) negotiating on behalf of the *audited entity*; and
 - (iii) acting in an advocacy role in the resolution of litigation;
- (h) services related to the audited entity's internal audit function;
- (i) services linked to the financing, capital structure and allocation, and investment strategy of the audited entity, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the audited entity;
- (j) promoting, dealing in, or underwriting shares in the audited entity;
- (k) human resources services, with respect to:

BlackRock Energy and Resources Income

- (i) management in a position to exert significant influence over the preparation of the accounting records or financial statements which are the subject of the *statutory audit*, where such services involve:
 - searching for or seeking out candidates for such position; or
 - undertaking reference checks of candidates for such positions;
- (ii) structuring the organisation design; and
- (iii) cost control.